

Mason-Dixon Resorts, L.P.

Appendix 41:  
A Local Impact Report, Engineering Reports and  
Traffic Studies

APPENDIX 41

LOCAL IMPACT REPORT, ENGINEERING REPORTS, AND TRAFFIC STUDIES

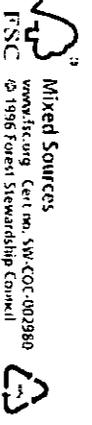
Attached please find the following documents:

- Exhibit A: Econsult Corporation's Potential Economic Impacts of the Proposed Category 3 Mason-Dixon Resort & Casino dated March 2010
- Exhibit B: Environmental Alliance, Inc.'s Phase I Environmental Site Assessment Report dated March 29, 2010
- Exhibit C: Advantage Engineers' Water System Evaluation dated March 26, 2010
- Exhibit D: Sharrah Design Group, Inc.'s Wastewater Treatment Facilities Report dated April 3, 2010
- Exhibit E: Letter from Cumberland Township Police Chief dated February 3, 2010 in which he states: "I believe a Casino/Resort would positively impact the community and Adams County."
- Exhibit F: Duarte B. Morais, Ph.D.'s Comment Paper, "Casino Development in Gettysburg: Social, Economic and Heritage Impacts" dated March 29, 2010

Duarte B. Morais, Ph.D. is an Associate Professor of Recreation, Park and Tourism Management at Pennsylvania State University and also serves the Co-Director of that institution's Tourism Research Lab. Upon the request of the Applicant, Dr. Morais conducted a study and prepared a report regarding the social and economic impacts which casino development would have on Adams County. In addition, Dr. Morais opined on the impact that gaming would have on Gettysburg's existing historical and heritage resources. In conducting his study, Dr. Morais researched the impact which casinos have had on other historic locations including Vicksburg, Mississippi; Biloxi, Mississippi; and Deadwood, South Dakota. Dr. Morais cited examples where tax revenues from gaming have been used to fund heritage preservation.

The Traffic Study prepared by Transportation Resource Group, Inc.'s ("TRG") is attached to Appendix 38 as Exhibit C.





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**POTENTIAL ECONOMIC IMPACTS OF THE  
PROPOSED CATEGORY 3 MASON-DIXON RESORT & CASINO**

**Mason-Dixon Resorts, L.P.  
c/o Mr. David LeVan  
Battlefield Harley-Davidson  
21 Cavalry Field Road  
Gettysburg, PA 17325**

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**Report Submitted to Mason-Dixon Resorts, L.P. to support their application for a  
Category 3 Gaming License by:**

**Econsult Corporation  
6<sup>th</sup> Floor  
3600 Market Street  
Philadelphia, PA 19104**

March 2010

## EXECUTIVE SUMMARY

Mason-Dixon Resorts, L.P. ("Mason-Dixon") is planning to redevelop the existing Eisenhower Hotel & Conference Center complex in Adams County, Pennsylvania. The current plan is to convert and expand the existing Events Complex to incorporate a casino with 600 slot machines, 50 table games, as well as a food court and lounge. The Category 3 Casino ("the Casino") would be developed as part of the redeveloped Eisenhower Hotel & Conference Center and would be known as the "Mason-Dixon Resort & Casino."

In addition to daytrippers who live within an hour of the location, an estimated 93,000 visits from overnight visitors (43,700 from Mason-Dixon Resort & Casino and 49,600 from other hotels in Adams County) to the newly renovated resort and casino will provide significant economic benefits to the host community, Adams County and the Commonwealth. Such benefits would primarily come from revenue that would be generated via gaming taxes, along with other taxes generated by additional induced economic activity. A secondary benefit would be the increased economic activity and employment associated with the construction and ongoing operations of the resort and casino and the increased volume of hotel and meeting business that would occur throughout the region.

Below are the potential annual ongoing economic, fiscal, and qualitative benefits of the proposed complex:

### *Spending and Employment*

- Overall, we estimate that the combined impacts of *incremental net new* casino operational spending and ancillary (visitor) spending will have positive economic impacts for Adams County and the Commonwealth of Pennsylvania

#### Net New, Ongoing Impacts in Adams County

- \$66 million in total economic activity
- 896 total jobs
  - 375 new, FTE jobs at Mason-Dixon Resort and Casino
  - 326 indirect jobs attributable to Mason-Dixon operating expenditures
  - 195 jobs attributable to ancillary (visitor) spending
- Nearly \$16 million in wages and employee earnings

#### Net New, Ongoing Impacts in the Commonwealth of Pennsylvania

- \$127 million in total economic activity
- 1,799 total jobs
  - 375 new, FTE jobs at Mason-Dixon Resort and Casino
  - 1,054 indirect jobs attributable to Mason-Dixon operating expenditures
  - Nearly 370 jobs attributable to ancillary (visitor) spending
- Over \$37 million in wages and employee earnings

*Taxes*

- Combined, gaming and induced non-gaming state taxes could approach \$37 million annually with this proposed complex.
- Combined, gaming and induced non-gaming local taxes could approach \$3.0 million annually with this proposed complex.

*Qualitative Benefits*

- The resort and casino should generate a considerable "recapture" rate for Pennsylvania, due to its proximity to existing West Virginia and proposed Maryland gaming facilities, and the large number of Pennsylvanians who currently leave or would otherwise leave the Commonwealth to patronize such opportunities.
- In addition to stimulating economic development and jobs, the resort and casino would provide expanded and increased meeting and entertainment opportunities for residents and visitors, and provide an important stimulus for regional tourism, convention/meeting activity, and the local retail sector.

## 1.0 INTRODUCTION

Mason-Dixon Resorts, L.P. ("Mason-Dixon") is submitting an application to the Pennsylvania Gaming Control Board for a Category 3 Slot Machine Operator License to develop, own, and operate a first-class resort and casino facility in Adams County, Pennsylvania. The existing facility (with proposed upgrades) meets the basic requirements established for Category 3 licenses, as enumerated in the gaming legislation in section 58 Pa. Code 441.23.

The current Eisenhower Hotel & Conference Center features the following:

- 308 guest rooms in two building complexes (Eisenhower I and Eisenhower II)
- 12,420 square feet of meeting space in Eisenhower I with six meeting rooms, including a ballroom of approximately 9,800 square feet
- 15,563 square feet of meeting space in Eisenhower II with 19 meeting rooms, including a ballroom of approximately 9,700 square feet
- Richard's Restaurant and Lounge
- The Allstar (Events) Complex of approximately 48,260 square feet currently used for events, exhibits, etc.

The current plan is to convert and expand the Events Complex to incorporate a casino with 600 slot machines, 50 table games, as well as a food court and lounge. The Category 3 Casino ("the Casino" or "the Resort and Casino") would be developed as part of the redeveloped Eisenhower Hotel & Conference Center and would be known as the "Mason-Dixon Resort & Casino."

After considerable economic benefits associated with the construction and redevelopment of the existing facility, the new resort and casino would begin generating new, ongoing economic benefits immediately thereafter. Such benefits include generating new regional spending and employment, and state and local government revenues.

The primary potential benefit to the state and host community would be its fiscal impact: the revenue that would be generated via the gaming taxes, currently set at 55% of gross gaming slot revenues and 16% of gross gaming table revenues<sup>1</sup>, along with other taxes generated by additional economic activity. A secondary, but quite important, benefit would be the increased economic activity and employment associated with the ongoing operations of the resort and casino. This report identifies and estimates these economic and fiscal impacts for the proposed complex.

Construction and ongoing-operations of the proposed resort and casino are likely to generate economic and fiscal benefits to the region and to the entire Commonwealth. There are likely to be three areas of significant, quantifiable impact:

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<sup>1</sup> The gaming tax on table revenues would drop to 14% by the end of year two.

1. Construction expenditure impact
2. Ongoing resort and casino operations impact
3. Ancillary patron spending impacts
  - a. Mason-Dixon Resort & Casino
  - b. Hotels and locations surrounding Mason-Dixon

In addition, there are also likely to be several potential qualitative benefits associated with this proposal that could make this particular proposal even more attractive to the State.

### 1.1 Estimated Casino and Resort Visits and Gaming Revenues

The underlying data for all of the estimates presented here are the forecasts for visitation and spending at the proposed facility. Pro forma estimates of resort and casino visits and gaming revenues were developed by PKF Consulting, using standard models incorporating market boundaries, market share, and adult population gaming propensities.

Using various reasonable assumptions about annual growth rates, market penetration, and utilization ramp-up, the resort and casino is forecast to generate approximately 767,000 visits and \$83.1 million in gross gaming revenues in its first stabilized year of operation (for our purposes, assumed to be 2014<sup>2</sup>). Of this, almost 674,000 visits and \$72 million in gross revenues would be generated by daytrippers to Mason-Dixon. In addition, approximately 93,000 visits and \$11.2 million in gross gaming revenue would come from hotel guests at both Mason-Dixon and hotels in the area.

Note that the estimates for gaming visits by hotel guests (at Mason-Dixon hotel and nearby hotels) are based on *existing* market occupancy levels, and do not account for any additional hotel room nights generated by the existence or operation of the facility. This is clearly conservative (and appropriate) when estimating resort and casino visitor numbers, but also clearly omits an important potential spin-off effect: generating more hotel visitors.

### 1.2 Employment Generator

The proposed Mason-Dixon resort and casino would directly employ approximately 475 full-time employees. In addition, hundreds of indirect jobs will be created by the economic activity that is generated by the resort and casino's operations, including increased tourism and convention meeting activity. We estimate the total ongoing employment effect (direct plus indirect and induced jobs) will be nearly 1,800 new jobs in Pennsylvania. This is in addition to nearly 550 construction period jobs – our estimate of employment includes both full-time and part time jobs.

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<sup>2</sup> In 2010 dollars

### 1.3 Revenue Generator

The proposed complex would generate millions of dollars of new taxes and fees to both the Commonwealth and the local governments. In addition to the gaming taxes imposed by the Commonwealth (a portion of which would be distributed back to Adams County and Cumberland Township), the Commonwealth will see increases in personal and corporate income as well as sales tax revenues. Cumberland Township and Gettysburg Area School District, as well as Adams County, will likely benefit from higher property tax payments.

### 1.4 Catalyst for Economic Development

The proposed Mason-Dixon resort and casino will also act as a significant catalyst for the economic competitiveness of Adams County. Based on D.K. Shifflet & Associates' "2007 Pennsylvania Travel Profile," the Hersey/Gettysburg/York "secondary region<sup>3</sup>" ranked second in 2007 among Pennsylvania's tourism regions, with an estimated 7.9 million overnight leisure visitors.

Currently, the major attraction in Adams County is the 6,000-acre Gettysburg National Military Park, which reports approximately 2.0 million visitors per year. In addition, the new \$103-million Gettysburg Museum and Visitor Center opened in late 2008.

Based on the current state of existing gaming areas, a new casino in Adams County would complement the current collection of attractions and options for visitors to the region.

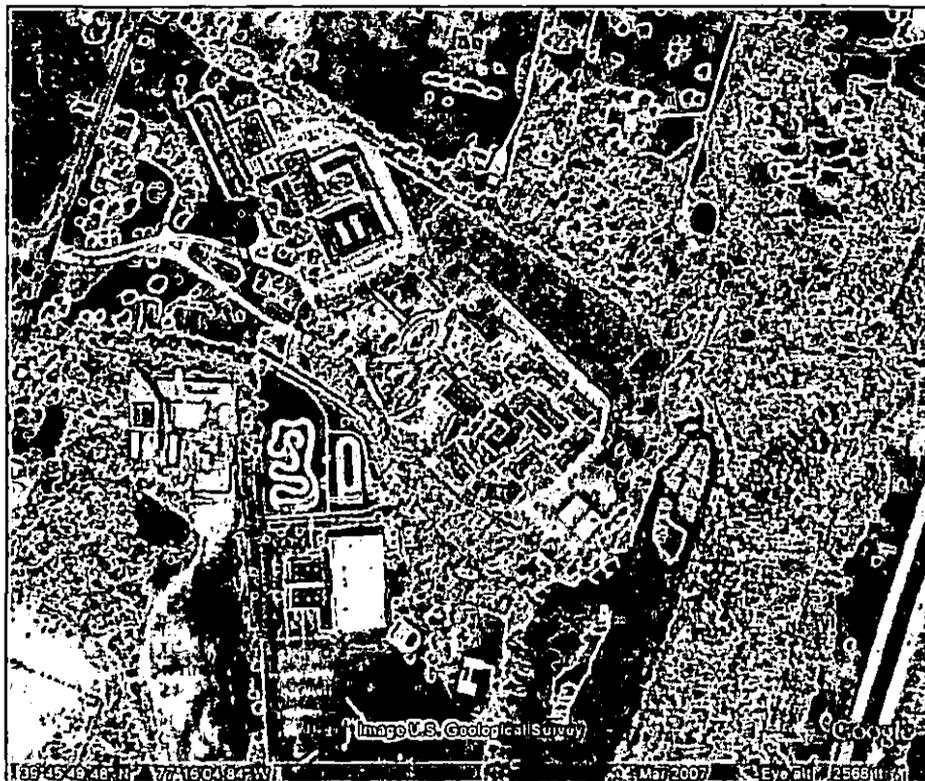
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<sup>3</sup> The "secondary region" consists of Adams, Cumberland, Dauphin, Franklin, Lebanon, Perry, and York Counties.

### 1.5 Site and Neighborhood Characteristics – minimal negative impacts

The specific site being proposed by Mason-Dixon Resorts, L.P. is ideally suited for Category 3 casino use. The site of the Eisenhower Hotel & Conference Center is basically already used for similar purposes, and should generate only minimal cost impacts on nearby residents or businesses, since the property is considerably isolated, as shown in Figure 1.5.1 below.

Figure 1.5.1  
Aerial Photograph of Existing Eisenhower Hotel & Conference Center



Source: Google Earth (2010)

## 2.0 ECONOMIC IMPACTS

The potential economic impacts of the project would be generated via three key avenues:

- Construction activity (construction periods only)
- Ongoing resort and casino facility operational spending (annual)
- Ongoing ancillary spending by resort and casino patrons, outside Mason-Dixon (annual)

Before presenting the specific estimates, we define the various types of economic impacts, and describe the methodology used to estimate them. We estimate the potential economic impacts for each phase of the proposed project in terms of three measures of economic activity: (1) total sales or output (total economic activity), (2) wages and earnings, and (3) employment.

Each of these impacts are going to be generated by **direct (initial or ongoing)** spending on (1) construction (one-time impact for each phase), (2) annual operations of the resort and casino facility, combined with (3) increased hotel operations (ongoing annual impacts). Operating expenditures will include resort and casino and facility spending on payroll, food and other supplies, advertising, and other services. Ancillary spending includes spending outside of the resort and casino on transportation, meals and refreshments, souvenirs, retail, lodging, or other entertainment.

We focus on **direct expenditures** that are anticipated to be spent inside the County or inside the Commonwealth. Each of these "benefit areas" will have different impacts due to the different size of the economies (and hence different multipliers). Since the County is fully contained in the Commonwealth, the Commonwealth percentages will always be higher than the County impact estimates.

### *Total Economic Activity (All Expenditures)*

These **direct** expenditures created by the resort and casino facility will generate additional economic activity by way of **indirect** and **induced** expenditures. **Indirect** expenditures are those expenditures resulting from all intermediate rounds of goods and services produced by various firms that are stimulated by the direct expenditures (construction, operations, and ancillary). For example, the resort and casino facility might purchase linen services from a supplier who would in turn purchase linens, detergent, delivery vehicles, etc., from other businesses. Since some of these items are produced in the region, the resort and casino facility's expenditures for linen services will generate additional rounds of expenditure in the region and Commonwealth. **Induced** expenditures are those that are generated through the spending of households' incomes (salaries and wages) earned as part of the direct and indirect expenditures. For example, employees of a construction firm will spend their earnings on various items (housing, food, clothing), and since some of these items are produced in the region, the construction period expenditures will generate additional rounds of expenditures in the region. Using an Input-Output model, we then calculate

these indirect and induced effects and the spending, earnings, and employment generated by the indirect and induced spending.<sup>4</sup>

Together, the direct, indirect, and induced expenditures sum to the total economic activity or output that could be generated by the resort and casino facility. The construction expenditures and the associated indirect and induced expenditures will have a one-time impact, while the operating and ancillary expenditures and their associated indirect and induced expenditures will have ongoing, annual economic impacts.

### *Earnings and Employment Impacts*

We also estimate the potential economic impacts of the proposed resort and casino facility in terms of two additional measures of economic activity: total earnings (wages and salaries), and total employment. These estimates are based on two independent but related direct numbers: first, if direct employment and payroll can be estimated (as is the case with the resort and casino facility via project proformas of the direct employment anticipated for the construction and the ongoing operations of the facility), the model will generate estimates of indirect and induced earnings and employment that will be associated with the direct expenditures and employment. Even without direct employment numbers (for instance in the case of ancillary spending), the Input-Output models can be used to generate estimates of earnings and employment based on the total spending in the industries.

We turn now to the estimation of these impacts. In this analysis, we estimate the impacts for Adams County and for the Commonwealth of Pennsylvania.

## **2.1 Economic Impacts of Construction Expenditures (One-Time)**

Over the initial several years, Mason-Dixon Resorts, L.P. envisions approximately \$27 million for repositioning and redevelopment costs associated with the gaming venue. We assume that 50% of these expenditures would be made in Adams County, and we assume 95% will be spent in Pennsylvania. A summary of the one-time development costs is provided in Table 2.1.1.

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<sup>4</sup> We have used U.S. Department of Commerce's Regional Input-Output Modeling System II (RIMS II) models for the County and State. Note that since the County is entirely situated in the State, all state impact estimates INCLUDE the County impacts. (Note this is not true for a *metro* area that crosses state borders.) The Input-Output model, which is one of the most commonly used for economic impact analyses, is described in detail in an Appendix to this report.

**Table 2.1.1**  
**Estimated One-Time Development Costs**  
**(Millions of 2010 Dollars)**

Site Work	
Description	Amount
Roadways	\$2.00
Gaming Access Roadway	\$1.00
New Parking	\$1.00
Water Feature	\$0.75
<b>Total</b>	<b>\$4.75</b>

Casino			
Description	Cost per sf	Total Sf	Amount
Porte Cochere	\$250	7,000	\$1.75
Back of House	\$175	25,000	\$4.38
Casino (F&B, Gaming)	\$275	50,000	\$13.75
<b>Total</b>			<b>\$19.88</b>

Summary, Phase 1	Amount
Subtotal, Site Work	\$4.75
Subtotal, Casino	\$19.88
Contingency	\$2.40
<b>Total, Phase 1</b>	<b>\$27.03</b>

*Source: Mason-Dixon Resorts, L.P.*

These development and construction expenditures would stimulate successive rounds of economic activity in the County and Commonwealth in the form of increased sales by businesses, increased employment, and increased expenditures by businesses and employees. While these would be "one-time" impacts coinciding with the construction phase, they are, nevertheless, substantial. The estimated impacts for construction period are presented in Table 2.1.2.

**Table 2.1.2**  
**Potential One-Time Economic Impacts Attributable to Construction**  
**(Millions of 2010 Dollars)**

Description	Adams County	Pennsylvania Commonwealth
Direct Expenditures (\$MM)	\$13.51	\$25.67
Indirect & Induced Expenditures (\$MM)	\$7.01	\$37.10
<b>Total Output (\$MM)</b>	<b>\$20.52</b>	<b>\$62.77</b>
Multiplier	1.52	2.45
<b>Total Employment</b>	<b>137</b>	<b>548</b>
<b>Total Earnings (\$MM)</b>	<b>\$5.28</b>	<b>\$20.14</b>

*Source: Econsult Corporation (2010)*

*\*Results may not add due to rounding*

*\*\*Total Output includes Total Earnings*

*\*\*\*Total Employment includes part-time and full-time jobs*

In Adams County, the \$13.5 million in direct construction expenditures will generate an additional \$7.0 million in indirect and induced expenditures, resulting in \$20.5 million in total output. This suggests a multiplier of 1.52, which is fairly common for a large, economically diverse county. For each \$1 in direct construction expenditures, Adams County will benefit from an additional \$0.52 in indirect and induced expenditures. The \$20.5 million in total output includes \$5.3 million in total earnings, supporting nearly 137 total jobs.

In the Commonwealth of Pennsylvania, the \$25.7 million in direct construction expenditures will generate an additional \$37.1 million in indirect and induced expenditures, resulting in \$62.8 million in total output. This suggests a multiplier of 2.45, suggesting that for each \$1 in direct construction expenditures, the Commonwealth benefits from an additional \$1.45 in indirect and induced expenditures. The \$62.8 million in total output includes \$20.1 million in total earnings, supporting nearly 550 total jobs.

## 2.2 Gross Annual Impacts of Resort and Casino Expenditures (Ongoing)

Mason-Dixon is projected to employ approximately 475 FTE (full-time equivalent) jobs. In addition, hundreds of indirect jobs will be created by the economic activity that is generated by the resort and casino's annual operations. Like the construction expenditures, the operating expenditures would stimulate successive rounds of spending by businesses and employees. Unlike the impacts of construction, the impacts of operating expenditures would be repeated year after year, and would grow over time.

Based on data obtained from PKF Consulting, annual resort and casino pro forma operating expenditures (consisting of fixed costs, variable costs, and management fees) would be at a steady-state, or fully stabilized operations, by 2014. Based on these estimates, annual resort and casino operating expenditures would amount to \$52.0 million (not including gaming taxes), as outlined in Table 2.2.1

**Table 2.2.1**  
**Estimated Annual Direct Resort and Casino Operating Expenditures**  
**(Millions of 2010 Dollars)**

<b>Departmental Expenses</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Rooms	\$1.92	\$1.90	\$2.01	\$2.10	\$2.16
Food	\$4.62	\$4.57	\$4.82	\$5.04	\$5.20
Beverage	\$0.48	\$0.47	\$0.50	\$0.52	\$0.54
Deli	\$0.23	\$0.21	\$0.23	\$0.25	\$0.25
Casino <sup>5</sup>	\$16.70	\$17.07	\$17.66	\$18.25	\$18.80
Spa	\$2.94	\$2.86	\$3.04	\$3.22	\$3.31
Other Operated Departments	\$0.08	\$0.07	\$0.08	\$0.08	\$0.08
<b>Total Departmental Expenses</b>	<b>\$26.96</b>	<b>\$27.13</b>	<b>\$28.34</b>	<b>\$29.45</b>	<b>\$30.34</b>
<b>Undistributed Expenses</b>					
Administrative & General	\$4.85	\$4.94	\$5.12	\$5.30	\$5.46
Marketing	\$4.04	\$4.13	\$4.27	\$4.41	\$4.55
Property Operation and Maintenance	\$2.22	\$2.26	\$2.35	\$2.42	\$2.49
Utility Costs	\$1.24	\$1.26	\$1.32	\$1.36	\$1.40
<b>Total Undistributed Operating Expenses</b>	<b>\$12.35</b>	<b>\$12.59</b>	<b>\$13.06</b>	<b>\$13.49</b>	<b>\$13.90</b>
<b>Base Management Fee</b>	<b>\$1.47</b>	<b>\$1.43</b>	<b>\$1.52</b>	<b>\$1.61</b>	<b>\$1.66</b>
<b>Fixed Expenses</b>					
Property Taxes	\$1.23	\$1.21	\$1.28	\$1.35	\$1.39
Insurance	\$0.31	\$0.32	\$0.33	\$0.34	\$0.35
<b>Total Fixed Expenses</b>	<b>\$1.54</b>	<b>\$1.53</b>	<b>\$1.61</b>	<b>\$1.69</b>	<b>\$1.74</b>
FF&E Reserve	\$3.93	\$3.81	\$4.06	\$4.29	\$4.42
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$46.25</b>	<b>\$46.49</b>	<b>\$48.60</b>	<b>\$50.53</b>	<b>\$52.04</b>

Source: PKF Consulting (2010)

<sup>5</sup> Casino expenses do not include gaming taxes, which amount to approximately \$34.4 million in 2014 (in 2010 dollars). A detailed analysis of gaming tax revenues is outlined in Section 3.0.

These annual resort and casino operating expenditures would generate significant economic impacts in Adams County and the Commonwealth of Pennsylvania. As to location, we assume that 80% of these direct expenditures would be spent in Adams County and 100% in the Commonwealth.

**Table 2.2.2**  
**Potential Gross Annual Ongoing Economic Impacts Attributable to**  
**Mason-Dixon Resort & Casino Operations**  
**Steady State Full Operations 2014**  
**(Millions of 2010 Dollars)**

Description	Adams County	Pennsylvania Commonwealth
Direct Expenditures (\$MM)	\$41.63	\$52.04
Indirect & Induced Expenditures (\$MM)	\$14.40	\$58.51
<b>Total Output (\$MM)</b>	<b>\$56.03</b>	<b>\$110.55</b>
Multiplier	1.35	2.12
<b>Total Employment</b>	<b>774</b>	<b>1,578</b>
<b>Total Earnings (\$MM)</b>	<b>\$13.21</b>	<b>\$32.66</b>

*Source: Econsult Corporation (2010)*

*\*Results may not add due to rounding*

*\*\*Total Output includes Total Earnings*

*\*\*\*Total Employment includes part-time and full-time jobs*

In Adams County, the \$41.6 million in annual resort and casino operations expenditures will generate an additional \$14.4 million in indirect and induced expenditures, resulting in \$56.0 million in total output. This suggests a multiplier of 1.35, which implies that each \$1 in direct resort and casino operating expenditures will generate an additional \$0.35 in indirect and induced expenditures in Adams County. The \$56.0 million in total output includes \$13.2 million in wages and earnings, supporting nearly 775 total jobs.

For the Commonwealth of Pennsylvania, the \$52.0 million in annual resort and casino operations expenditures will generate an additional \$58.5 million in indirect and induced expenditures, resulting in \$110.6 million in total output. This suggests a multiplier of 2.12, suggesting that for each \$1 in direct operating expenditures, the Commonwealth benefits from an additional \$1.12 in indirect and induced expenditures. The \$110.6 million in total output includes \$32.7 million in total earnings, supporting nearly 1,600 total jobs.

### 2.3 Annual Impacts of Increased Operational Expenditures at Mason-Dixon

In addition to the gross impacts outlined in section 2.2 above, it is also important to consider the impacts of the *incremental* impacts attributable to *increased* operational spending at Mason-Dixon. Based on historical operational data provided by Mason-Dixon, total operating expenditures at the Eisenhower Hotel in 2008 amounted to slightly over \$4.9 million. As shown previously, total operating expenditures in 2014 will amount to approximately \$52.0 million (excluding state gaming tax payments). As shown in Table 2.3.2 on the following page, these figures represent an incremental increase in operational spending of \$47.1 million, which represents the total net new economic activity attributable to the expanded resort and casino. As before, we assume 80% of these expenditures are in Adams County and 100% in Pennsylvania.

In addition to increased operational expenditures, there will also be a significant number of net new jobs at Mason-Dixon. The Eisenhower Hotel currently employs 102 people (58 full-time positions and 44 part-time positions). Based on the estimated 475 FTE jobs at Mason-Dixon, this would represent approximately 375 new jobs to Adams County and Pennsylvania.

**Table 2.3.2**  
**Historical, Stabilized, and Total Increase in Annual Operating Expenditures**  
**(Millions of 2010 Dollars)**

	2008 Historical	2014 Stabilized	Increased Operating Expenditures Due to Expansion
<b>Departmental Expenses</b>			
Rooms	\$0.79	\$2.16	\$1.37
Food	\$1.17	\$5.20	\$4.02
Beverage	\$0.16	\$0.54	\$0.37
Deli	\$0.10	\$0.25	\$0.15
Events Complex	\$0.17	\$0.00	-\$0.17
Casino	\$0.00	\$18.80	\$18.80
Spa	\$0.00	\$3.31	\$3.31
Other Operated Departments	\$0.03	\$0.08	\$0.06
<b>Total Departmental Expenses</b>	<b>\$2.42</b>	<b>\$30.34</b>	<b>\$27.92</b>
<b>Undistributed Expenses</b>			
Administrative & General	\$0.54	\$5.46	\$4.92
Marketing	\$0.39	\$4.55	\$4.16
Franchise Fees	\$0.00	\$0.00	\$0.00
Property Operation and Maintenance	\$0.41	\$2.49	\$2.08
Utility Costs	\$0.50	\$1.40	\$0.90
Other Undistributed Expenses	\$0.00	\$0.00	\$0.00
<b>Total Undistributed Operating Expenses</b>	<b>\$1.84</b>	<b>\$13.90</b>	<b>\$12.06</b>
<b>Base Management Fee</b>	<b>\$0.16</b>	<b>\$1.66</b>	<b>\$1.49</b>
<b>Fixed Expenses</b>			
Incentive Management Fee	\$0.00	\$0.00	\$0.00
Property Taxes	\$0.28	\$1.39	\$1.11
Mercantile Taxes	\$0.00	\$0.00	\$0.00
Insurance	\$0.19	\$0.35	\$0.16
Owners' Expenses	\$0.02	\$0.00	-\$0.02
Equipment Leases	\$0.00	\$0.00	\$0.00
Other Fixed Expense	\$0.00	\$0.00	\$0.00
<b>Total Fixed Expenses</b>	<b>\$0.49</b>	<b>\$1.74</b>	<b>\$1.25</b>
FF&E Reserve	\$0.00	\$4.42	\$4.42
<b>Total Operating Expenses</b>	<b>\$4.91</b>	<b>\$52.04</b>	<b>\$47.13</b>

Source: PKF Consulting & Econsult Corporation (2010)

**Table 2.3.3**  
**Potential Annual Ongoing Economic Impacts Attributable to Increased Hotel Operations**  
**(Millions of 2010 Dollars)**

Description	Adams County	Pennsylvania Commonwealth
Direct Expenditures (\$MM)	\$37.70	\$47.13
Indirect & Induced Expenditures (\$MM)	\$13.04	\$52.98
<b>Total Output (\$MM)</b>	<b>\$50.74</b>	<b>\$100.11</b>
<b>Multiplier</b>	1.35	2.124
<b>Total Employment</b>	<b>701</b>	<b>1,429</b>
<b>Total Earnings (\$MM)</b>	<b>\$11.96</b>	<b>\$29.58</b>

*Source: Econsult Corporation (2010)*

*\*Results may not add due to rounding*

*\*\*Total Output includes Total Earnings*

*\*\*\*Total Employment includes part-time and full-time jobs*

In Adams County, the \$37.7 million in increased annual operational expenditures will generate an additional \$13.0 million in indirect and induced expenditures, resulting in \$50.8 million in total net new economic activity. This suggests a multiplier of 1.35, which implies that each \$1 in direct resort and casino operating expenditures will generate an additional \$0.35 in indirect and induced expenditures in Adams County. The \$50.8 million in total output includes \$12.0 million in total earnings, supporting over 700 total jobs.

In the Commonwealth of Pennsylvania, the \$47.1 million in increased annual operational expenditures will generate an additional \$53.0 million in indirect and induced expenditures, resulting in \$100.1 million in total output. This suggests a multiplier of 2.12, suggesting that for each \$1 in direct construction expenditures, the Commonwealth benefits from an additional \$1.12 in indirect and induced expenditures. The \$100.1 million in total output includes \$29.6 million in total earnings, supporting over 1,400 total jobs.

## 2.4 Economic Impacts of Ancillary Expenditures (Ongoing) (Visitor Spending Outside of Mason-Dixon)

In addition to patron spending inside the resort and casino facility, this project can be expected to generate significant additional visitor spending (by the patrons) outside of the Mason-Dixon resort and casino at other area establishments, including local hotels, restaurants, shops, entertainment, and cultural venues.

As we noted earlier, PKF Consulting's estimates for gaming visits by hotel guests (at Mason-Dixon hotels and nearby hotels) are based on *existing* market occupancy levels, and do not account for any additional hotel room nights generated by the existence or operation of the facility. This is clearly conservative (and appropriate) when estimating resort and casino visitor numbers, but also clearly understates an important, potential spin-off effect: generating more hotel visitors and more visitor spending by both overnights and daytrippers.

We refer to this as "ancillary" spending, and it represents an estimate of the incremental spending in the economy in addition to resort and casino and other Mason-Dixon spending. The magnitude of this ancillary spending will be influenced by several factors:

- Total estimated number of patrons/visitors
- Residence of resort and casino patrons
- Proportion of visitors who stay overnight (and length of stay) in other hotels
- Proportion of visitors classified as DAYTRIPPERS
- Average daily ancillary expenditures per OVERNIGHT or DAYTRIPPER visitor
- Spending of DAYTRIPPERS and OVERNIGHT visitors

We have developed estimates of direct ancillary spending based in part on PKF Consulting's estimates of annual resort and casino visitors. Underlying our estimates are several assumptions, which we think are conservative, thereby making our estimates of ancillary direct spending conservative.

We define direct ancillary (outside of the resort and casino facility) spending to be the sum of the spending by OVERNIGHT visitors (outside of Mason-Dixon hotel) and DAYTRIPPERS. In order to estimate the two direct expenditure amounts, we use the following methodology.<sup>6</sup>

The first step is to estimate the proportion and number of gaming visitors (DAYTRIPPERS) that will spend money in the local area. First, we exclude approximately 449,000 visits that are expected to be local -- that is, visitors will be coming from Zone 1 (residents within a 30-minute drive time from Mason-Dixon).

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<sup>6</sup> An alternative method is to make an assumption about the amount of spending each resort and casino visitor will spend on his or her trip, and then make an assumption about what PORTION of that spending will be made INSIDE and OUTSIDE of the resort and casino. Although this is a reasonable and direct method, we do not use this methodology because we do not have any good basis for making the proportion assumption.

Zone 1 includes the following number of zip codes in the counties specified below:

**Zone 1 Breakdown**

- 10 zip codes in Adams County, PA
- 3 zip codes in York County, PA
- 3 zip codes in Franklin County, PA
- 2 zip codes in Carroll County, MD
- 7 zip codes in Frederick County, MD

This leaves an estimated 225,000 visits from Zone 2, or residents within a 30-minute to 60-minute drive time from Mason-Dixon. Zone 2 includes the following number of zip codes in the counties specified below:

**Zone 2 Breakdown**

- 7 zip codes in York County, PA
- 4 zip codes in Franklin County, PA
- 5 zip codes in Cumberland County, PA
- 2 zip codes in Carroll County, MD
- 2 zip codes in Frederick County, MD
- 4 zip codes in Washington County, MD

In addition to the 674,000 local gaming visits, there will also be an additional 93,000 non-local gaming visitors (OVERNIGHTERS), as indicated by PKF Consulting.

**Table 2.4.1  
 Total Visitors & Ancillary Spending  
 (Millions of 2010 Dollars)**

Description	Amount
Total Overnights	93,333
Spending per Overnighter <sup>7</sup>	\$120.0
<b>Total Overnighter Spending</b>	<b>\$11.20</b>
Total Daytrippers (Zone 2)	225,027
% of Daytrippers who Spend \$	25%
Daytrippers Spending \$	56,257
Spending per Daytripper	\$25
<b>Total Daytripper Spending</b>	<b>\$ 1.41</b>
<b>Total Visitor Spending</b>	<b>\$ 12.61</b>

*Source: Econsult Corporation (2010)*

<sup>7</sup> In addition to the average hotel cost of \$92.96, we assume that overnighters will spend approximately \$30 at local attractions, restaurants, and retail establishments.

Based on average daily hotel room rates of \$92.96/night (for 2009<sup>8</sup>) in Adams County, we assume a per-visitor trip spending of \$120 for overnighters and \$25 for daytrippers (Zone 2). This in turn generates annual direct spending for overnighters of \$11.2 million and daytrippers of \$1.4 million, or over \$12.6 million combined, as shown in Table 2.4.1. We also assume that 90% of the ancillary spending occurs in Adams County and 100% in Pennsylvania.

**Table 2.4.2**  
**Potential Annual Ongoing Economic Impacts Attributable to Ancillary Spending**  
**(Millions of 2010 Dollars)**

Description	Adams County	Pennsylvania Commonwealth
Direct Expenditures (\$MM)	\$11.35	\$12.61
Indirect & Induced Expenditures (\$MM)	\$3.92	\$14.43
<b>Total Output (\$MM)</b>	<b>\$15.27</b>	<b>\$27.04</b>
Multiplier	1.35	2.14
Total Employment	195	367
<b>Total Earnings (\$MM)</b>	<b>\$3.55</b>	<b>\$7.74</b>

*Source: Econsult Corporation (2010)*

*\*Results may not add due to rounding*

*\*\*Total Output includes Total Earnings*

*\*\*\*Total Employment includes part-time and full-time jobs*

In Adams County, the \$11.4 million in ancillary spending will generate an additional \$3.9 million in indirect and induced expenditures, resulting in \$15.3 million in total output. This suggests a multiplier of 1.35, which implies that each \$1 in direct resort and casino operating expenditures will generate an additional \$0.35 in indirect and induced expenditures in Adams County. The \$15.3 million in total output includes \$3.6 million in total earnings, supporting nearly 200 total jobs.

In the Commonwealth of Pennsylvania, the \$12.6 million in increased annual hotel operations expenditures will generate an additional \$14.4 million in indirect and induced expenditures, resulting in \$27.0 million in total output. This suggests a multiplier of 2.14, which implies that for each \$1 in direct construction expenditures, the Commonwealth benefits from an additional \$1.14 in indirect and induced expenditures. The \$27.0 million in total output includes \$7.7 million in total earnings, supporting nearly 370 total jobs.

Overall, we estimate that the combined impacts of *incremental* net new casino operational spending and ancillary (visitor) spending in the Commonwealth of Pennsylvania will amount to:

- Over \$127 million in total economic activity
- Nearly 1,800 total jobs
- Over \$37 million in total employee earnings

<sup>8</sup> Source: Smith Travel Research

### 3.0 IMPACTS ON STATE AND LOCAL TAX REVENUE

The Commonwealth of Pennsylvania, Adams County, Cumberland Township and Gettysburg Area School District would all see significant tax revenues generated, directly and indirectly, by the proposed resort and casino, especially once in operation. In this section we provide estimates for those increased revenues, first at the state level and then at the local/county level.

#### 3.1 State Tax Revenues

In addition to the license fee (one-time \$5 million fee for slot machines and one-time \$7.5 million fee for table games for Category 3) and any other fees associated with the award of a license, the resort and casino facility will pay significant taxes to the Commonwealth based on the level of its activities (in particular the state tax on resort and casino gross gaming revenues), and taxes generated by the up front construction activities. The direct operating activities of the resort and casino facility will generate sizable new tax revenues annually to the Commonwealth, including personal and corporate income and sales taxes. We use our own model of the Pennsylvania tax system to estimate the Commonwealth's annual tax revenue associated with the indirect and induced economic activity generated by the resort and casino facility operations and ancillary spending, and add that to the estimates of direct gaming taxes.

PKF Consulting has estimated an annual "win" of \$83.1 million, in 2010 dollars, in the first stabilized year of gaming (2014). This estimate contains two components:

- \$60.25 million in total slot gaming revenue
- \$22.85 million in total table gaming revenue

The Commonwealth imposes gaming taxes, applied to gross gaming revenues, in three categories. Based on an estimate of \$83.1 million in annual gross gaming revenues (\$60.25 million in slot revenues and \$22.85 in table revenues), the proposed resort and casino would generate \$34.4 million in state gaming tax revenues during the first stabilized year of operation, as shown in Table 3.1.1.

**Table 3.1.1**  
**Potential Direct Gaming State Tax Revenue**  
**(Millions of 2010 Dollars)**

Description	Tax Rate	Total Gaming Taxes
<b>SLOTS (\$60.25 million total slot gaming revenue)</b>		
Gaming Fund	34%	\$20.5
Race Horse Development Fund	12%	\$7.2
Economic Development and Tourism Fund	5%	\$3.0
<b>TABLES (\$22.85 million total table gaming revenue)</b>		
Table Taxes	16%	\$3.7
<b>Total State Gaming Revenue</b>		<b>\$34.4</b>

*Source: Econsult Corporation (2010)*

**Table 3.1.2**  
**Potential Non-Gaming State Taxes**  
**(Millions of 2010 Dollars)**

Description	Pennsylvania State Personal Income Tax	Pennsylvania State Sales and Use Tax	Pennsylvania State Corporate Net Income Tax	Pennsylvania State Capital Stock and Franchise Tax	Total Tax Impact
Construction Period (One-Time)	\$0.53	\$0.64	\$0.15	\$0.10	\$1.42
Annual Resort & Casino Operations (Ongoing)	\$0.69	\$0.95	\$0.22	\$0.15	\$2.01
Annual Ancillary Spending (Ongoing)	\$0.20	\$0.29	\$0.07	\$0.05	\$0.61
Total Annual Ongoing	\$0.90	\$1.24	\$0.29	\$0.20	\$2.62

Source: Econsult Corporation (2010)

As shown in Table 3.1.2, the construction period is estimated to generate a one-time tax impact of \$1.4 million. Annual resort and casino operations and annual increased hotel operations are estimated to generate annual ongoing tax impacts for the Commonwealth of Pennsylvania of \$2.0 and \$0.6 million, respectively. Total induced state non-gaming annual taxes will amount to over \$2.6 million.

**When combined, gaming and induced non-gaming state taxes could amount to over \$37.0 million annually with the proposed Mason-Dixon Resort & Casino**

### 3.2 Local Tax Revenues

Adams County, Cumberland Township, and the Gettysburg Area School District would all see increased tax revenues, directly via gaming taxes or via increases in existing local tax bases. We conservatively assume that one-time development costs of over \$27 million will lead to an increase in market value of \$25 million. Applying the Adams County common level ratio of 22.2%, we estimate that the total increase in assessed value will be \$5.5 million, which would generate the following increases in property tax revenue:

Adams County:	\$85,748
Cumberland Township:	\$19,425
Gettysburg Area School District:	\$225,885
<b>Total Increased Property Tax Revenue:</b>	<b>\$331,058</b>

**Table 3.2.1**  
**Property Tax Rates**  
**Adams County, Cumberland Township, and Gettysburg Area School District**  
**(2010 Dollars)**

Description	Millage/Rate	\$
Estimated Market Value		\$25,000,000
Ratio		22.20%
Assessed Value		\$5,550,000
Adams County	0.01545	\$85,748
Cumberland Township	0.0035	\$19,425
Gettysburg Area School District	0.0407	\$225,885
<b>Total Increase in Property Taxes</b>	<b>0.05965</b>	<b>\$331,058</b>

*Source: Econsult Corporation (2010)*

Total local gaming taxes will amount to \$2.4 million, while increases in total non-gaming taxes amount to \$0.57 million, amounting to total local tax revenues of nearly \$3.0 million, as shown in Table 3.2.2.

**Table 3.2.2**  
**Potential *INCREASES* in Local Tax Revenues**  
**(Millions of 2010 Dollars)**

Description	Total Tax Impact
<b>Gaming Taxes</b>	
2% for Local host community fee	\$1.20
2% for DCED Adams County Economic Development	\$1.20
<b>Total Local Gaming Taxes</b>	<b>\$2.40</b>
<b>Non-Gaming Taxes</b>	
Real Estate Taxes	
Adams County	\$0.09
Cumberland Township	\$0.02
Gettysburg Area School District	\$0.23
3% County Room Rental Tax	\$0.24
<b>Total Non-Gaming Taxes</b>	<b>\$0.58</b>
<b>Total Gaming and Non-Gaming Taxes</b>	<b>\$2.98</b>

*Source: Econsult Corporation (2010)*

Combined, gaming and induced non-gaming local taxes could approach \$3.0 million annually with this proposed resort and casino.

## 4.0 POTENTIAL QUALITATIVE IMPACTS

This proposal offers Pennsylvania a unique opportunity to: (1) maximize the overall net fiscal impact of the gaming industry to the Commonwealth, and (2) complement and strengthen the existing tourism industry in Adams County and the surrounding region, one of the Commonwealth's most important sources of economic growth.

In designing this proposed project Mason-Dixon Resorts, L.P. has made every effort to minimize and remediate negative qualitative impacts, while maximizing positive qualitative impacts.

### 4.1 Positive Qualitative Impacts

In addition to the quantitative economic impacts discussed in previous sections, the proposed resort and casino facility project would generate several important unique qualitative benefits for the County and Commonwealth. While these are all valuable to the County and its citizens, it is difficult to place a dollar estimate on their values, since they are not directly exchanged in the marketplace.

- The Mason-Dixon resort and casino should generate a considerable "recapture" rate for Pennsylvania, due to its proximity to existing West Virginia and proposed Maryland gaming facilities, and the large number of Pennsylvanians who currently leave or would otherwise leave the Commonwealth to patronize such opportunities. As noted above, this recapture has the same stimulating effect on the economy as a new export.
- In addition to stimulating economic development and jobs, the Mason-Dixon resort and casino would provide expanded and increased meeting and entertainment opportunities for residents and visitors, and provide an important stimulus for regional tourism and convention/meeting activity. Mason-Dixon intends to work closely with local and state tourism and convention officials to enhance their marketing efforts. Marketing will take advantage of the proximity to important cultural, historical, and entertainment tourist attractions. This will boost tourism and convention attendance, generating significant additional business for the region's hospitality industry.

#### *Convention/ Tourism Builder – strengthens regional convention and tourism efforts*

Mason-Dixon resort and casino should provide an important stimulus for Adams County and regional tourism. Mason-Dixon will:

- Be designed as a convention-enhancing amenity
- Offer exciting non-casino entertainment activities, in addition to a high-quality gaming experience
- Work closely with State tourism and convention officials to enhance their marketing efforts

- Take advantage of its location in the center of the Metropolitan area easily accessible via convenient highway access
- Boost tourism and convention attendance, generating significant additional business for Adams County and the region's hospitality industry.

#### **4.2 Minimal impacts to neighborhoods, local government services or infrastructure**

The impacts of the proposed resort and casino should have only minor negative impacts on the neighboring communities and the County government, primarily because this would not represent a significant change of use. Sufficient transportation and parking infrastructure is basically in place, and the facility is not adjacent to residential neighborhoods.

## APPENDIX A: RIMS II INPUT-OUTPUT MODELS

### A.1 REGIONAL INPUT-OUTPUT MODELS AND METHODOLOGY

The regional economic impact estimates in this report are based on a standard regional input-output model developed by the U. S. Department of Commerce, Bureau of Economic Analysis. This model, the Regional Input-Output Modeling System (RIMS II), is a standard and widely used tool for estimating regional economic impacts. The results generated from the RIMS II are widely recognized as reasonable and plausible in cases where the data utilized as the input to the model are accurate and based on reasonable assumptions. This section describes the basic concepts that underlie RIMS II.

In general, if the demand for the output of an industry in a given region increases by \$1 million, total regional output increases by \$1 million. This increase is referred to as the *direct expenditure effect*. However, the economic impact on the region of the \$1 million increase in final demand does not stop with the direct expenditure effect. Regional firms will also be called upon to increase their production to meet the needs of the industry where the initial increase in final demand occurs. Further, other suppliers must also increase production to meet the needs of the initial group of supplier firms. The total increase in expenditures by regional suppliers is considered the "indirect" economic impact of the initial \$1 million in sales, and is included in measures of the total economic impact of the initial \$1 million in sales.

The total economic impact of the \$1 million in initial sales includes one additional element. All economic activity that results from the initial \$1 million in sales, whether direct or indirect, requires workers, and these workers must be paid for their labor. This means that part of the direct and indirect output produced is actually in the form of wages and salaries paid to workers in the various affected industries. These wages and salaries will in turn be spent in part on goods and services produced locally, creating another round of regional economic impacts referred to as "induced" impacts.

Direct expenditures are input into the RIMS II model. The model then produces a calculation of the total expenditures within the regional economy that results from these direct expenditures. This total effect is the sum of the initial direct, indirect, and induced expenditures. The RIMS II model also estimates the proportion of direct, indirect, and induced expenditures that represent income earned by regional households. Finally, the RIMS II model calculates total expenditure impacts that occur within each industrial sector, and translates this estimate into an estimate of the total number of full-time and part-time jobs within each industry required to produce this output.

The RIMS II model is based on regional *multipliers*, which are summary measures of economic impacts generated from direct changes in expenditures, earnings, or employment. Multipliers show the overall impact to a regional economy resulting from a change in a particular industry. Multipliers can vary widely by industry and area. Multipliers are higher for regions with a diverse industry mix. Industries that buy most of their materials from outside the Commonwealth or region tend to have lower multipliers. Multipliers also tend to be higher for industries located in larger areas, because more of the spending by the industry stays within the area.

## A.2 FISCAL IMPACT MODEL

The economic activity estimated to result from an economic development project should result in additional tax revenue for Commonwealth and local government in the region where that economic activity occurs. Econsult's Fiscal Impact Model is designed to estimate this level of additional tax revenue based on the estimates of economic impact produced by the RIMS II model.

The RIMS II model provides estimates of direct, indirect, and induced expenditures, earnings, and employment within a county, metropolitan area, or state. Econsult combines the output of the RIMS II model with U. S. Census Bureau County Business Patterns data to produce estimates of the distribution of additional employment and earnings by county within a region or state. In addition, U. S. Census Bureau "Journey to Work" data on commuting flows from the 2000 Census are utilized to estimate income earned by residents of each county within a region.

Pennsylvania Commonwealth business and sales taxes are estimated based on the most recent data on average sales tax base per employee by major industry, as contained in publications from the Pennsylvania Department of Revenue. The RIMS II model produces estimates of additional employment by industry. These estimates, combined with estimates of the average business and sales tax base per employee, and current and projected future tax rates, produce the estimates of additional annual state business and sales tax revenue.

For the current study, the fiscal impact estimates take into account estimated additional revenue from the following major tax sources:

- Pennsylvania Commonwealth sales tax
- Pennsylvania personal income tax
- Pennsylvania corporate net income tax
- Pennsylvania capital stock and franchise tax

## APPENDIX B: ECONSULT INFORMATION AND BIOGRAPHIES

### **ECONSULT CORPORATION**<sup>®</sup>

Founded in 1979, in Philadelphia, Pennsylvania for the purpose of providing high quality economic research and statistical analysis in support of litigation, Econsult has grown to offer a wide range of consulting services and products. The firm is a recognized leader in the application of economic tools and concepts to complex problems in litigation, public policy, and business strategy.

Econsult has extensive experience in the analysis of economic impacts of economic development and real estate investment projects including:

- Gaming In Philadelphia and Mayor's Task Force on Gaming
- Foxwoods Philadelphia Casino
- Aztar Tropicana, Allentown, PA (proposed/application denied)
- Proposed Category 3 Entertainment Center Gaming Facility for the Valley Forge Convention Center
- Proposed casinos in Kansas City and Iowa

The experience most relevant to the current study is Econsult's previous work on the potential economic impacts of gaming in Philadelphia. In 2005 senior Econsult Principals Stephen Mullin and David Crawford were consultants to the Economic Impact Committee of the Philadelphia Gaming Advisory Task Force. Econsult teamed with the Innovation Group to conduct the economic impact analyses on which the Task Force relied in its Interim and Final Reports.

Over the years, Econsult has distinguished itself in numerous engagements by its dedication to providing clients with leading edge insights and responsive, top-quality economic consulting support on many issues in addition to the economic impacts of economic development and real estate investment projects. In past years, Crawford, Mullin, and their colleagues have advised the City Controller, the Tax Reform Commission, and Philadelphia City Council on the reform of Philadelphia's taxes. In 2002, Dr. Crawford directed a major study of labor and management problems at the Pennsylvania Convention Center that received wide support from business, labor, and government and became the template for a new collective bargaining agreement that dramatically changed the way work is done at the Center.

**Stephen P. Mullin** is Senior Vice President and Principal of Econsult Corporation, an economic consulting firm based in Philadelphia. His consulting practice concentrates on state and public finance and policy analysis, economic and real estate development and impact analyses, and business strategies utilizing government incentive programs.

Mr. Mullin is active in corporate and civic activities, and teaches courses at various area universities. He currently serves as an independent trustee (former Chairman) of the Optimum Fund Trust Mutual Fund, a Director of NASDAQOMX Futures Exchange, and on the advisory boards of Haverford Trust Company, the Arden Real Estate Fund I, the World Trade Center of Greater Philadelphia, and UCI Architects Inc. He also serves on the boards of the Independence Visitor Center Corporation (former Treasurer), the Community College of Philadelphia Foundation, the Presbyterian Foundation, the Mural Arts Advisory Board, The Rock School for Dance Education, and the Fairmount Park Conservancy. He also serves on the Preservation Alliance Advocacy Committee and he is a member of the Design Advocacy Group's steering committee, and the Editorial Board of the AIA's journal *Context* and the Developer's Workshop, Inc. He formerly served on the Board of the Union League, as Finance Committee Chair for the University City Science Center Board, as Treasurer of the Historical Society of Pennsylvania, as President of the Harvard Club of Philadelphia and as Chairman of the Commercial Realty Review Corporate Advisors, and many other civic and cultural boards.

Mr. Mullin served from 1993-2000 as Philadelphia's Director of Commerce, chairing the Mayor's *Economic Development Cabinet and coordinating activities of the City's various development agencies*. He served on many boards and commissions, including the City Planning Commission and Philadelphia Industrial Development Corporation, the Philadelphia Commercial Development Corporation (Chair), the Airport Advisory Board, the Convention and Visitors Bureau, the Historic Commission, the Port of Philadelphia and Camden and the Penn's Landing Development Corporation. Mr. Mullin also served as Philadelphia's Director of Finance from 1992-93, during the City's fiscal turnaround. He chaired the Municipal Pension Board and was a member of the PICA Board and the Pennsylvania Convention Center Authority Board.

He was Budget Director for the City of St. Louis (82-88) and Director of Corporate Development for the Laclede Gas Company (88-90), where he developed merger and acquisitions strategies for the investor-owned utility. From 1990 to 1992, he served as Deputy Director of the St. Louis Development Corporation, where he was responsible for commercial and industrial development programs for St. Louis.

Mr. Mullin is a 1973 *cum laude* graduate of Phillips Exeter Academy, a 1977 *magna cum laude* in Economics graduate of Harvard University, and he earned an M.A. in Economics from the University of Pennsylvania in 1982. He has taught economics and public finance courses at Penn's Fels School, Wharton and City Planning Department, Drexel University, Bryn Mawr College, Widener University, Temple University, Philadelphia University and Peirce College. He served as Chairman of the Corporate Advisory Council for Drexel's Center for E-Commerce Management. He has authored articles, delivered numerous speeches, is frequently interviewed in print and television media, and participates in many seminars and panels discussing local government policy, economic and real estate development, environmental issues, education,

sports and convention center facility finance, and e-commerce. He was voted one of Philadelphia's 101 most connected people in 2007.

Mr. Mullin is a member of the Union League and the Philadelphia Club, the Athenaeum of Philadelphia, the Wissahickon Skating Club, and Lambda Alpha International. He lives in Philadelphia's Spring Garden neighborhood with his wife, Janet, and daughters.

**Michael R. Mariano** is Managing Director of Spatial Analytics & GIS (Geographic Information Systems) Solutions of Econsult Corporation and has been with the firm since January 2001. Mr. Mariano oversees all GIS projects and economic impact studies and was responsible for the initial implementation of both at Econsult. He has extensive experience utilizing GIS and spatial analytical techniques and has managed projects focusing on a wide variety of topics, including potential positive or negative real estate impacts, demographic and market analysis, and housing price indexes. He also oversees all research and analysis for economic and fiscal impact studies, including data base creation and analysis and statistical model design and implementation.

Michael has expert knowledge of a wide variety of statistical and data analysis programs including SAS, STATA, and E-Views and is expert in Microsoft Office, Adobe and Macromedia suites, and the GIS software ArcMap, including ArcScene/3D-Analyst, Spatial Analyst, and Geostatistical Analyst.

Mr. Mariano graduated from the Wharton School of the University of Pennsylvania in 2000 with a concentration in Marketing. He will receive his Master of Science in Urban Spatial Analytics in May 2010.

RECEIPT

I, George Weikert, hereby acknowledge receipt of the Local Impact Report prepared on behalf of Mason-Dixon Resorts, L.P. which was provided to me by Bernard A. Yannetti, Jr. Esquire on this date.

DATE: 3/25/2010

George A. Weikert  
George Weikert

RECEIPT

I, David P. Waybright, hereby acknowledge receipt of the Local Impact Report prepared on behalf of Mason-Dixon Resorts, L.P. which was provided to me by Bernard A. Yannetti, Jr. Esquire on this date.

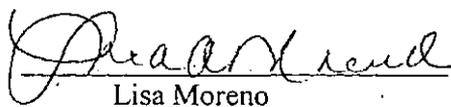
DATE: 3-25-10

David P. Waybright

RECEIPT

I, Lisa Moreno, hereby acknowledge receipt of the Local Impact Report prepared on behalf of Mason-Dixon Resorts, L.P. which was provided to me by Bernard A. Yannetti, Jr. Esquire on this date.

DATE: 3/25/10

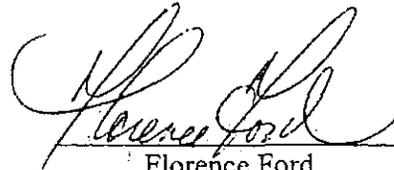
  
Lisa Moreno

RECEIPT

I, Florence Ford, hereby acknowledge receipt of the Local Impact Report prepared on behalf of Mason-Dixon Resorts, L.P. which was provided to me by Bernard A. Yannetti, Jr. Esquire on this date.

DATE:

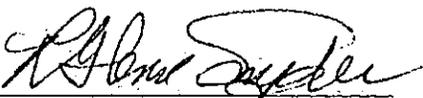
March 25, 2010

  
\_\_\_\_\_  
Florence Ford

RECEIPT

I, R. Glenn Snyder, hereby acknowledge receipt of the Local Impact Report prepared on behalf of Mason-Dixon Resorts, L.P. which was provided to me by Bernard A. Yannetti, Jr. Esquire on this date.

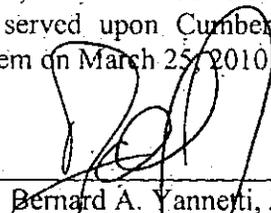
DATE: 3/25/2010

  
R. Glenn Snyder



**PROOF OF SERVICE**

I, Bernard A. Yannetti, Jr., counsel to the Applicant, Mason-Dixon Resorts, L.P. hereby certify that the Applicant's Local Impact Report was served upon Cumberland Township Manager, Florence Ford, by hand delivering the same to them on March 25, 2010.

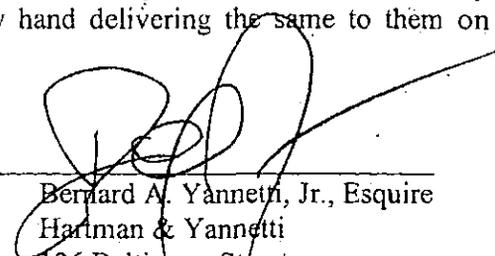
By: 

Bernard A. Yannetti, Jr., Esquire  
Hartman & Yannetti  
126 Baltimore Street  
Gettysburg, PA 17325

DATE: 3-25-10

**PROOF OF SERVICE**

I, Bernard A. Yannetti, Jr., counsel to the Applicant, Mason-Dixon Resorts, L.P. hereby certify that the Applicant's Local Impact Report was served upon Cumberland Township Supervisor Barbara Underwood, by hand delivering the same to them on March 25, 2010.

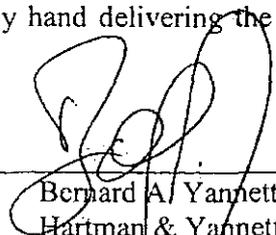
By: 

Bernard A. Yannetti, Jr., Esquire  
Hartman & Yannetti  
126 Baltimore Street  
Gettysburg, PA 17325

DATE: 3/25/10

PROOF OF SERVICE

I, Bernard A. Yannetti, Jr., counsel to the Applicant, Mason-Dixon Resorts, L.P. hereby certify that the Applicant's Local Impact Report was served upon County Commissioners, George Weikert, Lisa Moreno and R. Glenn Snyder, by hand delivering the same to them on March 25, 2010.

By: 

\_\_\_\_\_  
Bernard A. Yannetti, Jr., Esquire  
Hartman & Yannetti  
126 Baltimore Street  
Gettysburg, PA 17325

DATE: 3/25/10





Mixed Sources  
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**PHASE I ENVIRONMENTAL  
SITE ASSESSMENT REPORT  
EISENHOWER HOTEL AND  
CONFERENCE CENTER  
2634 EMMITSBURG ROAD  
GETTYSBURG, PENNSYLVANIA**

March 29, 2010

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## 1.0 SUMMARY

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Environmental Alliance, Inc. (Alliance) was retained by Mason-Dixon Resort, L.P., to perform a Phase I Environmental Site Assessment (Phase I) for the property known as Eisenhower Hotel and Conference Center located at 2634 Emmitsburg Road, Gettysburg, Pennsylvania (hereafter referred to as the "Site").

This assessment has revealed no evidence of *Recognized Environmental Conditions* in connection with the Site.

Please refer to Section 8.0 for relevant environmental findings.

## 2.0 INTRODUCTION

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Environmental Alliance, Inc. (Alliance) was retained by Mason-Dixon Resort, L.P., to perform a Phase I Environmental Site Assessment (Phase I) for the property known as Eisenhower Hotel and Conference Center located at 2634 Emmitsburg Road, Gettysburg, Pennsylvania (hereafter referred to as the "Site").

### 2.1 Purpose

This assessment was performed in general accordance with the American Society of Testing and Materials (ASTM) Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process (ASTM Practice E 1527-05).

The objective of this Phase I is to identify, to the extent feasible pursuant to the processes prescribed in the above-referenced practice, *recognized environmental conditions* (RECs) in connection with the Site. ASTM defines RECs as "the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, groundwater, or surface water of the property. The term includes hazardous substances or petroleum products even under conditions in compliance with laws. The term is not intended to include *de minimis* conditions that generally do not present a threat to human health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies. Conditions determined to be *de minimis* are not recognized environmental conditions." (ASTM Practice E 1527-05).

Further, this Phase I is intended to satisfy one of the requirements to qualify for the *innocent landowner, contiguous property owner, or bona fide prospective purchaser* defense identified by the Comprehensive Environmental Response and Liability Act (CERCLA) by completing "all appropriate inquiry into the previous ownership and uses of the property consistent with good

commercial or customary practice”. “*All appropriate inquiry*” is an obligation under CERCLA, as amended by the Superfund Amendments and Reauthorization Act of 1986 (SARA), the Asset Conservation, Lender Liability, and Deposit Insurance Protection Act of 1996 (the “Lender Liability Amendments”), and the Small Business Liability Relief and Brownfield’s Revitalization Action of 2001.

## 2.2 Detailed Scope of Services

The findings of this report are based primarily upon the following scope of work performed as part of the Phase I:

- ◆ Review of Federal, State, and local environmental databases (where available) to identify subject or nearby properties that have history of documented or potential environmental impact.
- ◆ Personal interviews with personnel knowledgeable with the current and historic site use, operations, and environmental practices (if applicable).
- ◆ Onsite reconnaissance walk-through to perform visual inspection (if applicable) of the subject property regarding land use, materials handling and storage (i.e., underground storage tanks, loading docks, etc.), indicators of potential contaminant release (i.e., surface staining, stressed vegetation, etc.), evidence of potential environmental degradation from neighboring properties, and general site conditions; including heating/cooling, pits, sumps, ponds, floor drains, etc.
- ◆ Review of historic aerial photographs, files, and other readily available and practically reviewable documentation to evaluate historic land use, current land use, onsite structures (if any), vegetation, and topography to evaluate potential environmental concerns on the subject property and surrounding area.

A description of the site location, physical features and current property use is included in Section 3.0. A history of the site and information provided by other resources is presented in Section 4.0. Results of the regulatory review are presented in Section 5.0. Descriptions of the environmental conditions based on the onsite inspection are included in Section 6.0. Results of interviews are presented in Section 7.0. A summary of the findings is presented in Section 8.0. Section 9.0 presents opinions and Section 10.0 presents conclusions. The limitations of this report are presented in Section 2.4 (Limitations and Exceptions) and Section 11.0 (Deviations and Data Gaps). A summary of Additional Services, if any, are presented in Section 12.0 and references used in preparing this report are presented in Section 13.0. Signatures and qualifications of the environmental professionals that prepared the report are located in Sections 14.0 and 15.0. Section 16.0 presents all of the Appendices included in the preparation of this report, including the USGS Topographic Quadrangle Map and the Site Base Map, and additional figures (where necessary).

### **2.3 Significant Assumptions**

No attempts were independently made to verify Site information (i.e., historical reports, file reviews, interviews, etc.) provided to Alliance by others during this investigation. In addition, no specific attempt was made to verify the compliance of present owners or operators with Federal, state, or local laws and/or regulations.

### **2.4 Limitations and Exceptions**

Proper due diligence was exercised in performing this Phase I in general accordance with ASTM and standard industry practices, with the following exception(s). The Alliance representative was unable to gain access to the Allstar Sport Complex. In the opinion of the Environmental Professional, this does not constitute a significant data gap as defined by ASTM 1527-05. Refer to Section 11.2 for additional information.

This report does not warranty the environmental condition of the Site. No soil, water, air,

asbestos, lead paint, or radon samples were collected as part of this Phase I. Since no samples were collected as part of this investigation, no conclusion can be made on the actual environmental condition at the Site.

The services provided pursuant to this project have been conducted in general accordance with reasonable environmental assessment investigative techniques and procedures. No warranty or guarantee, either written or implied, is applicable to these services. The purpose of this study is to assess readily available information regarding the Site with respect to the potential for environmental liability to exist. No specific attempt was made to verify the compliance of present owners or operators of the site with Federal, state, or local laws and/or regulations. Furthermore, no responsibility is assumed for the discovery and/or elimination of chemical or physical hazards that could possibly cause accidents or damage to persons and/or property. Environmental Alliance, Inc. assumes no responsibility for conditions recognized or not as environmentally unacceptable at the time this Phase I investigation was performed, nor does it have an obligation to determine what conditions represent a regulatory reporting requirement.

## **2.5 Special Terms and Conditions**

No special terms and/or conditions apply to this investigation.

## **2.6 User Reliance**

The information in this study has been prepared solely for use by Mason-Dixon Resort, L.P.; PA Gaming Ventures, LLC, a Pennsylvania limited liability company; Delvest Corp., a Delaware corporation; Penn National Gaming, Inc., a Pennsylvania corporation and each of their respective successors and assigns relative to the Site known as Eisenhower Hotel and Conference Center located at 2634 Emmitsburg Road, Gettysburg, Pennsylvania. Its use for other projects or by other parties shall be at their own risk.

## **3.0 SITE DESCRIPTION**

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### **3.1 Location and Legal Description**

The "Site" is located at 2634 and 2636 Emmitsburg Road, Gettysburg, Cumberland Township, Adams County, Pennsylvania. The Site consists of one large parcel (#09E16-0076---000) that is 98.92 acres and portions of a second parcel (#09E16-0077---000, entire parcel is 12.06 acres). The Site is located on the eastern side of Emmitsburg Road just prior to the Emmitsburg Road and Cunningham Road intersection and is surrounded by agricultural, residential and commercial properties.

The United States Geologic Survey (USGS) Topographic Map is located in Section 16.0 Appendices as Figure 1. A Site Base Map is included in Section 16.0 Appendices as Figure 2.

### **3.2 Site and Vicinity General Characteristics**

The Site is located in Gettysburg, Cumberland Township, in Adams County and consists of one large tax parcel and a portion of a second tax parcel. The Site contains two hotel/conference centers (Eisenhower I and II), a vacant farmhouse, a condominium/office center (Devonshire), a sporting complex (Allstar), and a sewer treatment facility. The Site is surrounded by a hotel to the north, agricultural properties and the Blue-Gray Highway to the east, agricultural properties to the south, and a vacant foundry and residential properties to the west. The Site is on the eastern side of Emmitsburg Road just prior to the intersection of Emmitsburg Road and Cunningham Road.

### **3.3 Current Use of the Property**

At the time of the investigation, the Site was an active hotel/conference center, a condominium and office complex, and a sports activity center. Fuel for the facility vehicles is also stored and



dispensed from one 275-gallon gasoline, one 195-gallon gasoline, and one 195-gallon diesel aboveground storage tanks. Also a 5,000 gallon fuel oil aboveground storage tank (AST) provides heat to the complex. One 500-gallon and one 10,000-gallon heating oil underground storage tank (UST) have been removed. A remaining 500-gallon fuel oil UST remains on the Site but is not in use. There are also two 1,000-gallon LP ASTs located on the Site. Refer to Figures 1 through 7 for more detailed information regarding the locations and contents of the ASTs and USTs.

### **3.4 Descriptions of Structures, Roads, Other Improvements on the Site**

The Site contains two hotel/conference centers (Eisenhower I and II), a vacant farmhouse, a condominium/office center (Devonshire), a sporting complex (Allstar), and a sewer treatment facility. There are supporting parking areas and access roads throughout. The Site is surrounded by a hotel to the north, agricultural properties and the Blue-Gray Highway to the east, agricultural properties to the south, and a vacant foundry and residential properties to the west. The Site is on the eastern side of Emmitsburg Road just prior to the intersection of Emmitsburg Road and Cunningham Road.

### **3.5 Current Use of Adjoining Properties**

The Site is surrounded mostly by residential and agricultural properties along Emmitsburg Road and, more specifically;

- ◆ North – Commercial properties
- ◆ East – Agricultural properties
- ◆ South – Agricultural properties
- ◆ West – A former foundry and agricultural properties.

## **4.0 USER PROVIDED INFORMATION**

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### **4.1 Title Records**

A title search was conducted by others and provided to Alliance during this investigation.

### **4.2 Environmental Liens or Activity and Use Limitations**

The ASTM Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process (E 1527 – 05) states that “this practice does not impose on the Environmental Professional the responsibility to undertake a review of recorded land title records and judicial records for environmental liens or activity and use limitations.”

An exhaustive search for recorded land title records and judicial records was not conducted for this investigation.

A request was made to Pennsylvania Department of Environmental Protection (PADEP), as part of the Right to Know Law request for records, to provide information on environmental liens for the Site. No liens were identified by PADEP. In addition, no Federal Superfund environmental liens were identified by the EDR database search. Refer to Section 5.0 for more detailed information regarding the PADEP Right to Know Law records request and EDR database search.

### **4.3 Specialized Knowledge**

In certain instances, the owner and/or property representative may be aware of specialized knowledge or experience that is material to identifying RECs in connection with the property.

No specialized information or experience was reported or provided to Alliance during this investigation.

#### **4.4 Commonly Known or Reasonably Ascertainable Information**

In certain instances, the owner and/or property representative may be aware of commonly known or reasonably ascertainable information that is material to identifying RECs in connection with the property.

No commonly known or reasonably ascertainable information was reported or provided to Alliance during this investigation about the Site.

#### **4.5 Valuation Reduction for Environmental Issues**

No information regarding property value has been reported during this investigation. Mr. Robert Zullinger, the current property owner, reported that, to the best of his knowledge, the selling price has not been reduced for environmental reasons.

#### **4.6 Owner, Property Manager, or Occupant Information**

Mr. Robert Zullinger, current owner, was interviewed for this investigation. The information is documented throughout this report.

#### **4.7 Reason for Performing Phase I**

The Phase I is being performed to fulfill due diligence requirements for a possible property transaction.

## 5.0 RECORDS REVIEW

### 5.1 Standard Environmental Records Sources

Alliance contracted Environmental Data Resources, Inc. (EDR) to perform a search of the following Federal and State databases for environmentally significant properties located within a determined radius of the Site. The search radius was determined based upon the specific database as recommended by the ASTM Practice E 1527-05. Refer to Section 16.0 Appendices for dates that the resource databases were last updated.

The database search is designed to identify all sites known to be located within the specific zip codes(s) of the requested area. Because not all government records have complete and accurate addresses, EDR uses Post Office verification software to assign or to correct zip codes where necessary. For those records that cannot be assigned a zip code, EDR uses the specified city name(s) to identify any site that may be located in the zip code area. If no city name is reported, the county name is used. For this reason, some of the sites listed in the EDR documentation may not be located within the specific radius of the Site. Attempts have been made by Alliance to screen the EDR search information to identify sites that were visually observed or known to be near the project Site. The complete EDR Report and a map locating identified sites are presented in Section 16.0 Appendices. The following sections outline the Federal and State databases that were screened by EDR. Pertinent information regarding the Site is stated within each database category.

Database	Target Property	Search Distance (Miles)	< ¼	¼ - ½	½ - 1	> 1	Total Plotted
<i>STANDARD ENVIRONMENTAL RECORDS</i>							
NPL		1.0	0	0	0	NR	0
Proposed NPL		1.0	0	0	0	NR	0
NPL LIENS		TP	NR	NR	NR	NR	0
Delisted NPL		1.0	0	0	0	NR	0
CERCLIS		0.5	0	0	0	NR	0
FEDERAL FACILITY		1.0	0	0	0	NR	0
CERC-NFRAP		0.5	0	0	0	NR	0

Database	Target Property	Search Distance (Miles)	<1/8	1/8 - 1/4	1/4 - 1/2	1/2 - 1	> 1	Total Plotted
<b>STANDARD ENVIRONMENTAL RECORDS</b>								
CORRACTS		1.0	0	0	0	0	NR	0
RCRA TSDF		0.5	0	0	0	NR	NR	0
RCRA LQG		0.25	1	0	NR	NR	NR	1
RCRA SQG		0.25	0	0	NR	NR	NR	0
RCRA CESQG		0.25	0	0	NR	NR	NR	0
US ENG CONTROLS		0.5	0	0	0	NR	NR	0
US INST CONTROL		0.5	0	0	0	NR	NR	0
ERNS		TP	NR	NR	NR	NR	NR	0
SHWS		1.0	0	0	0	0	NR	0
HSCA		1.0	0	0	0	0	NR	0
SWF/LF		0.5	0	0	0	NR	NR	0
LUST		0.5	0	0	1	NR	NR	1
UNREG LTANKS		0.5	0	0	0	NR	NR	0
LAST		0.5	0	0	0	NR	NR	0
INDIAN LUST		0.5	0	0	0	NR	NR	0
UST		0.25	0	0	NR	NR	NR	0
AST		0.25	0	0	NR	NR	NR	0
INDIAN UST		0.25	0	0	NR	NR	NR	0
FEMA UST		0.25	0	0	NR	NR	NR	0
ENG CONTROLS		0.5	0	0	0	NR	NR	0
INST CONTROL		0.5	0	0	0	NR	NR	0
AUL		0.5	0	0	0	NR	NR	0
INDIAN VCP		0.5	0	0	0	NR	NR	0
VCP		0.5	0	0	0	NR	NR	0
BROWNFIELDS		0.5	0	0	0	NR	NR	0
<b>ADDITIONAL ENVIRONMENTAL RECORDS</b>								
US BROWNFIELDS		0.5	0	0	0	NR	NR	0
DEBRIS REGION 9		0.5	0	0	0	NR	NR	0
ODI		0.5	0	0	0	NR	NR	0
HIST LF		0.5	0	0	0	NR	NR	0
INDIAN ODI		0.5	0	0	0	NR	NR	0
US CDL		TP	NR	NR	NR	NR	NR	0
US HIST CDL		TP	NR	NR	NR	NR	NR	0
ARCHIVE UST		0.25	0	0	NR	NR	NR	0
ARCHIVE AST		TP	NR	NR	NR	NR	NR	0
LIENS 2		TP	NR	NR	NR	NR	NR	0
LUCIS		0.5	0	0	0	NR	NR	0
ACT 2-DEED		0.5	0	0	0	NR	NR	0
HMIRS		TP	NR	NR	NR	NR	NR	0
SPILLS		TP	NR	NR	NR	NR	NR	0
RCRA NonGen		0.25	0	0	NR	NR	NR	0
DOT OPS		TP	NR	NR	NR	NR	NR	0
DOD		1.0	0	0	0	0	NR	0
FUDS		1.0	0	0	0	0	NR	0
CONSENT		1.0	0	0	0	0	NR	0
ROD		1.0	0	0	0	0	NR	0
UMTRA		0.5	0	0	0	NR	NR	0
MINES		0.25	0	0	NR	NR	NR	0
TRIS		TP	NR	NR	NR	NR	NR	0

Database	Target Property	Search Distance (Miles)	<¼	¼ - ¼	¼ - ½	½ - 1	> 1	Total Plotted
<b>ADDITIONAL ENVIRONMENTAL RECORDS</b>								
TSCA		TP	NR	NR	NR	NR	NR	0
FTTS		TP	NR	NR	NR	NR	NR	0
HIST FTTS		TP	NR	NR	NR	NR	NR	0
SSTS		TP	NR	NR	NR	NR	NR	0
ICIS		TP	NR	NR	NR	NR	NR	0
PADS		TP	NR	NR	NR	NR	NR	0
MLTS		TP	NR	NR	NR	NR	NR	0
RADINFO		TP	NR	NR	NR	NR	NR	0
FINDS	X	TP	NR	NR	NR	NR	NR	0
RAATS		TP	NR	NR	NR	NR	NR	0
UIC		TP	NR	NR	NR	NR	NR	0
MANIFEST		0.25	0	2	NR	NR	NR	2
DRYCLEANERS		0.25	0	0	NR	NR	NR	0
AIRS		TP	NR	NR	NR	NR	NR	0
INDIAN RESERV		1.0	0	0	0	0	NR	0
SCRD DRYCLEANERS		0.5	0	0	0	NR	NR	0
PCB TRANSFORMERS		TP	NR	NR	NR	NR	NR	0
COAL ASH DOE		TP	NR	NR	NR	NR	NR	0
COAL ASH EPA		0.5	0	0	0	NR	NR	0
<b>EDR PROPRIETARY RECORDS</b>								
Manufactured Gas Plants		1.0	0	0	0	0	NR	0

NR – Not searched at the identified distance.

TP – Target Property

The Site was identified in the Facility Index System/Facility Registry System (FINDS) database, under the name “Timeless Towns Of Amer Hotel & Mall”. The following Registry ID was provided for the listed facility: 110000929782. The program system identification shows the the Site to be in the Drinking Water Program and the Water Treatment Plant program. No violations were reported by the FINDS database. It should be noted that registered USTs have been identified on the Site. It is not known why they were not identified in the radius report.

The following summarizes the sites that were identified within the radius searched.

Resource Conservation and Recovery Act – Large Quantity Generators List (RCRA-LQG) – The database includes selective information of sites which generate, transport, store, treat and /or dispose of hazardous waste as defined by the Resource Conservation and Recovery Act (RCRA). Large quantity generators (LQGs) generate over 1,000 kilograms (kg) of hazardous waste, or over 1 kg of acutely hazardous waste per month.

The Site is not listed in the RCRA-LQG database. The RCRA-LQG database identified one site within a one-eighth mile search radius. The following table presents the site identified. Although a RCRA-LQG, the Site report showed a "no violations" status. Additional information is available in Section 16.0 Appendices.

Site	Address	Distance/Direction
CM Metals	2664 Emmitsburg Rd	0 - 1/8 mile

Leaking Underground Storage Tanks (LUST) – LUST Incident Reports contain an inventory of reported leaking underground storage tank incidents. The data come from the Department of Environmental Resources' List of Confirmed Releases.

The Site was not listed in the LUST database. The LUST database identified one site within a one-half mile search radius. The following table presents the sites identified. The facility status shows that the cleanup was completed as of November 20, 1998. Additional information is available in Section 16.0 Appendices.

Site	Address	Distance/Direction
Greenmount Comm Fire Co Facility Status: Cleanup Complete	3095 Emmitsburg Rd	1/4 - 1/2 mile WSW

## 5.2 Summary of Database Review

According to Environmental Data Resources, Inc. (EDR), there were several sites that were not mapped due to poor or inadequate address information. A list of these particular sites is included in the complete EDR Report presented in Section 16.0 Appendices.

There are sites listed in the regulatory database search within a 1/2-mile radius of the Site. Based upon the absence of reported violations or contamination associated with these sites, no further action is recommended at this time.

### 5.3 Additional Environmental Record Sources

On March 3, 2010, Alliance contacted the Pennsylvania Department of Environmental Protection (PADEP, formerly PADER) Southcentral Regional Office Records Review Officer, who serves as the central point of contact for file review correspondence as they will contact all departments within PADEP, to determine if files are available and subsequently make them available for review. The following summarizes the files provided by PADEP:

- ◆ December 7, 1992 letter from Petroleum Environmental Technologies, Ltd to PADER stating the 500 gallon underground gasoline storage tank failed the “integrity test”.
- ◆ A Storage Tank Registration/Permit Certificate for a 10,000-gallon heating oil and two 500-gallon gasoline underground storage tanks valid from March 9, 1990 through June 4, 1993 was in the PADEP file.
- ◆ April 6, 1993 letter from the Ramada Executive Office to PADER stating an error was made in the initial registration of the three underground storage tanks. This letter also states that a certified contractor has been engaged to remove Tank 2, the 500 gallon tank used for the storage of gasoline that failed the “integrity test”.
- ◆ April 12, 1993 PADER Notification of Closure/Change-in-Service for the removal of the 500 gallon gasoline underground storage tank.
- ◆ October 4, 1993 PADER issued a letter to Mr. Fox of Timeless Towns of America, Inc. approving the closure report for the removal of the underground storage tank ID 01-18771. The “Closure Report” indicates that one 500 gallon gasoline tank was removed from 2636 Emmitsburg Road. In addition, approximately four tons of contaminated soil was excavated and stockpiled for disposal by Soil Recyclers. Excavated soil was used as fill. According to the report, the tank was removed on June 17, 1993. Soil samples were taken from six locations around the area of the tanks. The sample collected directly under the fill line was found to have contamination. All other soil sample results were

non-detect. The “Closure Report” includes a site location map, a site diagram, a sampling location figure, an updated storage tank certificate, PADER Notification for Closure/ Change-in-service, and laboratory analytical results.

## 5.4 Physical Setting Source(s)

### 5.4.1 *Geology / Hydrogeology*

The geology of the Site is identified as the Mesozoic Triassic Stratified Sequence (Tr). The U.S. Department of Agriculture’s (USDA) Soil Conservation Service (SCS) reports that the dominant soil types of the area are Hatboro silt loam (Hc); Legore channery silt loam, 3 to 8 percent slopes (LgB); Legore channery silt loam, 8 to 15 percent slopes (LgC); Mount Lucas silt loam, 0 to 3 percent slopes (MdA); Mount Lucas silt loam, 3 to 8 percent slopes (MdB); Neshaminy channery silt loam, 3 to 8 percent slopes (NaB); Neshaminy channery silt loam, 0 to 8 percent slopes, extremely bouldery (NdB); Neshaminy channery silt loam, 8 to 25 percent slopes, extremely bouldery (NdD); Urban land (Uc); Water (W); Watchung silt loam, 0 to 3 percent slopes (WaA); Watchung silt loam, 3 to 8 percent slopes (WaB); and Watchung silt loam, 0 to 8 percent slopes, extremely bouldery (WbB). Additional information is available in Section 16.0 Appendices.

As part of the EDR Radius Report (refer to Section 16.0 Appendices for additional information), a preliminary well search was conducted. Sixteen USGS wells were found within a one-mile radius of the Site. One Federal FRDS Public Water Supply wells were found within a one-mile radius of the Site. The State Database identified seventy-one water wells located within a one-mile radius.

Depth to groundwater information was not researched for this investigation.

#### **5.4.2 *Surface Water and Wetlands***

The nearest surface water bodies are an unnamed pond located on site and Marsh Creek which runs approximately 2,000 feet southwest of the Site.

Based on the U.S. Fish and Wildlife Service's National Wetlands Inventory Map, there are wetlands mapped on the Site. Prior to future development or redevelopment a formal wetlands survey should be conducted.

Based on the FEMA Flood Insurance Rate Map (FIRM), the majority of the Site is shown as in Zone X – areas determined to be outside the 0.2% annual chance floodplain. Portions of the Site are shown in Zone A – special flood hazard areas subject to inundation by the 1% annual chance flood – no base flood elevation determined.

Based upon review of the U.S.G.S. 7.5-minute Topographic Quadrangle and the onsite visit, surface drainage appears to be through percolation and storm water run-off.

### **5.5 Historical Use Information for the Property**

#### **5.5.1 *Aerial Photographs***

Aerial photographs were obtained from EDR for the following years: 1937, 1959, 1968, 1971, 1977, 1982, 1988, 1990, 2005, and 2006. The following summarizes the aerial photograph review.

The 1937 and 1959 aerial photographs show the area of the Site to be unimproved, lacking structures, and cleared possibly for agricultural use. The surrounding area appears to be primarily used for agriculture with Emmitsburg road visible. In the 1968 aerial photograph Route 15 is visible on the southwest portion of the Site. The Site remains generally undeveloped with sporadic residential structures and possible agricultural clearings. The 1971 and 1977 aerial

photographs are blurred and no details on the Site are discernable.

The 1982 aerial photograph shows major development of the Site with construction of the roads, parking lots, and buildings much as it appears during this investigation. The unnamed pond on the southeast portion of the Site becomes visible in 1982. The 1988, 1990, 2005, and 2006 aerial photographs are similar to the previous photograph and show the area much as it appears at the time of this investigation. Much of the area around the Site remains undeveloped with likely residential and agricultural use. Refer to Section 16.0 Appendices for additional information.

### ***5.5.2 Sanborn® Fire Insurance Map Report***

A Sanborn® Fire Insurance Map search request was made to EDR for the Site.

EDR reported no coverage for the Site. Refer to Section 16.0 Appendices for additional information.

### ***5.5.3 City Directories***

A City Directories (i.e., business directories, cross reference directories, and telephone directories) search request was made to EDR for the Site.

Directories were searched for 2634 Emmitsburg Road from the following years: 2002, 1995, 1990, and 1973. The 2002 City's City Directory listed the findings for the target address: Eisenhower Inn & Conference Center and Richards Restaurant.

The 1995 City's City Directory listed the findings for the target address: LTA Pennsylvania Local Roads Program, Ramada Inn Gettysburg, Richards Restaurant, and Spectradyn Inc.

The 1990 City's City Directory listed the findings for the target address: The Old Wharf Inn, Ramada Inn Gettysburg, and Spectradyn Inc.

Additional addresses on Emmitsburg Road were searched for listings. City's City Directory cited the usage of multiple addresses on Emmitsburg Road for residential and commercial use in 2002, 1995, and 1990. Refer to Section 16.0 Appendices for the complete City Directories report.

#### *5.5.4 Historical Topographic Maps*

A historical topographic map search request was made to EDR for the Site. Maps were obtained from 1909, 1951, 1968, 1973, 1984, 1990, and 1994. No additional information of environmental concern was reported as a result of the historical topographic map review. Refer to Section 16.0 Appendices for further information.

#### *5.5.5 Previous Environmental Investigations*

No previous environmental investigations were found or provided to Alliance during this investigation, with the following exception.

An Underground Storage Tank Project was conducted by J.F. Waybrant & Sons in July 1993. It was reported that a 500-gallon underground storage tank that contained gasoline was removed in July 1993. A limited amount of excavation was conducted and a No Further Action letter was received from PADEP regarding the tank closure (PADEP, October 7, 1993).

#### *5.5.6 Historical Use Information on Adjoining Properties*

Historically, the adjoining properties have been used as residential and agricultural properties since the 1930s. In 1968, Route 15 becomes visible on the southeast portion of the Site. Part of Route 15 is contained within the current property boundaries of the Site. There was reportedly a Foundry that operated for a number of years on an adjacent property. Other properties surrounding the Site have remained undeveloped with agricultural and residential uses.

## 6.0 SITE RECONNAISSANCE

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An Alliance “*Environmental Professional*”, as defined by ASTM Practice E1527-05, performed a site inspection on March 11, 2010. Refer to Section 16.0 Appendices for current photographs of the Site. The objective of the site reconnaissance is to obtain information indicating the likelihood of identifying *recognized environmental conditions* in connection with the Site.

### 6.1 Methodology and Limiting Conditions

This site reconnaissance was performed in general accordance with ASTM Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process (ASTM Practice E 1527-05) and standard industry practices.

The site reconnaissance was conducted by visually observing the Site by walking in areas that were easily accessible and developed. Multiple photographs were taken in order to document these current Site conditions. Refer to Figures 1 through 7 for additional information regarding specific site conditions.

No limiting conditions were present during the site reconnaissance, with the following exception(s). The Alliance representative was unable to gain access to the Allstar Sport Complex. In the opinion of the Environmental Professional, this does not constitute a significant data gap as defined by ASTM 1527-05. Refer to Section 11.2 for additional information.

### 6.2 General Site Setting

The Site is located in Gettysburg, Cumberland Township, in Adams County and consists of two tax parcels. The Site contains two hotel/conference centers (Eisenhower I and II), a vacant farmhouse, a condominium/office center (Devonshire), a sporting complex (Allstar) and a sewer treatment facility. The Site is surrounded by a hotel to the north, agricultural properties and the Blue-Gray Highway to the east, agricultural properties to the south, and a vacant foundry and

residential properties to the west. The Site is on the eastern side of Emmitsburg Road just prior to the Emmitsburg Road and Cunningham Road.

### 6.3 Exterior Observations

The Site consists of two hotel/conference centers (Eisenhower I and II), a vacant farmhouse, a condominium/office center (Devonshire), a sporting complex (Allstar) and a sewer treatment facility, all of which are built slab-on-grade. The total parcel size is greater than 100 acres that is mostly covered by landscaped areas around the buildings, undeveloped areas and a large pond. Landscaping services are conducted by an outside contractor, Clearwater. A drainage swale is located in the west center of the property and drains to a 13-acre lake. Additionally, a wetland area is located on the northeast side of the property near the lake. Parking areas are located around each complex/facility. Public electricity and telephone utilities are connected to the Site and surrounding region. The site contains eight potable wells that pump to a 150,000 gallon reservoir that supplies water to the property. Additionally, all waste water is treated by the Site's Sewer Treatment Facility, which was built in 1972. Located south of the treatment facility, is a 195-gallon Diesel AST. The AST appears to be in good condition (i.e., little to no rust or surface staining). Various debris piles (i.e., mostly old tires) are also located surrounding the treatment facility.

Eisenhower I Hotel and Conference Center was built in 1972, while Eisenhower II was built in 2003. Northeast of Eisenhower I and Eisenhower II are four pad mounted transformers. There were no placards indicating if the transformers contain PCBs. Trash dumpsters are located adjacent to the transformers. Additionally, located northeast of Eisenhower I and II are two 1,000-gallon LP gas ASTs. Located to the east of Eisenhower I is one 5,000-gallon No.2 Fuel Oil AST. The tank is in excellent condition; however, no secondary containment was observed. There is a 500-gallon underground storage tank located beneath the porch of the farmhouse. The building is currently not in use; therefore the tank is not in use. It was reported and the location observed where there was a 10,000-gallon heating oil UST that was recently removed. The contractor is in the process of finalizing the report.

Devonshire Condominium and Office complex was built in 1980. There are three pad mounted transformers located around the complex. There were no placards indicating if the transformers contain PCBs. Additionally, there are trash dumpsters located around the perimeter of the complex.

The Allstar Sports Complex was built in 1992. The Allstar Sports Complex has multiple areas for recreational activities, including but not limited to; a go-kart area, batting cages, and a miniature golf course. Northeast of the Allstar Complex are pad mounted transformers. There were no placards indicating if the transformers contain PCBs. On the southwest side of the Allstar Complex is a 100-gallon LP Gas AST. Trash dumpsters are located adjacent to the LP Gas AST. Also on the northwest side of the Allstar complex is a 275-gallon gasoline AST and a 195-gallon diesel AST for fueling onsite go-karts and maintenance vehicles. The tanks appear to be in good condition (i.e., limited rust and no surface staining).

There was no evidence of stressed vegetation, surface staining, spills, or releases at the time of the inspection.

#### **6.4 Interior Observations**

Eisenhower I and II contain a hotel rooms, conference rooms, a coffee shop, and a pool. There are three elevators located in the complex, which are serviced by an outside contractor (OTIS). Additionally, drums of chlorine are stored in Eisenhower I and II for pool maintenance. Devonshire contains condominiums and office spaces. The Allstar Sports Complex was unable to be accessed during the site walk.

Drinking water is supplied by eight potable wells on site, while an onsite Sewer Treatment Plant treats site sewer waste. The Sewer Treatment plant contains various drums of chlorine for water treatment. There is no evidence of surface staining, spills, or releases.

## 7.0 INTERVIEWS

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The following individuals were interviewed regarding this property.

- ◆ Mr. Robert Zullinger, current owner

Mr. Zullinger reported that he is not aware of any environmental liens or deed restrictions associated with the Site. To the best of his knowledge, the property reflects fair market value. He reported no known use of hazardous chemicals on the Site, other than the quantities stated previously. Mr. Zullinger reported that he is not aware of any spills or remediation that required reporting to a regulatory agency. Mr. Zullinger reported that the 10,000-gallon heating oil UST was removed recently and that the onsite transformers are owned by Metropolitan Edison Electric Company. Mr. Zullinger reported that fill material was brought onsite for the construction of Eisenhower II. Mr. Zullinger also stated that there are no other obvious indicators that point to the presence or likely presence of contamination at the Site.

Please refer to Section 16.0 for a copy of the "User Questionnaire."

## 8.0 FINDINGS

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The following findings are presented:

- ◆ The Site has a regulatory history that was reviewed. On October 4, 1993 PADER issued a letter to Mr. Fox of Timeless Towns of America, Inc. approving the closure report for the removal of the underground storage tank ID 01-18771. The "Closure Report" indicates that one 500 gallon gasoline tank was removed from 2636 Emmitsburg Road. In addition, approximately four tons of contaminated soil was excavated and stockpiled for disposal by Soil Recyclers. Excavated soil was used as fill. According to the report, the tank was removed on June 17, 1993. Soil samples were taken from six locations around the area of the tanks. The sample collected directly under the fill line was found to have contamination. All other soil sample results were non-detect. The "Closure Report" includes a site location map, a site diagram, a sampling location figure, an updated storage tank certificate, PADER Notification for Closure/ Change-in-service, and laboratory analytical results.
- ◆ There is a 500-gallon heating oil underground storage tank located beneath the porch of the farmhouse. The building is currently not in use; therefore the tank is not in use. No conclusion can be made on whether the UST has caused impact to the Site without the collection of samples.
- ◆ The following ASTs are located on the Site: a 195-gallon Diesel AST, 275-gallon and 195-gallon gasoline ASTs, two 1,000-gallon LP gas ASTs, and a 5,000-gallon fuel oil AST. The ASTs appear to be in good condition (i.e., no rust or staining) however; no secondary containment is present. There was no visual evidence of stressed vegetation, surface staining, spills, or releases at the time of the investigation.
- ◆ There is a 10,000-gallon heating oil UST that was recently removed. Although the tank is registered with the PADEP, heating oil tanks that are only used for heating purposes on a property are no longer a regulated tank; and therefore, when removed are not subject to

UST regulations. As a courtesy, the contractor collected one soil sample below the tank and conducted tank tightness testing on the lines. The results of the soil sample were not detect for the constituents analyzed and the tank tightness testing passed. The contractor reported no suspected contamination upon removal of the tank. Refer to Section 16.0 Appendices for copies of the laboratory results.

- ◆ There are several pad mounted transformers. There were no placards indicating if the transformers contain PCBs. It was reported by the onsite representative that the transformers are owned by Metropolitan Edison Electric Company. There was no visual evidence of a release from these units.
- ◆ There are drums of chlorine that are stored inside a building that are used for pool maintenance. Drums of chlorine are also stored and used for the sewage treatment plant. Empty drums are stored along a wooden fence. No leaks or staining was observed.
- ◆ Areas of the Site may have historically been used for agricultural purposes and thus may have had pesticide, herbicide, and/or fertilizer applied to these areas. In addition, there is an outside contractor that handles all of the landscaping needs for the facility which may also use these types of products.
- ◆ There are sites listed in the regulatory database search within a ½-mile radius of the Site. Based upon the absence of reported violations or contamination associated with these sites, no further action is recommended at this time.
- ◆ Portions of the property were constructed using fill material. The quality of the fill material that was used is unknown.

## 9.0 OPINION

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As stated in Section 12.6 Opinion of ASTM 1527-05, “the report shall include the *environmental professional’s* opinion(s) of the impact on the *property* of conditions identified in the findings section.

As discussed in Section 8.0 Findings, in the opinion of the *Environmental Professionals* who prepared this report, none of the findings are identified as *Recognized Environmental Conditions* on the Site. Therefore, since no *Recognized Environmental Conditions* were identified on the Site, no additional investigation is recommended at this time.

## 10.0 CONCLUSIONS

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Environmental Alliance, Inc. has performed a Phase I Environmental Assessment in general conformance with the scope and limitations of ASTM Practice E 1527-05 of the property known as Eisenhower Hotel and Conference Center located at 2634 Emmitsburg Road, Gettysburg, Pennsylvania (hereafter referred to as the "Site").

This assessment has revealed no evidence of *Recognized Environmental Conditions* in connection with the Site.

Please refer to Section 8.0 for relevant environmental findings.

## 11.0 DEVIATIONS AND DATA GAPS

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### 11.1 Deviations

An exhaustive search for recorded land title records was not conducted for this investigation by Alliance. Based upon other historical resources, in the opinion of the environmental professional, this does not represent a significant data gap as defined by ASTM 1527-05. See Section 11.2 for more detailed information.

The Alliance representative was unable to gain access to the Allstar Sport Complex. In the opinion of the Environmental Professional, this does not constitute a significant data gap as defined by ASTM 1527-05. Refer to Section 11.2 for additional information.

No known significant deviations from the American Society of Testing and Materials (ASTM) Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process (ASTM Practice E 1527-05) were made during this investigation.

### 11.2 Data Gaps

The ASTM Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process (E 1527 – 05) defines data gap as “a lack of or inability to obtain information required by this practice despite *good faith* efforts by the *environmental professional* to gather such information. *Data gaps* may result from incompleteness in any of the activities required by this practice, including, but not limited to *site reconnaissance* (for example, an inability to conduct the *site visit*), and *interviews* (for example, inability to interview the *key site manager*, regulatory officials, etc.).

No known significant data gaps were identified during this investigation.

## 12.0 ADDITIONAL SERVICES

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No additional services or non-scope considerations were evaluated during this investigation.

## 13.0 REFERENCES

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ASTM, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process, 2005. (ASTM Practice E 1527-05).

Adams County Geographic Information Systems website: <http://www.adamscounty.us/adams/cwp/view.asp?a=3&q=590355&adamsNav=1> (accessed March 2010).

EDR Aerial Photo Decade Package, Environmental Data Resources, Inc. (January 2010).

EDR City Directory Abstract, Environmental Data Resources, Inc. (March 2010).

EDR Historical Topographic Map Report, Environmental Data Resources, Inc. (March 2010).

EDR Radius Map Report, Environmental Data Resources, Inc. (March 2010).

EDR Sanborn® Map Report, Environmental Data Resources, Inc. (March 2010).

Federal Emergency Management Agency Map Service Center website: <http://msc.fema.gov> (accessed March 2010).

Underground Storage Tank Project, Timeless Towns of Americas, Inc. 2636 Emmitsburg Road, Gettysburg, Pennsylvania (Facility No. 01-18771), J.F. Waybrant & Sons, July 12, 1993.

US Department of Agriculture, Natural Resource Conservation Service, Web Soil Survey website: <http://websoilsurvey.nrcs.usda.gov/app/> (accessed March 2010).

US Fish and Wildlife Service Wetlands Digital Data and Mapping website: <http://wetlandsfws.er.usgs.gov/> (accessed March 2010).

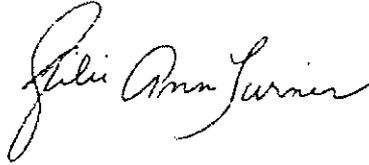
14.0 SIGNATURE(S) OF ENVIRONMENTAL PROFESSIONAL(S)

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This Phase I Site Assessment was prepared and reviewed by the following individuals:

**ENVIRONMENTAL ALLIANCE, INC.  
660 YORKLYN ROAD  
HOCKESSIN, DE 19707**

*Prepared by:*



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Julie Ann Turner  
Project Environmental Scientist

*Reviewed by:*



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Paul C. Miller  
Principal Engineer

I declare that, to the best of my knowledge and belief, I meet the definition of *Environmental professional* as defined in §312.00 of 40 CFR 312; and

I have the specific qualifications based on education, training, and experience to assess a *property* of the nature, history, and setting of the subject *property*. I have developed and performed the all appropriate inquiries in conformance with the standards and practices set for the in 40 CFR Part 312.

**15.0 QUALIFICATIONS OF ENVIRONMENTAL PROFESSIONAL(S)**

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**Julie Ann Turner**  
**Project Environmental Scientist/  
Network Administrator**

**Environmental Alliance, Inc.**

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**Areas of Specialization**

- ◆ Network Administrator – Manage Windows 2003™ Servers and over 40 stations including Network Printers with Internet and e-mail access at all stations
- ◆ Wide Area Networking – Coordinate access for five offices with Virtual Private Networking (VPN) Capabilities
- ◆ Installation and Maintenance of all Software Packages Company-Wide
- ◆ Phase I Real-Estate Environmental Site Assessments / Transaction Screens / Due Diligence
- ◆ New Jersey Childcare Facility Preliminary Assessment Reports and Site Investigations
- ◆ Project Management
- ◆ Data Validation – Federal Reporting
- ◆ Data Management – Internal Quality Assurance / Quality Control
- ◆ Company-Wide Implementation of Environmental Quality Information System (EQUIS) Database Software
- ◆ Remediation System Construction, Operation, and Maintenance – air sparging, soil vapor extraction, dual phase, and groundwater treatment systems
- ◆ Air and Water Discharge Permitting, Field Soil and Groundwater Sampling
- ◆ Electronic Data Transfer

**Qualifications**

- ◆ Sixteen years of progressively responsible positions as an environmental consultant.
- ◆ Over fourteen years of performing data validation as per USEPA Contract Laboratory Program National Functional Guidelines for Organic (October 1999) and Inorganic (February 1994) Data Review.
- ◆ Continued ASTM Technical and Professional Training in Environmental Site Assessments.
- ◆ Project Manager for Preliminary Assessments as part of the Environmental Guidance for licensing of proposed child care centers in accordance with the New Jersey Technical Requirements for Site Remediation.

- ◆ Knowledge of RCRA, CERCLA, and state regulations involving management and implementation of site characterization and remediation.
- ◆ Management of field and office tasks including remediation system design support, regulatory review, and data validation, reduction, and evaluation.

## **Professional Experience**

- ◆ Formal Federal data validation preparation and reporting for Organics and Inorganics. Prepared validation guidelines and report for new Perchlorate methods.
- ◆ Data management for over sixty sites with ongoing remediation activities including constant interaction with laboratories. Also, internal quality assurance and quality control procedures.
- ◆ Manage and perform Phase I real estate audits and assessments in Delaware, Virginia, West Virginia New Jersey, Maryland, Pennsylvania, and Tennessee.
- ◆ Project task manager for statewide Brownfield initiative for state agency, which included coordinating and researching Brownfield properties with local authorities and establishing an inventory and database of Brownfield properties that were identified.
- ◆ Project Manager for drug lab decontamination in Delaware.
- ◆ Managed activities associated with subsurface contaminant assessment and or remediation projects. Types of projects have included retail petroleum facilities, petroleum bulk storage facilities, interstate pipeline terminals, petroleum refineries, chemical manufacturing facilities, pharmaceutical research and manufacturing facilities, military installations, and residential structures.
- ◆ Company-wide implementation of Environmental Quality Information System (EQIS) Database Software. This database system provides an integrated suite of applications and a common database management system for all departments involved in the data collection, processing, management, evaluation, and presentation aspects of environmental project work.
- ◆ Perform Electronic Data Submittal for New Jersey and Delaware.
- ◆ Management of Windows-based computer networks with extensive experience in software and hardware applications.
- ◆ Implementation and Management of a Virtual Private Network (VPN) tunnel between our Corporate Headquarters in Wilmington and our offices in New Brunswick, New Jersey, Richmond, Virginia, Millersville, Maryland, and Duncansville, Pennsylvania.
- ◆ Development / maintenance of web page.

## **Education**

- ◆ M.S. Information Systems Technology, Wilmington College, New Castle, Delaware, 2007.
- ◆ B.A., Geography - Emphasis in Environmental Sciences, University of Delaware, Newark, Delaware, 1991.

## **Professional Certifications**

- ◆ OSHA certified in accordance with 29 CFR 1910.120 Hazardous Waste Operations.
- ◆ Continuing Education Class – ASTM Phase I and Phase II Environmental Site Assessments.
- ◆ Continuing Education Classes Relevant to Environmental Information and Regulations.
- ◆ Continuing Education Classes Relevant to Computer / Networking Information.
- ◆ Notary Public of Delaware - Commission expires February 17<sup>th</sup>, 2012.
- ◆ Member of Environmental Assessment Association – Certified Environmental Specialist.
- ◆ Member of National Ground Water Association.

**Paul C. Miller, P.E.**  
Principal Engineer

**Environmental Alliance, Inc.**

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**Areas of Specialization**

- ◆ CERCLA
- ◆ RCRA Corrective Action RFI, CMS, CMI
- ◆ Investigation and remediation of PCB impacted sites
- ◆ Design of Air Sparging, Soil Vapor Extraction, Bioremediation Soil and Groundwater Remediation systems
- ◆ Project Strategy
- ◆ Regulatory Negotiation

**Qualifications**

- ◆ Twenty-five years experience in the engineering and environmental field with direct experience pilot testing, designing, permitting, constructing and operating remediation systems for the insitu cleanup of groundwater via soil vapor extraction, air sparging, bioventing, and bioremediation.
- ◆ Extensive knowledge of RCRA, CERCLA; and state regulations involving management and implementation of site characterization and remediation.
- ◆ Has negotiated consent orders for CERCLA sites with the US EPA and Department of Justice.
- ◆ Has negotiated consent orders for RCRA 3008(h) orders and completed RCRA closures.
- ◆ Currently involved in CERCLA response for PCBs in soils on and off an industrial facility. Involvement has spanned over 8 years and has included: the completion of an RI/FS, supervision of off site and on site soil removals, participated in the negotiation of 5 consent decrees, provided expert courtroom testimony in toxic tort litigation, provided direct contact negotiation with EPA senior management, developed state of the art knowledge and data base on PCB assessment, risk assessment, and remediation.
- ◆ Negotiated focused RCRA 3008(h) order and completed shallow and deep groundwater investigation.
- ◆ Advisor to the US Senate Ways and Means Committee Superfund Task Force.
- ◆ Negotiated and implemented site characterization for site impacted with hexavalent chromium, working with State legal and technical staff.

## Representative Professional Project Experience

- ◆ Paoli Rail Yard – Paoli, PA  
Provided project management and direction for this project through the completion of the Remedial Investigation and Feasibility Study. Provided direct contact and negotiation with EPA through issuance of the ROD. Designed and implemented several interim remedial actions to address areas of greatest risk. Supported the preparation of an NPL defense submission for the Site. Provided cost recovery defense support for PRPS.
- ◆ National Vulcanized Fibers Company (NVF), Kennett Square, PA  
Provided oversight and review of EPA Region III CERCLA Emergency Response action at the site for NVF. Monitored EPA site activity and negotiated an agreement (consent order) to have NVF directly complete a phase of the project resulting in a \$500,000 cost savings to NVF relative to the EPA budget. Provided cost recovery defense support for NVF.
- ◆ Easterly Sewerage Treatment Facility – Altoona, PA  
Negotiated a new remedial strategy and reduced the large financial liability of the published soil washing remedy. Alliance also supported the settlement of past costs with the PADEP and realized the client a \$20,000,000 saving when considering the potential costs of the DEP's remedy and total past costs.
- ◆ River Road Development Corporation – New Hope, PA  
Property transfer project with hexavalent chromium in soil and groundwater. Bench scale pilot tests were completed to reduce hexavalent chromium to trivalent chromium. The project team designed an in-situ treatment system to deliver reagents to the source soils and groundwater.
- ◆ Commonwealth Management Group – Newark, DE  
Property transfer project with zinc & lead contamination from former manufacturing operations at the site. This project is a Brownfield redevelopment with future site use to be residential and commercial. The remedial evaluation centered on technology that would address these metals in-situ. The project was completed pursuant to the DNREC HSCA program.

## Professional Experience

- ◆ Mr. Miller is responsible for principal project management of key projects in all phases of environmental investigation and remediation. Mr. Miller has had over 20 years of progressive engineering experience with 18 years in the environmental field, including the direction of site investigations, evaluation of site remediation alternatives, design of remediation systems, construction/operation of remediation systems and closure negotiations with regulatory agencies. Mr. Miller has direct experience conducting investigations/remediation of sites impacted with inorganic and organic contaminants as well as volatile, semi-volatile, non-volatile, and soluble contaminants. Mr. Miller has also been retained as an expert witness for litigation related to environmental contamination.

- ◆ Mr. Miller's regulatory involvement has included management of projects at the federal level (EPA Region III) including both RCRA and CERCLA (Superfund) programs. He has also been involved and managed numerous projects at the state and local levels for underground storage tank related issues as well as other state led matters. Mr. Miller has provided direct interface with regulatory agencies on behalf of clients on projects at all regulatory levels.
- ◆ Mr. Miller has had direct involvement with numerous site remediation technologies including: bioremediation systems; air stripping, air sparging, and activated carbon treatments; groundwater pumping systems with and without phase separated hydrocarbon removal; soil venting systems; chemical precipitation systems (both in-situ and ex-situ); reverse osmosis systems; vapor phase catalytic/thermal incineration processes; soil solidification treatments and soil shredding processes. In particular, Mr. Miller is the innovator of several site remediation techniques involving air stripping, soil venting and vapor phase catalytic incineration technologies and is the holder of several patents as a result of these innovations.
- ◆ Prior to joining Environmental Alliance in 1992, Mr. Miller was previously employed by Groundwater Technology, Inc., for six years. Initially, Mr. Miller was hired as the Regional Engineering Manager for GTI and was responsible for the development of Engineering practices within GTI. During this period, Mr. Miller was responsible for the invention of the catalytic incineration equipment for GTI which became a highly successful product. Mr. Miller also served as a District Manager for GTI with general management responsibilities for GTI's operations in the states of Pennsylvania and Delaware. During this period Mr. Miller managed the growth of the district from a 30 person four million dollar per year operation to a 70 person and nearly 10 million dollar per year operation. During all this period Mr. Miller maintained Project Management/Project Director responsibilities.
- ◆ Prior to working for Groundwater Technology, Mr. Miller worked in research and development for Johnson-Matthey, Inc. in the automotive catalyst development group.

## Education

- ◆ B.S., Chemical Engineering, University of Maryland 1982

## Certifications

- ◆ Registered Professional Engineer in the following states:

Pennsylvania #037723	New Jersey #032874	New York #078181
Delaware #7118	Virginia #018599	North Carolina #028044

New Jersey Department of Environmental Protection UST Certification (License No. 0013892)

## **Patents**

Patent Number 4, 892, 664, January 9, 1990.

"Decontamination of sites where Organic Compound Contaminants Endanger the Water Supply."

Inventor: Paul C. Miller

Patent Number 5, 061, 458, October 29, 1991.

"Decontamination Apparatus for Environmental Protection."

Inventor: Paul C. Miller

## **Expert Testimony/Litigation Support**

Paoli Railyard PCB Litigation; United States District Court, Eastern District of Pennsylvania. Named as an expert witness by the Defendants in the above matter. Provided deposition and trial (jury) testimony on the nature and extent of contamination in and around the rail yard.

Paoli Railyard PCB Litigation: Chester County Court of Common Pleas, West Chester, PA  
Provided courtroom testimony on the nature and extent of PCBs for the class certification hearing.

The Northwestern Mutual Life Insurance Company vs. Atlantic Research Corporation, et al.:  
United States District Court, Eastern District, Alexandria, VA. Provided expert support and depositions related to the nature and extent of PCB contamination and the appropriate remedial responses at the site in question.

Star Newco, Inc. vs. Mountainville Properties, Inc (et. al.): United States Bankruptcy Court for the District of Delaware. Provided litigation support and expert testimony (deposition and trial) related to environmental due diligence in real estate transactions, evaluation of the nature and extent of contamination, and the potential costs to remediate the contamination.

Conrail vs. American Premier Underwriters, Inc., United States District Court, Eastern District of Pennsylvania: Provided litigation support and deposition testimony related to waste disposal at the Hollidaysburg, PA rail yard. Support and testimony were related to the potential date of burial of drums and other wastes, the nature and extent of contamination at the site, potential remedial actions necessary to address the contamination present and the potential costs to perform remedial actions.

Crown Cork & Seal (et. al.), vs. CBS Corp. (et. al.): Provided litigation support and expert testimony (deposition) related to the division of remedial response costs at the Macon Dockery Superfund Site in North Carolina.

## **Selected Publications and Presentations**

"Sample Collection and Analysis of Soils and Groundwater" and "Technology for Treating Dissolved and Adsorbed Organic Contaminants", Paul Miller. Current Strategies For Aquifer Restoration Conference. September 17, 1987, Chicago, IL.

"Current On-Site Remediation Technologies; An Overview", Paul Miller. On-Site Groundwater and Soil Remediation Conference. October 12, 1988; Boston, MA and October 26, 1988, Palo Alto, CA.

"Spill Cleanup Lessons Learned", Paul Miller. The 1989 Washington Conference on Above Ground Storage Tanks, sponsored by the Center for Energy and Environmental Management (CEEM), May 10, 1989, Arlington, VA.

"Groundwater & Associated Soil Remediation", Paul Miller. Presented at the Pennsylvania Bar Institute Seminar, Environmental Science & Engineering for Attorneys; May 3, 1991, Philadelphia, PA.

"Use of Air Sparging and Soil Venting for Remediation of Soil and Groundwater Contaminated with Petroleum Hydrocarbons: A Comparison of Two Sites", Paul Miller. Presented at the National Ground Water Association Focus Conference on Eastern Regional Ground Water Issues, September 29, 1993, Burlington, VT.

Invited panelist for CERCLA discussion, at the 26th Mid-Atlantic Industrial and Hazardous Waste Conference, University of Delaware, August 10, 1994.

"Brownfields Redevelopment, A Three Way Effort", Brownfields 2000, Atlantic City, New Jersey, October 11-13, 2000.

"Enhanced Site Remediation Via Permanganate Injection". The First International Conference on Oxidation and Reductive Technologies for In-Situ Treatment of Soil and Groundwater, Ontario, Canada, June 26-29, 2001.

## 16.0 APPENDICES

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Figure 1 Topographic Map

Figure 2 Site Base Map

Site Photographs

Interview Questionnaire

Historical Research Documentation

- Aerial Photographs

- Sanborn© Maps

- Historic Topographic Maps

- City Directories

Regulatory Records Documentation

- EDR Radius Report

- County Documentation

- Deeds

- Wetlands Map

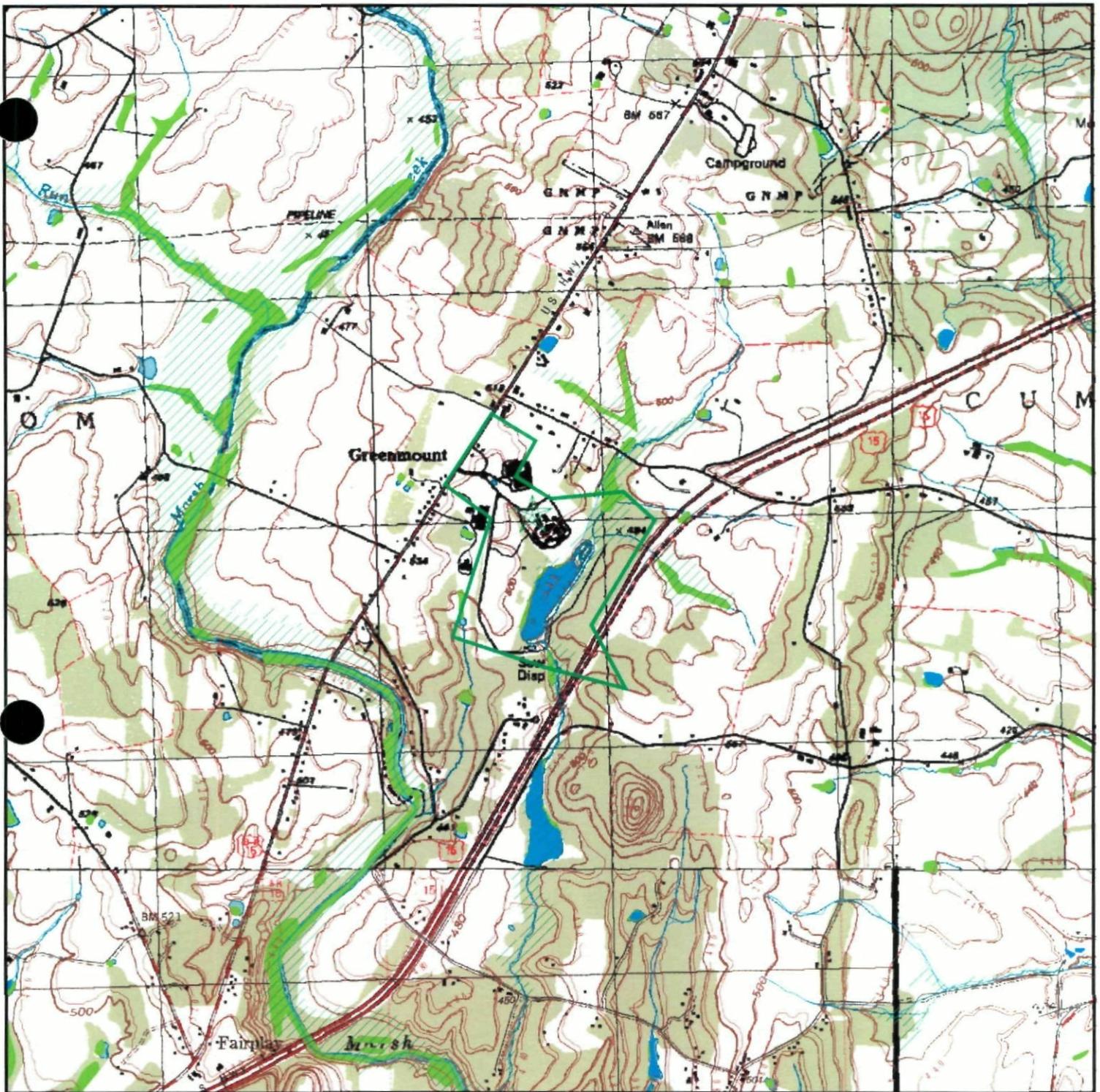
- FEMA Map

- Soil Map

- FOIA Response(s)

Special Contractual Conditions (if any)

OVERVIEW MAP - 02717493.2r



- Target Property
- Sites at elevations higher than or equal to the target property
- Sites at elevations lower than the target property
- Manufactured Gas Plants
- National Priority List Sites
- Dept. Defense Sites
- Indian Reservations BIA
- Oil & Gas pipelines
- 100-year flood zone
- 500-year flood zone
- National Wetland Inventory

Figure 1  
Topographic Map

This report includes Interactive Map Layers to display and/or hide map information. The legend includes only those icons for the default map view.

SITE NAME: Eisenhower Hotel - Conference  
 ADDRESS: 2634 Emmitsburg Road  
 Gettysburg PA 17325  
 LAT/LONG: 39.7641 / 77.2684

CLIENT: Environmental Alliance, Inc.  
 CONTACT: Julie Turner  
 INQUIRY #: 02717493.2r  
 DATE: March 10, 2010 4:34 pm



<b>Eisenhower</b> <b>2634 Emmittsburg Road</b> <b>Gettysburg, PA 17325</b>			
<b>Site Base Map</b>			
DESIGNED BY:	DRAWN BY:	UPDATED BY:	FIGURE NO.:
JT	SKJ		2
APPROVED BY:	PROJECT NO.:	DATE:	
	2896	03/10/2010	



**Environmental Alliance, Inc.**  
 660 Yorklyn Road, Hockessin, DE 19707  
 Phone: (302) 234-4400 - Fax: (302)234-1535

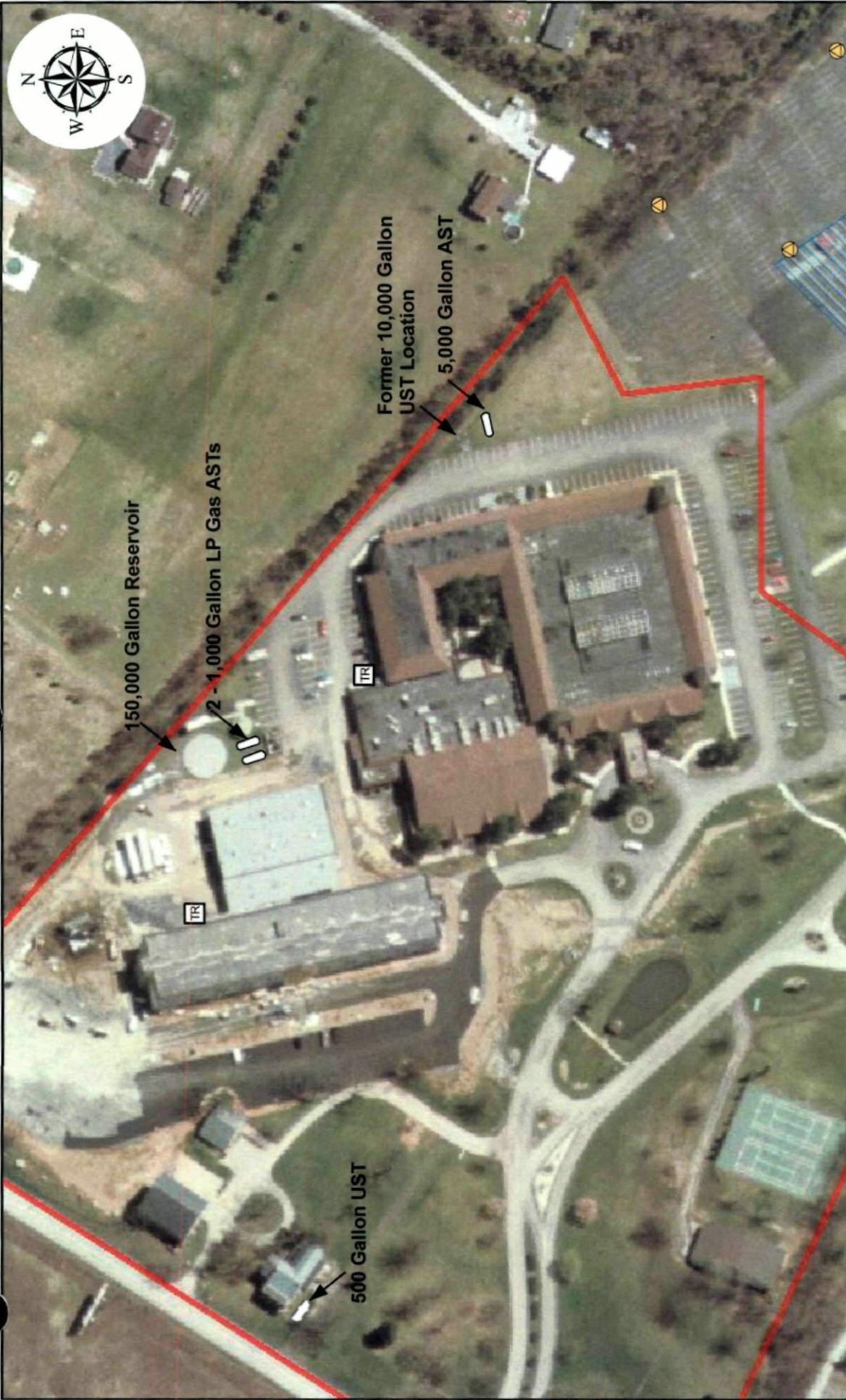
**Source:**  
 Aerial photograph obtained from  
 Pennsylvania Spatial Data Access (PASDA)  
 PAMAP # 16002100PAS, 2003



**Legend**

-  Approximate Site Boundary
-  Partial Transaction Area\*

\* Multiple buildings within this parcel will be part of the property transaction



<b>Eisenhower</b> 2634 Emmittsburg Road Gettysburg, PA 17325			
<b>Eisenhower I &amp; II</b> and Farmhouse		DESIGNED BY: JT	DRAWN BY: SKJ
APPROVED BY:	PROJECT NO: 2896	UPDATED BY:	DATE: 3/19/2010
			FIGURE NO: <b>3</b>



**Environmental Alliance, Inc.**  
 660 Yorklyn Road, Hockessin, DE 19707  
 Phone: (302) 234-4400 - Fax: (302)234-1535

**Legend**

-  Potable Well
-  Transformer
-  Aboveground Storage Tank (AST)
-  Underground Storage Tank (UST)
-  Former Underground Storage Tank (UST)
-  Approximate Site Boundary
-  Partial Transaction Area\*

SOURCE: Aerial photograph obtained from Pennsylvania Spatial Data Access (PASDA) PAMAP # 16002100PAS\_2003

0      150      300      Feet



\* See figure 2 for explanation



Eisenhower 2634 Emmittsburg Road Gettysburg, PA 17325					
Devonshire		DESIGNED BY: JT	DRAWN BY: SKJ	UPDATED BY:	FIGURE NO: 4
APPROVED BY:	PROJECT NO: 2995	DATE: 3/19/2010			

**Environmental Alliance, Inc.**  
660 Yorklyn Road, Hockessin, DE 19707  
Phone: (302) 234-4400 - Fax: (302) 234-1535

**Legend**

- Potable Well
- Approximate Site Boundary
- Transformer
- Partial Transaction Area\*

\* See figure 2 for explanation

**Scale:** 0 150 300 Feet

**SOURCE:** Aerial photograph obtained from Pennsylvania Spatial Data Access (PASDA) PAMAP # 16002100PAS, 2003



**Legend**

● Potable Well

□ AST

□ Approximate Site Boundary



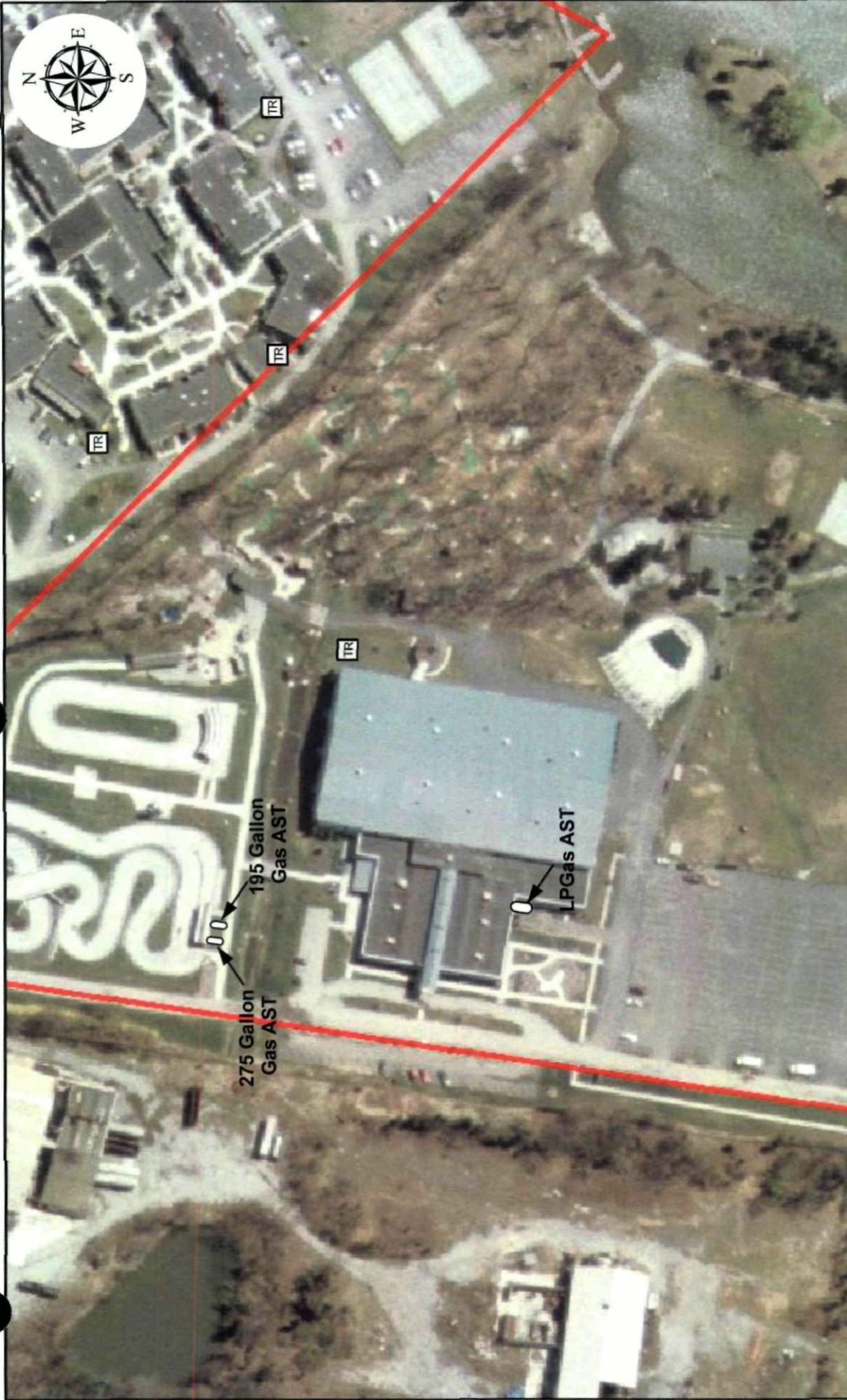
**SOURCE:** Aerial photograph obtained from Pennsylvania Spatial Data Access (PASDA) PAMAP # 16002100PAS, 2003

**Environmental Alliance, Inc.**  
660 Yorklyn Road, Hockessin, DE 19707  
Phone: (302) 234-4400 • Fax: (302)234-1535

**Eisenhower**  
2634 Emmittsburg Road  
Gettysburg, PA 17325

Sewer Plant

DESIGNED BY: JT	DRAWN BY: SKJ	UPDATED BY:	FIGURE NO: 5
APPROVED BY:	PROJECT NO: 2995	DATE: 3/19/2010	



**Legend**

- Transformer
- Aboveground Storage Tank (AST)
- Approximate Site Boundary

**Source:**  
Aerial photograph obtained from Pennsylvania Spatial Data Access (PASDA) PAMAP # 16002100PAS, 2003

0 150 300 Feet

**Environmental Alliance, Inc.**  
660 Yorklyn Road, Hockessin, DE 19707  
Phone: (302) 234-4400 - Fax: (302)234-1535

Eisenhower 2634 Emmittsburg Road Gettysburg, PA 17325			
Allstar			
DESIGNED BY JT	DRAWN BY SKJ	UPDATED BY	FIGURE NO. 6
APPROVED BY	PROJECT NO. 2995	DATE 3/19/2010	



<p><b>Legend</b></p> <ul style="list-style-type: none"> <li> Approximate Potable Well Location</li> <li> Approximate Site Boundary</li> <li> Partial Transaction Area*</li> </ul> <p>* See Figure 2 for explanation</p>		<p><b>Scale</b></p> <p>0 650 1,300 Feet</p> <p><b>SOURCE:</b> Aerial photograph obtained from Pennsylvania Spatial Data Access (PASDA) PAMAP # 16002100PAS, 2003</p>		<p><b>Environmental Alliance, Inc.</b> 660 Yorklyn Road, Hockessin, DE 19707 Phone: (302) 234-4400 - Fax: (302) 234-1535</p>		<p><b>Eisenhower</b> 2634 Emmitsburg Road Gettysburg, PA 17325</p>		<p><b>Potable Well Location Map</b></p>		<table border="1"> <tr> <td>DESIGNED BY: JT</td> <td>DRAWN BY: SKJ</td> <td>UPDATED BY:</td> <td>FIGURE NO:</td> </tr> <tr> <td>APPROVED BY:</td> <td>PROJECT NO: 2896</td> <td>DATE: 03/19/2010</td> <td>7</td> </tr> </table>		DESIGNED BY: JT	DRAWN BY: SKJ	UPDATED BY:	FIGURE NO:	APPROVED BY:	PROJECT NO: 2896	DATE: 03/19/2010	7
DESIGNED BY: JT	DRAWN BY: SKJ	UPDATED BY:	FIGURE NO:																
APPROVED BY:	PROJECT NO: 2896	DATE: 03/19/2010	7																







