ECONOMIC IMPACT STUDY

Entertainment District

Economic Impact Study

An economic impact study completed by an independent expert. The study should include a description of the background conditions in the comparable year (i.e., assuming economic, traffic, etc. continues to develop as to trend without the Applicant's proposed project) and build a scenario with express enumeration of assumptions. If the study depends on visitation or revenues, it should include analysis of the high-, average- and low-cases analogous to the same used for the revenue and tax studies. The study should explain the methodology, report its results and compare its results to actual observed conditions in similar built projects. The study should include:

- *The proposed Gaming Facility's overall economic incremental benefit to the Region, the State, and surrounding localities including the manner in which the facility will generate new revenues as opposed to taking revenues from other New York businesses.*
- *The proposed Gaming Facility's positive and negative impacts on the local and regional economy, and on the host community and nearby municipalities including impacts on incremental job creation, unemployment rates, cultural institutions, small businesses and non-profit organizations*

The Coney's Economic Impact Study was developed by The Innovation Group and is contained herein.

APPENDIX

Coney Island Economic Impact Analysis (.EconImpactStudy)

Coney Island, Brooklyn, New York

Prepared for:

TSG Coney Island Entertainment Holdco LLC

June 2025

Prepared by:

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INTRODUCTION

TSG Coney Island Entertainment Holdco LLC (the "Client") commissioned The Innovation Group for an Economic Impact Analysis of the proposed Coney Island casino resort development in Brooklyn, New York. This report was completed as part of a response to the New York State Gaming Facility Location Board's *Request for Applications to Develop and Operate a Gaming Facility in New York State* (the "RFA"). The report summarizes the economic impacts—including, without limitation, job creation, increases in labor income, and positive revenue impacts for other local and state businesses, among others— that could be expected from the planned development.

As required by the RFA, our analysis details economic and community impacts under three possible scenarios related to visitation and revenue for the proposed development: 1) Low Scenario; 2) Mid Scenario; and 3) High Scenario.

The report begins with a summary of The Innovation Group's experience and qualifications in completing similar scopes of work as the analyses presented herein. We then summarize our economic and demographic analysis of the local market to establish baseline conditions for our analyses. Finally, we detail our Economic Impact Analysis, summarizing both our methodology and the corresponding results.

The assumptions utilized in our analyses as well as important notes and considerations are detailed throughout this report.

THE INNOVATION GROUP EXPERIENCE & QUALIFICATIONS

The following section includes extensive information on The Innovation Group, covering the following two categories of information:

1. Firm Overview
2. Economic and Community Impact Experience & Qualifications

Firm Overview

The Innovation Group is the premier provider of consulting and management services for the gaming, hospitality, leisure, and entertainment industries. Our inventive, forward-looking staff of professionals is known throughout the industry for the accuracy of our market forecasts and our timely response to client needs. Among our core services, we provide feasibility studies, economic impact studies, market assessments, strategic and financial planning, operations and marketing advisory services, and traffic impact analysis of the highest quality. Expanded capabilities are offered through the Innovation affiliates.

As new gaming markets have emerged and as developed markets have faced new challenges, The Innovation Group has been engaged to provide our services throughout the globe. The Innovation Group and its affiliates have worked directly with governmental agencies, providing strategic planning and studies to aid in structuring new gaming jurisdictions, establishing regulations and privatizing state-run operations. We have also worked behind the scenes of many of the world's largest gaming, entertainment and hospitality developments, and our client list includes the most successful operators in the industry. Public and private owners, government agencies, more than 100 Native American Tribes, developers, financial institutions, professional associations and private equity investors have all benefitted from our expertise.

In addition, as emerging markets throughout the country have looked to gaming to enhance the economic benefits to both states and the properties that operate within them, The Innovation Group has been at the forefront of market analysis and research. Our diverse capabilities and gaming specializations have allowed us to contribute to a wide range of considerations regarding gaming expansion and development, from revenue projections and project sizing to amenity mix and economic/social impact.

As a result of these diverse capabilities and industry expertise, we have collectively worked in more than 100 major gaming jurisdictions, conducted research on all relevant gambling industry segments (casino resorts, slot parlors, racinos, racetracks, VLTs, Class II vs. Class III, bingo, lottery, internet gaming, and even emerging ambient devices including internet kiosks, mobile raffles, etc.), provided our services in nearly 80 countries throughout the globe, and been associated with nearly $100 billion in investment decisions specific to our target industries.

The Innovation Group's broad range of expertise and experience gives clients a comprehensive approach to project development from start to finish. Since 1990, our clients have benefited from personalized service that is consistent in quality yet customized for the unique attributes of each project. The Innovation Group utilizes the most reliable data sources available—including public

agencies, GIS software tailored to the leisure industry, online databases, and local primary research—to evaluate markets and project feasibility. For market and feasibility studies, we utilize our proprietary demand assessment model, supplemented by gravity analysis for highly competitive markets. We are supplementing that expertise with the diverse resources of our Innovation affiliates, particularly with regards to the construction (phasing, cost estimating, etc.) and marketing (brand value) considerations, food and beverage strategies, amenity and program alternatives, and other key drivers of the scope of work.

Whatever the nature of the assignment, our reports - ever sensitive to changing conditions and emerging or untapped opportunities - help capture the full dynamics of the marketplace. And we have the planning and operations experience to assist a project through the development phase, pre-opening, ongoing operations, and beyond.

VOLUME & DIVERSITY OF INDUSTRY EXPERIENCE

The Innovation Group's national gaming and tourism industry knowledge is second to none. Our staff has authored the vast majority of casino and resort studies done domestically over the past 20+ years, and we are the "go to" firm for the *Who's Who* of leading gaming operators. From the guidance we provide to other state legislative bodies to the research we have compiled for the largest of international gaming developments, The Innovation Group is the undisputed leader in gaming industry observation and forecasting.

APPROACH & RESOURCES

We hire industry superstars that bring a breadth of experience and owner perspective for all aspects of gaming and hospitality operations. From finance and management to marketing and facility build-out, our assessments and reports address the entire array of considerations most important to our clients. Our aim with every project is to provide value-added services that are only made possible by the diverse structure and capabilities of our organization. While there are many firms who can generate demographic research and market analysis, The Innovation Group is unique in that it takes its solutions a step further to cohesively and accurately incorporate such complex factors as existing competition, brand value, appropriate amenity mix and the outcome/impact of developing multiple facilities.

The Innovation Group invests more than any industry consulting entity to ensure we are utilizing the most current and reliable data sources available. Such resources include public agencies, Smith Travel Research, Claritas, GIS software tailored to the leisure industry, online databases, and other local primary research tools to evaluate markets and project feasibility.

GRAVITY MODEL DEVELOPMENT & INTERPRETATION

A gravity model is the ideal tool to assess the relative performance of existing gaming properties as well as the potential impact of a new facility upon existing ones. Experience with gravity modeling was critical in assessing the gaming revenue potential for The Coney development. The Innovation Group is the industry leader when it comes to using gravity models to quantify the effect of distance on the behavior of a potential patron or to consider the impact of competing venues.

The Innovation Group further distinguishes itself with the level of detail to which we develop our models, as well as the enhanced interpretation methodologies we have mastered by applying the application to gaming projects throughout the globe. And critical to this assignment, we have proven experience applying this tool for gaming projects throughout the State of New York.

ITERATIVE METHOD/PROCESS

The complexities of the assignment (due to the multiple locations under consideration, competitive market factors and various market scenarios being assessed) will require numerous interpretations of the gravity model. The Innovation Group will apply its iterative process to optimize the financial and econometric analysis so as to accurately consider all of the potential influences on the financial forecasts. We refer to this step as iterative in that we apply a wide range of techniques to "revisit" and analyze the data - successive, repeating and/or overlapping approximations - to obtain more accurate solutions and to cohesively pinpoint outcomes based on the maximum consideration of variables, scenarios and data. The result is findings that consider all factors holistically.

THE MOST TRUSTED FINANCIAL FORECASTING IN THE INDUSTRY

The Innovation Group has worked in more than 100 major gaming jurisdictions, conducted research on all relevant gambling industry segments, and been associated with nearly $100 billion in investment decisions specific to our target industries. Our financial analysis and forecasting have been trusted and relied upon by the industry's most successful operators, as well as gaming analysts, investment houses, financial institutions, private equity investors and more.

Economic and Community Impact Experience and Qualifications

Economic and community impact studies are a core competency of The Innovation Group. We have provided these impact studies for a number of successful applicants for competitive gaming license bids, including Plainridge Racecourse in Massachusetts as well as Rivers Casino and Resort in Schenectady, New York. On top of this, we have completed numerous statewide studies for gaming industry clients.

The following list of project examples represents a sample of The Innovation Group's relevant work.

Plainridge Racecourse Social/Community Impact Analysis & Strategic Research, Plainville, Massachusetts

In 2012, The Innovation Group was engaged by Plainridge Racecourse to provide market analysis, financial pro forma, and socio-economic impact in support of a gaming license application in Massachusetts, which has the most intensive application requirements of any gaming jurisdiction. Included in our analysis were a comprehensive social impact analysis and an assessment of community mitigation, with applicants being required to negotiate a Host Community Agreement.

Schenectady, New York Economic Impact Assessment

In 2014, The Innovation Group completed a gaming market assessment and economic and community/social impact study in support of Rush Street Gaming's successful application to the New York Gaming Facility Location Board for a casino development in downtown Schenectady.

Commonwealth of Virginia, Expanded Legalized Gaming / Virginia Joint Legislative Audit and Review Commission (JLARC)

Retained by JLARC in an open-bid process, The Innovation Group assessed the gaming revenue and net economic impact potential from potential legalization of casinos, sports betting, and online gaming, and their associated impacts on the Virginia Lottery, charitable gaming, and horse racing industry. Regulatory Management Counselors, P.C. (RMC) assessed regulatory impacts. Results were presented to the Virginia legislature in November 2019 and utilized by legislative committees to shape gaming legislation that was signed into law in April 2020. Reports can be accessed at http://jlarc.virginia.gov/landing-2019-gaming.asp

Indiana Casino Association, Statewide Gaming Market Assessment & Economic Impact Analysis

In 2019, The Innovation Group performed gaming revenue forecasts and economic impact estimates for Indiana under multiple development assumptions, including modeling the impact of two new casino locations in Indiana and the impact of expansion in Illinois. The report assessed the net gain to Indiana from the proposed new locations in terms of gaming revenue, state tax revenue, and employment, along with indirect and induced impacts modeled through IMPLAN. The state legislature carried through with legislation to implement the main scenario analyzed in our report and new casino development is underway.

Brockton, Massachusetts Economic Impact Assessment

The Innovation Group was engaged by Mass Gaming & Entertainment, LLC to complete an Economic Impact Analysis of a proposed casino development in Brockton, Massachusetts. The report provided an analysis of the economic impacts the development would have on local communities, on Region C (as defined by the Expanded Gaming Act), and on the Commonwealth of Massachusetts. In addition to analyzing impacts from the on-going operations, construction costs and projected tax revenue, we also addressed the impact the development would have on other local businesses.

Bossier City, Louisiana, Margaritaville Casino Economic Impact Assessment

The Innovation Group completed a gaming market assessment and economic impact study in support of the successful application for the Margaritaville Casino and Hotel located in Bossier City, Louisiana. Our report analyzed the benefits to the local area, defined as the two adjacent parishes, in addition to the benefits at the state level.

Ohio Economic and Community Impact Assessments

The Innovation Group recently completed an economic impact study for two locations being considered in Ohio for development by the Eastern Shawnee Tribe. Included was a cost-benefit analysis for local host communities relative to the proposed development. Benefits examined included employment from construction and on-going operations, earnings, spending on local goods and services, and fiscal impacts from sales, hotel room, and income taxes.

Spokane Tribe of Indians, Economic Impact Analysis

In support of a trust application on behalf of the Spokane Tribe of Indians for a major casino and big-box retail development in suburban Spokane, The Innovation Group developed a

socioeconomic impact assessment for three alternatives (including one non-gaming alternative). Impacts were assessed for the local county as well as the Spokane Reservation.

Delaware Economic Impact

The Innovation Group assessed the impact gaming expansion in neighboring states may have on Dover Downs' gaming operations. The impact of potential racetrack casino operations in Pennsylvania and Maryland were considered, with potential gaming in Pennsylvania commencing in January 2006, and in Maryland in January 2007.

Kentucky Statewide Market & Socioeconomic Impact Assessments

The Innovation Group was engaged to provide a statewide gaming market assessment, return on investment analysis and economic impact study for two (2) gaming scenarios in Kentucky. The first scenario assumed full-service slot and table gaming facilities at the state's seven (7) existing racetracks. The second scenario included several non-racetrack gaming locations. Using a gravity model, we developed revenue estimates, sizing and local capture potential from residents currently traveling out of state to gamble. The Innovation Group also conducted a qualitative study regarding the social cost of gaming, focusing on the impact to existing businesses in the area. A strategic plan acceptable to all participants was presented to the legislature with The Innovation Group providing supporting expert witness testimony regarding the findings.

Maryland Statewide Market & Economic Impact Assessments

The Innovation Group was engaged to provide a statewide gaming market assessment and economic impact study for gaming development in Maryland. In addition to the economic impact study that assisted in the ultimate success of the gaming initiative, The Innovation Group provided supporting expert witness testimony in the legislature on regulatory and tax structure implications.

Seminole Tribe of Florida

The Innovation Group provided a statewide economic impact study for the Seminole Tribe for the purposes of public relations and compact negotiations with the State legislature. Current economic impact from the Tribe's multiple casinos statewide were assessed as well as impact from proposed expansions and table game operations statewide.

ECONOMIC IMPACT ANALYSIS

The economic benefits—the revenues, jobs, and earnings—that accrue from the annual operations of an enterprise are termed ***ongoing*** impacts. The construction phase of a project is considered a ***one-time*** benefit to an area. This refers to the fact that these dollars will be introduced into the economy only during construction; construction impacts are expressed in single-year equivalence to be consistent in presentation with ongoing annual impacts.

Methodological Overview

The economic impact of an industry consists of three layers of impacts:

1. Direct effects
2. Indirect effects
3. Induced effects

The **direct effect** is the economic activity that occurs within the industry itself. The direct effect for casino operations represents the expenditures made by the facility in the form of employee compensation and purchases of goods and services (direct expenditures), which ultimately derive from patron spending on the casino floor, and patron spending on non-gaming amenities is an additional direct effect.

Indirect effects are the impact of the direct expenditures on other business sectors: for example, the advertising firm who handles a casino's local media marketing. Indirect effects reflect the economic spin-off that is made possible by the direct purchases of a casino. Firms providing goods and services to a casino have incomes partially attributable to the casino.

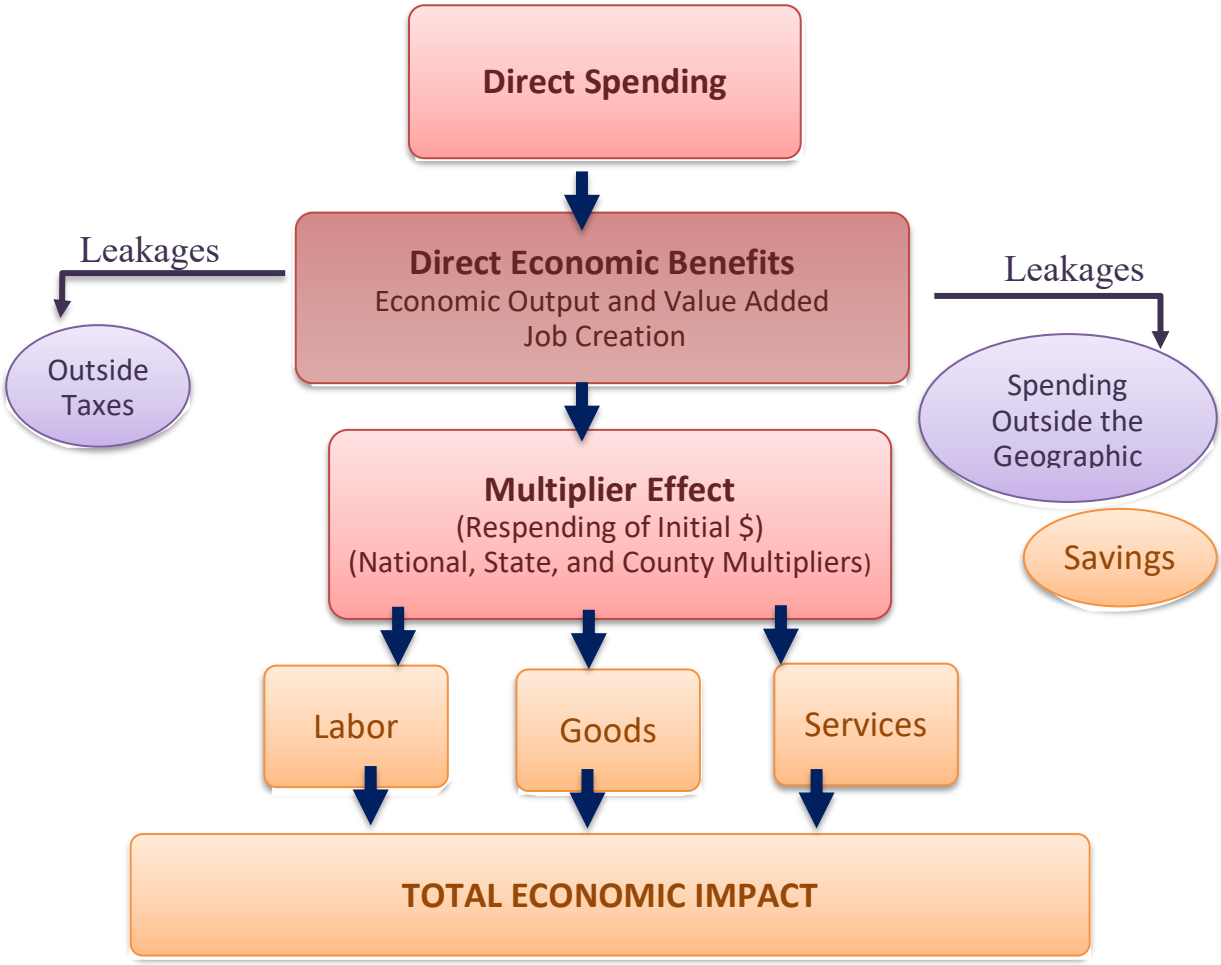
Finally, the **induced effects** result from the spending of labor income: for example, casino employees using their income to purchase consumer goods locally. As household incomes are affected by direct employment and spending, this money is recirculated through the household spending patterns causing further local economic activity.

The **total** economic impact of an industry is the sum of the three components.

Determining the direct economic impact is a critical first step in conducting a valid economic impact analysis. Once the direct expenditures are identified, the indirect and induced effects are calculated using multipliers derived from an input-output model[1] of the economy. The IMPLAN input-output model identifies the relationships between various industries. The model is then used to estimate the effects of expenditures by one industry on other industries so that the total impact can be determined. Industry multipliers are developed based on U.S. Census data. IMPLAN accounts closely follow the accounting conventions used in the "Input-Output Study of the U.S. Economy" by the Bureau of Economic Analysis.

The following flow-chart shows how the economic impact model operates.

[1] IMPLAN Online software and data were utilized for this study.



A Note on Substitution

Casino development frequently elicits concern that a substitution of consumer spending (the substitution effect) will negatively impact local businesses, especially smaller "mom and pop" retail, restaurant, and other entertainment industries. Intuitively it seems to be logical that spending at a casino would be diverted from other consumer activities such as going to a movie or taking a trip to the beach. However, numerous empirical studies have failed to find any conclusive evidence of significant economic substitution after the introduction of new casinos, nor is there any conclusive evidence as to the amount of spending that is substituted or the industry that it would have otherwise been spent in.

It is likely that countervailing positive effects dilute or outweigh any substitution that occurs. First, there is the increased household income in the area from casino employment. Second, there is a substantial body of research and case studies demonstrating the positive impacts that casinos have on surrounding local businesses. A review of studies of casino impacts on local business shows that casinos can stimulate local economies, resulting in communitywide growth, including in the local food and beverage business and retail businesses. Casino visitors stop at local retail outlets

and restaurants in addition to some overnight casino guests patronizing local non-casino hotels. More information on local business impacts is contained in Appendix A.

It was determined after careful consideration that any substitution effects, or reallocation of spending away from other businesses due to the opening of the casino, will be offset by induced non-gaming, off-site spending created by the casino. More detail related to substitution and induced non-gaming spending will be detailed later in this report.

PBO § 87(2)(d)

PBO § 87(2)(d)

PBO § 87(2)(d)

Actual Results at Comparable Developments

As outlined in the RFA, The Innovation Group will compare forecasted economic impact results from ongoing operations with the actual observed impacts of the Plainridge Park Casino in Massachusetts. In 2019, the University of Massachusetts School of Public Health and Health Sciences published a report, *Social and Economic Impacts of Plainridge Park Casino: 2018*, detailing the impacts they observed based on actual 2018 data.[3] For forecasted economic impacts from the construction period, The Innovation Group compares our results with the actual observed impacts of the construction of Encore Boston Harbor. In 2020, the University of Massachusetts School of Public Health and Health Sciences published a report, *The Construction of Encore Boston Harbor: Spending, Employment, and Economic Impacts*, detailing the impacts they observed occurring over the construction period of the gaming development.[4]

Economic Impacts from Ongoing Operations

The ongoing operations of the components at Coney Island will result in ongoing economic benefits that will accrue annually both locally to Kings County and to the State of New York. Direct inputs for the casino development were derived from The Innovation Group's previously completed gaming market assessment and pro forma analysis of the casino property. Please note, text related to input and result tables refer to the Mid Scenario, only, while the tables display the relevant figures for all scenarios.

Operating Inputs

Direct effect inputs for casino operations account for the workers employed at the facility and the compensation they earn as well as direct spending (less any promotional rewards or benefits received) by the gaming operations. Staffing and employment compensation estimates were based on The Innovation Group's operating pro forma model and input into the IMPLAN software. Our staffing model has been calibrated to actual operating data from existing casinos and is on a Full-Time Equivalent (FTE) basis. These FTEs were converted into total number of employees (Full and Part-time) using IMPLAN's conversion matrix.

The following tables shows the total inputs utilized in the IMPLAN modeling for The Coney development.

[3] https://www.umass.edu/seigma/sites/default/files/2018%20PPC%20IMPACTS_Final2.pdf

[4] https://www.umass.edu/seigma/sites/default/files/Encore%20Boston%20Harbor%20Construction%20Report_FINAL.pdf

Annual Economic Impacts from Operations

The following section presents the ongoing economic impacts resulting from The Coney's operating activities. These impacts occur annually and can be thought of as long-term benefits both locally and within the rest of the state.

Based on the operating data forecasted by The Innovation Group, the operations of The Coney under the Mid Scenario are estimated to directly support 4,546 local workers annually, with an annual labor income of $381 million and total added value to the economy of $905 million. These direct impacts drive a further $241 million in added value to the economy and over 2,500 jobs from indirect and induced effects.

In total, the local region is estimated to benefit from annual employment impacts of 7,072 workers, $524 million in labor income and $1.6 billion in total value added. The results for the Mid Scenario as well as the remaining scenarios are displayed in the table below.

PBO § 87(2)(d)

The following table displays the economic impacts from The Coney development's operations for the rest of New York across all scenarios. Under the Mid Scenario, this region is estimated to benefit from annual employment impacts of 738 workers, $78 million in labor income and $125 million in total value added, as shown in the table below.

PBO § 87(2)(d)

Combining the local and rest of state impacts, the following table displays the total ongoing economic impacts from the development's operations under all scenarios assessed.

Fiscal Impacts

Fiscal impacts from the ongoing operations of the casino portion of the development include gaming taxes as well as other various taxes as described herein.

Other Fiscal Impacts

Other fiscal impacts from ongoing operations were estimated utilizing IMPLAN software. Fiscal impacts resulting from IMPLAN include business taxes (including sales taxes), payroll taxes, property taxes, and other relevant taxes both locally and statewide. Based on the forecasted operations of The Coney, IMPLAN estimates that $43 million of tax revenue would accrue to local governments while $22 million of tax revenue would accrue to the state government under the Mid Scenario.

PBO § 87(2)(d)

Comparison of Forecasted Ongoing Impacts to Actual Results

Comparing these forecasted annual impacts to the reported actual impacts of the MGM Springfield Casino in Springfield, Massachusetts, we believe the forecasts are reasonable. While we forecast The Coney development to generate significantly higher gross gaming revenue compared to the Plainridge Park Casino's results (versus under $400 million in MGM Springfield), we believe the comparison of the order of magnitude impacts based on these revenue figures are reasonable. For example, the University of Massachusetts School of Public Health and Health Sciences estimated the total employment impact at 6,287 jobs due to MGM Springfield's operational expenses[5] while we are estimating the total employment impact of The

[5] https://www.umass.edu/seigma/sites/default/files/MGM%20Springfield%20First%20Year%20Operating%20Report%20FY20_Final.pdf

Coney to be roughly 7,800 jobs in the Mid Scenario. Given the variances between the forecasted revenue and expenditures of The Coney and those reported for MGM Springfield (i.e., The Coney is forecasted to generate over 2-times greater gross gaming revenue), we believe the variance between estimated impacts—such as total local employment—is reasonable and confirms the reasonability of our economic impact forecasts for ongoing operations of The Coney.

Substitution Analysis and Impact on Local Businesses

In addition to the review of studies of casino impacts on local businesses included in Appendix C, the following section summarizes the potential offsetting impacts casino developments can have on the revenues of local business including small businesses, entertainment venues, restaurants, and hotels among others. In 2019, the University of Massachusetts School of Public Health and Health Sciences completed a survey of patrons at MGM Springfield.[6] The survey covered both reallocated spending by patrons as well as non-gambling activities.

Reallocated spending refers to spending on goods and services which would have occurred had the casinos never opened, but which did not occur because an individual chose to spend their money at the casino instead. As the study notes, "tracking reallocated spending can be a challenge, but it is important to make every effort to estimate it, as those shifts in spending can potentially affect the revenues of other businesses in the area." As shown in the table below, a total of 53.9% of patrons indicated that there is nothing that they spent less money on as a result of casinos in Massachusetts. The report further states, "for the 46.1% of people who did report spending less money on other things, the most common items reported were other forms of gambling (such as lottery products, bingo, or horse racing), followed by spending in restaurants and bars, hotels and travel, putting money into savings, and live entertainment."

Table 10: Massachusetts Casino Patron Reallocation of Spending

Category	Percent of Survey Respondents
Nothing	53.9%
Other forms of gambling	18.3%
Restaurants and bars	16.0%
Hotels and travel	10.2%
Putting money in savings	8.9%
Live entertainment	8.9%
Retail items	7.1%
Recreation and non-live entertainment	5.1%
Housing and household items	4.5%
Transportation	3.7%
Other services	1.9%
Health care	1.8%

Source: University of Massachusetts School of Public Health and Health Sciences

While the table above indicates that some businesses in Kings County—such as restaurants and bars, hotels, and live entertainment—may see lower levels of revenue as a result of casino patrons allocating spending away from these activities, there will also be a spillover effect of casino patrons visiting local businesses after their time at The Coney. In its 2019 survey and corresponding report, the University of Massachusetts School of Public Health and Health Sciences examined the non-

[6] https://www.umass.edu/seigma/sites/default/files/MGM%20Springfield%20Patron%20Survey%20Report_Final.pdf

gambling activities that patrons engaged in off-site during their visit to the area because of MGM Springfield. As shown in the table below, 22.8% of patrons bought food and beverage off-site, 11.6% attended an event, show or exhibit in Springfield, 10.8% bought fuel or other goods at a gas station, and 10.5% visited a local bar, pub or nightclub.

Table 11: Non-Gambling Activities Participated in Off-Site

Category	Percent of Survey Respondents
Nothing	50.7%
Bought food or beverage in a restaurant or fast food court	22.8%
Attended an event, show, exhibit in Springfield	11.6%
Bought fuel or other goods at a gas station	10.8%
Visited a local bar, pub, or nightclub	10.5%
Retail shopping	7.3%
Went to live entertainment show outside of Springfield	6.6%
Spent money on other entertainment	5.4%
Stayed at hotel outside the casino	3.7%

Source: University of Massachusetts School of Public Health and Health Sciences

Based on this evidence along with the information summarized in Appendix C, The Innovation Group believes the induced spending will likely offset most, if not all of, the reallocated spending away from local businesses as a result of patrons visiting the Coney Island casino development.

Employment Impact

As noted, The Coney development is projected to require 4,549 jobs under the base scenario.[7] These jobs are expected to be filled by a combination of local unemployed workers, local out-bound commuters, residents of neighboring cities, and new residents.

As the second table below illustrates, under the Mid Scenario, the existing workforce in Kings County is estimated to fill 93% of the new jobs created by a casino development, and the remaining 7% of workers are estimated to represent new residents moving into the area. Additionally, under the Mid Scenario, we forecast 685 of local direct jobs created will be filled by unemployed works returning to work—this represents roughly 1.0% of our estimate of future unemployed workers in Kings County.

[7] Headcount, including full and part-time workers.

Table 12: Coney Island Casino Resort Source of Workforce - Low Scenario

Source of Employment	Proposed Project	Metric Applied	Source
A. Number of New Employees	3,617	Total Jobs	IMPLAN, The Innovation Group
B. Number of Commuters from outside Kings County	*1841*	51%, based on Workforce Commuting Patterns	US Census
C. I.W.V. Unemployed back to work	*595*	0.8% of a future estimate of 72,140 Unemployed Workers	US Census
D. Commuters Staying within Kings County	*1,054*	0.1% of 780,871 Kings County workers who currently commute outside the area	US Census
E. Total from Existing Area Workforce	*3,491*	B+C+D	
F. Estimated Total New Workers Needed	*126*	A-E	
% of New Employees	*3.5%*	F/A	

Table 13: Coney Island Casino Resort Source of Workforce - Mid Scenario

Source of Employment	Proposed Project	Metric Applied	Source
A. Number of New Employees	4,549	Total Jobs	IMPLAN, The Innovation Group
B. Number of Commuters from outside Kings County	*2316*	51%, based on Workforce Commuting Patterns	US Census
C. I.W.V. Unemployed back to work	*685*	1% of a future estimate of 72,140 Unemployed Workers	US Census
D. Commuters Staying within Kings County	*1,230*	0.2% of 780,871 Kings County workers who currently commute outside the area	US Census
E. Total from Existing Area Workforce	*4,231*	B+C+D	
F. Estimated Total New Workers Needed	*318*	A-E	
% of New Employees	*7.0%*	F/A	

Table 14: Coney Island Casino Resort Source of Workforce - High Scenario

Source of Employment	Proposed Project	Metric Applied	Source
A. Number of New Employees	5,198	Total Jobs	IMPLAN, The Innovation Group
B. Number of Commuters from outside Kings County	*2646*	51%, based on Workforce Commuting Patterns	US Census
C. I.W.V. Unemployed back to work	*721*	1% of a future estimate of 72,140 Unemployed Workers	US Census
D. Commuters Staying within Kings County	*1,249*	0.2% of 780,871 Kings County workers who currently commute outside the area	US Census
E. Total from Existing Area Workforce	*4,617*	B+C+D	
F. Estimated Total New Workers Needed	*581*	A-E	
% of New Employees	*11.2%*	F/A	

These estimates were based on previous research completed by The Innovation Group and results from a recent analysis of Plainridge Park Casino in Plainville, Massachusetts. The survey of Plainridge employees demonstrates that casino employment is comprised mainly of workers already residing within commuting distance: a mixture of previously employed residents looking

for a better opportunity or the ability to work closer to home, along with previously unemployed local residents. The percentage of workers who moved to take the position with Plainridge was a small percentage of the staff. Furthermore, most casino workers had not had prior casino work experience.

Table 15: Plainridge Casino Source of Workforce

	# of Responses	Percentage
Prior Employment status:		
Unemployed	162	15.5%
Employed Part-time	363	34.7%
Underemployed	*189*	*18.1%*
Employed Full-time	522	49.9%
Total	1,047	100.0%
Reason for taking the position		
Job closer to home	305	29.1%
Other results		
No prior casino experience	902	86.2%
Moved to take the position	75	7.2%

New Employee Survey at Plainridge Park Casino: Analysis of First Two Years of Data Collection
University of Massachusetts Donahue Institute, Economic and Public Policy Research Group, May 10, 2017

Other studies show similar impacts on employment. The Rappaport Institute for Greater Boston and the John F. Kennedy School of Economics at Harvard University (Baxandall and Sacerdote 2005[8]) in a national, county-level study of Native American casinos found a slight decrease in unemployment rates after casinos opened. The analysis included all California casinos in existence in the 1990s. From their total sample of 156 casino counties, the Rappaport study isolated out 57 counties with large casinos and relatively low population and nine counties with both large casinos and large populations to see if there were statistical differences in terms of community impacts. The authors compared the county unemployment rate averaged for the year before and after a casino opens in a county, and then subtracted that number from the average state change in unemployment to isolate the county-specific effect. The following table shows their results:

[8] https://www.hks.harvard.edu/sites/default/files/centers/rappaport/files/casino.pdf

Table 16: Rappaport Study Employment Results

	All Casino-Counties[1]	Counties with Large-Capacity Casinos[2]	Populous Casino Counties[3]
Population Growth (%)	+5*	8.6	+8.1*
Total Employment (%)	+6.7*	+14.9*	5.7
Unemployment (%)	-0.3	-1.2*	0.5

*Statistically significant results at 99% confidence interval.
1. Reports how adjusted outcomes in 156 counties that introduced Indian-run casinos during the 1990s differed from the other 2,959 that did not.
2. The effect for 21 counties in the top 10th percentile in terms of number of slot machines (over 1,760).
3. The effect for the 57 casino counties in the top population quartile (over 55,000 residents).

The Rappaport study also highlighted results for three counties in southern California: Riverside, San Bernardino, and San Diego. In all three counties, the unemployment decreased relative to the state average. For example, before casino development, Riverside County had a slightly lower unemployment rate than the state average (by 0.3%). After casino development, the county's unemployment rate was 1.7% lower than the state average, a relative decrease of 1.4 percentage points. San Bernardino had a relative decrease of 0.5 points and San Diego 0.4.

Table 17: Rappaport Study California County Results for Employment (%)

	Relative Unemployment % (County - State Average) Before	Relative Unemployment % (County - State Average) After	Change in Relative % Unemployment (Before - After)
Riverside, CA	-0.3	-1.7	-1.4
San Bernardino, CA	-2.2	-2.7	-0.5
San Diego, CA	-4.1	-4.5	-0.4

Impact on Neighborhood Amenities and Cultural Institutions

We believe the impact to neighborhood amenities and cultural institutions will largely be nonfinancial and primarily in the form of increased visitation to these sites. We believe relevant visitation from the local population will increase in-line with our forecasted population increases, as detailed previously. We believe visitation to these sites from patrons of the subject development will be minimal.

Non-Profit Organizations and Services Impact

In order to estimate the impact to non-profit organizations and related services we first estimated the increase to the local area's population as a result of new workers moving to the area. Assuming approximately 1.1 casino workers per household, the total number of new households to Kings County is estimated at 289 under the Mid Scenario based on 318 new employees moving to the area. On average, households in New York comprise 2.5 persons, bringing the total population increase to Kings County to 728 people under the Mid Scenario, or 0.02% of the Kings County population.

Table 18: Coney Island Casino Resort Impact on Households and Population

	Low	Mid	High
New employees moving to area	126	318	581
# of jobs per household	1.1	1.1	1.1
Number of new Households	***115***	***289***	***528***
New York State Avg. Household Size	2.52	2.52	2.52
New Area Population	**290**	**728**	**1,331**
% Increase of 2028 Forecasted Kings County Pop	0.01%	0.03%	0.05%

Sources: ESRI, US Census, The Innovation Group

The subject development's financial impact to local nonprofit services was estimated utilizing the above forecasted population increases along with the number of Kings County charities and nonprofits (as reported by countyoffice.org)[9] as well as the weighted average annual nonprofit budget (as reported by the National Council of Nonprofits).[10] Based on these figures, we estimate an incremental annual increase in nonprofit service costs of just over $2,000 under the Mid Scenario.

Table 28: Coney Island Casino Development Impact on Nonprofit Services

	Low	Mid	High
New Area Population	290	728	1,331
% Increase of 2028 Forecasted Kings County Pop	**0.01%**	**0.03%**	**0.05%**
Total Number of Kings County Charities and Nonprofits	73	73	73
National Weighted Average of Annual Nonprofit Budgets	**$161,190**	**$161,190**	**$161,190**
Total Kings County Nonprofit Budgets	**$11,766,905**	**$11,766,905**	**$11,766,905**
Estimated incremental increase to Nonprofit Services	**$1,665**	**$2,283**	**$4,206**

The Coney will serve as a powerful engine for local nonprofits by generating sustained funding opportunities and increasing visibility for community causes. Through contributions, partnerships, and hosting of fundraising events, The Coney will become one of the most active philanthropic supporters in the region, starting with the $200 million Coney Trust. Additionally, the influx of visitors and tourism dollars expands the donor base for local charities, while the resort's community engagement efforts, such as employee volunteer programs and grant initiatives, further strengthen the nonprofit ecosystem. Rather than detracting from charitable giving, The Coney's will amplify it. As outlined in detail in the Appendix to the Communities section of this application, The Coney has already supported and built ongoing relationships with a number of local nonprofits, including the Isaiah Whitehead Foundation, the Coney Island Anti-Violence Collaborative, Alfadila Community Services, and Thompson Drive.

[9] https://www.countyoffice.org/ny-kings-county-charity-nonprofit/

[10] https://www.nonprofitimpactmatters.org/data/downloadable-charts/

Economic Impacts from Construction

Construction of the proposed development would bring one-time (non-recurring) benefits to New York. Construction impacts are expressed on a single-year basis. Therefore, the employment figures, for example, represent person-year equivalents; for a construction period of two years, the actual number of workers onsite would be half the person-year equivalent. Please note, text related to input and result tables refer to the Base Scenario, only, while the tables display the relevant figures for all scenarios.

The impact of construction only relates to expenditures made directly by the development company to design, build and outfit the physical structure. For construction, architectural, and engineering impacts, the Industry Change function was employed using sectors 55-Construction of New Commercial Structures, Including Farm Structures and 457-Architectural, Engineering, and Related Services. Costs associated with purchases of FF&E and machine purchases were modeled using the Commodity Change function sectors 3393-Wholesale Trade Services-Professional and Commercial Equipment and Supplies and 3391-All Other Miscellaneous Manufactured Products.

Construction Inputs

Based on high-level construction capital costs estimated by The Innovation Group, the following table outlines the final inputs used to calculate the economic impact by sector under all scenarios. The cost of slot machines was separated out from the other FF&E. IMPLAN estimates what percentage of the purchases, including slot machines, will originate from within the study area based on its Social Accounting Matrix (SAM).

PBO § 87(2)(d)

Economic Impacts from Construction

Based on the construction capital costs estimated by The Innovation Group under the Mid Scenario, the IMPLAN model estimates that construction of The Coney will directly support 11,069 workers locally, with labor income equaling and total added value to the economy of . These direct impacts drive a further in added value to the economy and nearly 4,000 jobs from indirect and induced effects.

In total under the Mid Scenario, the local region is estimated to have benefited from a one-time, single-year equivalent employment impact of 14,910 workers, in labor income and

in total value added. The results for the Mid Scenario as well as the remaining scenarios are displayed in the table below.

The following table displays the economic impacts from construction for the rest of the State of New York. In total under the Mid Scenario, this region is estimated to benefit from a one-time employment impact of 2,235 workers, in labor income and in total value added, as shown in the table below.

PBO § 87(2)(d)

Combining the local and rest of state impacts, the following table displays the total economic impacts from the construction of the development, which is projected to inject total value added of into the local and state economy under the Mid Scenario.

PBO § 87(2)(d)

Fiscal Impacts

Fiscal impacts resulting from IMPLAN include business taxes (including sales taxes), payroll taxes, property taxes, and other relevant taxes both locally and statewide. Based on the construction cost estimates for The Coney, the one-time fiscal impacts from construction would contribute to local government and to the state under the Mid Scenario.

PBO § 87(2)(d)

Comparison of Forecasted Construction Impacts to Actual Results

Comparing these forecasted total construction impacts to the reported actual impacts of the construction of Encore Boston Harbor development in Everett, Massachusetts, we believe the forecasts are reasonable. The forecasted construction budget for The Coney is in excess of compared to the actual construction budget of Encore Boston Harbor of $1.6 billion. As a result of the construction of Encore Boston Harbor, the University of Massachusetts School of Public Health and Health Sciences estimated the total statewide employment impact over the

construction period was 12,525 jobs while we are estimating the total statewide employment impact of the construction of The Coney to be roughly 17,000 over the construction period in the Mid Scenario.

APPENDIX A: IMPACT ON LOCAL BUSINESS

Research Results

There is a substantial body of research and case studies demonstrating the impacts that casinos have on surrounding local businesses. There are several important reasons that local businesses benefit from the development of a casino:

- Casino visitors stopping at local retail outlets and restaurants.
- Long-distance patrons staying at area hotels; even in markets with casino hotels, non-casino hotels enjoy boosts in occupancy.
- Casino expenditures on local goods and services put more money into the local economy.

A review of studies of casino impacts on local business shows that casinos can stimulate local economies, resulting in communitywide growth, including in the local food and beverage business and retail businesses. There is little evidence of significant economic substitution after the introduction of new casinos, particularly for casinos in urban areas.

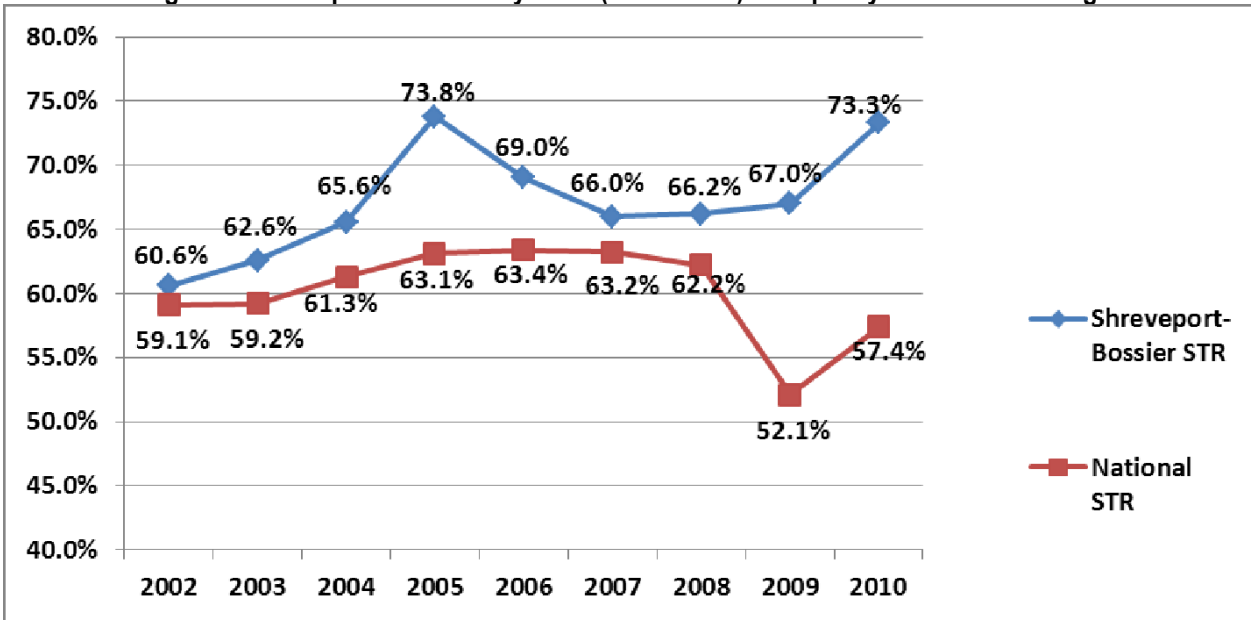
Primary Research

Casino development increases room demand at non-casino hotels even when casino hotels are built. For example, in Shreveport-Bossier City, Louisiana, hotel occupancy rates averaged approximately 60% before casinos were developed beginning in 1994, which is a standard level of occupancy for a small city market without casinos. The Shreveport-Bossier City casino industry was fully developed by 2003 with six casinos featuring 9,500 gaming positions, by which time hotel occupancy in non-casino hotels had risen to 63%, climbing to 74% by 2005.[11]

The casino industry also helped non-casino hotels in Shreveport-Bossier City weather the impacts of the Great Recession much better than the national hotel market, with hotel occupancy dropping to no lower than 66% compared to the national trough of 52%.

[11] Shreveport-Bossier Convention and Tourism Bureau 2011 Lodging Report, https://assets.simpleviewinc.com/simpleview/image/upload/v1/clients/shreveport/ShreveportBossierLodgingReport2011_d6f20dfd-8b50-4616-89d5-f0683d3893fa.pdf

Figure 1: Shreveport-Bossier City Hotel (non-casino) Occupancy v. National Average



Source: Shreveport-Bossier Convention and Tourism Bureau 2011 Lodging Report; Smith Travel Research

Such a boost to non-casino hotel demand results from the overall increased visitation to the area and the overflow from peak periods when casino hotels are fully booked. On the Mississippi Gulf Coast, gaming began in late 1992 and by the early 2000s there were 11 casinos, all but one of which had associated hotels. During this period, occupancy rates in non-casino hotels remained steady at 55% despite a 143% increase in total rooms, including a 60% increase in non-casino hotel rooms.[12]

The overflow effect has been experienced in numerous jurisdictions beyond the Mississippi and Shreveport examples presented above. In fact, third-party developers frequently build new hotels in the vicinity of a casino to take advantage of that overflow, even in remote areas with no other organic sources of demand. For example, an Americas Best Value Inn, a Best Western and a Days Inn were developed next to the Coushatta Casino Resort in Kinder, Louisiana even though the remote casino property has over 950 rooms of its own.

Gaming development on the Mississippi Gulf Coast also boosted retail and restaurant development by local business owners taking advantage of the increased visitation to the area. As the following table shows, between 1991 and 1997 the number of retail and eating and drinking establishments increased in the two counties that host casinos. The increases were an astounding 77 percent for drinking and dining establishments in Hancock County while retail establishments in both counties also increased over this period.

[12] Source: Mississippi Gaming Commission, https://www.msgamingcommission.com/reports/property_archive/2005

Table 25: Change in Retail and Eating and Drinking Establishments 1991-1997

County	Retail	Eating and drinking places
Harrison County, MS	14.7%	4.2%
Hancock County, MS	6.6%	77.1%

Source: US Census County Business Patterns

On the West Coast, three separate data sources indicate that substantial hotel development at tribal casinos on the outskirts of San Diego (and not within the City) has not negatively impacted local hotels. The Transient Occupancy Tax (TOT) collected by the City of San Diego has grown substantially since recovering from the 2009-10 recession effects, despite the operation of several large rural casino hotels, including an 1,100-room hotel at Harrah's Rincon, that do not pay the TOT.

Table 26: City of San Diego, CA Transient Occupancy Tax Collections (MMs)

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
$160.24	$136.32	$128.11	$139.77	$150.82	$157.03	$170.17	$186.24	$202.80	$221.10

Source: San Diego Tourism Authority

While some of the TOT increase may be related to collection of the TOT at AirBnBs beginning in 2015, hotel occupancy data—which do not include AirBnBs—also increased in the three years from 2014 to 2016. HVS reports that hotel demand and occupancy in the San Diego market "increased steadily from 2010 through 2018, resulting in peak occupancy levels above 78% by year-end 2018." RevPAR (revenue per available room, a measure of hotel performance) has also seen steady increases since the recession, rising above $130 for the first time in 2018.[13]

This HVS report is corroborated by STR data for the San Diego market, data that excludes casino properties, as shown in the following table.

Table 27: San Diego pre-Covid Hotel Trends

	Occupancy %	RevPAR $	Room Revenue ($MMs)
2012	73.3	100.27	1,377
2013	74.0	103.22	1,414
2014	76.6	112.00	1,534
2015	78.5	122.23	1,674
2016	79.3	126.62	1,768
2017	79.2	130.47	1,844
2018	80.9	138.44	1,951
2019	78.7	134.84	1,937

Source: STR; The Innovation Group

[13] http://hvi.hvs.com/market/united-states/San_Diego; accessed June 2, 2022.

Secondary Research

Casino development sometimes elicits concern, which research has dispelled, that substitution of consumer spending (the substitution effect) will impact local businesses, especially smaller "mom and pop" retail, restaurant and entertainment businesses. This argument has its origins in long-ago controversies regarding Atlantic City. Clyde Barrow, Director for the Center of Policy Analysis at the University of Massachusetts Dartmouth, traces the Atlantic City "myth" to a misinformation campaign by the Atlantic City Restaurant and Tavern Association "to win more concessions for its members from the city's casino hotels."[14]

Research by Kathryn Hashimoto and George Fenich found that contrary to a negative impact, casinos in Atlantic City actually reversed a downward trend:

> The number of eating and drinking establishments in Atlantic County was actually declining in the years *prior* to the opening of the first casinos. However, this decline was actually reversed after the first casinos opened, when the number of non-casino eating and drinking places increased from 415 in 1978 to 569 in 1994 (37 percent). Moreover, in the 11 years since the Hashimoto and Fenich study, the number of non-casino eating and drinking places in Atlantic County has continued to increase to 625 (9.8 percent) in 2004 with 9,020 employees (36 percent).[15]

In a review of available literature, the research division of the Federal Reserve Bank of St. Louis concluded in a 2003 report that the results are "mixed" regarding the impacts of casinos on other local businesses. The report references one study that "found that the growth in retail sales tax collections from various industries slowed after the introduction of casino gambling." However, another referenced study from Indiana showed that casino development retained spending by patrons "who would have, without the casino, spent their money outside of the local area."[16]

Furthermore, there is substantial economic research from throughout the country contradicting the substitution effect. Hashimoto and Fenich's 1997 research shows that "in jurisdictions from the seashore to the riverfront to rural areas, north and south, east and west, local restaurants tended to thrive after a casino opened nearby." Furthermore, Hashimoto and Fenich conclude: "When casinos are developed, all aspects of the local food and beverage business increase: the number of establishments increases, the number of people employed increases and payroll increases at an even greater rate than the first two."[17]

Research conducted in 1996 by Nancy Reeves and Associates for the Mille Lacs Band of Ojibwe, entitled "The Economic Impact of Grand Casino Mille Lacs and Grand Casino Hinckley on Their Surrounding Areas" concluded that:

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[14] Barrow, Clyde and Mathew Hirshy. "The Persistence of Pseudo-Facts in the U.S. Casino Debate: The Case of Massachusetts" Gaming Law Review and Economics Volume 12, Number 4, 2008.

[15] Ibid.

[16] Thomas A. Garrett, Senior Economist, Federal Reserve Bank of St. Louis, *Casino Gambling in America and Its Economic Impacts,* August 2003.

[17] George Fenich and Kathryn Hashimoto, "The Effects of Casinos on Local Restaurant Business," paper presented at the International Conference on Gambling and Risk-Taking, Montreal, 1997.

> At least 15 businesses have either opened, expanded, or re-opened since the opening of Grand Casino Mille Lacs. Included are 4 hotels/motels and resorts, 8 restaurants and fast food establishments, 2 gas stations and a go-kart track. Together, these businesses have added an estimated 142 jobs in the area.
>
> With the opening of Grand Casino Hinckley in 1992, the hospitality business in Hinckley was transformed from a rest stop for travelers to a tourist destination. In addition to the casino complex, with its 1,275 jobs, Hinckley has added 11 new businesses and expanded 4 more since 1992, adding 87 new jobs. As is the case in the Mille Lacs area, Hinckley is now a year round destination because of the casino. Also similar to the Mille Lacs situation, the main street businesses in Hinckley have seen increases in customer spending attributed primarily to casino employees living in the area.

The Center for Policy Analysis University of Massachusetts Dartmouth came to similar conclusions analyzing a number of gaming jurisdictions throughout the country. The number of restaurants and retail sales excluding those from casinos increased in Bossier City, Louisiana; Biloxi/Gulfport, Mississippi; Connecticut; Gilpin County, Colorado, and; Tunica County, Mississippi.

> There was a net increase of eight restaurants in Bossier City, Louisiana following the introduction of riverboat casinos. The city's taxable restaurant sales, excluding restaurants in the hotels and casinos, increased by 5 percent in 1994 and by 7 percent in 1995 *after* the introduction of riverboat casinos. In Biloxi/Gulfport, Mississippi, the rate of non-casino retail sales growth increased from an average of 3 percent annually (1990-1992) in the years prior to riverboat gambling to 12 percent annually in the years after riverboat gaming began in the locality.
>
> …the number of restaurants in the area surrounding Foxwoods and Mohegan Sun increased from 472 to 506 following the casino's opening, while restaurant employment increased from 5,911 to 6,628 during the same period.… In Gilpin County Colorado, the number of restaurants increased from 31 to 40 after the introduction of casino gaming. In Tunica County, Mississippi, the number of restaurants increased by 13 percent and restaurant employment grew by 9 percent after the introduction of casino gaming in the county.[18]

Similar conclusions have been reached in other studies:

- Even after accounting for substitution effect, economists at the University of Missouri and New York University concluded that casino gambling in Missouri had a net positive annual impact on Missouri output of $759 million, corresponding to a continuing higher level of employment of 17,932 jobs generating $508 million more in personal income.[19]

[18] Ibid.

[19] Charles Leven et al., "Casino Gambling and State Economic Development," paper presented at the Regional Science Association, 37th European Congress, Rome, Aug. 26-29, 1997.

- A multijurisdictional analysis of retail spending found that in Biloxi/Gulfport, Miss., annual retail sales growth rates increased an average of 3 percent per year from 1990 to 1992, the year when casinos were introduced. Between 1993 and 1995, retail sales jumped 13 percent. In Will County, Illinois, retail sales growth trailed statewide trends until 1992, when riverboat casinos were introduced in the local economy. But each year between 1992 and 1995, retail sales growth in Will County exceeded the state rate. In Shreveport/Bossier City, Louisiana, retail sales increased by more than 10 percent during 1994, the year that riverboat casinos opened, as the region enjoyed the highest retail sales increase in more than a decade.[20]

In summary, there is a wealth of evidence contradicting the proposition that gaming substitutes for other expenditures. The positive spillover effect on local hotels for one is unequivocally demonstrated in numerous jurisdictions, even in markets where casinos operate hotels for their gaming customers.

[20] Arthur Andersen, *Economic Impacts of Casino Gaming in the United States, Volume 2: Micro Study* (New York, D.C.: American Gaming Association, May 1997).

DISCLAIMER

Certain information included in this report contains forward-looking estimates, projections and/or statements. The Innovation Group has based these projections, estimates and/or statements on our current expectations about future events. These forward-looking items include statements that reflect our existing beliefs and knowledge regarding the operating environment, existing trends, existing plans, objectives, goals, expectations, anticipations, results of operations, future performance and business plans.

Further, statements that include the words "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan," "project," or other words or expressions of similar meaning have been utilized. These statements reflect our judgment on the date they are made and we undertake no duty to update such statements in the future.

Although we believe that the expectations in these reports are reasonable, any or all of the estimates or projections in this report may prove to be incorrect. To the extent possible, we have attempted to verify and confirm estimates and assumptions used in this analysis. However, some assumptions inevitably will not materialize as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties and unanticipated events and circumstances, which may occur. Consequently, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material. As such, The Innovation Group accepts no liability in relation to the estimates provided herein.

PBO § 87(2)(d)

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PBO § 87(2)(d)

Massachusetts Casino Patron Reallocation of Spending

Category	Percent of Survey Respondents
Nothing	53.90%
Other forms of gambling	18.30%
Restaurants and bars	16.00%
Hotels and travel	10.20%
Putting money in savings	8.90%
Live entertainment	8.90%
Retail items	7.10%
Recreation and non-live entertainment	5.10%
Housing and household items	4.50%
Transportation	3.70%
Other services	1.90%
Health care	1.80%

Non-Gambling Activities Participated in Off-Site

Category	Percent of Survey Respondents
Nothing	50.70%
Bought food or beverage in a restaurant or fast food court	22.80%
Attended an event, show, exhibit in Springfield	11.60%
Bought fuel or other goods at a gas station	10.80%
Visited a local bar, pub, or nightclub	10.50%
Retail shopping	7.30%
Went to live entertainment show outside of Springfield	6.60%
Spent money on other entertainment	5.40%
Stayed at hotel outside the casino	3.70%

Table 22: Coney Island Casino Resort Source of Workforce - Low Scenario

Source of Employment	Proposed Project	Metric Applied	Source
A. Number of New Employees	3,617	Total Jobs	IMPLAN, The Innovation Group
B. Number of Commuters from outside Kings County	*1841*	51%, based on Workforce Commuting Patterns	US Census
C. I.W.V. Unemployed back to work	*595*	0.8% of a future estimate of 72,140 Unemployed Workers	US Census
D. Commuters Staying within Kings County	*1,054*	0.1% of 780,871 Kings County workers who currently commute outside the area	US Census
E. Total from Existing Area Workforce	*3,491*	B+C+D	
F. Estimated Total New Workers Needed	*126*	A-E	
% of New Employees	*3.50%*	F/A	

Table 23: Coney Island Casino Resort Source of Workforce - Mid Scenario

Source of Employment	Proposed Project	Metric Applied	Source
A. Number of New Employees	4,549	Total Jobs	IMPLAN, The Innovation Group
B. Number of Commuters from outside Kings County	*2316*	51%, based on Workforce Commuting Patterns	US Census
C. I.W.V. Unemployed back to work	*685*	1% of a future estimate of 72,140 Unemployed Workers	US Census
D. Commuters Staying within Kings County	*1,230*	0.2% of 780,871 Kings County workers who currently commute outside the area	US Census
E. Total from Existing Area Workforce	*4,231*	B+C+D	
F. Estimated Total New Workers Needed	*318*	A-E	
% of New Employees	*7.00%*	F/A	

Table 24: Coney Island Casino Resort Source of Workforce - High Scenario

Source of Employment	Proposed Project	Metric Applied	Source
A. Number of New Employees	5,198	Total Jobs	IMPLAN, The Innovation Group
B. Number of Commuters from outside Kings County	*2646*	51%, based on Workforce Commuting Patterns	US Census
C. I.W.V. Unemployed back to work	*721*	1% of a future estimate of 72,140 Unemployed Workers	US Census
D. Commuters Staying within Kings County	*1,249*	0.2% of 780,871 Kings County workers who currently commute outside the area	US Census
E. Total from Existing Area Workforce	*4,617*	B+C+D	
F. Estimated Total New Workers Needed	*581*	A-E	
% of New Employees	*11.20%*	F/A	

Plainridge Casino Source of Workforce

	# of Responses	Percentage
Prior Employment status:		
Unemployed	162	15.50%
Employed Part-time	363	34.70%
Underemployed	*189*	*18.10%*
Employed Full-time	522	49.90%
Total	1,047	100.00%
Reason for taking the position		
Job closer to home	305	29.10%
Other results		
No prior casino experience	902	86.20%
Moved to take the position	75	7.20%

Rappaport Study Employment Results

	All Casino-Counties[1]	Counties with Large-Capacity Casinos[2]	Populous Casino Counties[3]
Population Growth (%)	+5*	8.6	+8.1*
Total Employment (%)	+6.7*	+14.9*	5.7
Unemployment (%)	-0.3	-1.2*	0.5

Rappaport Study California County Results for Employment (%)

	Relative Unemployment % (County - State Average) Before	Relative Unemployment % (County - State Average) After	Change in Relative % Unemployment (Before - After)
Riverside, CA	-0.3	-1.7	-1.4
San Bernardino, CA	-2.2	-2.7	-0.5
San Diego, CA	-4.1	-4.5	-0.4

Coney Island Casino Resort Impact on Households and Population

	Low	Mid	High
New employees moving to area	126	318	581
# of jobs per household	1.1	1.1	1.1
Number of new Households	***115***	***289***	***528***
New York State Avg. Household Size	2.52	2.52	2.52
New Area Population	**290**	**728**	**1,331**
% Increase of 2028 Forecasted Kings County Pop	0.01%	0.03%	0.05%

Coney Island Casino Development Impact on Nonprofit Services	Low	Mid	High
New Area Population	290	728	1,331
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Total Number of Kings County Charities and Nonprofits	73	73	73
National Weighted Average of Annual Nonprofit Budgets	$161,190	$161,190	$161,190
Total Kings County Nonprofit Budgets	$11,766,905	$11,766,905	$11,766,905
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PBO § 87(2)(d)

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Change in Retail and Eating and Drinking Establishments 1991-1997

County	Retail	Eating and drinking places
Harrison County, MS	14.70%	4.20%
Hancock County, MS	6.60%	77.10%

City of San Diego, CA Transient Occupancy Tax Collections (MMs)

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
$160.24	$136.32	$128.11	$139.77	$150.82	$157.03	$170.17	$186.24	$202.80	$221.10

San Diego pre-Covid Hotel Trends

	Occupancy %	RevPAR $	Room Revenue ($MMs)
2012	73.3	100.27	1,377
2013	74	103.22	1,414
2014	76.6	112	1,534
2015	78.5	122.23	1,674
2016	79.3	126.62	1,768
2017	79.2	130.47	1,844
2018	80.9	138.44	1,951
2019	78.7	134.84	1,937