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

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

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## 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
  - \$51 million attributable to increased hotel operations impacts
  - \$15 million attributable to ancillary (visitor) spending impacts
- 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
  - \$100 million attributable to increased hotel operations impacts
  - \$27 million attributable to ancillary (visitor) spending impacts
- 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 Mason-Dixon, 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<sup>2</sup> upon completion. 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. 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	Amount
Subtotal, Site Work	\$4.75
Subtotal, Casino	\$19.88
Contingency	\$2.40
<b>Total</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 Mason-Dixon, 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: Mason-Dixon (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>
<b>Multiplier</b>	<b>1.35</b>	<b>2.12</b>
<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. 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)**

	<b>2008 Historical</b>	<b>Stabilized Operations</b>	<b>Increased Operating Expenditures Due to Expansion</b>
<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: Mason-Dixon & 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>	<b>1.35</b>	<b>2.124</b>
<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, Mason-Dixon'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 Mason-Dixon'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 Mason-Dixon

**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 overnights 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>
<b>Multiplier</b>	<b>1.35</b>	<b>2.14</b>
<b>Total Employment</b>	<b>195</b>	<b>367</b>
<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.

Mason-Dixon has estimated an annual "win" of \$83.1 million, in 2010 dollars, upon completion. 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 upon completion, 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.