



Mount Airy Resort & Casino

Mount Airy #1, L.L.C.

Local Impact Report

December 12, 2005

PROOF OF SERVICE

IN RE: MOUNT AIRY #1, L.L.C.
LOCAL IMPACT REPORT
PURSUANT TO 58 PA. CODE § 441.3(c)

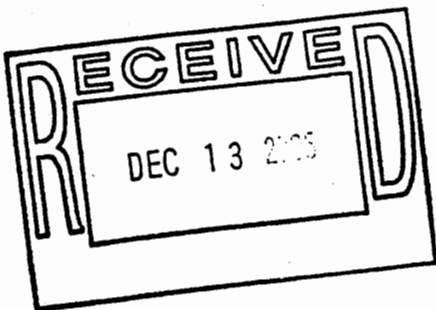
The Mount Airy #1, L.L.C. Local Impact Report was served upon Paradise Township at 1 p.m. o'clock, on the 13th day of December, 2005 at Paradise Township Municipal Building by handing DEBRA BRADY [name of person served], the ZONING OFFICER [title of person served] of Paradise Township, the Mount Airy #1, L.L.C. Local Impact Report and at the same time directing his/her attention to the contents thereof.

Acknowledgement of Service:

DEBRA BRADY, ZONING OFFICER
[Print name and title of person served]

Debra Brady
Signature

12/13/05
Date



PROOF OF SERVICE

IN RE: MOUNT AIRY #1, L.L.C.
LOCAL IMPACT REPORT
PURSUANT TO 58 PA. CODE § 441.3(c)

The Mount Airy #1, L.L.C. Local Impact Report was served upon Pocono Township at 3:00 p.m. o'clock, on the 13th day of December, 2005 at Pocono Township Municipal Building by handing Jane Cilurso [name of person served], the Supervisor/Sec/Treas. [title of person served] of Pocono Township, the Mount Airy #1, L.L.C. Local Impact Report and at the same time directing his/her attention to the contents thereof.

Acknowledgement of Service:

Jane Cilurso, Supervisor/Sec/Treas.
[Print name and title of person served]

Jane Cilurso
Signature

12/13/05
Date

PROOF OF SERVICE

IN RE: MOUNT AIRY #1, L.L.C.
LOCAL IMPACT REPORT
PURSUANT TO 58 PA. CODE § 441.3(c)

The Mount Airy #1, L.L.C. Local Impact Report was served upon Monroe County at 1:00 40.m. o'clock, on the 13th day of December, 2005 at Monroe County Administration Building by handing Cindy King [name of person served], the Admin. Sec. [title of person served] of Monroe County the Mount Airy #1, L.L.C. Local Impact Report and at the same time directing his/her attention to the contents thereof.

Acknowledgement of Service:

Cindy King Admin. Sec.
[Print name and title of person served]

Cindy King
Signature

12/13/05
Date

MOUNT AIRY #1, L.L.C.

LOCAL IMPACT REPORT

The attached Pennsylvania Gaming Control Board Category 2 Application APPENDIX 31 LOCAL IMPACT REPORT, ENGINEERING REPORTS and TRAFFIC STUDIES is being provided in compliance with and pursuant to 58 Pa. Code §441.3(c).

The complete Conditional Use Zoning Application and supporting documentation are incorporated herein and by reference to Appendix 27 of the Pennsylvania Gaming Control Board Category 2 Application. Because this voluminous information and documentation was submitted as part of the Conditional Use Zoning Application, and such application was approved on November 1, 2005, Appendix 27 and the complete Conditional Use Zoning Application and supporting documentation have not been duplicated and attached hereto.

NOTICE: Mount Airy #1, L.L.C. respectfully requests that this Local Impact Report, served on December 13, 2005, remain CONFIDENTIAL until December 28, 2005, the Pennsylvania Gaming Control Board deadline for the submission of all applications for operating licenses.

APPENDIX 31

**LOCAL IMPACT REPORT,
ENGINEERING REPORTS
and
TRAFFIC STUDIES**

MOUNT AIRY #1, L.L.C.

December 12, 2005

In conjunction with the Conditional Use Application to Paradise Township for a Master Development within a Resort Area Development Overlay District, Mount Airy #1 LLC prepared an Environmental Resource Report, Traffic Impact Study and Community Impact Analysis.

The Conditional Use Application and support documentation was delivered to Paradise Township on August 23, 2005. Subsequently, based upon the recommendation of the Paradise Township Planning Commission, the Board of Supervisors scheduled and conducted a Public Hearing on the Conditional Use Application on October 19, 2005. Upon the closing of testimony from both representatives of Mount Airy #1 LLC and the general public, the Public Hearing, which was a special meeting of the Board of Supervisors, was adjourned without a decision being made on the Conditional Use Application.

On November 1, 2005, the Paradise Township Board of Supervisors resumed the October 19, 2005 meeting and voted unanimously to approve Mount Airy #1 LLC Conditional Use Application for a Master Development Plan within a Resort Area Development Overlay District. As noted in Appendix 27, the Board of Supervisors conditioned their approval subject to several terms that are primarily associated with obtaining all required municipal and regulatory approvals and permits. The complete Conditional Use Application and supporting documentation including the Environmental Resource Report, Traffic Impact Study and Community Impact Analysis is contained in Appendix 27.

Specific to the requirement of the subject Appendix, herein provided is the background and synopsis of the Traffic Impact Study, the Environmental Resource Report and Community Impact Analysis.

31.1 TRAFFIC IMPACT STUDY

Traffic Planning and Design, Inc. (TPD) was engaged by Mount Airy #1 LLC to perform a Traffic

Impact Study. Initially, on May 10, 2005 and May 27, 2005, meetings were conducted with the Paradise Township Supervisors and their Engineering Traffic Consultants, Hanover Engineering to establish issues of concern. Subsequently, on June 3, 2005, a meeting was conducted with representatives of Hanover Engineering and PennDOT District 5-0 to review and finalize the scope of the Traffic Impact Study. Also, on June 28, 2005, a meeting was held with representatives of Pocono Mountain School District to discuss their issues of concern, especially related to the significant amount of school bus traffic to their school complex on a parcel adjacent to the Mount Airy #1 LLC land holdings. In addition, the Pocono Mountain School District advised that they are planning to construct a new elementary center on their property in the next few years. Thus, the School District asked that improvements be incorporated into the transportation network to safely accommodate the additional school bus and vehicular traffic associated with their facility.

As a result of the above noted meetings, it was established that the scope for the Traffic Impact Study would include the following intersections:

- (1) Route 611 and Route 314 (Eastern Leg)
- (2) Route 611 and Route 314 (Western Leg)
- (3) Route 611 and Woodland Road/Strickland's Road/Big Daddy's Driveway)
- (4) Route 611 and Meadowside Road
- (5) Route 611 and Grange Road
- (6) Woodland Road and Pocono Mountain School Access
- (7) Woodland Road and Bowman Road
- (8) Woodland Road and Meadowside Road
- (9) Woodland Road and Carlton Road
- (10) Route 940 and Carlton Road
- (11) Route 940 and Route 390
- (12) Route 940 and Route 191/Red Rock Road

In preparing the Traffic Impact Study, manual traffic counts were conducted at the twelve (12) study area intersections during the Friday P.M. (4:00 - 8:00 P.M.) and Saturday P.M. (3:00 - 7:00 P.M.)

Peak periods. In an effort to obtain traffic counts at the twelve (12) study area intersections on Friday, May 20, 2005, TPD also conducted counts at ten (10) of the study area intersections on Saturday, May 21, 2005. Traffic counts at the two (2) additional intersections one (1) intersection on Route 611 and one (1) intersection on Route 940) were conducted on Saturday, June 18, 2005. By conducting the manual traffic counts for the Saturday P.M. peak period in May and June, TPD was able to obtain weekend data on the major routes for both pre and post Memorial Day holiday weekend traffic. A manual traffic count at the intersection of Route 611/Woodland Road Strickland's Road/Big Daddy's Driveway was also conducted on Tuesday, February 8, 2005 from 2:00-6:00 P.M. in order to obtain winter seasonal traffic volumes.

In developing future no-build condition traffic volumes for the study area intersections, TPD utilized the PennDOT recommended background growth trend factor of 1.022 (2.2%) per year in Monroe County. In addition, based on discussions with staff from Paradise Township, Mount Pocono Borough, Pocono Township and Stroud Township, the traffic associated with thirteen (13) nearby developments was considered.

Due to the lack of available data in the ITE Trip Generation Manual regarding this type of development, a Trip Generation Study for an existing similar facility was conducted to develop trip generation rates for the proposed facility. The similar existing facility studied, Dover Downs in Dover, Delaware, currently consists of a 2,500-machine slot parlor including food and beverage support services, and a 232-room hotel. Based upon rates developed from the Trip Generation Study, it was determined that the proposed redevelopment will generate 1,020 new vehicle trips during the Friday P.M. peak period and 1,140 new vehicle trips during the Saturday P.M. peak period.

The distribution of trips generated by the proposed Mount Airy Resort & Casino was based on the local roadway network, the existing traffic patterns, the proposed use of the site, and a marketing study prepared for the Mount Airy Resort & Casino. Based on the marketing study prepared for the Mount Airy Resort & Casino, TPD prepared a trip distribution gravity model for an approximate

200-mile radius. Utilizing the results of the gravity model, the trips for the proposed development were distributed to the local roadway network and added to the future no-build conditions to develop future build conditions.

Utilizing the traffic projections, TPD conducted capacity analyses at the study area intersections according to the methodologies contained in the 2000 Highway Capacity Manual (HCM). Based upon the results of the capacity analyses, improvements were identified at the following roadway segments and intersections:

Woodland Road

Widen Woodland road from Route 611 to Carlton Road (approximately 2 miles) as follows:

- (1) Widen Woodland Road from a two-lane (20-22 foot wide roadway) to a three-lane, 40 foot wide curbed roadway from Route 611 to 500 feet east of the proposed eastern Mount Airy Resort & Casino site drive. The third lane will be striped as a center left turn lane resulting in left turn lanes on Woodland Road at its intersections with the Pocono Mountain School District Driveway, Bowman Road, Meadowside Road, and two (2) Mount Airy Resort & Casino site driveways.
- (2) Widen Woodland Road to provide 250-foot long right turn deceleration lanes with 100-foot long tapers on Woodland Road and its intersections with the Pocono Mountain School District Driveway, Bowman Road, Meadowside Road, and two Mount Airy Resort & Casino site driveways.
- (3) Widen Woodland Road from 225 feet east of the proposed eastern Mount Airy Resort & Casino site drive to Carlton Road to provide eleven (11)-foot wide travel lanes and five (5) -foot shoulders. This section of Woodland Road will remain two (2) lanes wide.

- (4) Horizontal and vertical geometric and alignment improvements along sections of Woodland Road including realignment in some sections, and super elevation.
- (5) It is recommended that the speed limit for Woodland Road be reduced from 40 mph to 25 mph from Route 611 to 225 feet east of the proposed eastern Mount Airy Resort & Casino site drive as a result of the horizontal geometry and curving proposed for the roadway. It is further recommended that advisory 25 mph speed limit signs be placed for the three horizontal curves between Bowman Road and Meadowside Road.

Route 611 and Woodland Road/Strickland's Road/Big Daddy's Driveway

- (1) Construct a separate 250-foot long left-turn lane, with a 100-foot long taper on the westbound Woodland Road approach to Route 611.
- (2) Construct a 250-foot long right-turn lane, with a 100-foot long taper on the westbound Woodland Road approach to Route 611.
- (3) Re-designate the existing westbound Woodland Road approach to Route 611 in order to provide a shared left/through travel lane.
- (4) Construct a separate 350-foot long right-turn lane, with a 210-foot long taper on the northbound Route 611 approach to Woodland Road.
- (5) Close the Strickland's Road approach to the Route 611/Woodland Road/Big Daddy's intersection, thus eliminating the 5-leg intersection.
- (6) Install new traffic signal equipment (controller, mast arms, signal heads and the intersection of Route 611 and woodland Road/Big Daddy's Driveway in order to accommodate the proposed traffic signal phasing.

Route 940 and Carlton Road

- (1) Construct a separate 100-foot long left-turn lane, with a 100-foot long taper on the westbound Route 940 approach to Carlton Road.

Route 611 and Route 314 (Eastern Leg)

- (1) Increase the cycle length of the traffic signal from 80 seconds to 100 seconds during the weekday P.M. peak hour. It will be at the discretion of Pocono Township and PennDOT whether or not the cycle length of the traffic signal at the intersection should be modified.

Route 611 and Route 314 (Western Leg)

- (1) Discuss/investigate the potential installation of a traffic signal at the intersection of Route 611 and Route 314 (Western Leg) with Pocono Township and PennDOT to determine if installing the traffic signal is feasible.

The Traffic Impact Study and a Preliminary Roadway Improvement Plan were submitted to Paradise Township, Hanover Engineering and PennDOT for review on August 23, 2005. Review letters were received on this submission by Hanover Engineering on September 13, 2005 and PennDOT on September 22, 2005- refer to Attachment 31.1.

The Mount Airy #1 LLC project team has reviewed the comments contained in both review letters and it is our opinion that we can comply with and/or address/clarify all issues set forth in both review letters. The proposed improvements to the local and regional transportation network upon implementation will improve existing and future levels of service deficiencies; offset level of service impacts from the proposed Master Development and provide safe and efficient transportation access to the Mount Airy Resort & Casino complex and surrounding development.

Previously in Appendix 27, we discussed the turn back ownership of Woodland Road (SR 1013) between SR 611 and Carlton Road from the Commonwealth of Pennsylvania to Paradise Township. Presently, Attorneys for Paradise Township and Mount Airy #1 LLC are preparing an Operational and Maintenance Agreement that would facilitate the ownership turn back. Upon execution of said Agreement, a copy will be provided to the Pennsylvania Gaming Control Board as a Supplement to this Appendix.

31.2 **ENVIRONMENTAL RESOURCE REPORT**

Skelly and Loy, Inc. (S&L) was engaged by Mount Airy #1 LLC to assist in preparing the Existing Resource Site Analysis Plan, previously discussed in Appendix 27, required by Paradise Township Land Development Ordinances to establish if any environmental, cultural and or historical resource would preclude, delay or inhibit the Master Development Planned by Mount Airy #1 LLC.

The scope of work performed by S & L is as noted below:

- (1) Delineation of ponds, lakes, streams, wetlands, vernal pools, and natural drainage swales.
- (2) Vegetative cover conditions on the property according to general cover type including cultivated land, permanent grassland, old field, hedgerow, woodlands, and wetlands. Trees with a caliper in excess of 18 inches were identified within the proposed development area.
- (3) Location of trails that have been in public use (pedestrian, equestrian, bicycle, etc.).
- (4) Location, delineation, and identification of any resource included within the Pennsylvania Natural Diversity Inventory (PNDI).

- (5) Wetland Delineation Study on the 890-acre project site Phase 1 - Bog Turtle Habitat Assessment of the wetlands within the proposed development area; and
- (6) Cultural Resource Assessment for the proposed development area and the remainder of surrounding 890 acre project area.

The results of these individual studies were incorporated into the Environmental Resources Report prepared for the project in August 2005- refer to Attachment 27.4 Conditional Use Application and supporting documentation. The following is a summary of the Environmental Resource Studies:

- (1) The Wetland Delineation Study identified and delineated 73 wetlands, 35 watercourses, 14 ponds, 7 vernal pools, 3 seeps and 1 lake.
- (2) Vegetative cover includes primarily forest land and resort development within the project area.
- (3) Cultural Resource Assessment did not identify any historic structures or archaeological resources within the project area.
- (4) No known federal, state, or local trails are identified within the project area. There are two (2) potential trails identified on the U.S.G.S. mapping. These potential trails were incorporated into the project mapping.
- (5) Threatened and endangered species coordination efforts resulted in the identification of only one (1) potential conflict, the bog turtle, for the project. A Phase 1 Bog Turtle Habitat Assessment was completed on the wetlands within and surrounding the proposed development area. These wetlands were determined to not contain bog turtle habitat.

The August 2005 Environmental Resources Report documents the existing conditions and proposed impacts associated with the development of the project. Additionally, a Phase 1 Bog Turtle Habitat Assessment of the wetlands around the test well locations was completed for the temporary wetland crossing permit authorization package for the project.

Associated with the environmental studies completed for the project, agency coordination has been initiated with the appropriate regulatory agencies. A brief summary of the coordination efforts is outlined below.

Wetlands- A Field View with the U.S. Army Corps of Engineers (USACE) was completed on September 7 and 8, 2005, to review the Wetland Delineation Study for the project. The USACE reviewed the wetland delineations in the field and concurred with our findings. The USACE requested a few minor revisions to the wetland location mapping associated with showing connectivity of resources through culvert pipes and other minor revisions. S&L submitted the revisions on September 26, 2005. An approval letter is anticipated to be received from the USACE in December 2005.

Threatened and Endangered Species- We have received clearance from the U.S. Fish and Wildlife Service (USFWS) on July 6, 2005 and the Pennsylvania Fish and Boat Commission (PFBC) on June 30, 2005 that there are no conflicts with the bog turtle within the proposed development area. We have submitted the Phase 1 Bog Turtle Habitat Assessment Report for the GP-8 crossing for the test wells to the PFBC and USFWS. PFBC cleared the crossing by letter dated October 28, 2005. We are awaiting the response from USFWS.

Historic Resources- We have received the historic structure clearance on September 16, 2005, and the archaeological resource clearance on July 25, 2005 from the Pennsylvania Historic and Museum Commission (PHMC) for the proposed development area. More recently, we have completed our historic structure and archaeological resource assessment of the 890-acre project area. The results of our assessment did not identify any potential resources. The results of our assessment were

forwarded to the PHMC on October 26, 2005 for their review, and we are presently awaiting their concurrence.

The results of S&L's environmental studies completed to date for the project include the identification and delineation of numerous natural resources including 73 wetlands, 35 watercourses, 14 ponds, 7 vernal pools, 3 seeps, and 1 lake. The vegetative cover analysis has identified primarily forestland and resort land within the 890-acre project area. The cultural resource and threatened and endangered species assessments and agency coordination efforts have not identified any conflicts for the project. The proposed developments are designed to avoid the majority of the numerous wetland and watercourse resources with the Mount Airy Resort & Casino project area. The proposed development activities will involve only minor encroachment associated with the replacement of existing stream crossings.

31.3 COMMUNITY IMPACT ANALYSIS

A Community Impact Analysis was included in the Conditional Use Application for a Master Development within a Resort Area Overlay District which was submitted to Paradise Township on August 23, 2005 (refer to Attachment 31.2 for Acknowledgement Form). The Community Impact Analysis presented to Paradise Township covered a multitude of areas and is set forth below:

Over the next five to ten year period it is planned to develop the property holdings of Mount Airy #1, LLC in accordance with the regulations of Paradise Township. The approximately 890-acre parcel has been consolidated into a total of three (3) parcels. The proposed development concept sets forth 526 acres to be designated as Greenway Area. The Greenway Area will be defined in a permanent conservation easement. Active and passive recreational facilities will be incorporated into the Greenway Areas. As part of the Master Plan Development, Mount Airy #1 LLC will retain ownership of the Greenway Areas. The Greenway Areas will be available for the enjoyment of both resort guests and individuals with interests in the Master Plan property and the residents of Paradise

Township and adjacent communities. As part of the final land development submission Mount Airy #1 LLC will submit a plan for maintenance of the Greenway Areas and operation of the Common Facilities, in accordance with Paradise Township Ordinance 160.21 F(3). The balance of the property will be developed with Resort/Non Residential Uses - (200 acres) and Residential Uses - (164 acres). The maximum number of residential units which can be built on the 164 acres designated for Residential Uses amounts to 523.

The Phase I stage of development will be the construction of a two hundred (200) room Mount Airy Resort & Casino complex comprising a total of 437,262 sq.ft. on an approximate 42 acre site. Associated infrastructure includes a 126,000 sq.ft. covered parking garage and surface parking areas for guests and employees with a total of 1598 spaces, rehabilitation of the onsite wastewater treatment plant, construction of a new sanitary sewer collection system and central water distribution system along with the widening of Woodland Road from SR611 to Carlton Road and improvements to roadway intersections impacted by Mount Airy Resort & Casino traffic. Presently, there are no specific plans to develop the balance of the property. The marketing concept is to focus on time shares, senior citizens housing and related support services. The construction and operation of the Mount Airy Resort & Casino and related infrastructure will result in employment for over 300 individuals (construction) and 650 individuals (operation). The maximum employees per operational shift will be 275.

A project of this magnitude will impact on aspects of the Paradise Township and its residents. Listed below are areas of concern as set forth in Paradise Township Ordinance and Section 160;12(43B), along with the programs and procedures required, if necessary to mitigate said impacts.

31.4 **EMERGENCY SERVICES, POLICE AND FIRE PROTECTION**

A meeting was conducted in the Paradise Township Municipal Building on June 23, 2005 between representatives of the local and regional Emergency Services, State Police, Volunteer Fire

Association, Paradise Township Supervisors and Mount Airy #1, LLC. Suggestions provided to Mount Airy #1, LLC including inclusion of a perimeter access to all portions of the Mount Airy Resort & Casino, enlargement of the service elevator to provide space for a Emergency Service litter, construction of a pad to facilitate helicopter landings, provisions for dry hydrants, specifications for the hydrant connections and minimum water pressure to be provided will be incorporated into the design documents for the Hotel/Casino Facility. In order to expedite responses for medical assistance, and provide a centralized dispatch location, Mount Airy #1 LLC, at the request of the Barrett Township Volunteer Ambulance Corps will cooperate in the construction of a building along Woodland Road. This building also would have the potential for the location of Paradise Township Public Works vehicles and equipment, if the Township agrees to take back the ownership of Woodland Road from PennDOT.

The operation of the Mount Airy Resort & Casino will include provisions that sufficient staff personnel per shift will be trained and certified as emergency services responders and volunteer firemen. A local emergency medical doctor will be available supported by a local clinic or hospital to provide medical services 24 hours a day, 7 days per week, 52 weeks per year. This staff will support local and regional emergency services personnel in responding to incidents at the Mount Airy Resort & Casino and on the Master Plan property.

Mr. Harry Robidoux, Director of Monroe County Public Safety Center has volunteered to coordinate a defined Emergency Services Response Plan with local/regional providers and Mount Airy #1 LLC. The Emergency Service Response Plan will address both the construction and operational aspects of the proposed development.

Mount Airy #1 LLC will have full time, 24/7/365, private security staff under the supervision of a Director of Security. The Staff will be certified and trained to interface with the Swiftwater Headquarters of the Pennsylvania State Police on all issues within the jurisdiction of the State Police.

At the June 23, 2005 meeting Lt. David Douglas of the Pennsylvania State Police indicated that the Commonwealth is prepared to provide Mount Airy #1 LLC with sufficient support to insure security for guests, employees and the residents of Paradise Township.

31.5 **SOLID WASTE DISPOSAL**

The Mount Airy Resort & Casino and adjacent resort and residential land uses will have solid waste collection and disposal services provided by vendors approved in the Monroe County Solid Waste Plan. All developments will institute active recycling programs that will be integrated into the Paradise Township/Monroe County recycling program. The additional recycling fees generated from the development of the Mount Airy #1, LLC will be available to the applicable Municipal entity.

31.6 **RECREATION**

Approximately 526 acres of Mount Airy #1, LCC property have been identified in the Existing Resource Site Analysis Plan and designated as Greenway Areas. The Greenway Areas include environmentally sensitive areas; i.e., wetlands, vernal pools, along with waterway riparian buffer zones and lands with steep slopes, comprise approximately 160.5 acres. The balance of the Greenway Areas will be designated for passive/active recreational uses, including native trails and/or as a natural preserve. Portions of these facilities, including walking trails and the golf course, will be available for Mount Airy Resort & Casino guests and the general public. As the Mount Airy #1, LCC Development Master Plan becomes more defined, we shall work, hand in hand, with Paradise Township, the Barrett - Mt. Pocono and Paradise Open Space Recreational Committee and regional conservation land trusts organizations to ensure the preservation of environmentally sensitive areas and provide a meaningful nature experience for the Mount Airy #1, LCC guests, residents of Paradise Township and of the entire Pocono Mountain Region.

31.7 **TRANSPORTATION AND SURROUNDING ROADWAY SYSTEMS**

The construction of the Mount Airy Resort & Casino will generate an additional traffic flow on Woodland Road and the adjacent traffic network. In conjunction with representatives of Paradise Township and PennDOT, consultants for Mount Airy #1, LLC developed a scope of work to be included in a Traffic Impact Study that would quantify the additional traffic volume by specific roadways and intersections. Based upon the results of the Traffic Impact Study, improvements to the transportation system will be designed to maintain the appropriate level of services. Subject to approval by Paradise Township and PennDOT of the proposed improvements, construction would be undertaken by Mount Airy #1, LLC. All related costs would be the obligation of Mount Airy #1, LLC, and not the obligation of Paradise Township or their taxpayers. Paradise Township would also receive an approximately \$5,000 annually from PennDOT in Liquid Fuel Funds without incurring any additional costs.

Of primary concern would be the improvements to be constructed on Woodland Road. Although the final design development is not completed to date, the following is a synopsis of the planned improvements:

- (1) Realignment of the S.R.611/Woodland Road Intersection, along with modifications to the signalization system.
- (2) Abandonment of the Strickland Road leg of the S.R. 611/Woodland Road Intersection.
- (3) Reconstruction of Woodland Road from S.R.611, approximately 1.0 miles, to the limit of work for the Mount Airy Resort & Casino. Generally, the roadways will be widened to three (3) lanes to accommodate turning lanes, including the intersections of School Road, which serves the Pocono Mountain School District, Bowman Road the Mount Airy Resort & Casino main access road and the intersection at the Employee/RV/Bus Parking Lot. Signalization, if required, will be installed at said intersections. Within the work area, curbing and stormwater

drainage facilities will be constructed as required, along with the installation of new bridges over Forest Hills Run and its tributaries. The vast amount of roadway reconstruction will be within the existing Woodland Road Rights-of Way of Woodland Road and/or property owned by Mount Airy #1, LLC. However, it is possible that small segments of land may be required from individual private property owners.

- (4) From the limit of the work area at the Mount Airy Resort & Casino to the intersection of Woodland and Carlton Road, approximately 1.0 mile, the existing roadway shoulders and drainage system will be reconstructed, in kind, and within the existing rights-of-way. The intersection of Woodland Road/Carlton Road will be realigned and signed. Presently, there are no development proposals for the balance of the Mount Airy #1, L.C land holdings. However, as such proposals materialize, Mount Airy #1, LLC and/or the respective prospective developers will be required to obtain a Highway Occupancy Permit. Currently the Highway Occupancy Permit is issued through PennDOT District 5-0. If Paradise Township assumes ownership of Woodland Road from SR611 to Carlton Road via the Commonwealth Turnback program, the Highway Occupancy Permit will be issued by the Township. Each prospective development will be required, in either case, to perform a Traffic Impact Study. Accordingly, improvements required as the consequence of the proposed development to the transportation network would be the responsibility of each developer.

Obviously the flow of traffic at all times along Woodland Road, along with regular maintenance and an active snow removal and salting program are prime importance to the success of the Mount Airy #1, LLC Project. If the Township is willing to accept ownership of Woodland Road via the Commonwealth Turn back program, Mount Airy #1, LLC would offer to provide the Township with sufficient trucks, equipment and materials to perform the required maintenance and winter snow removal operations. Mount Airy #1, LLC would also reimburse Paradise Township for labor costs directly related to the maintenance and winter operation on Woodland Road.

In addition, a building to house the Public Works trucks, equipment and materials would be constructed on Mount Airy #1, LLC property in conjunction with the facility to store the emergency service, ambulance vehicles and equipment as previously noted in the Emergency Services, Police and Fire Protection Section.

31.8 **SCHOOL FACILITIES AND SCHOOL DISTRICT BUDGET**

The proposed Master Plan development for Mount Airy #1, LLC property will revitalize approximately 890 acres in Paradise Township which has been dormant for a minimum of six (6) years. Over the next ten (10) years, it is envisioned that two hundred (200) acres will be developed as resort/nonresidential land use and one hundred sixty four (164) acres developed as residential land use. The balance of the property will be designated as Greenway Areas and essentially be void of development with the exception of active/passive recreation use and utility and stormwater facilities easements.

Within the one hundred sixty four (164) acres designated in the Master Plan, for residential use, a maximum of 523 housing units can be constructed. It should be noted, that based upon the current Paradise Township Zoning Ordinance, the potential existed for approximately 1500 housing units to be constructed on the 890 acre property. The primary marketing focus for the residential housing will be condominiums, time shares, adult communities including assisted living units and estate lot single family residences. To date, there are no specific planned residential developments. However, it would be reasonable to project that, upon full build out of the residential portion of the Master Plan, the real estate value will range between 125 to 150 million dollars. The impact on the School District will not be proportional to the tax generated due to the fact that the residential marketing focus will be on transitory residents and senior citizens. With the exception of the Mount Airy Resort & Casino and related infrastructure improvements, no specific land development is currently proposed for the 200 acre resort/nonresidential use portion of the Master Plan.

However, at full build out, the real estate values for the resort use area would approximate 400 to 500 million dollars. The resort/nonresidential use area development will have a nominal impact on the School District student population.

With the construction of the Mount Airy Resort & Casino complex and subsequently the full build out of the proposed Master Plan, additional traffic will be generated on Woodland Road and the adjacent transportation network. As was discussed in the section this Community Impact Analysis entitled A Transportation and Surrounding Roadway System a comprehensive Traffic Impact Study is being prepared by Mount Airy #1, LLC in conjunction with Paradise Township and PennDOT. An integral part of the Traffic Impact Study is the safe flow of traffic at the intersection of Woodland Road and School Drive. Consultants for Mount Airy #1, LLC have been in contact with representatives of the Pocono Mountain School District so that improvements can be incorporated into the reconstruction of Woodland Road to achieve the safe traffic flow objective at this intersection and adjacent school bus routes. Also in a meeting with the School District on July 7, 2005, Mount Airy #1, LLC was asked, and will implement modifications to the Bowman Road, Woodland Road intersection, to address the traffic movements associated with a planned Elementary Center.

31.9 WATER SUPPLY

Plans to provide domestic and fire water supply for the Mount Airy Resort & Casino and subsequent development of the Master Plan include the construction of a central water supply, treatment, storage and conveyance system and/or entering into a contract with Pennsylvania American Water Company to extend their water distribution system to the Mount Airy #1, LLC property.

Under the first option, it is planned to establish a separate PUC regulated utility company to operate the central water supply entity. In addition to PUC approval, groundwater withdrawal allocations will have to be obtained from PaDEP and the Delaware River Basin Commission, along with a

PaDEP Permit for a community water system. The field data and technical analysis required to obtain the groundwater withdrawal allocation and PaDEP Community Water System Permit will ensure that the water supply demand for development of the Master Plan, along with irrigation for the Mount Airy Golf Course, will not negatively impact the quality nor quantity of groundwater for current and future Paradise Township development.

The Mount Airy #1, LLC Phase I development plans, including the Mount Airy Resort & Casino and related infrastructure, will include application of the treated wastewater on the golf course and implementation of stormwater management techniques that will facilitate runoff infiltration into the groundwater aquifer.

31.10 SEWAGE DISPOSAL

Presently, the existing on site wastewater treatment plant has an PaDEP NPDES Permit discharge capacity of 220,000 gpd. A complete updating of the existing equipment is being performed and, in conjunction with the construction of the Mount Airy Resort & Casino and related infrastructure, a new filtration/disinfection process system will be installed along with a reactivation of the conveyance system for treated wastewater for application on the Mount Airy Golf Course.

Engineering projections of the wastewater to be processed at the wastewater treatment plant, in the short term, are as follows:

Mount Airy Resort & Casino	146,298 gpd
Villa of Our Lady	2,114 gpd
Golf Course Pro Shop/Restaurant	5,788 gpd
RV Holding Station	1,800 gpd
Maintenance Building	<u>6,727 gpd</u>
Maximum Total	162,726 gpd

Thus, for the Phase I development proposed in the Master Plan, upon rehabilitation and upgrade of the existing on site wastewater treatment plant, adequate processing capacity is available via the existing PaDEP NPDES Permit. However, the full build out of the Master Plan would require securing additional wastewater discharge capacity, potentially to a maximum of 800,000 gpd.

Mount Airy #1, LLC currently is investigating the implementation of an environmentally responsible and sensitive process to increase discharge capacity at the existing on site wastewater treatment plant and/or the option of making a connection to the proposed Pocono Township Municipal Authority Wastewater Treatment Plant. As a consequence of the PaDEP Act 537 Planning Process, Paradise Township will be an active participant in establishing in conjunction with Mount Airy #1, LLC the option to be selected to properly process and discharge the treated wastewater generated by the full build out of the Master Plan.

During the initial phase of infrastructure construction, a new sanitary sewer collection system will be constructed in accordance with Paradise Township and PaDEP regulations. This new sanitary sewer collection system will service the Mount Airy Resort & Casino, Villa of Our Lady, Golf Course Restaurant and an RV Parking Area. Also, a temporary connection will be made to the existing Maintenance Building. A new flow meter has been installed at the on-site wastewater treatment plant. Subsequent to commencement of operations at the Mount Airy Resort & Casino, and verification of its wastewater flow construction i.e. 162,762 gpd, the remaining wastewater discharge capacity could be distributed to potential resort use or residential use along the Woodland Road Corridor up to the maximum of 220,000 gpd. Thus, extension of the new sanitary sewer collection system from approximately the intersection with Bowman Road to SR611 along Woodland Road may be included in the initial infrastructure work program. This work may be performed in conjunction with the rehabilitation and improvements to Woodland Road to avoid future pave cuts, to minimize traffic delays and provide the potential to connect Paradise Township residents on Woodland Road to the sanitary sewer system.

31.11 **PUBLIC UTILITIES**

The proposed development of the Master Plan as previously described, will be self sufficient for water supply and sanitary sewer service. The electric service provider, PP&L has notified Mount Airy #1, LLC that adequate power is available for Phase I of construction along with the potential maximum build out of the Master Plan. Mount Airy #1, LLC Consultants are evaluating options for heating and air conditioning demands related to the Hotel/Casino Facility that include a natural gas pipeline, propane tanks and/or geothermal as the primary fuel source. The extension or construction of new utilities services will provide service connection opportunities for residents of Paradise Township and surrounding communities, and also benefit the environment by eliminating the dependence on private water supply wells and on lot wastewater disposal systems.

31.12 **TOWNSHIP REVENUE AND EXPENSES**

The construction and operation of the Mount Airy Resort & Casino and related infrastructure along with the future developments included in the Master Plan will provide significant financial opportunities for the Township, its residents and existing commercial business. The initial construction program will provide over 300 jobs for a 12 to 15 month period. The operation at the Mount Airy Resort & Casino will result in over 650 full time employees.

The workers involved in the construction of the Mount Airy Resort & Casino and related infrastructure, i.e., 300 jobs for a 12 to 15 month period, will create a new demand for a significant amount of goods and services with the resulting increase in job opportunities for local business establishments. A similar impact will be evident for suppliers of the materials and equipment to be incorporated into the construction work. Examples of local business that would benefit from this Project include building materials and equipment suppliers, contractors, trucking companies, and engineering consultants and surveyors. Similarly, the operational expenses associated with the

salaries and wages for 650 employees and the materials and supplies associated with the Mount Airy Resort & Casino will provide increase business and job opportunities for local wholesale, and retail vendors and the service industry. Finally, the Mount Airy Resort & Casino will attract a projected 3,300,000 visitors/year. This will result in the visitor becoming customers of local business, shopping in local store, staying in local hotels and resorts and patronizing local restaurants, entertainment and amusement attractions.

Presently it is difficult to quantify the amount of the additional revenue that the construction and operation of the Mount Airy Resort & Casino and buildout of the Master Plan Facilities will accrue to the local labor market and business, Paradise Township, adjacent municipalities and Monroe County. In a similar fashion, additional real estate and transfer taxes, to be paid to the Paradise Township, the Pocono Mountain School District and Monroe County are difficult to project. However, it is safe to state that significant economic benefits will flow to the entities without the requirement to provide essential public services to the Mount Airy Resort & Casino and related Master Plan Development Facilities. The Pocono Mountain School District will be required to accommodate a limited additional student population, but the additional revenue generated will far surpass the additional expenses incurred.

The Pennsylvania Race Horse Development and Gaming Act requires that 4% of the daily gross slot machine terminal revenue be paid into the State Gaming Fund and 2% of these funds are available to the Host Community and County, and adjacent communities for economic development, community improvement projects and other related public interest projects. The grants may be utilized as local matching funds for other grants or loans from the Commonwealth.

The funds will be deposited into a restricted account within the Department of Community and Economic Development and will be administered through the Monroe County Economic Development or Redevelopment Authority. These grants must be used to fund the costs of human services, infrastructure improvements, facilities emergency services and health and public safety expenses associated with a licensed gaming facility.

Accordingly, significant opportunities will exist for Paradise Township to obtain grant funding to enhance the quality of life for its community and residents.

In addition, the Pennsylvania Race Horse Development and Gaming Act provides for an annual subsidy to 2nd Class Township i.e., Paradise Township in the amount of 2% of the gross terminal revenue or \$10,000,000 which ever is greater. However, the subsidy amount cannot exceed 50% of the Paradise Township budget for the 2003-2004 Fiscal year, adjusted annually by a cost of living adjustment. Any funds not distributed to the Township in excess of the 50% of 2003-2004 budget or \$10,000,000 will be assigned to Monroe County for uses as noted above.

Finally, each slot machine licensee will contribute 5% of its daily gross terminal revenue into the Pennsylvania Gaming Economic Development and Tourist Fund to be administered by the Pennsylvania Department of Community and Economic Development. Allowance in this fund will be distributed via an Economic Development Capital Budget. Although specific parameters have not been established to date, funds may be used for municipal capital projects and operational expenditures. Funds can be used throughout the Commonwealth including municipalities and counties that must be licensed gaming facilities.

Existing grants are available to Paradise Township and its municipal authorities through the Infrastructure and Facilities Improvement Program and the Water Supply and Wastewater Infrastructure Program PennWorks which are administered through the Pennsylvania Department of Community and Economic Development and the Commonwealth Financing Authority respectfully. If Paradise Township opts to seek financial assistance through these programs, Mount Airy #1, LLC will provide technical assistance at no cost to Paradise Township.

31.13 **SYNOPSIS**

The approval by Paradise Township of the Conditional Use Permit for the Resort District Master Plan, as submitted by Mount Airy #1, LLC, provides the first step in the establishment of a unique partnership between Paradise Township and Mount Airy #1, LLC. The mutual cooperation of these parties will result in a positive impact on the quality of life for Township residents through the establishment of a controlled development of approximately 890 acres. Benefits to accrue to the Township include preservation of natural resources, enhanced recreational areas via the designated Greenway Areas, a fifty 50% subsidy of its annual operating budget, without any increase in costs to Paradise Township.

Enhanced opportunities for local vendors and employment for residents, expand potential for growth of the tourist industry, improved infrastructure and implementation of best management techniques related to stormwater and wastewater management which will improve the groundwater recharge efficiency and surface water quality of Forest Run and tributary streams and significantly improve the aesthetic visual aspects of the land contained within the Resort District Master Plan. The construction of the Mount Airy Resort & Casino will be a complimentary tourist attraction that will enhance the existing Paradise Township and Monroe County tourism market.