

POCONO MANOR RESORT AND CASINO
ECONOMIC / FISCAL STUDY

Tobyhanna Township
Monroe County, PA

Prepared for

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APPENDIX 24
Pocono Manor Resort and Casino
Economic and Fiscal Study

The portion of this report pertaining to the information identified as Economic Impact Studies in Appendix 24 can be found in the entire report, pages 1 through 27, and Appendices 1 through 6.

APPENDIX 31
Pocono Manor Resort and Casino
Economic and Fiscal Study

The portion of this report pertaining to the information identified as Local Impact Report: housing; local police and emergency service capabilities; existing tourism; other municipal service or resource in Appendix 31 can be found on pages 21 and 22; pages 18 to 21; pages 4 and 15; and page 27, respectively for the topics listed.

APPENDIX 35
Pocono Manor Resort and Casino
Economic and Fiscal Study

The portion of this report pertaining to the information identified as (2) the potential for new job creation and economic development which will result from granting a license to the applicant and (7) the degree to which the applicant presents a plan for the project which will likely lead to the creation of quality, living-wage jobs and full-time permanent jobs for residents of this Commonwealth generally and for residents of the host political subdivision in particular in Appendix 35 can be found in total or in part on pages 1, 2, 3, 9, 10, 13, 14, 15, 21, 22, 27 and Appendix Tables 1 through 4, where these pages/appendices address direct and indirect job and wage creation and/or direct and indirect economic development activities resulting from the proposed resort/casino project.

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INTRODUCTION

This Economic / Fiscal Study is prepared for the proposed Pocono Manor Resort and Casino to be located in Tobyhanna Township on lands of Pocono Manor. It is expected that the Pocono Manor Resort, Casino, Life Style Retail Center and related development will be a major full-service regional and out-of-state tourist and visitor destination center that will be complementary to the Pocono region.

This economic / fiscal study endeavors to reasonably project the estimated economic revenues, service costs and surplus revenues that will come to Tobyhanna Township, Monroe County, the Pocono Mountain School District and the State from the proposed development.

In summary it is projected that the Pocono Manor Resort, Casino and Life Style Village will be the second largest employer in Monroe County with at least 3,368 direct employees that will also create an additional 1,685 indirect employees within the region. The total payroll of direct and indirect employees is estimated to be over \$127,557,900.

The Pocono Manor Resort, Casino, Life Style Village and related development is projected to generate a combined local governmental annual revenue of \$30,789,108 for Tobyhanna Township, the Pocono Mountain School District, Monroe County and the region, and over \$28,011,741 in surplus revenue after the provision of required governmental services.

The development is projected to generate over \$115,600,000 in additional revenue for the Commonwealth of Pennsylvania.

OVERVIEW and EXECUTIVE SUMMARY

The over 3,000 acre Pocono Manor site will serve as the location of the Pocono Manor Resort and Casino development. The development is proposed to be located on an approximate 300 acres of that site, immediately adjacent to the southeast corner of the intersection of Interstate 380 with Pennsylvania Route 940.

In summary, the Pocono Manor Resort and Casino will be an approximate 1,000,000 square foot development. It is planned and designed as a major tourist and visitor destination center that will accommodate a variety of uses, including:

- § Casino/Hotel/Resort of approximately 1,000,000 square feet with an initial gaming area to allow for 5,000 slots
- § Hotel with 750 rooms, spa and related attendant facilities
- § A conference and convention center of 60,000 square feet, with an accompanying 1,800 seat theater
- § Multiple restaurants and entertainment venues
- § A Village-Style Life Style Retail Center and Village Green of approximately 275,000 square feet
- § The entire complex is designed around a visually exciting water feature lake with extensive pedestrian amenities
- § Professional offices of 30,000 square feet, plus an added 20,000 square feet for a training and academic building
- § Parking garage of 4,150 spaces
- § Surface parking for visitors and employees of 4,125
- § A new, relocated 18 hole competitive golf course to complement the existing historic 18 hole golf course on the resort
- § 350 Village loft condominium, hotel, rental and time share units
- § 425 Golf Villa condominium, rental and time share units

The Pocono Manor Resort and Casino is applying for a category II gaming license, that if awarded, would allow it to eventually expand to a maximum of 5,000 slots within the facility.

This study also relies on and uses information gleaned from detailed economic research studies prepared by “Spectrum Gaming Group, LLC”. This group has over thirty years of extensive experience in the fields of market research and economic projections for the casino, hotel, retail and related facilities that are oriented to tourist and visitor destination centers.

SUMMARY OF ESTIMATED/PROJECTED ANNUAL REVENUES, COSTS AND SURPLUS REVENUE

OVERALL ECONOMIC BENEFITS

- \$ Generate gaming revenues from \$296,142,060 the first operational year up to \$358,600,000 in subsequent years*
 - \$ Employ 2,000 employees (1,471 full time employees) in the casino, hotel/convention center operations*
 - \$ Employ 1,898 +/- full time employee equivalent in the retail, dining and entertainment facilities*
 - \$ Cause an indirect multiplier effect that will create an additional 1,685 of indirect full time employment equivalent */**
 - \$ Total direct employment of 3,368 +/- or more that will result in the Pocono Manor Resort and Casino to be come the second largest employer in Monroe County*
 - \$ Generate a total annual payroll of \$127,557,976 with a \$36,775,000 payroll from the casino, hotel/convention center, with a \$52,027,976 payroll from retail, dining and entertainment and a payroll of \$38,755,000 from the created indirect employment*
 - \$ Generate up to \$398,000,000 in local spending - not counting gaming revenue - by attendees at meetings and conventions*
 - \$ Generate up to \$158,200,000 in retail, dining and entertainment sales and retail sales tax of \$6,158,700*
 - \$ Result in the spending of up to \$60,000,000 for the purchase of goods and services from other Pennsylvania businesses*
- */ Statistical from research completed by Spectrum Gaming Group, LLC
** Statistical research completed by each group that was also consistent in its findings
- \$ Increase direct visitor spending and total sales generated by traveler spending by up to 40%*

- § Create up to 5,300 construction jobs with an annual payroll of up to \$189,000,000*
- § Create up to \$730,000,000 in new development value from the casino, hotel/convention center, village retail and related housing accommodations**
- § Generate up to \$800,000 in fees that would be paid to the Pocono Mountains Vacation Bureau to promote the entire region*/**

ESTIMATED GOVERNMENTAL ECONOMIC REVENUE BENEFITS, SERVICE COSTS AND SURPLUS REVENUES

- § Tobyhanna Township - up to \$5,660,247 in total annual revenues less service costs estimated to be \$1,057,500 resulting in approximately \$4,602,747 +/- resulting in an annual surplus revenues, plus one time revenue of \$875,150**
- § Pocono Mountain School District - up to \$16,173,109 in total annual revenues less service costs of \$939,631+/- resulting in an annual surplus of \$15,233,478+/-, plus one time revenue of \$1,016,900**
- § Other Municipalities and School Districts - up to \$803,666 in total annual revenues (earned income tax) and one time earned income tax of up to \$1,710,450**
- § Monroe County - up to \$8,152,086 in total annual revenues less service cost estimated to be \$780,236 resulting in approximately \$7,371,850 in surplus revenues**
- § Pennsylvania - up to \$115,000,000 in revenues for use by the state and / or distribution to host counties and municipalities, economic development, tourism, volunteer fire companies and local law enforcement agencies**

*/ Statistical from research completed by Spectrum Gaming Group, LLC
 **/ Statistical research completed by Urban Research & Development Corporation
 */** Statistical research completed by each group that was also consistent in its findings

SUMMARY OF REVENUES AND GOVERNMENTAL COSTS OF SERVICES

The following is a summary of estimated revenues that would be derived from the proposed Pocono Manor Resort, Casino and related development. This summary also includes the projected governmental costs to provide services to the development by Tobyhanna Township, the Pocono Mountain School District and Monroe County.

More detailed descriptions of the estimated annual tax revenues are depicted following sections of this study and on the tables depicted in the appendices at the end of this study. These estimates and projections have been made in a conservative manner and depict revenues that are potentially lower than what might be expected and cost of service expenses higher than what might be expected.

Some of the projections and estimates from Pocono Manor Casino Economic Study, prepared by Spectrum Gaming Group, LLC, are included in the following summary conclusions and have also been used as a basis for this study where applicable:

Tobyhanna Township

Annual Real Estate Revenues	\$ 1,891,569
Annual Earned Income Tax Revenues (EIT)	\$ 88,097
Annual Recurring Real Estate Tax Transfer Tax Revenue	\$ 59,938
Annual Gaming Revenues (can not exceed ½ of Municipal Budget)	<u>\$ 3,620,643</u>
Total Annual Revenue	\$ 5,660,247
Estimated Annual Service Costs	<u>-(1,057,500)</u>
Estimated Annual Surplus Revenue after Service Costs	\$ 4,602,747 +/-

Pocono Mountain School District

Annual Real Estate Revenues	\$ 15,958,471
Annual Earned Income Tax Revenues (EIT)	\$ 154,700
Annual Recurring Real Estate Tax Transfer Tax Revenue	<u>\$ 59,938</u>
Total Annual Revenue	\$ 16,173,109
Estimated Annual Service Costs (using highest projection)	<u>-(939,631)</u>
Estimated Annual Surplus Revenue after Service Costs	\$ 15,233,478 +/-

Monroe County

Annual Total Real Estate Tax Revenue	\$ 2,229,245
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Annual Gaming Revenues in grants from State	\$ 5,922,841
Total Annual Revenue	\$ 8,152,086
Estimated Annual Service Costs	<u>-(780,236)</u>
Estimated Annual Surplus Revenue after Service Costs	\$ 7,371,850 +/-

Earned Income Tax (EIT) going to local governmental entities in addition to three listed

Other Municipal(ies) Annual Estimated Earned Income Tax (EIT)	\$ 435,134
Other School District(s) Estimated Earned Income Tax (EIT)	<u>\$ 368,532</u>
Estimated Total Revenue to other Municipalities & Schools	\$ 803,666 +/-

Pocono Mountains Vacation Bureau

Annual Estimated Total Revenue from 3% hotel tax	\$ 800,000 +/-
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Commonwealth of Pennsylvania Summary of Estimated Revenues

Annual Estimated Recurring Real Estate Transfer Tax	\$ 119,875
State Gaming tax revenue annually	\$100,688,300
Section 1407 Pennsylvania Gaming Economic Development and Tourism Fund annually	<u>\$ 14,807,103</u>
Estimated Total Revenue to State	\$115,615,278 +/-

ESTIMATED PROJECTIONS OF NON-GAMING REVENUES, INCLUDING

§ REAL ESTATE TAX,
§ PROPERTY TRANSFER TAX,
§ EARNED INCOME TAX AND RELATED TAX REVENUES

FOR TOBYHANNA TOWNSHIP, POCONO MOUNTAIN SCHOOL DISTRICT,
MONROE COUNTY AND SELECTED STATE REVENUES.

This is a summary of estimated real estate, real estate transfer and earned income tax revenue that would result from the proposed Pocono Manor Resort and Casino, Phase 1 to Tobyhanna Township, Pocono Mountain School District and Monroe County. It also includes the portion of real estate transfer tax that would go to the Commonwealth of Pennsylvania.

Overall Summary of Revenues

Annual Recurring Revenues

Annual Estimated Total Real Estate Tax Revenue (for Township, School District and County)	\$ 20,079,285
Annual Estimated Total Earned Income Tax (EIT) (for Township and School District)	\$ 242,797
Annual Estimate Total Earned Income Tax (EIT) (for other municipalities and school districts)	\$ 803,666
Annual Estimated Recurring Real Estate Transfer Tax (for Township and School District and State)	\$ 239,751
Annual Estimated Revenues	\$ 21,365,499

One Time Revenues

One Time Construction Employee Earned Income Tax (EIT) (for Township and School District)	\$ 179,550
One Time Construction Employee Earned Income Tax (EIT) (for other municipalities and school districts)	\$ 1,710,450
One / First Time Estimated Real Estate Transfer Tax (for Township and School District)	\$ 1,712,500
One Time Revenues	\$ 3,602,500

One / First Time Estimate Real Estate Transfer Tax (for Commonwealth of Pennsylvania)	\$ 1,712,500
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SUMMARY BY GOVERNMENTAL ENTITY

Tobyhanna Township Summary of Estimated Revenues

Annual Estimated Total Real Estate Tax Revenue	\$ 1,891,569
Annual Total Earned Income Tax (EIT) residents	\$ 79,217
Annual Total Earned Income Tax (EIT) employee residents	\$ 8,880
Annual Estimated Recurring Real Estate Transfer Tax	<u>\$ 59,938</u>
Annual Estimated Revenues	\$ 2,039,604
Annual Estimated Gaming Revenues	<u>\$ 3,620,643</u>

Estimated Total Annual Revenues \$ 5,660,247

One Time Construction Employee Earned Income Tax (EIT)	\$ 18,900
One / First Time Estimated Real Estate Transfer Tax	<u>\$ 856,250</u>

One Time Estimated Revenues \$ 875,150

Mt. Pocono School District Summary of Estimated Revenues

Annual Total Real Estate Tax Revenue	\$ 15,958,471
Annual Total Earned Income Tax (EIT) residents	\$ 79,217
Annual Total Earned Income Tax (EIT) employee residents	\$ 75,483
Annual Recurring Real Estate Transfer Tax	<u>\$ 59,938</u>

Annual Estimated Revenues \$ 16,173,109

One Time Construction Employee Earned Income Tax (EIT)	\$ 160,650
One / First Time Estimated Real Estate Transfer Tax	<u>\$ 856,250</u>

One Time Estimated Revenues \$ 1,016,900

Monroe County Summary of Estimated Revenues

Annual Total Real Estate Tax Revenue	<u>\$ 2,229,245</u>
Annual Estimated Revenues	\$ 2,229,245
Annual Estimated Gaming Revenues	<u>\$ 5,922,841</u>

Estimated Total Annual Revenues \$ 8,152,086

Annual Employee Earned Income Tax (EIT) Estimated Amounts going to other municipalities and school districts

Other Municipalities - Annual Earned Income Tax (EIT)	\$ 435,134
Other School District(s) Earned Income Tax (EIT)	<u>\$ 368,532</u>

Annual Estimated Revenues \$ 803,666

Municipalities - One Time Const. Emp. Earned Income Tax (EIT)	\$ 926,100
School Dist's - One Time Const. Emp. Earned Income Tax (EIT)	<u>\$ 784,350</u>

One Time Estimated Revenues \$ 1,710,450

Pennsylvania Summary of Estimated Revenues

Annual Recurring Real Estate Transfer Tax	<u>\$ 119,875</u>
Annual Estimated Revenues	\$ 119,875

Annual Estimated Gaming Revenues	<u>\$115,495,403</u>
Total Annual Revenues	\$115,615,278*

*Does not include sales tax, income tax or other state taxes except those listed.

One / First Time Real Estate Transfer Tax	\$ 1,712,500
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Pocono Mountains Vacation Bureau

Annual Estimated Total Revenue from 3% hotel tax	<u>\$ 800,000</u>
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Annual Estimated Revenues \$ 800,000

ESTIMATED PROJECTIONS OF GAMING REVENUES

This section summarizes in more detail the estimated and projected gaming revenue for Tobyhanna Township, Monroe County and selected State revenues.

Tobyhanna Township

Annual Gaming Revenue

Distributed to the Township from the State on a quarterly basis up to \$10M/year

But not more than ½ of the 2005 annual budget = \$7,241,285+/- x 50% = \$ 3,620,643

Monroe County

Distributed by Pennsylvania Department of Economic Development in the form of grants to Monroe county annually \$ 5,922,841

Commonwealth of Pennsylvania Revenues

State Gaming tax revenue annually \$ 100,688,300

Section 1407 Pennsylvania Gaming Economic Development and Tourism Fund annually \$ 14,807,103

State-wide - \$25 million to the Volunteer Fire Company Grant Program

State-wide - \$5 million to the Board for the purpose of issuing grants to local law enforcement agencies

One-Time Fee - The Category 2 gaming license one time fee \$ 50,000,000

STUDY METHODOLOGY AND BACKGROUND ANALYSIS

The Physical Development and Value of the Pocono Manor Resort, Casino and Related Development (See Appendix - Table 4)

The Pocono Manor Resort, Casino and related development is projected to result in approximately \$730,900,000 in new real estate total value added to Tobyhanna Township, the Pocono Mountain School District and to Monroe County. (See Appendix - Table 4 for summary of the proposed development) This estimated value was used to determine the projected real estate tax, real estate transfer tax and related revenue.

DETAILED ESTIMATED PROJECTIONS OF NON-GAMING REVENUES

The following section describes the estimated projections for non-gaming revenues that would result from the Pocono Manor Resort, Casino and related development.

Annual Real Estate Tax Revenue (See Appendix - Table 1)

The Pocono Manor, Casino and related development is projected to result in the following estimated annual real estate tax revenues that would come to the Tobyhanna Township, the Pocono Mountain School District and to Monroe County (See Appendix - Table 1 for summary of the proposed development) :

Tobyhanna Township	\$ 1,891,569
Pocono Mountain School District	\$ 15,958,471
Monroe County	<u>\$ 2,229,245</u>
Total Annual Real Estate Tax Revenue	\$ 20,079,285

Annual Recurring and One Time Real Estate Transfer Tax Revenue (See Appendix - Table 2)

The Pocono Manor, Casino and related development is projected to result in the following estimated annual recurring real estate transfer tax and one time transfer tax revenues that would come to the Tobyhanna Township, to Monroe County and the Commonwealth of Pennsylvania (See Appendix - Table 2 for summary of the proposed development) :

<u>Annual Recurring Real Estate Transfer Tax</u>	
Tobyhanna Township	\$ 59,938
Pocono Mountain School District	\$ 59,938
Commonwealth of Pennsylvania	<u>\$ 119,875</u>
Total Annual Real Estate Tax Revenue	\$ 239,751

<u>One Time Real Estate Transfer Tax</u>	
Tobyhanna Township	\$ 856,250
Pocono Mountain School District	\$ 856,250
Commonwealth of Pennsylvania	<u>\$ 1,712,500</u>
Total Annual Real Estate Tax Revenue	\$ 3,425,000

Annual and One Time Earned Income Tax - (See Appendix Table 3)

The Pocono Manor, Casino and related development is projected to result in the following estimated annual and one time earned income tax that would come to the Tobyhanna Township and the Pocono Mountain School District (See Appendix - Table 3 for summary of the proposed development) :

<u>Annual Recurring Earned Income Tax</u>	
Tobyhanna Township (from residents in development)	\$ 79,217
Tobyhanna Township (from employees living in Twp.)	\$ 8,880
Pocono Mtn. School Dist (from residents in development)	\$ 79,217
Pocono Mtn. School Dist (from employees living in Dist)	<u>\$ 75,483</u>
Sub-Total	\$ 242,797
<u>Annual Recurring Earned Income Tax paid to others</u>	
Other municipalities (from employees in region)	\$ 435,134
Other School Districts (from employees in region)	<u>\$ 368,532</u>
Sub-Total	<u>\$ 803,666</u>
Total Annual Earned Income Tax	\$ 1,046,463

<u>One Time Construction Employee Annual Earned Income Tax</u>	
Tobyhanna Township (from employees living in Twp.)	\$ 18,900
Pocono Mtn. School Dist) from employees living in Dist)	<u>\$ 160,650</u>
Sub-Total	\$ 179,550

<u>One Time Construction Employee Annual Earned Income Tax paid to others</u>	
Other municipalities (from employees in region)	\$ 926,100
Other School Districts (from employees in region)	<u>\$ 784,350</u>
Sub-Total	<u>\$ 1,710,450</u>
Total Annual Earned Income Tax	\$ 1,890,000

* Note - 1/2 of 1% was used since that is the most common earned income tax rate. There may be some other municipalities and school districts beyond those described that have minor varying rates.

DETAILED ESTIMATED PROJECTIONS OF GAMING REVENUES

This section summarizes the potential gaming revenue for Tobyhanna Township, Monroe County and selected State revenues. The Pocono Mountain School District would not directly receive any specific gaming revenue.

Tobyhanna Township

Annual Gaming Revenue

Distributed to the Township from the State on a quarterly basis up to \$10M/year
But not more than ½ of the 2005 annual budget, approximately equal to

$$\$7,241,285 \text{ +/- } \times 50\% = \quad \$ \quad 3,620,643$$

The total gross terminal gaming revenue (GTR) is projected to be \$296,142,060 and the Tobyhanna 2005 total budget is approximately \$7,241,285 +/-.

Section 1403 of the Gaming regulations states that for Townships of the 2nd class, that 2% of the GTR, or \$10,000,000 annually, whichever is greater, to the hosting township. These funds are distributed quarterly.

Therefore that would mean = $\$296,142,060 \times 2\% = \$5,922,841$, but not exceeding \$10,000,000 annually. However, the legislation also limits the amount that may go to the Township to be not more than ½ of the 2005 Township annual budget

Based on this limitation and the Township 2005 budget of approximately \$3,620,643. This would relate to 50% of approximately \$7,241,285 +/- would equal \$3,620,643 that would come from the State collections and distributed to the Township on a quarterly basis.

$$\$7,241,285 \times 50\% = \quad \$ \quad 3,620,643$$

Monroe County

Distributed by Pennsylvania Department of Economic Development in the form of grants to Monroe county annually \$ 5,922,841

Section 1403– the state gaming legislation, Section 1403, states that for category 2 licenses in 5th through 8th class Counties that 2% of the GTR is a restricted account within DCED for the purpose of providing grants to the hosting County.

Monroe County is a 5th class county. Therefore 2% of GTR = $\$296,142,060 \times 2\% = \$5,922,841$ that DCED would hold and distribute to Monroe County in the form of grants. It

would be up to Monroe County as to how these funds would be used, for County purposes and/or used as further grants to municipalities.

Commonwealth of Pennsylvania Revenues

State Gaming tax revenue annually	\$ 100,688,300
Section 1407 Pennsylvania Gaming Economic Development and Tourism Fund annually	\$ 14,807,103
State-wide - \$25 million to the Volunteer Fire Company Grant Program	
State-wide - \$5 million to the Board for the purpose of issuing grants to local law enforcement agencies	
One-Time Fee - The Category 2 gaming license one time fee	\$ 50,000,000

The Pocono Manor Resort & Casino is applying for a Category 2 gaming license. The Category 2 gaming license fee is a one-time fee paid to the Commonwealth of \$50,000,000.

State gaming tax revenue is 34% of gross terminal gaming revenues. Therefore this would equate to $\$296,142,060 \times 34\% = \$100,688,300$ annually based on initial projected gaming terminal revenue. As the Pocono Manor Resort & Casino revenue grows or the casino is expanded into additional phases this revenue would be expected to increase.

Section 1407 Pennsylvania Gaming Economic Development and Tourism Fund, states that each licensed entity must pay a daily assessment of 5% of the GTR to the Pennsylvania Gaming Economic and Tourism Fund, which is administered by DCED. Therefore based on gaming terminal revenues of $\$296,142,060 \times 5\%$ would equate to \$14,807,103 annually.

Section 1408 Transfers to the State Gaming Fund. The following amounts are transferred annually from the State Gaming Fund: Some of the Pocono Manor Resort & Casino revenue would be distributed by the State into the following funds that would also assist the Township and County:

- \$1.5 million, or 1/10 of 1% of the GTR, whichever is greater, to the Compulsive Problem Gambling Fund
- \$25 million to the Volunteer Fire Company Grant Program
- \$5 million to the Board for the purpose of issuing grants to local law enforcement agencies

- \$2.40 per acre for each acre of land for which a payment is made under The Forest Reserves Municipal Financial Relief Law. These payments go to counties, school districts and townships where the land is located.

- Any remaining funds are transferred monthly to the Property Tax Relief Fund.

Pocono Mountains Vacation Bureau

It is estimated that the Pocono Mountains Vacation Bureau will receive \$800,000 in additional funds from the hotel tax annually from the Pocono Manor Resort Hotel operation.

This is based on the projections by Spectrum Gaming Group, LLC that depict a low range of \$23,652,000 to a moderate range of \$29,565,000 annually. Based on the 3% hotel tax rate this would result in approximately \$709,560 to \$866,950. Since some of the hotel rooms will be provided to casino customers as a courtesy at no charge the annual amount of \$800,000 is projected to the Pocono Mountains Vacation Bureau.

DETAILED ESTIMATED AND PROJECTED COST OF MUNICIPAL, SCHOOL DISTRICT AND COUNTY SERVICES

The annual net fiscal impact of the proposed Pocono Manor Resort, Casino and related development is expected to be significantly favorable for Tobyhanna Township, the Pocono Mountain School District, Monroe County as well as for municipalities and school districts in the greater region.

It is difficult to project local government service costs for any use. This is particularly so for the proposed Pocono Manor Resort and Casino development.

In summary, the estimated and projected local governmental service costs are less than the estimated revenues and therefore should result in significant surplus revenue that may be used for additional purposes by Tobyhanna Township, the Pocono Mountain School District and Monroe County.

Tobyhanna Township Revenue, Costs of Services and Surplus Revenues

The following is a summary of revenue and service costs expected for Tobyhanna Township. This summary is followed by a more detailed analysis of those costs of services.

Tobyhanna Township

Annual Real Estate Revenues	\$ 1,891,569
Annual Earned Income Tax Revenues (EIT)	\$ 88,097
Annual Recurring Real Estate Tax Transfer Tax Revenue	\$ 59,938
Annual Gaming Revenues (can not exceed ½ of Municipal Budget)	<u>\$ 3,620,643</u>
Total Annual Revenue	\$ 5,660,247
Estimated Annual Service Costs	<u>-(1,057,500)</u>
Estimated Surplus Revenue over Service Costs	\$ 4,602,747 +/-

One time revenue and expenses

Additional one time earned income tax from construction	\$ 18,900
Additional one time first real estate transfer tax	\$ 856,250

In order to place the following estimated projections in perspective, the current 2005 budget for Pocono Township indicates a total projected budget for the Township and all other Funds of approximately \$7,241,285 +/- . Appendix - Table 5 summarizes the 2005 Tobyhanna Township budget and the potential distribution of \$1,057,500 in additional service costs based on current distributions.

This study uses an assumed cost of 52% of each \$1.00 of new added revenue generated by the development will be used for the cost of services. This excludes the gaming revenue that would be additional revenue that may be used for other purposes.

This study used the conclusions of the most recent analysis of community service impacts prepared in 1997 by Pennsylvania State University, titled “Fiscal Impacts of Different Land Uses, The Pennsylvania Experience”, Extension Circular 410. This research and report effort analyzed eight (8) Pennsylvania townships including rural, rural with major commercial development, suburban growth area, and two townships in the Philadelphia area facing development pressures.

This study revealed that residential development, unless small bedroom dwellings or age restricted, generally cost more to service by the municipality and school district than the revenue generated. Commercial and industrial development normally creates a surplus of positive revenue after deducting the costs of municipal and school district services. This research study concluded the following costs of services to communities and school districts:

<u>Land Use / Type of Development</u>	<u>Low Cost of Services</u>	to	<u>High Cost of Services</u>
Commercial	\$ 0.06 per \$1.00 of revenue		\$ 0.37 per \$1.00 of revenue
Industrial	\$ 0.04 per \$1.00 of revenue		\$ 0.27 per \$1.00 of revenue
Agricultural / farms and open land	\$ 0.02 per \$1.00 of revenue		\$ 0.15 per \$1.00 of revenue
Residential*	\$ 1.03 per \$1.00 of revenue		\$ 1.56 per \$1.00 of revenue**

* It should be noted that certain types of residential development such as retirement, age restricted, small number of bedroom developments with limited school age children will have a cost of services less than the revenue generated.

** There was one community that appeared to have an non-typical cost of services rate for residential of \$ 2.11 per \$ 1.00 of revenue that is not included above.

These above factors and circumstances have encouraged most municipalities, planning for their future development, to endeavor to have a balanced land use pattern that provides a mix of those uses.

There are a series of other historical studies undertaken that endeavor to use a “proportional valuation” method that have been developed under the sponsorship of Rutgers University Center for Urban Policy Research, as well as a study by the Urban Land Institute. The Rutgers studies are somewhat dated and generally based on research undertaken using a New Jersey statistical base. These studies are viewed by some as being extremely complex, with methodologies

difficult to quantify, not readily understood and therefore result in conclusions that are difficult to evaluate. This method was not used in this study, but is used by Monroe County who is currently updating this methodology and it is presently undergoing their own evaluation.

Fire, Police, Emergency Medical Services and Housing

Fire Protection Services

The Pocono Manor Resort, Casino and related development would have a primary response from the Pocono Summit Volunteer Fire Company located in Pocono Summit with approximately 30 to 40 members. The Tobyhanna Township Volunteer Fire Company with approximately 40 to 50 members is located at Pocono Pines and provides a secondary back-up response. In some instances a dual response is required from both fire companies and this may have to be re-evaluated as a result of the Pocono Manor Resort, Casino and related development.

Both Pocono Summit and Tobyhanna Township Volunteer Fire Companies have good member response in the evenings and week ends, but have difficulty getting member response during the normal work day hours.

The Pocono Summit Volunteer Fire Company, approximately 1 mile away, has adequate equipment, while the Tobyhanna Township, is located further, but has a more extensive amount of equipment. Tobyhanna Township Volunteer Fire Company has a ladder truck of 75' height, but desires one of higher capabilities if the casino is built.

In addition all of the fire companies in Monroe County have interchange and mutual support agreements between all fire companies in the County to assist each other as needed.

The fire chief did note that in the event the Pocono Manor Resort / Casino were constructed, it would be the desire of the fire company to obtain a higher ladder truck to assist in their fire fighting capabilities. Tobyhanna Township Volunteer Fire Company has a ladder truck of 75' height, and would desire a taller one. The nearby Coolbaugh Township Volunteer Fire Company, located on Route 611 north of Mount Pocono, does have a 110' foot ladder bucket truck and a 75' foot ladder truck as part of their equipment. The fire chief did note that the lower level buildings proposed on this site would be more capable of being handled than any higher buildings with the existing equipment.

The Pocono Manor Resort, Casino and related development will have a force of security personnel varying from 45 to 85 persons. It would be desirable if some of the employees of the resort and their security personnel would also be trained members of the volunteer fire companies. The developer anticipates buying the fire truck needed for the fire department.

The estimated incremental increase in the pro rata budget share of fire-protection municipal services as a result of the casino project is \$34,557. Since the Township is expected to receive an incremental project-related pro rata offsetting allocation of revenues of \$187,000, the

Township has a Fire Coverage Ratio (Incremental Revenues/Incremental Municipal Services Cost) of 5.41. Based on the coverage ratio indicating 5 times more revenue offsetting the projected service costs, one should expect a significant positive fiscal impact to the Township. Accordingly, no adverse fiscal impact is anticipated related to fire protection.

Pocono Regional Police Department Services

Police protection is provided to the proposed Pocono Manor Resort, Casino and related development area by the Pocono Regional Police Department. This is a joint municipal cooperative regional police department that is funded by and serves the Townships of Tobyhanna, Coolbaugh, Tunkhannock and Borough of Mt. Pocono. The office of the Pocono Regional Police Department is located on Route 940 and is 1.5 miles west of the Pocono Manor Resort and Casino location which makes it readily accessible.

The Pocono Regional Police Department has a total staff of 36 officers, of which 2 are administrative, 6 detectives, and 28 patrol. They have a total of 26 vehicles, of which 16 are devoted full time, around the clock and available for patrol duties.

The Department runs three shifts from 7:00 a.m. to 3:00 p.m., 3:00 p.m. to 11:00 p.m. and 11:00 p.m. to 7:00 a.m. Normally there are 4 officers on the late night shift and 5 to 6 on the day time shifts.

The Department contracts each year with each municipality served for a specified number of hours of service desired. These hours of service may vary from year to year.

Currently the Department devotes the following percentage of time and manhours to the municipalities that it serves:

<u>Municipality</u>	<u>% of Time</u>	<u>Man Hours/Week</u>
Tobyhanna	35.2%	464.0
Tunkkhannock	11.6%	152.5
Coolbaugh	39.8%	525.0
Mt. Pocono	13.5%	178.5

It is assumed that the State Police will have primary law enforcement responsibility for gaming related matters, while it appears that the Pocono Regional Police Department will be responsible for activities outside the casino area, including traffic control that may be required for special events. The responsibilities of the Pocono Regional Police Department may be further refined by a possible memorandum of understanding between the State Police, the Regional Police Department and any other local enforcement agencies.

It is envisioned that the staff, number of vehicles and number of hours devoted to each municipality will increase due to the anticipated number of visitors / guests that would come to

the Pocono Manor Resort, Casino and related development.

The estimated incremental increase in the pro rata budget share of police-protection municipal services as a result of the casino project is \$224,882. Since the Township is expected to receive an incremental project-related pro rata offsetting allocation of revenues of \$1,200,000, the Township has a Police Coverage Ratio (Incremental Revenues/Incremental Municipal Services Cost) of 5.34. Based on the coverage ratio indicating 5 times more revenue offsetting the projected service costs, one should expect a significant positive fiscal impact to the Township. Accordingly, no adverse fiscal impact is anticipated related to police protection.

Commonwealth of Pennsylvania State Police

The State Police has the Swiftwater Center, located approximately 4 miles away, on Route 611. This center offers quick accessibility to the proposed Pocono Manor Resort, Casino and related development via Manor Drive / Route 314. The State Police do routinely patrol the region and are also available in the event of need or emergency. It is assumed that the State Police requirements for man power and vehicles in the Swiftwater Center will have to be increased to serve the proposed development. It is envisioned that some of the gaming revenues paid to the State will be used to finance these expanded needs.

It is assumed that the State Police will have primary law enforcement responsibility for gaming related matters. This may be further refined by a possible "memorandum of understanding" between the State Police, the Pocono Regional Police Department and any other local enforcement agencies. The gaming Act addresses law enforcement jurisdiction in a number of sections. It appears, based on the gaming legislation, that the primary law enforcement responsibility for gaming related matters may rest with the State Police. Section 1517(c) authorizes the Pennsylvania State Police to, among other things, "enforce the rules and regulations promulgated under this part" and "enforce the criminal provisions of this part and all other criminal laws of the Commonwealth." Section 1202(b)(2) authorizes the Board "to enter into an agreement with the Pennsylvania State Police for the reimbursement of actual costs as approved by the board to the Pennsylvania State Police for investigations. " Section 1202(b)(18) further authorizes the Board "to enter into an agreement with the district attorneys of the counties wherein licensed facilities are located and the Office of the Attorney General for the reimbursement of actual costs for prosecutions of criminal violations. . . "

Emergency Medical Services and Related

Emergency medical services (EMS) are provided by a number of entities. EMS services are dispatched by the Monroe County control center. Based on the current grid system, the first dispatch call is made to the Central Pocono Ambulance Association located on Route 611 in Tannersville. The second call is made to the Pocono Mountain Emergency Medical Services that has two stations. The main station is located on Route 611 immediately north of the Pocono Mountains Airport and the second station is located at Pocono Summit. The third call is made to the Barrett Ambulance Center that has two stations, one a Paradise and one at Mountainhome.

If any EMS response requires med-a-vac services the dispatcher is called and they may call on of three entities, including the Lehigh Valley MedVac, PennStar or Life Light from Wilkes-Barre / Scranton area. The Mountain Health Care Center is also located nearby in Pocono Mountains Corporate Center on Route 611 north of Pocono Mountains Airport.

It would be helpful if the proposed 60 to 85 security personnel at the Pocono Manor Resort, Casino and related development were also trained with emergency medical service capabilities. The developer anticipates having on-site, full-time EMS personnel and an ambulance.

The estimated incremental increase in the pro rata budget share of EMS-protection municipal services as a result of the casino project is \$36,116. Since the Township is expected to receive an incremental project-related pro rata offsetting allocation of revenues of \$192,000, the Township has an EMS Coverage Ratio (Incremental Revenues/Incremental Municipal Services Cost) of 5.32. Based on the coverage ratio indicating 5 times more revenue offsetting the projected service costs, one should expect a significant positive fiscal impact to the Township. Accordingly, no adverse fiscal impact is anticipated related to EMS protection.

Housing

The proposed casino/resort project is expected to attract 3,786* new households to Monroe County. Based on the 2000 US Census, Monroe County has 49,454 households and occupied housing units. The increase of 3,786 households represents 7.7 percent of existing county-wide units, and 7.1 percent of total households when including the new households. In contrast, based on the 2000 Census, Monroe County has 3,422 vacant permanent** residential housing units. The 3,422 vacant units equal 90 percent of the projected 3,786 new households. Based on the 2000 Census, Tobyhanna Township has 2,420 households and occupied housing units. The Township has 197 vacant permanent residential housing units. The casino/resort project plan is expected to provide an additional 150 permanent residential housing units on-site to be purchased by a combination of employees and new residents directly generated by the casino/resort project.

As with any primary-destination tourism generating project, the project will impact the local economy by generating more employment and purchasing power. Overall, the County economy and county political sub-divisions should be expected to positively benefit from the casino/resort

*source - URDC regional economic model of Monroe County, PA.

**note - vacant units stated were adjusted downward by removing those vacant units used for recreational, seasonal and other occasional uses.

project. While housing prices can be expected to appreciate in value, this appreciation should be expected to occur naturally over time. The County, Tobyhanna Township, and the other county political sub-divisions will benefit from a larger tax base resulting from the appreciation in the value of housing units. Based on the 2000 Census, the median housing values for Monroe

County and Tobyhanna Township are a modest \$125,200 and \$113,700 (9.2% below the county-wide median), respectively. The existing combination of modest housing values and vacant units leaves room for price appreciation and added housing demand that should not generally lead to material impacts related to availability and affordable housing dislocation issues. Over time, economies, even local economies, are very adaptive to changing economic conditions. This should be true for the housing market. Accordingly, any adverse impacts related to housing should be minimal.

The new households, housing units and increase in overall economic activity generated by the project should not be expected to create a materially adverse impact on housing availability or price levels. In contrast, the beneficial increases to the real estate tax base will be significant to both the County and Tobyhanna Township. A positive net impact is therefore expected relative to the casino/resort project's impact on housing.

Pocono Mountain School District (See Appendix - Table 6)

The Pocono Mountain School District has a 2005 - 2006 student enrollment of 11,924 and a total budget of \$145,508,675. (See Appendix - Table 6)

The school district has decided to take ½ of the local earned income tax of 1% on residents living within the school district beginning January, 2006. This will result in Tobyhanna Township losing approximately \$398,000 in earned income tax (EIT) revenue which will be directed to the School District. Prior to that change, the current summary of revenues and expenditures is as follows:

<u>Revenues</u>	<u>% Amount</u>	<u>\$ Amount</u>	<u>Revenue Per Pupil</u>
Local Sources	72.6%	\$ 102,302,020	\$ 8,580
State Sources	25.0%	\$ 35,275,021	\$ 2,958
Federal Sources	2.3%	\$ 3,283,004	\$ 275
Other (fund balance appropriation)	<u>3.2%</u>	<u>\$ 4,648,630</u>	<u>\$ 390</u>
Total	100.0%	\$ 145,508,675	\$ 12,203
 <u>Expenditures</u>		 <u>\$ Amount</u>	
Total		\$ 145,508,675	

The school noted in the budget for the 2004-2005 year that the cost for education of regular students is \$6,472 per year and that of special education students is \$11,410 per year. Approximately 13.8 of the students are noted as special students in the 2005-2006 annual budget.

In summary and depending upon which numbers used there are a range of costs that might be devoted to the per pupil costs for education in the Pocono Mountain School District.

	Amount to Educate
Using the total School District Revenue	\$ 12,203 / pupil
Regular student education cost	\$ 6,472 / pupil
Special student education cost	\$ 11,410 / pupil (represents 13.8% of total)
Local Revenue devoted to education	\$ 8,580 / pupil

The Pocono Mountain School District includes the Townships of Tobyhanna, Tunkhannock, Paradise, Pocono, Jackson, Coolbaugh and Barrett and the Borough of Mt. Pocono.

The School District population and household statistics for each municipality are represented by the following characteristics when averaging the 1999 / 2001 overlapping school years to the 2000 Census to the then 10,289 school enrollment:

<u>Municipality</u>	<u>Population</u>	<u>%</u>	<u>Households</u>	<u>%</u>	<u>School Age Children/HH</u>	<u>Children in Mt. Pocono Sch.</u>
Tobyhanna	6,152	12.0%	2,420	13.1%	0.481	0.438
Tunkhannock	4,983	9.7%	1,661	9.0%	0.741	0.674
Paradise	2,671	5.2%	996	5.4%	0.482	0.439
Pocono	9,807	18.6%	3,503	19.0%	0.569	0.518
Mt.Pocono	2,742	5.4%	1,038	5.6%	0.560	0.514
Jackson	5,979	11.7%	2,128	11.6%	0.607	0.553
Coolbaugh	15,205	29.7%	5,101	27.7%	0.748	0.682
Barrett	<u>3,880</u>	<u>7.6%</u>	<u>1,569</u>	<u>8.5%</u>	<u>0.472</u>	<u>0.430</u>
Total/Average	51,219	100%	18,416	100%	0.614	0.559

County

Population	138,687
Housholds	49,454

Normally it can be expected that approximately 8 to 10% of all school-age children attend schools other than public schools and/or are home schooled. In the Pocono Mountain School District, in 2000, approximately 9% of the school-age children did not attend the public schools. This study, however, is using the higher figure of 0.559 school children per household.

Using the higher 0.559 school children per household for the proposed one half (150) of the 300 Golf Villas anticipated to have school-age children would result in approximately 8 to 9 additional students.

The following would be the summary of estimated / projected school-age children, less those not attending public schools, multiplied by the higher education cost outlined previously.

<u>Estimated total School Age Children</u>	<u>Less Non-Public Attendees</u>	<u>Attending Mt. Pocono Schools</u>	<u>86.2% of Regular Students</u>	<u>13.8% of Special Ed Students</u>
84	-(7)	77	66	11

High Alternate Projection of School Education Costs

<u>Students</u>	<u>Cost per pupil</u>	<u>Total Cost</u>
77	@ \$ 12,203	<u>\$ 939,631</u>
	High Education Cost	\$ 939,631

Moderate Alternate based on Local Revenue devoted to School Education Costs

77	@ \$ 8,580	<u>\$ 660,660</u>
	Moderate Education Cost	\$ 660,660

Low Alternate Projection of School Education Costs based on School Budget

<u>Students</u>	<u>Cost per pupil</u>	<u>Total Cost</u>
-----------------	-----------------------	-------------------

66 reg	@ \$ 6,472	\$ 427,152
11 spec	@ \$ 11,410	<u>\$ 125,510</u>
Low Education Cost		\$ 552,662

Estimated Projections of School Revenue and Costs of Education

The following is a summary of the estimated projections of Pocono Mountain School District revenues and costs of education. This study anticipates that the school district will have an approximate surplus of \$ 15,233,478 +/-.

Pocono Mountain School District

Annual Real Estate Revenues		\$ 15,958,471
Annual Earned Income Tax Revenues (EIT)		\$ 154,700
Annual Recurring Real Estate Tax Transfer Tax Revenue		<u>\$ 59,938</u>
Total Annual Revenue		\$ 16,173,109
Estimated Annual Service Costs (using highest projection)		<u>-(939,631)</u>
Estimated Surplus Revenue over Service Costs		\$ 15,233,478 +/-
One time revenue		
Additional one time earned income tax from construction	\$ 160,650	
Additional one time first real estate transfer tax	\$ 856,250	

As depicted above, the proposed Pocono Manor Resort, Casino and related development would provide a significant surplus amount of revenue to the Pocono Mountain School District.

Monroe County

<u>Monroe County Revenue Less Service Costs</u>		
Estimated total revenue to County		\$ 2,229,245
Annual Gaming Revenues in grants from State		<u>\$ 5,922,841</u>
Total Annual Revenue		\$ 8,152,086
Less service costs estimated to be 35% of non-gaming revenue		<u>-(780,236)</u>
Estimated Surplus Revenue over Service Costs		\$ 7,371,850

As depicted above the proposed development would be a significant financial asset to Monroe County and create a significant surplus above any required county services.

Background Statistics

Population - the 2000 Census population and the 2004 Census estimates note the following for the Tobyhanna Township, the School District and the County

	2000	2004
County	138,687	158,925

Pocono Mtn. School District	51,219	58,267
School District % of County	36.9%	36.7%
Tobyhanna Township	6,152	6,937
Township % of County	4.4%	4.4%

Existing Tax Revenues Rates

The following taxes are in place in Tobyhanna Township:

Real Estate Taxes - The following three millage rates are applied by the County at 25% of market value. The State Equalization Ratio is 17.9% of market value. This study uses a blended assessment ratio of 20% of market value.

- Tobyhanna Township - 12.94 mills
- Pocono Mountain School District - 109.17 mills
- Monroe County - 15.25 mills

Earned Income Tax - 1% of earned income tax is collected from all Township residents, regardless of where they work. Traditionally, Tobyhanna Township had retained all earned income tax collected. However, beginning in January 2006, the Pocono Mountain School District will be taking ½ of 1% earned income tax from all residents.

Real Estate Transfer Tax - real estate transfer tax has been applied to those dwellings that would be subject to initial sale and resale. It has not been used for owner developed facilities that are proposed. The real estate transfer tax amounts to 2% of the sale price of the property. One percent (1%) of the resulting tax is collected by the State of Pennsylvania, ½% collected by the Township and ½% collected by Monroe County.

Non-tax Revenue

In addition to tax revenue, the Borough and School District may generate additional money and revenues from fees, permits, rents, interest, and other sources.

Other Development Characteristics

Site Access - The primary site access to the proposed development is proposed from Route 940 east of the Interstate 380 interchange and from Manor Drive (Route 314) into the site. It is proposed that significant roadway improvements and traffic signalization would be made to the frontage roads for the proposed Pocono Manor Resort, Casino and related development. It is envisioned that all interior roads within the proposed development would be privately owned and

maintained. The site is ideally located at the intersection of I-380 and state highway 940. The proximity to two major thoroughfares minimizes any traffic-related impacts, and provides vehicular traffic both east-west and north-south access to the site. [see Traffic Study]

Water and Sanitary Sewer Utilities - The proposed development is proposed to be served by its own self-contained water supply system and waste water treatment facilities. Each of these systems will be expanded as necessary to provide the necessary level of service.

Internal Circulation and Parking System - All of the internal driveways, streets, parking areas and related service system are proposed to be privately owned and maintained.

Storm Water Management - It is envisioned that the development will be required to have storm water detention and water quality devices as part of a storm water management plan. It is assumed that this system would be privately maintained by the owner of the project.

Lighting - It is envisioned that the development would have outdoor lighting of the internal drives and parking areas and that these would be privately maintained.

Refuse Collection - It is envisioned that the development and/or its individual tenants would contract and pay for refuse collection as a part of their day-to-day operations.

Utility and Communication Services - Telephone service is provided by Verizon, Cable TV by Blue Ridge Cable TV and electric service by PPL Utilities.

APPENDIX - TABLE 1

Pocono Manor Resort and Casino and Related Development

Estimated Projections of Real Estate Tax (RET) Revenue

Tobyhanna Township			Assessed Value at 20% of Mkt* Note below	Monroe County RE Tax 15.25 mills	TobyTwp RE Tax 12.94 mills	PocMtn Sch Dist RE tax 109.17 mills	
Area	Units	Market Value					
Casino -1	400,000 sf	\$223,175,000	\$ 44,635,000	680,684	577,577	\$4,872,803	
Hotel/Conv	600,000sf-750 rms	\$131,250,000	\$ 26,250,000	400,313	339,675	\$2,865,713	
Village Green	275,000 s.f.	\$75,625,000	\$ 15,125,000	230,656	195,718	\$1,651,196	
Village Lofts	350	\$70,000,000	\$ 14,000,000	213,500	181,160	\$1,528,380	
Prof Offices	30,000 sf	\$6,000,000	\$ 1,200,000	18,300	15,528	\$131,004	
Golf Course	18	\$4,050,000	\$ 810,000	12,353	10,481	\$88,428	
GolfVillas-rnt	125	\$18,750,000	\$ 3,750,000	57,188	48,525	\$409,388	
Golf Villas	300	\$82,500,000	\$ 16,500,000	251,625	213,510	\$1,801,305	
Pkg Garage	4,150 spaces	\$56,025,000	\$ 11,205,000	170,876	144,993	\$1,223,250	
Surface Pkg	4,125 spaces	\$5,775,000	\$ 1,155,000	17,614	14,946	\$126,091	
Site Improv	200 acres	\$20,000,000	\$ 4,000,000	61,000	51,760	\$436,680	
Land	250 acres	\$37,500,000	\$ 7,500,000	114,375	97,050	\$818,775	
Rec Fields	1	\$250,000	\$ 50,000	763	647	\$5,459	Total RE Revenue
Total		\$730,900,000	\$146,180,000	2,229,245	1,891,569	\$15,958,471	\$ 20,079,285

Note: County uses assessment ratio of 25%, State notes common level ratio assessment of 17.9%, this estimated projections uses 20% of market value

APPENDIX - TABLE 2

Pocono Manor Resort and Casino and Related Development

Estimated Projections of Real Estate Property Transfer Tax

Tobyhanna Township		One time Initial Purchase Real Estate Transfer Tax				
Dwelling	Value	#Units	Total Value	1/2% to Township	1/2% to School Dist	1% to State
Village Lofts	\$200,000	350	\$70,000,000	\$350,000	\$350,000	\$700,000
Golf Villas	\$150,000	125	\$18,750,000	\$93,750	\$93,750	\$187,500
Golf Villas	\$275,000	300	\$82,500,000	\$412,500	\$412,500	\$825,000
			<u>\$171,250,000</u>	<u>\$856,250</u>	<u>\$856,250</u>	<u>\$1,712,500</u>

Tobyhanna Township		Recurring Real Estate Property Tax (assumes 7% of homes are resold each year)				
Dwelling	Value	#Units	Total Value	1/2% to Township	1/2% to School Dist	1% to State
Village Lofts	\$200,000	350	\$70,000,000	\$24,500	\$24,500	\$49,000
Golf Villas	\$150,000	125	\$18,750,000	\$6,563	\$6,563	\$13,125
Golf Villas	\$275,000	300	\$82,500,000	\$28,875	\$28,875	\$57,750
			<u>\$171,250,000</u>	<u>\$59,938</u>	<u>\$59,938</u>	<u>\$119,875</u>

APPENDIX - TABLE 3

Pocono Manor Resort and Casino and Related Development

Estimated Projections of Household Home Purchaser Income and Employee Income for Earned Income Tax (EIT)

Tobyhanna Township

Resident Earned Income Tax (EIT)

Dwelling	Value	Household #Units Income*	Total Income	1/2% to Township	1/2% to School District
Casino Area					
1)Village Lofts hotel/rental/condo	\$ 200,000	\$ 76,827	350 \$ 26,889,450	\$ 134,447	\$ 134,447
2)Golf Villas hotel/rental/condo	\$ 150,000	\$ 57,630	125 \$ 7,203,750	\$ 36,019	\$ 36,019
3)Golf Villas/condo/rent	\$ 275,000	\$ 105,622	300 \$ 31,686,600	\$ 158,433	\$ 158,433
			\$ 65,779,800	\$ 328,899	\$ 328,899
Deduction Assumes that 1)Village Lofts, 2)Golf Village hotel/rental/condo and one half of 3)Golf Villas for condo/rent will be non-resident persons, resulting in year around residents in only half of 3)Golf Villas/condo/rent			\$ (49,936,500)	\$ (249,683)	\$ (249,683)
			\$ 15,843,300	\$ 79,217	\$ 79,217

*Household income required assumes a maximum of 30% devoted to mortgage, real estate taxes and insurance, with 10% down 7% interest rate and 25 year mortgage

Resort & Casino, Dining, Retail & Entertainment Employees	Earned Income Tax (EIT)		1/2% to Municipal	1/2% to School Dist's	Paid to location of residency and based on applicable EIT rate
	Employees	Ave Annual Total Income			
Casino/Hotel FTE employees	1,471	\$ 25,000 \$ 36,775,000	\$ 183,875	\$ 183,875	
Retail/Dining/Entm't FTE employees	1,898	\$ 27,412 \$ 52,027,976	\$ 260,140	\$ 260,140	
Indirect FTE employess	1,685	\$ 23,000 \$ 38,755,000	\$ 193,775	\$ 193,775	
	<u>5,054</u>	<u>\$ 127,557,976</u>	<u>\$ 444,015</u>	<u>\$ 444,015</u>	

Estimated / Potential Distribution Assumptions

2% live in Tobyhanna Twp.	\$ 8,880
8% live in Pocono Twp.	\$ 35,521
1% live in Mt. Pocono Borough	\$ 4,440
89% live in other area of region	\$ 395,173
17% live in Pocono Mt. School Dist	\$ 75,483
83 % live in other School Districts	\$ 368,532

APPENDIX - TABLE 3

Pocono Manor Resort and Casino and Related Development

Estimated Projections of Household Home Purchaser Income and Employee Income for Earned Income Tax (EIT)

One Time Earned Income Tax Revenue from Construction Employment (FTE)	Employees	Ave Annual Total Income	1/2% to Municipal	1/2% to School Dist's	Paid to location of residency and based on applicable EIT rate
	5,345	\$ 35,360	\$ 189,000,000	\$ 945,000	
Estimated / Potential Distribution Assumptions					
	2% live in Tobyhanna Twp.		\$	18,900	
	8% live in Pocono Twp.		\$	75,600	
	1% live in Mt. Pocono Borough		\$	9,450	
	89% live in other area of region		\$	841,050	
	17% live in Pocono Mt. School Dist			\$	160,650
	83 % live in other School Districts			\$	784,350

APPENDIX - TABLE 4

Pocono Manor Resort and Casino and Related Development

Pocono Manor Resort and Casino - Summary of Uses and Estimated Values

Use	Acres	Dwellings	Sq.Ft./Units	Value/Ave	Total Value
Total area of approximately 250+/- acres					
Casino & related			400,000	\$ 558	\$ 223,175,000
Hotel & related			750	\$ 175,000	\$ 131,250,000
Village Shoppes/Green			275,000	\$ 275	\$ 75,625,000
Village Lofts		350		\$ 200,000	\$ 70,000,000
Prof Offices			30,000	\$ 200	\$ 6,000,000
Golf Course			18	\$ 225,000	\$ 4,050,000
Golf Villas-rental		125		\$ 150,000	\$ 18,750,000
Golf Villas-rent/condo		300		\$ 275,000	\$ 82,500,000
Pkg Garage	spaces		4150	\$ 13,500	\$ 56,025,000
Surface Parking	spaces		2583	\$ 1,400	\$ 3,616,200
Retail Parking	spaces		1382	\$ 1,400	\$ 1,934,800
Retail St.Parking	spaces		160	\$ 1,400	\$ 224,000
Site Improvements-acres			200	\$ 100,000	\$ 20,000,000
Land	250 acres		250	\$ 150,000	\$ 37,500,000
Rec Fields			1	\$ 250,000	\$ 250,000
Total Development					\$ 730,900,000

Notes

Casino area of 400,000 s.f.+/- will also contain 60,000 s.f. +/- of retail and related uses

Hotel and related area of 600,000 s.f. +/- will also contain 60,000 s.f. of conference/convention area, an 1,800 seat theater and related uses

The Village Lofts will consist of 40% +/- 1 bedroom and 60% +/- 2 bedroom units

The Golf Villas/hotel/rental/condo and Golf Villas/contal rental will consist of 25%+/- 1 bedroom, 60%+/- 2 bedroom and 15%+/- 3 bedroom units

Village Loft and Golf Villas to be predominately hotel/rental, time share, or condos

APPENDIX - TABLE 5

Tobyhanna Township - Fiscal 2005 Year Budget

Income - Revenue

General Fund Income

Real Estate Current & Prior Years	\$ 2,508,000	
Earned Income Tax Current & Prior Years*	\$ 796,000	* School District proposing to take 1/2% or 1/2 of this amount beginning January, 2006
Licenses & Permits	\$ 46,150	
Fines & Forfeitures	\$ 26,250	
Interest & Rents	\$ 10,640	
Intergovernmental Revenues	\$ 242,500	
Municipal Income - permits & fees	\$ 236,950	
Total General Fund Revenues	\$ 3,866,490	
Total Retained Earnings	\$ 630,000	
Total Available for Appropriation	\$ 4,496,490	\$ 4,496,490

Other Funds - Income Revenue			Transfers From Gen Fund	Retained Earnings	
Fire Equipment & Apparatus Fund Income					
Transfers and Earnings	\$ 271,718	\$ 271,718	\$107,640	\$160,478	
Contingency Reserve Fund					
Transfers and Earnings	\$ 523,700	\$ 523,700	\$219,700	\$299,000	
Sewer Fund (Blakeslee WWTP)					
Anticipated Revenues	\$ 720,500	\$ 720,500	\$0	\$0	
Debt Service Fund					
Transfers from Sewer & General Fund	\$ 716,680	\$ 716,680	\$191,830	\$95,000	
Public Improvement Fund					
Retained Earnings	\$ 1,385,000	\$ 1,385,000			
Liquid Fuels Fund	\$ 161,175	\$ 161,175			
Non-Uniformed Pension Fund	\$ 39,670	\$ 39,670			
Totals		\$ 8,314,933	\$519,170	\$554,478	\$ 7,241,285 Approximate Budget +/-

Note 1, The \$8,314,933 is a conservative number because it assumes there are no general fund transfers nor any retained earning, but that this total amount is all used annually

Note 2, The \$7,241,285 is the approximate +/- of 2005 budget amount

APPENDIX - TABLE 5

Tobyhanna Township - Fiscal 2005 Year Budget Expenses	2005 Budget	% of total	Estimated Added Cost \$1,057,500	Less Transferred & Retained Fnds	Alternate Not Used % of Budget
General Fund Expenditures					
Legislative	\$ 107,915	1.3%	\$13,725	\$ - 107,915.00	1.5%
Executive/Administration	\$ 231,130	2.8%	\$29,395	\$ - \$ 231,130	3.2%
Data Processing/Tax Collection	\$ 135,590	1.6%	\$17,244	\$ - \$ 135,590	1.9%
Engineering	\$ 38,710	0.5%	\$4,923	\$ - \$ 38,710	0.5%
Building & Grounds	\$ 53,750	0.6%	\$6,836	\$ - \$ 53,750	0.7%
Police	\$ 1,768,210	21.3%	\$224,882	\$ - \$ 1,768,210	24.4%
Emergency Services	\$ 208,770	2.5%	\$26,552	\$ - \$ 208,770	2.9%
Ambulance Services	\$ 75,200	0.9%	\$9,564	\$ - \$ 75,200	1.0%
Enforcement Office (SEO/Building)	\$ 128,910	1.6%	\$16,395	\$ - \$ 128,910	1.8%
Planning & Zoning	\$ 152,720	1.8%	\$19,423	\$ - \$ 152,720	2.1%
Emergency Management	\$ 17,500	0.2%	\$2,226	\$ - \$ 17,500	0.2%
Public Works Department	\$ 630,350	7.6%	\$80,168	\$ - \$ 630,350	8.7%
Parks & Recreation	\$ 127,985	1.5%	\$16,277	\$ - \$ 127,985	1.8%
Community Services	\$ 122,330	1.5%	\$15,558	\$ - \$ 122,330	1.7%
Interdepartmental Expenditures	\$ 178,250	2.1%	\$22,670	\$ - \$ 178,250	2.5%
Interfund Transfers total of below	\$ 519,170	6.2%	\$66,028	\$ - \$ 519,170	7.2%
Refund of Prior Year Revenues	\$ 1,500			\$ -	
Transfer to Debt Service Fund	\$ 191,830			\$ -	
Transfer to Fire Fund	\$ 107,640			\$ -	
Transfer to Contingency Reserve Fund	\$ 218,200			\$ -	
Sub-Total General Fund Expenditures	\$ 4,496,490	54.1%	\$571,867	\$ - \$ 4,496,490	62.1%
Other Fund Expenditures					
Fire Equipment & Apparatus	\$ 271,718	3.3%	\$34,557	\$ 268,118 \$ 3,600	0.0%
Contingency Reserve Fund	\$ 523,700	6.3%	\$66,605	\$ 518,700 \$ 5,000	0.1%
Sewer Fund	\$ 720,500	8.7%	\$91,634	\$ - \$ 720,500	9.9%
Debt Service Fund	\$ 716,680	8.6%	\$91,148	\$ 286,830 \$ 429,850	5.9%
Public Improvement Fund	\$ 1,385,000	16.7%	\$176,145	\$ - \$ 1,385,000	19.1%
Liquid Fuel Funds	\$ 161,175	1.9%	\$20,498	\$ - \$ 161,175	2.2%
Non-Uniformed Pension Fund	\$ 39,670	0.5%	\$5,045	\$ - \$ 39,670	0.5%
	<u>\$ 3,818,443</u>	<u>45.9%</u>	<u>\$485,633</u>	<u>\$ 1,073,648 \$ 2,744,795</u>	<u>37.9%</u>
Total Expenditures, including transfers	\$ 8,314,933	100.0%	\$1,057,500	\$ 1,073,648 \$ 7,241,285	100.0%
Net Expenditures Less Transfers/Retainage				\$ 1,073,648 \$ 7,241,285	100.0%

APPENDIX - TABLE 6

POCONO MOUNTAIN SCHOOL DISTRICT

The Pocono Mountain School District has a 2005 - 2006 student enrollment of 11,924 and a total budget of \$145,508,675. The current summary of revenues and expenditures is as follows:

Revenues	% Amount	\$ Amount	Revenue Per Pupil
Local Sources	72.6%	\$ 102,302,020	\$ 8,580
State Sources	25.0%	\$ 35,275,021	\$ 2,958
Federal Sources	2.3%	\$ 3,283,004	\$ 275
Other (fund balance appropriation)	<u>3.2%</u>	<u>\$ 4,648,630</u>	<u>\$ 390</u>
Total	100.0%	\$ 145,508,675	\$ 12,203

Expenditures	% Amount	\$ Amount
Regular Instruction	37.9%	\$ 55,101,251
Special Education	8.8%	\$ 12,101,251
Vocational Education	2.4%	\$ 3,535,071
Other Instruction	3.2%	\$ 4,718,441
Pupil Personnel	3.1%	\$ 4,548,876
Instructional Staff	4.9%	\$ 7,165,291
Administration	6.7%	\$ 9,820,351
Pupil Health	0.9%	\$ 1,295,060
Business Office	0.8%	\$ 1,232,426
Operation & Maintenance	8.5%	\$ 12,302,032
Student Transportation	6.5%	\$ 9,463,175
Central	0.5%	\$ 683,872
Other	0.05%	\$ 68,860
Student Activities	1.8%	\$ 2,547,668
Community Services	0.01%	\$ 14,000
Facilities Capital Improvements	0.4%	\$ 611,845
Debt Service	12.3%	\$ 17,948,760
Fund Transfers	0.6%	\$ 889,550
Budgetary Reserve	<u>0.5%</u>	<u>\$ 780,900</u>
Totals	99.86%*	\$ 145,508,675

* due to rounding