

MEMORANDUM

TO: SC Gaming OpCo LLC
FROM: Econsult Solutions, Inc.
DATE: February 19, 2021
RE: Local Impact Report & Economic and Fiscal Impact in Support of PGCB Application

Background

SC Gaming OpCo LLC (“SC Gaming”) has hired Econsult Solutions, Inc. (“ESI”) to conduct a local services and economic impact analysis as part of its application for a Category 4 Satellite Casino located in College Township (“Township”). The proposed casino will be located in the space in the Nittany Mall previously occupied by a Macy’s department store. The proposed location (2901 East College Ave, State College, PA 16801) is currently zoned for gaming and is conveniently located near I-99, I-80, and Route 322 interchanges.¹ Build out design and construction costs of \$34.9 million will be incurred and SC Gaming’s total upfront investment is approximately \$79.5 million.

This memo details our analysis in support of Appendix 33 and Appendix 37 (Sections 2, 7 and 9) of SC Gaming’s application to the Pennsylvania Gaming Control Board (PGCB). Our analysis includes a local impact report and an economic and fiscal impact report for the site, detailing the casino’s impacts on College Township, Centre County, and the Commonwealth of Pennsylvania. The local impact report begins on page 2 and the economic and fiscal impact report starts on page 7.

¹ <https://www.statecollege.com/3-more-nittany-mall-stores-set-to-close/>

Date: February 19, 2021

Appendix 33 – Local Impact Report

Methodology

In order to evaluate the potential impact of the proposed casino location, ESI undertook a multi-step approach. ESI analyzed College Township’s 2021 budget to understand the existing municipal expenditures in discrete spending areas. ESI then consulted College Township’s government administrators and managers to better understand the baseline of local services and how additional activity at the Nittany Mall by the proposed casino may increase various departments’ capacities. Based on these potential impacts, we completed a fiscal impact analysis that details the overall impact of the proposed casino on College Township’s departments. Together, these analyses comprise the local impact of the casino on municipal services, resources, and tourism.

A Category 4 casino can have a maximum of 750 slots and 40 tables (after Year 2), which equates to 990 positions (without taking into account COVID-19 mitigation measures). A gaming position is defined as either a slot machine or a seat at a table game. The proposed casino will feature 750 slots and 30 gaming tables. Based on the proposed casino’s size and operational data provided by SC Gaming, ESI estimated the impact of the College Township location, as detailed below. ESI consulted Township Manager Adam Brumbaugh to discuss the budget and identify Township officials to understand baseline service levels and demand across Township departments.² We then calculated the percentage increase that the proposed casino would have on the Township. Along with the current Township budget, we used our analysis to calculate the relative cost to the Township against the estimated new tax revenue generated by the proposed casino.

² Township officials interviewed include: Eric Bernier, College Township’s Council Chairman; Robert Long, College Township’s Finance Director; Amy Kerner, College Township’s Public Works Director; Don Franson, College Township’s Engineer; John Gardner, State College’s Chief of Police; Steve Bair, Centre Region’s Fire Director; Cory Miller, University Area Joint Authority’s Executive Director; Kent Knable, Centre LifeLink EMS Chief; Jere Northridge, P.E., College Township’s Assistant Engineer

Date: February 19, 2021

Township Budget and Current Conditions

College Township’s Budget was approved for \$10.5 million in 2021 (see Figure 1 below).

Figure 1: College Township Budget 2021

	Appropriated Expenditures
General Fund	\$5,367,408
<i>Police Protection</i>	<i>\$1,624,477</i>
<i>Fire Protection Infrastructure</i>	<i>\$194,948</i>
<i>Public Works</i>	<i>\$844,405</i>
<i>General Government Services</i>	<i>\$2,703,578</i>
Fire Protection	\$267,895
Road Machinery	\$318,900
Parks and Rec	\$605,996
Library	\$253,624
State Highway Aid	\$592,570
Debt Service	\$625,253
Construction	\$2,497,162
Total	\$10,528,808

Source: College Township (2021)

The above budget expenditures were created with some cost saving considerations due to the COVID-19 pandemic and the ensuing economic challenges. The primary adjustments are related to administrative service expenditures (such as hiring and major public works projects) and therefore this budget still provides an accurate snapshot of municipal costs associated with key local services.

College Township is primarily funded through property taxes (27.5 percent of revenue) and intergovernmental revenues (24.4 percent) as well as a combination of enabling taxes such as the Earned Income Tax (EIT), Local Service Tax (LST) and others (totaling 28.9 percent). Any major new revenue source would represent a significant increase in the Township’s General Fund.

Public Works Department:

Street Maintenance:

The proposed State College Casino site is located in the Nittany Mall’s now vacant Macy’s store, which is located near I-99, I-80, and Route 322 interchanges. The anticipated impacts to the local road network are anticipated to be minimal because of the existing road, highway, and traffic signage infrastructure that is already in place at the mall. The proposed casino in the former Macy’s store is on private property and all street infrastructure repairs within the property would be privately incurred expenses. In addition, because the street network that feeds into the mall is already equipped for high levels of commercial activity, ESI anticipates that the impact on street maintenance for College Township would be negligible.

Date: February 19, 2021

Sanitation, Water, and Sewer:

The proposed casino would redevelop an existing building that has been previously approved for commercial and gaming use and thus, all necessary sanitary sewer mains already exist at the site. SC Gaming anticipates that no offsite improvements are needed and that connections to existing facilities can occur within the project site. The current site’s infrastructure is equipped for full blown mall activity, so it should not require any additional infrastructure.

According to Jere Northridge, College Township’s assistant engineer, the Township Water Authority received notification that a new tenant of the Macy’s space would require **45,488 gallons per day** water usage. College Township does not assume that additional improvements are needed to meet usage and demand.

Public Safety:

College Township contracts with the State College Police Department to support emergency calls and local police protection. Combined, the police, fire, and Emergency Medical Services (“EMS”) departments that serve College Township provide approximately 6,617 calls per year in 2020. This data enabled us to understand the potential increase in public safety calls from the proposed casino location. Based on industry research for casinos of similar sizes in the state, ESI estimated the average calls per month for a casino of this size (930 positions). Those calls were multiplied by Month for Police, Fire, and EMS to estimate the annual additional activity that may be generated from the proposed casino.

Figure 2: Estimated Additional Calls/Month at College Township Casino Location

# Gaming Positions	Police	Fire	EMS
930	6.2	2.2	2.0

Source: Econsult Solutions Inc. (2021)

We then used information provided from College Township officials to calculate the percentage increase on local public safety services from their current baseline operations.

Police:

As described above, College Township does not supply its own local police force, rather, it contracts out police services to the State College Police Department to manage law enforcement in the township. According to the State College Police Department’s Chief of Police, Chief Gardner, the department typically receives 4,300 calls per year (or 358.3 calls/month) for College Township and currently employs 60 officers to serve State College Borough, Harris Township, and College Township combined. Using the average number of calls per month to police, we estimate that the proposed casino in College Township may result in an additional 6.2 calls for police each month, representing an approximate 1.7 percent increase in non-traffic related police calls for the State College Police Department.

Date: February 19, 2021

According to Chief Gardner, the State College Police Department does not anticipate that the casino will have a material impact on the Department's current police force staff and/or allocated police service hours to College Township.

Fire:

The Centre Region Fire Department provides fire, rescue, and related services to the Borough of State College and the Townships of College, Ferguson, and Patton, a small portion of Benner Township, and the University Park campus of Penn State University. According to the Fire Department's director, Steve Bair, approximately 1,200 calls/year (or 100 calls/month) for College Township were placed to Centre Region Fire Department in 2020. The Centre Region Fire department is comprised of four paid staff members; the remaining fire personnel are volunteers. Due to a recent decline in volunteer fire fighters, the department plans to hire another two to three employees over the next year, regardless of the new State College Casino. Bair does not anticipate any major increase of existing fire calls or related expenses are expected as a result of the proposed casino. Using the average number of calls per month, we estimate that the proposed casino may result in an additional 2.2 calls each month, representing an approximate 2.2 percent increase in for fire rescue services calls the Fire Department.

EMS:

EMS services in College Township are provided by Centre LifeLink EMS, Inc. According to information from Centre LifeLink's EMS Chief, Kent Knable, there were 1,117 EMS calls for College Township over 2020 (or 93.1 calls/month), which represents a 15 percent decrease in calls compared to 2019 (due to COVID-19 pandemic). With this drop in call volume, Center LifeLink EMS services are not at capacity on a day-to-day basis. However, when students return to Penn State and football games are allowed to resume, that EMS service capacity could be stretched.

Based on current EMS demand estimates, an additional 2 calls per month can be expected from the casino's presence. This represents a 2.1 percent increase in EMS service demand. Overall, we expect that the proposed casino will have some impact on local EMS services; however, in our discussions with Knable, he did not anticipate that the proposed casino would create further capacity challenges for Centre LifeLink EMS services.

Traffic and Transportation

According to College Township's engineer, Don Franson, the anticipated impact of the proposed casino on the local road network is minimal. Some increased traffic is expected due to the increased number of people who will be traveling to the township to use the new casino. But, as described in the Street Maintenance section of this report, the proposed site of the Nittany Mall and the surrounding streets are already equipped to handle traffic associated with full scale mall activity. Because that mall activity has declined in recent years, with approximately 90 percent vacancy in the mall's current commercial space, the increased activity expected from the casino should not warrant any new traffic signals or new street construction to accommodate the anticipated casino traffic activity. The Township's engineer

Date: February 19, 2021

indicated that perhaps the timing of a few traffic signals could be adjusted to accommodate increased traffic from the casino, although a traffic study would need to be conducted to determine that.

Other Municipal Services and Resources:

The Permits/Planning/Zoning Departments should anticipate a one-time and minor impact due to the administrative work needed for the construction of the casino. This impact is expected to subside once construction of the casino is underway. The ongoing operations of the casino are expected to have a minimal impact on the permits office and should not produce any significant adverse increases in workload in other government departments. SC Gaming does not anticipate that these services will have any impact on College Township.

Existing Tourism:

We anticipate that the regional market draw of the casino is expected to have a net-positive impact on College Township tourism, helping to revitalize the Nittany Mall and attract other retail and hospitality operators to the area. The proposed casino’s customers may be local or may be coming from out of town either for the casino’s attraction or may stay longer in the area because of the entertainment. These customers bring additional potential spending into the community on other local businesses including restaurants, hotels, and retail.

Conclusion

In total, we estimate that the casino development is expected to have a negligible impact on College Township from capital improvements. Tax revenues to the Township from the casino will be a significant net positive to the Township budget.

Date: February 19, 2021

Appendix 37: Sections 2, 7, and 9 -- Economic and Fiscal Impact

Methodology

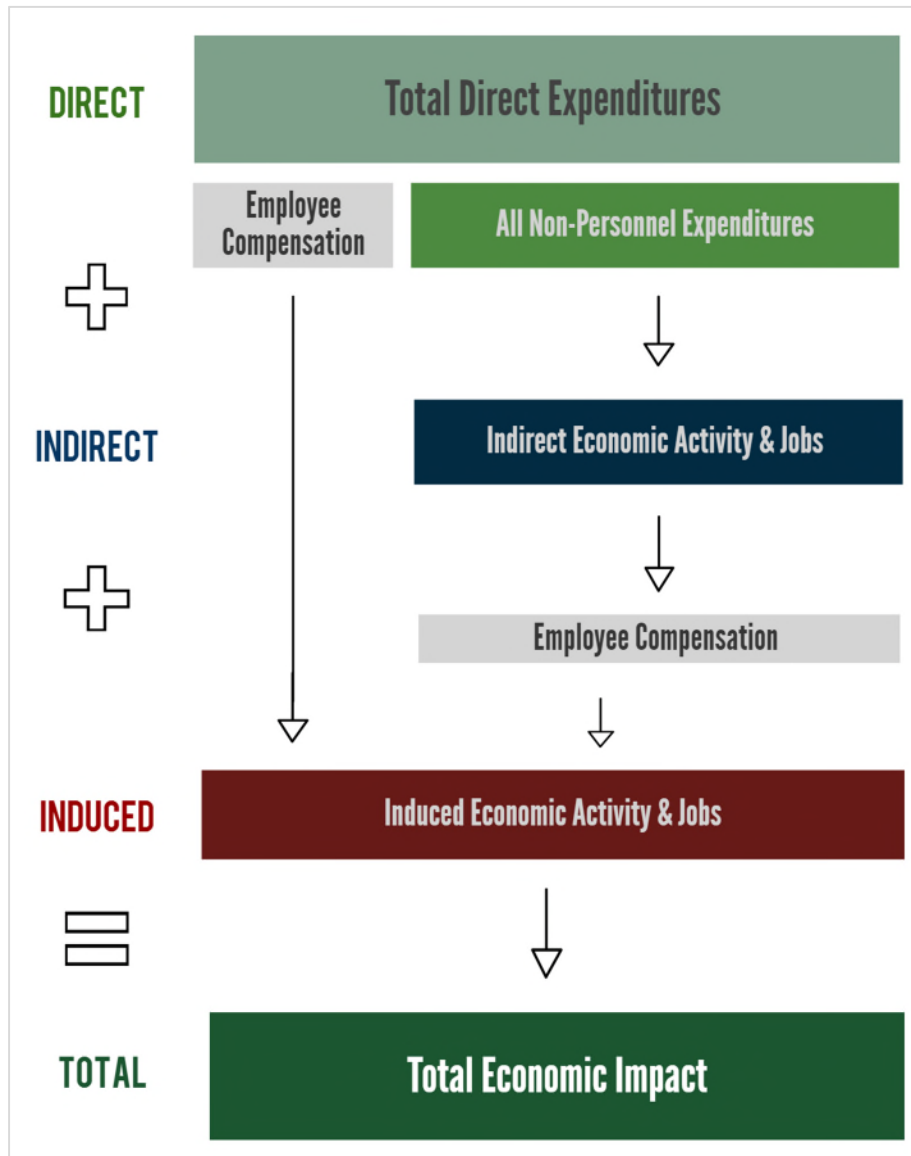
Economic impact estimates are generated by utilizing input-output models to translate an initial amount of direct economic activity into the total amount of economic activity that it supports, which includes multiple waves of spillover impacts generated by spending on goods and services and spending of labor income by employees. The economic impact from direct expenditures is modeled using IMPLAN, an industry standard input-output model software program. Such models are designed to estimate two sets of spillover impacts from direct expenditures:

- The indirect effect, which measures the multiplier effect from the purchase of goods and services from local vendors (i.e. supply chain impacts); and
- The induced effect, which measures the multiplier effect from the spending of labor income by employees within a particular geography (i.e. labor income impacts).

The total economic impact of the proposed casino is the sum of its own direct economic footprint (in terms of both SC Gaming’s spending, and ancillary spending by the visitors it attracts), plus the indirect and induced effects generated by that direct footprint. Economic impacts are estimated for College Township, Centre County, and Pennsylvania (inclusive of the town and county impact) (see Figure 3 for economic impact methodology).

Date: February 19, 2021

Figure 3: Economic Impact Methodology



Source: Econsult Solutions, Inc (2021), Piktochart (2018)

The economic impacts, estimated using IMPLAN, are translated to fiscal impacts using tax models created by ESI specific to the Commonwealth of Pennsylvania and College Township. ESI uses its own fiscal model, which establishes the relationship between economic activity and tax revenue collections for various jurisdictions (i.e. effective tax rates). In the case of non-profit entities, modeling is adjusted to ensure that tax-exempt status is accounted for, while still including economic activity that is tax generating. For example, casino employees generate wage and income tax, and the indirect and induced activity it generates largely accrues to private firms, and therefore is broadly tax generating.

Date: February 19, 2021

Appendix 37: Section 2 – Creation of Jobs

As described in the following section of this report, the proposed casino will create jobs through both the initial construction activity and through ongoing operations. These direct jobs will be in the construction industry (for construction) and in the arts, entertainment, and recreation industry (for operations). In addition, there will be jobs in other industries created by the indirect and induced effects of these activities.

Direct Employment

The direct jobs in construction have an average employee compensation of approximately \$46,000. These positions, which include jobs in construction as well as in architectural and engineering services, will support a total direct employment of 350 positions (full time equivalent, or FTE) lasting during the one year construction period. There will also be approximately 390 permanent direct FTE jobs associated with the casino’s operations from when it opens, with that number increasing to 440 FTE jobs upon stabilization. These positions have a slightly higher average employee compensation, at approximately \$47,000 per year. Like the construction-related jobs, many of these roles will be attainable to people with a wide range of professional backgrounds, including individuals seeking entry-level positions.

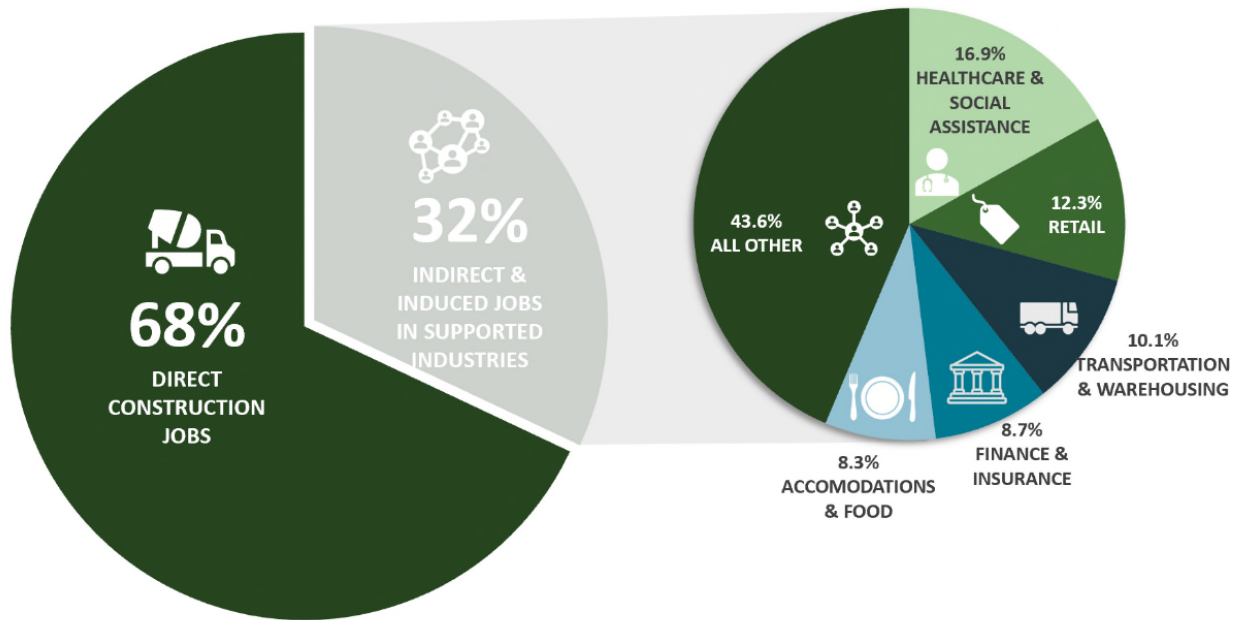
Additional Employment Supported

The employment impacts associated with the proposed capital investments will affect a wide range of industries beyond the construction sector. While the construction industry is the largest individual beneficiary from this activity, other industries also see significant benefits from the indirect (supply chain) and induced (labor income) impacts of the capital activity, which represent an additional 110 FTE jobs in Pennsylvania, beyond the 350 direct construction jobs.

Figure 4 shows the proportion of the total employment impact associated with the casino’s construction that are expected to accrue in and beyond the construction industry within the state. In Pennsylvania, approximately 32 percent of the employment supported by capital investments is in sectors outside of construction, with the largest number of jobs in healthcare & social assistance, retail, transportation & warehousing, finance & insurance, and accommodations & food services.

Date: February 19, 2021

Figure 4: Potential Jobs Associated with Construction of the SC Gaming’s Casino.



Source: IMPLAN (2019)

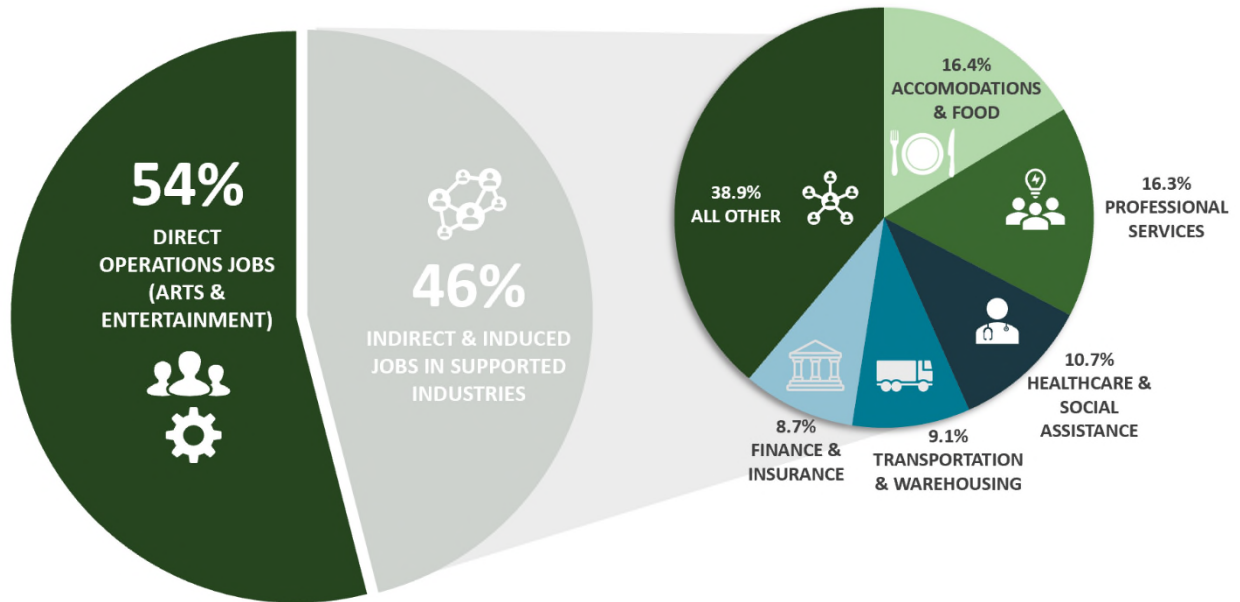
Similarly, the employment impacts associated with the proposed casino operations will affect a wide range of industries beyond the arts and entertainment sector, under which the direct jobs fall. While that industry is the largest individual beneficiary from this activity, other industries also see significant benefits from the indirect (supply chain) and induced (labor income) impacts of the casino’s operations. These additional jobs generated by the casino’s indirect and induced impacts correspond to 240 FTE jobs in Pennsylvania in the initial year of operations, growing to 300 at stabilization. These are in addition to the 390 direct jobs at opening, which are anticipated to grow to 440 at stabilization.

Figure 5 shows the proportion of the total employment impact associated with the operations that are expected to accrue in and beyond the arts and entertainment industry within the state. In Pennsylvania, approximately 46 percent of the employment supported by operations is represented by the indirect and induced impacts, with the largest number of jobs in accommodations & food services, professional services, healthcare & social assistance, administrative services, and finance & insurance. These industries represent a wide range of professional backgrounds, including entry-level positions as well as roles require more substantial education, training, or experience.

These jobs include positions generated by supply chain impacts (indirect jobs), which represent activities like cleaning services procured at the casino itself, as well as labor income impacts (induced jobs) driven by casino employees spending their money on a wide range of goods and services in their daily lives. For example, when an employee spends a portion of their paycheck to purchase groceries or eat out at a restaurant, that spending recirculates the employee’s earnings within the economy, producing induced impacts and supporting additional local jobs in a number of industries.

Date: February 19, 2021

Figure 5: Potential Jobs Associated with Operations of the Proposed SC Gaming's Casino



Source: IMPLAN (2019)

Date: February 19, 2021

Appendix 37: Section 7 – Economic Impacts

This section of the report quantifies the construction and ongoing operations impact within College Township, Centre County, and Pennsylvania. Direct construction activity will employ construction workers and professional service providers, who will in turn spend a portion of their salaries and wages within the local and state economy. Construction activity is also expected to catalyze the procurement of a wide range of goods and services, which will translate into new economic opportunities for local and state vendors. Ongoing operations will require the procurement of various goods and services, which is expected to translate into new economic opportunities for local and state vendors representing a wide range of industries.

The one-time economic impact of the proposed casino’s construction on the Pennsylvania economy is estimated to be \$73.3 million, which is projected to support approximately 520 full-time equivalent (FTE) jobs. Construction is projected to also generate approximately \$1,061,000 in tax revenues for the Commonwealth. While the construction-related benefits of the development are temporary in nature, over the course of construction, the project is projected to support an estimated 350 direct construction jobs and 170 additional indirect and induced jobs in Pennsylvania.

The statewide total economic impact of ongoing operations is projected to be \$146.6 million in the first year of operations and \$185.9 million after 10 years, along with the concurrent creation of an estimated 710 jobs in the first year and over 850 at stabilization. The proposed casino’s activities will also generate more than \$2 million annually in income, sales, and business taxes to the Commonwealth.

Upfront Construction

According to construction budgets prepared by SC Gaming, it is anticipated that the total capital investment of the casino will include \$79.5 million in direct upfront expenditures. Not all expenditures represent direct outlays that produce spillover effects within the town, county, and state, so certain expenditure categories were partially or fully reduced before modeling. Based on this approach, the project’s total upfront expenditures that will produce localized economic impacts is approximately \$41.9 million (see Figure 6).

Date: February 19, 2021

Figure 6: Estimated Direct Expenditures from Upfront Construction of the Proposed Casino

Direct Expenditure Category	Total Construction Expenditures	Expense Category	Modeled Construction Expenditures
Nittany Mall Casino Design & Construction	\$34,875,000	\$2.5M Soft, Remainder Hard	\$34,875,000
New Slot Machines	\$13,937,500	Non-Modelable	-
Table Games	\$450,000	Non-Modelable	-
IT Systems, Components & Infrastructure	\$4,000,000	Hard Cost	\$4,000,000
Surveillance Systems & Equipment	\$1,500,000	Hard Cost	\$1,500,000
Cage/Count Room/TRUs/JPU's	\$1,250,000	Non-Modelable	-
Operating Supplies	\$1,250,000	Non-Modelable	-
Other Equipment	\$1,000,000	Hard Cost	\$1,000,000
Pre-Opening Other Expenses	\$1,000,000	Soft Cost (50% Modelable)	\$500,000
Pre-Opening Labor	\$3,000,000	Non-Modelable	-
Contingency	\$7,237,500	Non-Modelable	-
Operating Capital & Cage Cash	\$10,000,000	Non-Modelable	-
Total	\$79,500,000	-	\$41,875,000

Source: SC Gaming (2020)

Upfront construction of the development is expected to have significant one-time impacts on the regional and state economy. The construction phase is expected to represent approximately (see Figure 7 on the following page):

- \$43.6 million in one-time economic impact within the Township economy, supporting 360 jobs and \$16.4 million in employee compensation,
- \$61.4 million in one-time economic impact within Centre County, supporting 460 jobs and \$21.3 million in employee compensation, and
- \$73.3 million in one-time economic impact within Pennsylvania, supporting 520 jobs and \$24.7 million in employee compensation.

Date: February 19, 2021

Figure 7: Potential One-Time Impact to College Township, Centre County and the State of Pennsylvania from Upfront Construction of the SC Gaming’s Casino

	College Township	Centre County	State of Pennsylvania
Direct Output (\$M)	\$41.9	\$41.9	\$41.9
Indirect and Induced Output (\$M)	\$1.7	\$19.5	\$31.5
Total Impact (\$M)	\$43.6	\$61.4	\$73.3
Employment Supported (FTE)	360	460	520
Employee Compensation (\$M)	\$16.4	\$21.3	\$24.7

Source: IMPLAN (2019)

Construction of the casino is also expected to generate tax revenues for the Commonwealth of Pennsylvania for the duration of the project. It is estimated that upfront construction is expected to produce approximately \$1,061,000 in income, sales, and business tax revenues.

Figure 8: Potential Tax Revenue Generated from Construction of the SC Gaming’s Casino within the Commonwealth of Pennsylvania

Tax Type	Commonwealth of Pennsylvania
Personal Income Taxes	\$409,000
Sales Taxes	\$488,000
Business Taxes	\$163,000
Total Taxes	\$1,061,000

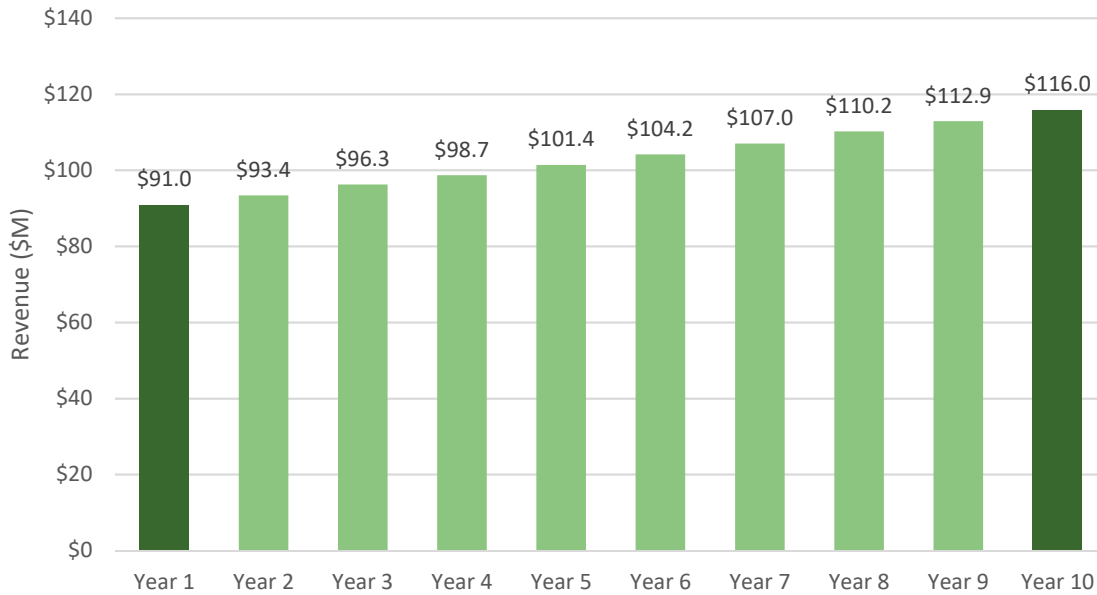
Source: ESI (2021)

Ongoing Operations

According to pro forma statements provided by SC Gaming, ongoing annual operating revenues for the casino are estimated to be nearly \$91 million at the first year of operation and \$116 million upon stabilization of the property (see Figure 9). The composition and scale of various impact categories such as output, employment, and tax revenues are derived from casino revenues. Our analysis focuses on the revenue from the first and tenth year of operations.

Date: February 19, 2021

Figure 9: Estimated Annual Operating Revenues for the Proposed Casino Over 10 Year Period (\$M)



Source: SC Gaming (2020)

Ongoing operations of the proposed development are expected to have significant annual impacts on the regional and state economy. Within the first year of operation, the economic impact of the casino is expected to represent approximately (see Figure 10):

- \$95.4 million in annual economic impact within the Township economy, supporting 410 jobs and \$19.1 million in employee compensation,
- \$129.3 million in annual economic impact within Centre County, supporting 630 jobs and \$28.3 million in employee compensation, and
- \$146.6 million in annual economic impact within the Commonwealth economy, supporting 710 jobs and \$33.6 million in employee compensation.

Date: February 19, 2021

Figure 10: Potential Economic Impact of Operations to College Township, Centre County, and the Commonwealth of Pennsylvania within the First Year of Operation

	College Township	Centre County	State of Pennsylvania
Direct Output (\$M)	\$91.0	\$91.0	\$91.0
Indirect and Induced Output (\$M)	\$4.4	\$38.3	\$55.6
Total Impact (\$M)	\$95.4	\$129.3	\$146.6
Employment Supported (FTE)	410	630	710
Earnings (\$M)	\$19.1	\$28.3	\$33.6

Source: IMPLAN (2019)

At stabilization, the economic impact of the casino is expected to represent approximately (see Figure 11):

- \$121.6 million in annual economic impact within the Township economy, supporting 480 jobs and \$22.5 million in earnings,
- \$164.0 million annual economic impact within Centre County, supporting 740 jobs and \$34.1 million in earnings, and
- \$185.9 million in annual economic impact within the Commonwealth economy, supporting 850 jobs and \$39.4 million in earnings.

Figure 11: Economic Impact of Operations to College Township, Centre County, and the Commonwealth of Pennsylvania at Stabilization

	College Township	Centre County	State of Pennsylvania
Direct Output (\$M)	\$116.0	\$116.0	\$116.0
Indirect and Induced Output (\$M)	\$5.6	\$48.0	\$69.9
Total Impact (\$M)	\$121.6	\$164.0	\$185.9
Employment Supported (FTE)	480	740	850
Earnings (\$M)	\$22.5	\$34.1	\$39.4

Source: IMPLAN (2019)

Ongoing operations of the proposed development are also expected to increase various tax bases and therefore generate tax revenues for the Commonwealth. It is estimated that ongoing operations is expected to produce more than \$1.6 million in tax revenues for the Commonwealth within the first year of operations and more than \$2.0 million at stabilization (see Figure 12). This economic impact includes new income and business taxes from the direct, indirect, and induced economic activity generated by the proposed development.

Date: February 19, 2021

Figure 12: Potential Tax Revenue Generated from Ongoing Operations of the Casino within the Commonwealth of Pennsylvania

	Tax Revenue Impact within the First Year	Tax Revenue Impact at Stabilization
Personal Income Taxes	\$554,000	\$672,000
Sales Taxes	\$991,000	\$1,236,000
Business Taxes	\$126,000	\$158,000
Total Taxes	\$1,672,000	\$2,066,000

Source: ESI (2021)

Date: February 19, 2021

Appendix 37: Section 9 - Fiscal Impacts

The proposed casino will act as an economic engine and community partner. The significant tax revenue generated from the construction and operations activity associated with the proposed casino is expected to substantially outweigh negligible adverse impacts experienced by College Township and the local community as a result of increased demand for public services. As stipulated by state gaming regulations, the proposed casino is projected to contribute nearly \$37.7 million to state, county, and local revenue funds within the first year of operations before growing to \$48.6 million at stabilization (see Figure 13).

Within the first year of operations, College Township is estimated to receive more than \$1.6 million in annual revenue as a result of the operations of the proposed casino, consisting of more than \$1.2 million in annual slot host revenue, \$150,000 in annual table host revenue, \$186,000 in sportsbook revenue, \$40,000 in municipal real estate taxes, and \$27,000 in EIT and LST. This increase in annual revenue represents a 16 percent increase of the College Township 2021 General Fund budget at opening. Based on current projections, the Township would receive a total of over \$2 million in revenue at stabilization (reflecting a 21 percent increase to the 2021 budget; current revenues are \$10.1 million). The County and Commonwealth are also expected to derive significant tax revenue from operations at the proposed casino beyond these amounts.

Date: February 19, 2021

Figure 13: State, County, and Local Revenue Derived from Slots and Table Revenue at the Proposed Casino

Slot Revenue	Tax Rate	Tax Revenue within the First Year	Tax Revenue At Stabilization
State Tax	34%	\$20,850,000	\$27,150,000
Economic Development Trust Fund	6%	\$3,680,000	\$4,790,000
PA Horse Race Development Fund	12%	\$7,360,000	\$9,580,000
Host Municipality	2%	\$1,230,000	\$1,600,000
Total	54%	\$33,120,000	\$43,120,000
Table Revenue			
PA General Fund	14%	\$2,040,000	\$2,610,000
CFA Grants to Host County	1%	\$150,000	\$190,000
Host Municipality	1%	\$150,000	\$190,000
Total	16%	\$2,340,000	\$2,990,000
Online Sportsbook Revenue			
State Tax	34%	\$3,165,000	\$3,725,000
Host Municipality	2%	\$186,000	\$219,000
Total	36%	\$3,351,000	\$3,944,000
Total Slots and Gaming		\$37,697,000	\$48,662,000

Source: PA Gaming Control Board (2021), SC Gaming (2021)

In addition to host community gaming revenue, construction and operations activity at the proposed casino is expected to generate substantial local tax revenue for College Township (see Figure 14). Over a 12-month construction period, the Township is expected to receive approximately \$23,000 in Earned Income Tax (EIT) and Local Service Tax (LST) as a result of the direct, indirect, and induced economic activity generated by construction of the proposed casino.

Date: February 19, 2021

Figure 14: College Township Tax Revenue from Construction

College Township	One-Time Construction Revenue
EIT ³	\$4,000
LST	\$19,000
Total	\$23,000

Source: OnTheMap (2018), IMPLAN (2019)

Following the completion of the casino, the Township is expected to receive significant additional real estate, EIT, and LST revenue. The approximately \$42 million in construction investments at the site will result in a material increase in assessment value, generating an estimated \$40,000 increase in College Township property tax revenue that will be ongoing on an annual basis (see Figure 15). The direct, indirect, and induced activity at the casino will also support approximately \$6,000 and \$21,000 in EIT and LST annually within the first year before growing to \$7,000 and \$25,000 respectively.⁴

Figure 15: Growth in College Township Tax Revenue from Ongoing Operations

Metric	Value
Renovation and Improvements	\$34,875,000
Anticipated Market Value	\$34,875,000
Centre County Common Level Ratio	4.13
New Assessment	\$8,444,310
Current Assessment	\$954,960
Change in Assessment	\$7,489,350
Municipal Millage Rate	5.800 mills
School District Millage Rate	46.0875 mills
County Millage Rate	7.840 mills
Increase in Revenue to College Township	\$40,000
Increase in Revenue to School District	\$350,000
Increase in Revenue to Centre County	\$60,000

Source: College Township (2021), ESI (2021)

^{3,4} This includes EIT paid to both the municipality and to the State College Area School District, including both resident and nonresident EIT.

Date: February 19, 2021

College Township is expected to receive more than \$1.6 million in annual revenue within the first year of operation of the proposed casino. In total, the casino development is expected to have di minimus negative impact on the Township. As the proposed casino prospers and gross terminal revenue increases as projected, the positive benefits shared with the local community stabilize at nearly \$2.1 million (see Figure 16).

Figure 16: Net Annual Fiscal Impact to College Township

Tax Revenue Increase	Within the First Year	At Stabilization
Host Municipality Slot Revenue	\$1,230,000	\$1,600,000
Host Municipality Table Revenue	\$150,000	\$190,000
Host Municipality Sportsbook Revenue	\$186,000	\$219,000
Real Estate Taxes	\$40,000	\$40,000
EIT	\$6,000	\$7,000
LST	\$21,000	\$25,000
Total	\$1,633,000	\$2,081,000
Negative Community Impact	\$0	\$0
Net Positive (Negative) Impact	\$1,633,000	\$2,081,000

Source: PA Gaming Control Board (2021), College Township (2021), ESI (2021)