

Economic Impacts of the Proposed Gettysburg Casino

A Realistic Assessment at a Glance

An independent, realistic assessment of the Mason-Dixon local impact report (LIR) has been prepared by Mr. Michael Siegel of Public and Environmental Finance Associates. *A Realistic Assessment* shows the LIR has failed to recognize a number of “serious, substantial and sustained adverse impacts” of the proposed casino. Key points include:

Flawed methodology ignores impacts on existing businesses: The LIR’s methodology is *incapable of distinguishing between an actual “net new job” and one cannibalized from an existing local business.* Based on other industry studies, existing residents and visitors would spend about \$78.4 million at the Mason-Dixon that would otherwise be spent elsewhere in the local economy. *Diverted resident and heritage tourist spending would ultimately destroy about 1,130 existing jobs* and an untold number of businesses in Adams County, most in and around the Borough of Gettysburg — which the LIR never mentions, despite the requirement to detail and assess “any” adverse impacts on historical, cultural, tourism and municipal resources.

M-D jobs are mostly seasonal and part-time: The LIR avoids citing the actual number of jobs it has assumed on-site for Mason-Dixon. Rather, it cites a figure of 375 “full-time equivalent” positions. *A Realistic Assessment* shows the assumed number to be a mix of 1,087 full- and part-time jobs — an unreasonable prediction based on the actual staffing levels of casinos in communities like Atlantic City, N.J., and Vicksburg, Miss. Further evidencing the seasonal or part-time nature of most of these positions is their average salary, which would be \$17,061 per year — *only \$.95 above state minimum wage requirements.*

Unrealistic pro-forma and staffing level: *The LIR assumes the casino would support more jobs per gaming position — individual seats for gamblers at slot machines and game tables — than Atlantic City’s top resort.* Mason-Dixon projects it would employ 1.21 individuals per position. Atlantic City’s Borgata, a high-end destination casino and Atlantic City’s highest value casino, currently generates 1.19 jobs per gaming position — well above Atlantic City’s average of .90. Mason-Dixon’s construction cost is \$27.03 million; in 2009, the Borgata was valued at \$1.77 billion. In contrast, the previous casino proposed for the Gettysburg market, even adjusted to include newly legalized table games, was estimated to generate only .55 jobs per position.

Casino visitors drive by historic sites but don’t stop: Vicksburg, Miss., is an often-cited and valid parallel for the situation in Gettysburg. Before casinos opened there, Vicksburg National Military Park ran a close second to Gettysburg in visitation among NPS Civil War sites. But in 1994, when the casinos opened, visitation plunged and took four years to rebound. Hurricane Katrina caused another dive in 2005, but unlike other national parks in Mississippi and Louisiana, Vicksburg NMP’s visitation has not yet recovered; recent visitation is consistent with the 1980s, when the park introduced entrance fees, or during the 1970s oil-embargo. *While Park visitation plummeted by as much as 20 percent once Vicksburg’s casinos opened, traffic bypassing the Park’s main entrance rose 12 percent, and traffic on segments of old Highway 61 — the primary access road for Vicksburg’s main casino complex — exploded by 64 percent.* Today, traffic on key segments of Vicksburg’s historic downtown area is 17 percent lower than it was in 1998, and 40 percent of buildings are vacant.