

THE IMPACT OF NEW DOWNSTATE CASINOS ON SULLIVAN COUNTY'S ECONOMY & RESORTS WORLD CATSKILLS (RWC)

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Prepared by



In Partnership with Impact DataSource, LLC

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Study Highlights

- **A Single New Downstate Casino Could Effect a Quarter of RWC's Revenue**
Just one new commercial casino in the New York City area could cause Resorts World Catskills to lose \$51 million annually in gross gaming revenue. This is the low end of our analysis. Approving multiple downstate casinos could drop revenue by up to 76%.
- **Sullivan County Could Lose Jobs and Tax Revenue**
That one-casino scenario would mean nearly 400 jobs lost, \$13.8 million in wages gone, and \$2.3 million in local tax revenue eliminated. This includes sales tax, room tax, and gaming tax that funds county and town services.
- **RWC Is the Region's Economic Anchor and New Casinos Could Jeopardize That Ecosystem**
RWC is not just a casino, it's an economic engine in Sullivan County. It's the single largest tourism driver and a major employer.
- **RWC Already Serves the NYC Market and Could Be the First to Lose That Business**
RWC buses patrons in from Flushing, Chinatown, and Midtown. It appears to be how RWC accessed that downstate market. If casinos are built closer to those customers, Sullivan County could lose significant visitors very quickly.

Introduction

This report presents the results of an analysis performed by Capacity Business Consulting in partnership with Impact DataSource. The report estimates the economic impact of downstate New York casino licenses to Resorts World Catskills and Sullivan County. The analysis presents baseline economic data from 2017 to 2024 in Sullivan County and estimates the potential change in economic impact and Sullivan County fiscal revenues if new casino licenses are granted.

Background

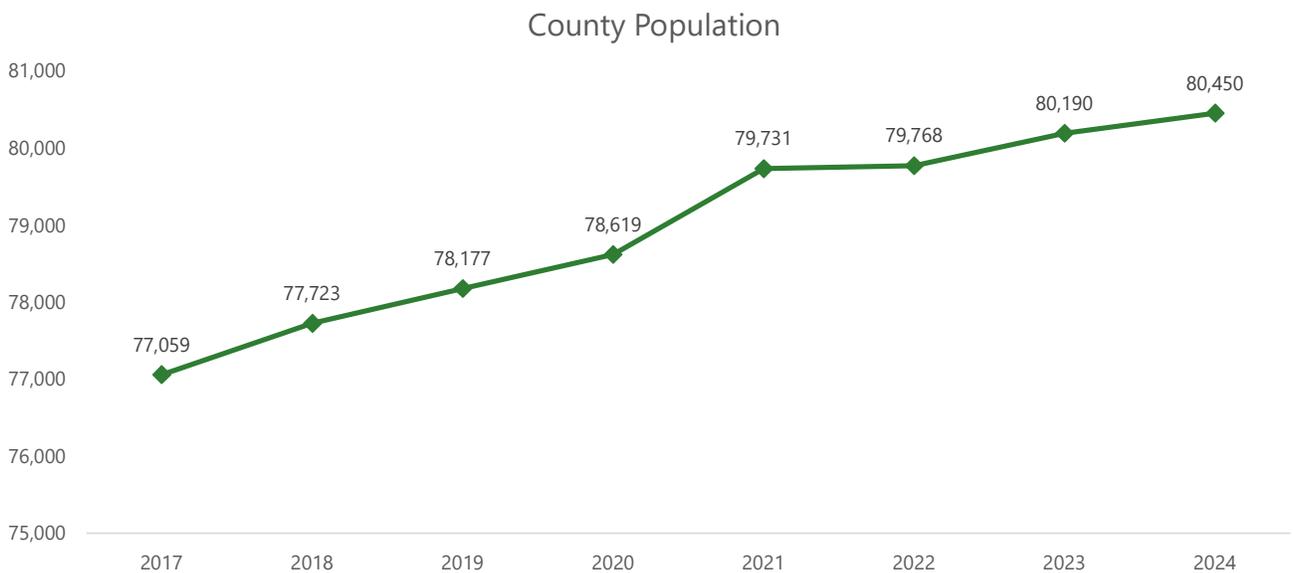
Since opening in February 2018, Resorts World Catskills has had a significant economic impact on Sullivan County. The casino has created new jobs and supported millions in wages for local workers, while also attracting out-of-town visitors who contribute to the area’s tourism economy. In addition to this economic activity, the casino generates substantial tax revenue for the county, the Town of Thompson, and other local jurisdictions.

However, state lawmakers are expected to issue up to three new downstate casino licenses, which would introduce significant competition for Resorts World Catskills. Located closer to the New York City metro area, these new casinos could draw visitors who might have otherwise traveled to the Catskills, potentially resulting in reduced visitation, declining revenues, and broader negative impacts on the local economy.

Economic Trends in Sullivan County: 2017 to Present

Population

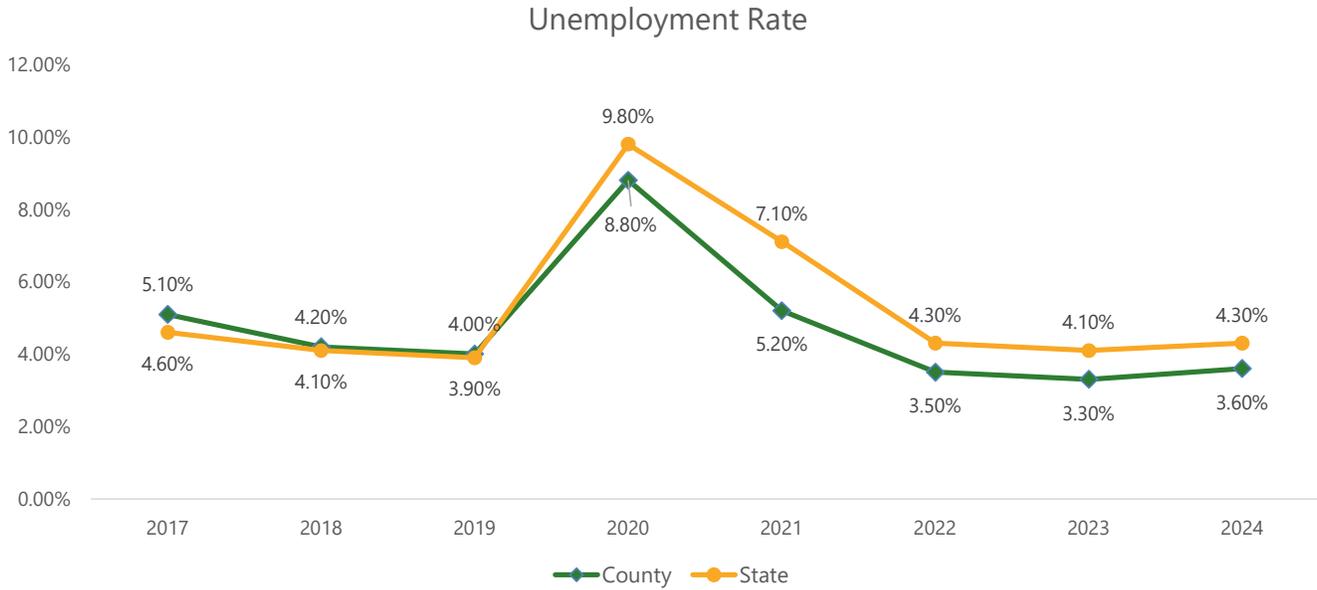
As of 2024, Sullivan County's population reached 80,450, an increase of 4.4% from 77,059 in 2017. This equates to a compound annual growth rate (CAGR) of 0.6%.



Source: U.S. Census Bureau, Decennial Census and July Population Estimates

Unemployment Rate

In 2017, Sullivan County’s unemployment rate was higher than the statewide average (5.1% vs. 4.6%), but by 2024, the county’s rate had dropped to 3.6%, falling below the state’s 4.3% rate. While both the county and the state experienced a spike in unemployment during the pandemic in 2020 and 2021, the increase was more severe at the state level. Since then, Sullivan County has maintained a lower unemployment rate than the state average, reflecting a strong local recovery.



Source: New York State Department of Labor, Local Area Unemployment Statistics

Labor Force

From 2017 to 2024, the county’s labor force grew from 33,500 to 37,200 while the number of unemployed individuals fell from 1,700 to 1,300.

Table 2. Sullivan County Labor Force Data

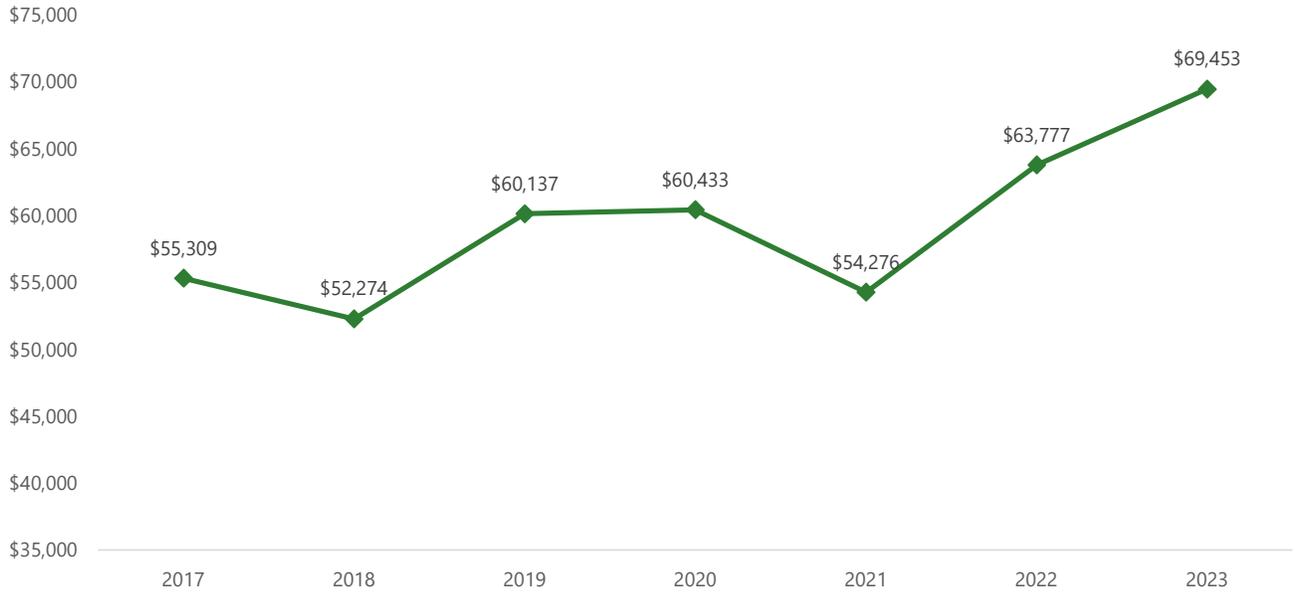
	Employed	Unemployed	Labor Force	Unemployment Rate
2017	31,800	1,700	33,500	5.1%
2018	33,600	1,500	35,100	4.2%
2019	34,400	1,400	35,800	4.0%
2020	32,000	3,100	35,100	8.8%
2021	33,100	1,800	34,900	5.2%
2022	34,400	1,200	35,600	3.5%
2023	36,000	1,200	37,200	3.3%
2024	35,900	1,300	37,200	3.6%

Source: New York State Department of Labor, Local Area Unemployment Statistics

Median Household Income

According to the most recent American Community Survey 1-Year Estimates, the median household income in Sullivan County was \$69,453 in 2023, up from \$55,309 in 2017 - an increase of 26%. After adjusting for inflation, this reflects a modest real income gain of approximately 1% over the period.

County Median Household Income



Source: American Community Survey, 1-Year Estimates in Nominal Dollars

Gross Domestic Product (GDP)

According to data from the U.S. Bureau of Economic Analysis (BEA), Sullivan County's gross domestic product (the total value of goods and services produced in the county) grew from \$2.94 billion in 2017 to \$4.17 billion in 2023. This is a 42% increase over the period or a 6.0% compound annual growth rate (CAGR). For comparison, New York State's GDP grew by 33.7% during the same period with a CAGR of 5.0%.

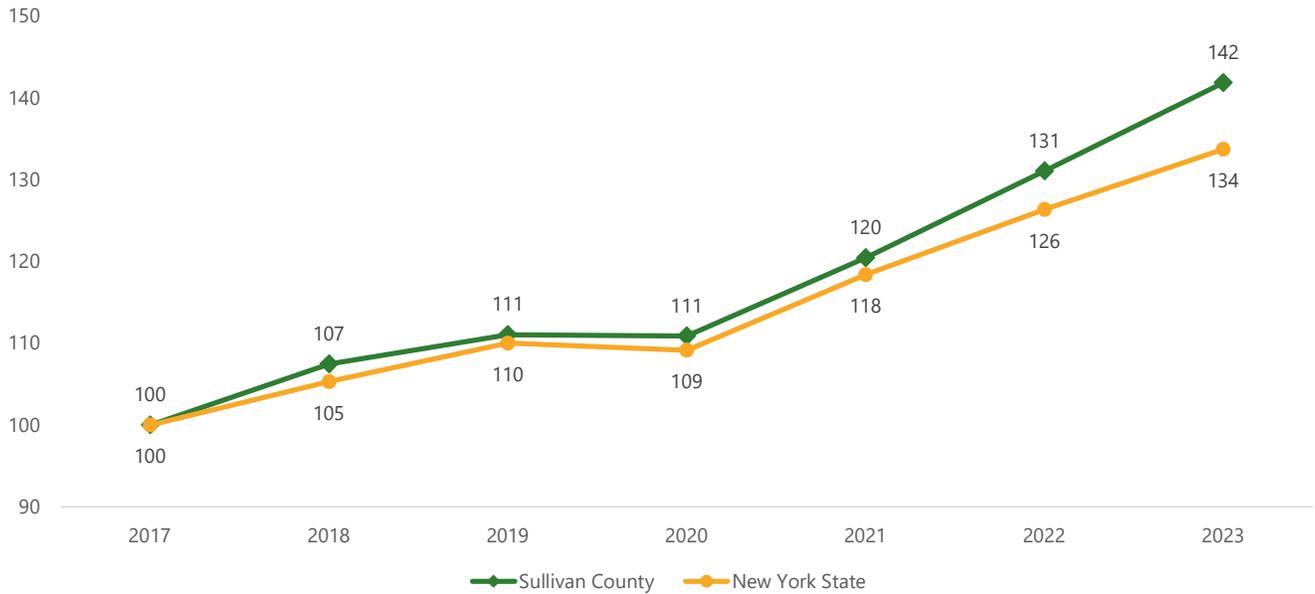
Table 3. Gross Domestic Product

	Sullivan County	New York State
2017	\$2.94 B	\$1,624.80 B
2018	\$3.16 B	\$1,710.67 B
2019	\$3.26 B	\$1,787.47 B
2020	\$3.26 B	\$1,773.37 B
2021	\$3.54 B	\$1,923.41 B
2022	\$3.85 B	\$2,052.76 B
2023	\$4.17 B	\$2,172.01 B
<i>Total Percent Increase</i>	41.8%	33.7%
<i>Growth Rate</i>	6.0%	5.0%

Source: U.S. Bureau of Economic Analysis

The chart on the next page illustrates indexed GDP growth in both Sullivan County and New York State from 2017 to 2023.

Indexed GDP Growth (2017 = 100)



Employment by Industry in Sullivan County

The table below presents the 2023 private employment estimates for Sullivan County and New York State from the Quarterly Census of Employment and Wages (QCEW) published by the New York State Department of Labor and the U.S. Bureau of Labor Statistics.

Table 3. Employment by Industry

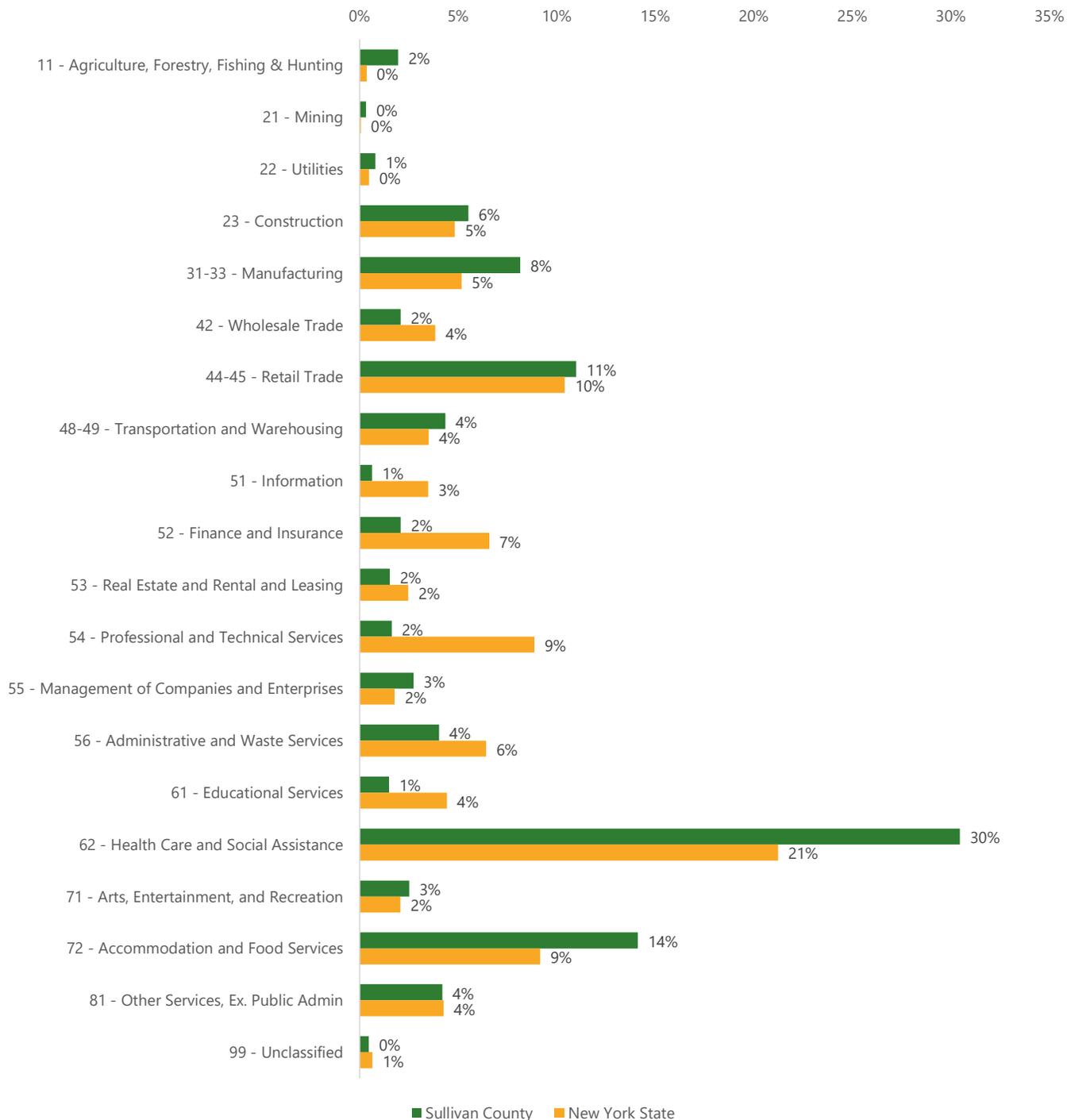
	Sullivan County	New York State
11 - Agriculture, Forestry, Fishing & Hunting	481	28,743
21 - Mining	80	4,851
22 - Utilities	195	38,125
23 - Construction	1,353	390,662
31-33 - Manufacturing	1,998	418,746
42 - Wholesale Trade	510	311,174
44-45 - Retail Trade	2,696	843,090
48-49 - Transportation and Warehousing	1,067	283,569
51 - Information	153	281,911
52 - Finance and Insurance	512	532,078
53 - Real Estate and Rental and Leasing	374	199,577
54 - Professional and Technical Services	398	718,054
55 - Management of Companies and Enterprises	670	144,038
56 - Administrative and Waste Services	989	519,376
61 - Educational Services	365	357,956
62 - Health Care and Social Assistance	7,472	1,718,949
71 - Arts, Entertainment, and Recreation	618	166,961
72 - Accommodation and Food Services	3,463	741,858
81 - Other Services, Ex. Public Admin	1,029	345,242
99 - Unclassified	114	52,380
Total	24,537	8,097,340

Source: New York State Department of Labor QCEW, Private Employment

The graph below shows the distribution of employment by industry sector in Sullivan County compared to New York State. The four largest sectors in the county are (1) Health Care & Social Assistance, (2) Accommodation & Food Services, (3) Retail Trade, and (4) Manufacturing. Each of these sectors makes up a larger share of total employment in the county than in the state as a whole. For example, Health Care & Social Assistance accounts for 30% of all jobs in Sullivan County compared to 21% statewide, while Accommodation & Food Services represents 14% of county employment versus just 9% at the state level.

It is important to note that Resorts World Catskills is included in the Accommodation & Food Services sector.

Percent of Total Employment by Industry Sector



Employment Growth in Sullivan County

Based on the Quarterly Census of Employment and Wages (QCEW) published by the New York State Department of Labor and the U.S. Bureau of Labor Statistics, total private employment in Sullivan County reached 24,536 in 2023, up from 20,963 in 2017. This represents a 17% overall increase in employment, or an average annual compound growth rate of 2.7%. In contrast, total private employment statewide grew by just 2.5% over the same period, or about 0.4% per year.

The table below highlights several key industry sectors in Sullivan County, including Manufacturing, Retail Trade, Health Care & Social Assistance, and Accommodation & Food Services. From 2017 to 2023, the Accommodation & Food Services experienced the largest growth, with employment rising by 53.8%. Manufacturing also outpaced the countywide growth rate, increasing by 37.5%. In contrast, the county's largest employment sector, Health Care & Social Assistance, grew by just 5.6% over the period.

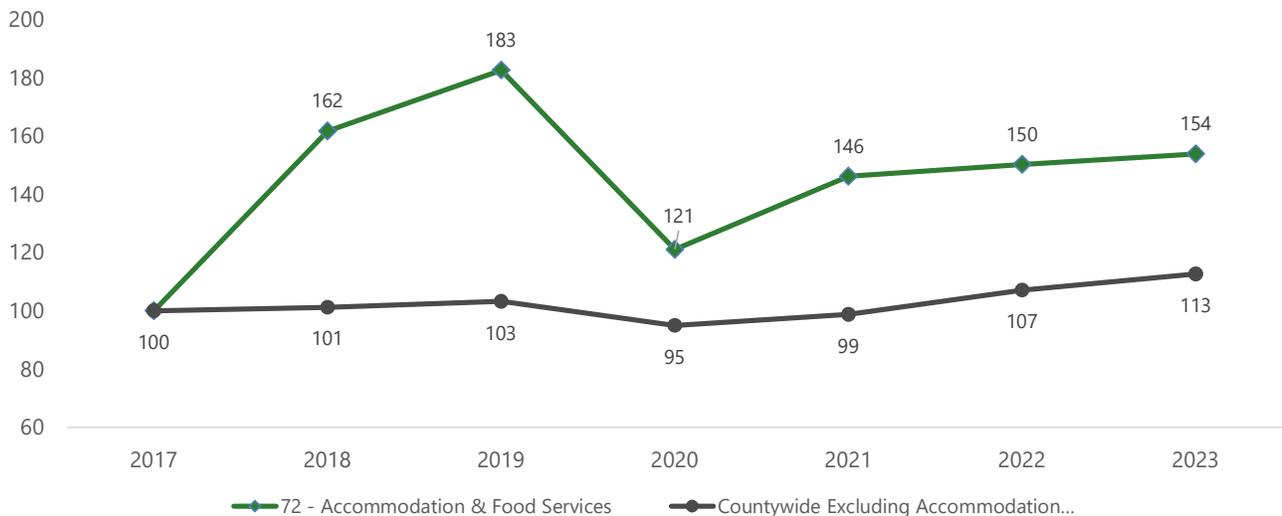
Table 4. Sullivan County Employment by Industry

	31-33 - Manufacturing	44-45 - Retail Trade	62 - Health Care & Social Assistance	72 - Accommodation & Food Services	All Other Sectors	Total, All Industries
2017	1,453	2,596	7,078	2,251	7,585	20,963
2018	1,472	2,582	7,342	3,639	7,544	22,579
2019	1,580	2,665	7,437	4,109	7,627	23,418
2020	1,576	2,607	6,793	2,724	6,793	20,493
2021	1,675	2,632	6,742	3,290	7,423	21,762
2022	1,941	2,639	7,185	3,382	8,268	23,415
2023	1,998	2,696	7,472	3,463	8,907	24,536
<i>Total Percent Increase</i>	37.5%	3.9%	5.6%	53.8%	17.4%	17.0%
<i>Growth Rate</i>	5.5%	0.6%	0.9%	7.4%	2.7%	2.7%

Source: New York State Department of Labor QCEW, Private Employment

The chart below highlights the employment growth in the Accommodation & Food Services sector relative to the employment growth in other sectors in the county. Employment in Sullivan County's Accommodation and Food Services sector grew significantly faster than the rest of the county's economy between 2017 and 2023. Despite a sharp drop in 2020 due to the COVID-19 pandemic, the sector rebounded quickly and maintained a strong upward trajectory. By 2023, employment in this sector had increased by approximately 54% compared to 2017 levels. In contrast, employment in all other sectors combined grew more steadily, with a total increase of around 13% over the same period.

Indexed Employment Growth (2017 = 100)



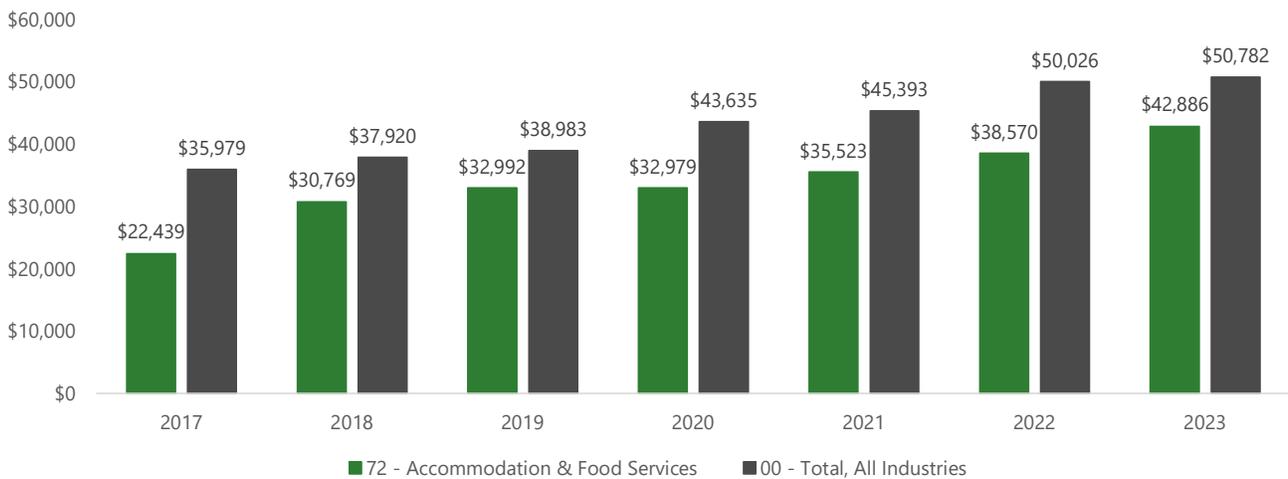
Source: New York State Department of Labor QCEW, Private Employment

Average Earnings in Sullivan County

While average annual earnings in the Accommodation & Food Services sector remain below the countywide average, the growth rate in this sector has been significantly stronger over the past several years.

- Between 2017 and 2023, average earnings in the Accommodation & Food Services sector rose from \$22,439 to \$42,886, an increase of 91%, or a compound annual growth rate of 11.4%.
- In comparison, countywide average earnings across all industries rose from \$35,979 to \$50,782, a 41% increase, or a CAGR of 5.9%, before adjusting for inflation.

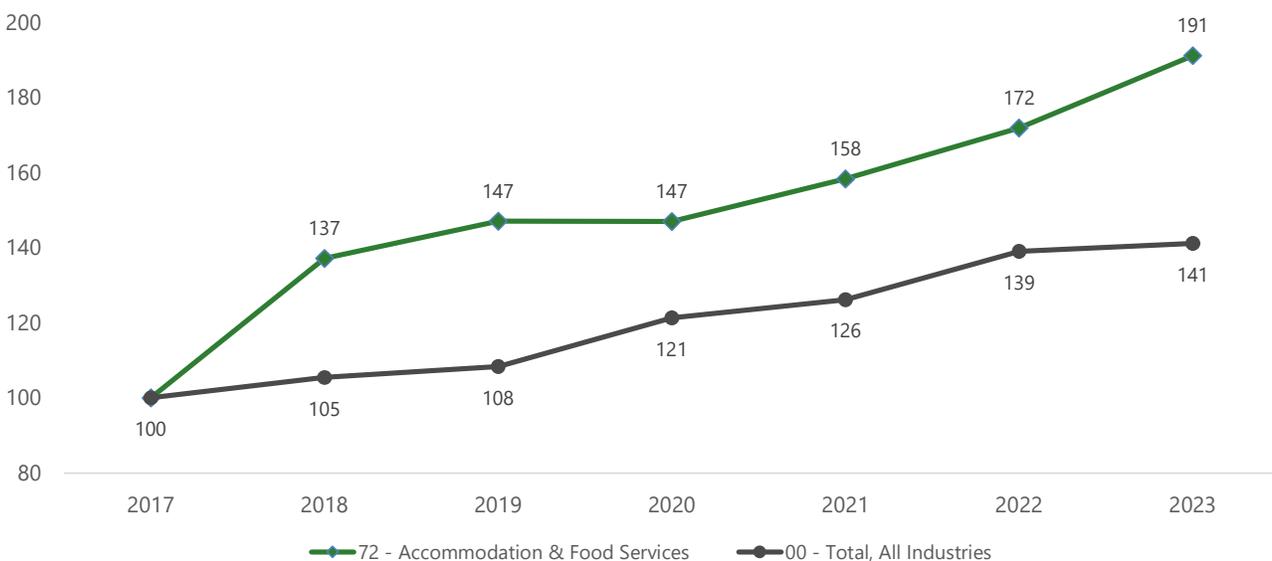
Average Annual Earnings



Source: New York State Department of Labor QCEW, Private Employment

A particularly sharp increase occurred between 2017 and 2018, when average earnings in the Accommodation & Food Services sector jumped by 37%, coinciding with the opening of Resorts World Catskills. This suggests a significant shift in the wage structure for hospitality-related jobs in the county, likely driven by higher-paying positions at the casino.

Indexed Average Annual Earnings Growth (2017 = 100)



Source: New York State Department of Labor QCEW, Private Employment

After adjusting for inflation, real earnings growth in Accommodation & Food Services over the period was approximately 7.4%, while the countywide average saw a more modest real increase of 2.1%. This means the hospitality sector not only experienced nominal wage gains, but also meaningful improvements in purchasing power for its workers - far outpacing other industries in the county.

Indexed earnings growth also reflects this trend, showing that the Accommodation sector consistently outperformed the broader economy, despite a temporary plateau in 2020 during the pandemic. The strong rebound in subsequent years further highlights the resilience and upward wage pressure in this key sector. These trends suggest that the hospitality industry is driving both employment and wage growth in Sullivan County -delivering stronger real income gains and helping to improve overall economic vitality in the region.

Property Values in Sullivan County

The table below shows the assessed value of property in Sullivan County, along with the total estimated actual value. From 2017 to 2023, the county’s estimated actual property value increased by approximately 41%, with most of that growth occurring after 2020.

Table 5. Property Values in Sullivan County

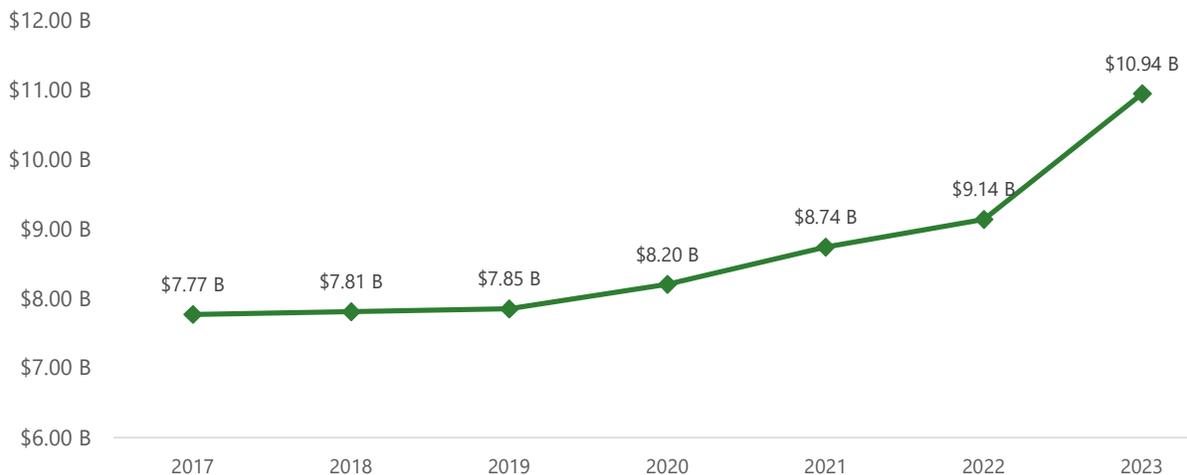
	Residential/ Commercial Property	Other Property*	Less Exempt Property	Total Assessed Value	Estimated Actual Value**
2017	\$6.79 B	\$0.24 B	\$1.46 B	\$5.57 B	\$7.77 B
2018	\$6.80 B	\$0.24 B	\$1.45 B	\$5.59 B	\$7.81 B
2019	\$7.40 B	\$0.26 B	\$1.83 B	\$5.83 B	\$7.85 B
2020	\$7.61 B	\$0.26 B	\$1.93 B	\$5.93 B	\$8.20 B
2021	\$7.67 B	\$0.27 B	\$1.97 B	\$5.96 B	\$8.74 B
2022	\$7.01 B	\$0.32 B	\$1.32 B	\$6.02 B	\$9.14 B
2023	\$7.71 B	\$0.31 B	\$1.95 B	\$6.08 B	\$10.94 B
<i>Total % Increase</i>	13.5%	29.5%	33.4%	9.0%	40.8%
<i>Growth Rate</i>	2.1%	4.4%	4.9%	1.5%	5.9%

Source: Sullivan County Annual Comprehensive Financial Report, Fiscal Year Ended December 31, 2023

* Other Property includes State Lands, Special Franchises, Utilities, and Railroad Property.

** The estimated actual values represent the weighted average New York State equalization rate established for each town within the County.

Estimated Actual Property Value



Source: Sullivan County Annual Comprehensive Financial Report, Fiscal Year Ended December 31, 2023

Tax Revenues in Sullivan County

The table below summarizes the tax revenues collected in Sullivan County as shown in a recent annual financial report. The table includes a column for "Games of Chance" which is generally reported under "Licenses and Permits". For the presentation below, Games of Chance revenue has been included with these revenues.

From 2017 to 2023, total revenue increased by 48.4%, growing from \$104.51 million to \$155.14 million, with several notable trends:

- Sales tax revenue nearly doubled, rising 96.7% from \$40.0 million to \$78.7 million. This represents a compound annual growth rate of 11.9%.
- Room occupancy taxes grew dramatically, up 340.6%, from under \$1 million in 2017 to more than \$4 million in 2023, an indication of expanding tourism and lodging activity in the county.
- Games of Chance revenue peaked at \$3.33 million in 2019 and remained a small but meaningful source in later years, ranging from \$1.19 million to \$3.20 million.
- General property tax collections were more stable, rising by just 8.9% over the period, reflecting modest growth in the assessed tax base.

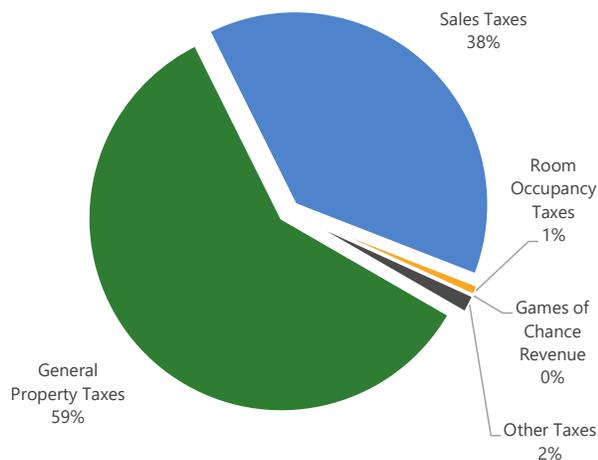
Table 6. Tax and Games of Chance Revenues in Sullivan County

	General Property Taxes	Sales Taxes	Room Occupancy Taxes	Games of Chance	Other Taxes	Total
2017	\$62.00 M	\$39.99 M	\$0.92 M	\$0.00 M	\$1.60 M	\$104.51 M
2018	\$62.52 M	\$46.58 M	\$1.33 M	\$1.32 M	\$1.72 M	\$113.47 M
2019	\$64.07 M	\$47.19 M	\$2.18 M	\$3.33 M	\$1.77 M	\$118.55 M
2020	\$63.94 M	\$48.94 M	\$1.68 M	\$1.19 M	\$1.95 M	\$117.69 M
2021	\$69.79 M	\$65.07 M	\$3.16 M	\$2.84 M	\$2.69 M	\$143.55 M
2022	\$73.70 M	\$70.55 M	\$3.76 M	\$3.20 M	\$2.88 M	\$154.10 M
2023	\$67.53 M	\$78.67 M	\$4.04 M	\$2.53 M	\$2.38 M	\$155.14 M
<i>Total % Increase</i>	8.9%	96.7%	340.6%	n/a	48.4%	48.4%
<i>Growth Rate</i>	1.4%	11.9%	28.0%	n/a	6.8%	6.8%

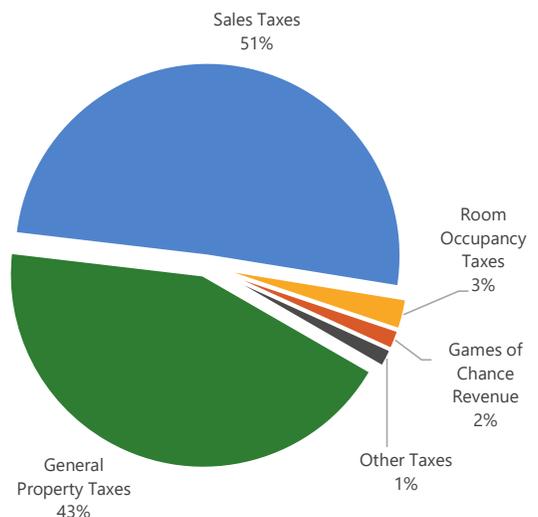
Source: Sullivan County Annual Comprehensive Financial Report, Fiscal Year Ended December 31, 2023

In 2023, sales taxes accounted for 51% of total county tax revenues, up from 38% in 2017. Room occupancy taxes also increased their share from 1% to 3%, while Games of Chance revenue, previously 0%, rose to represent 2% of total revenues over the same period.

Tax & Games of Chance Revenues in 2017



Tax & Games of Chance Revenues in 2023

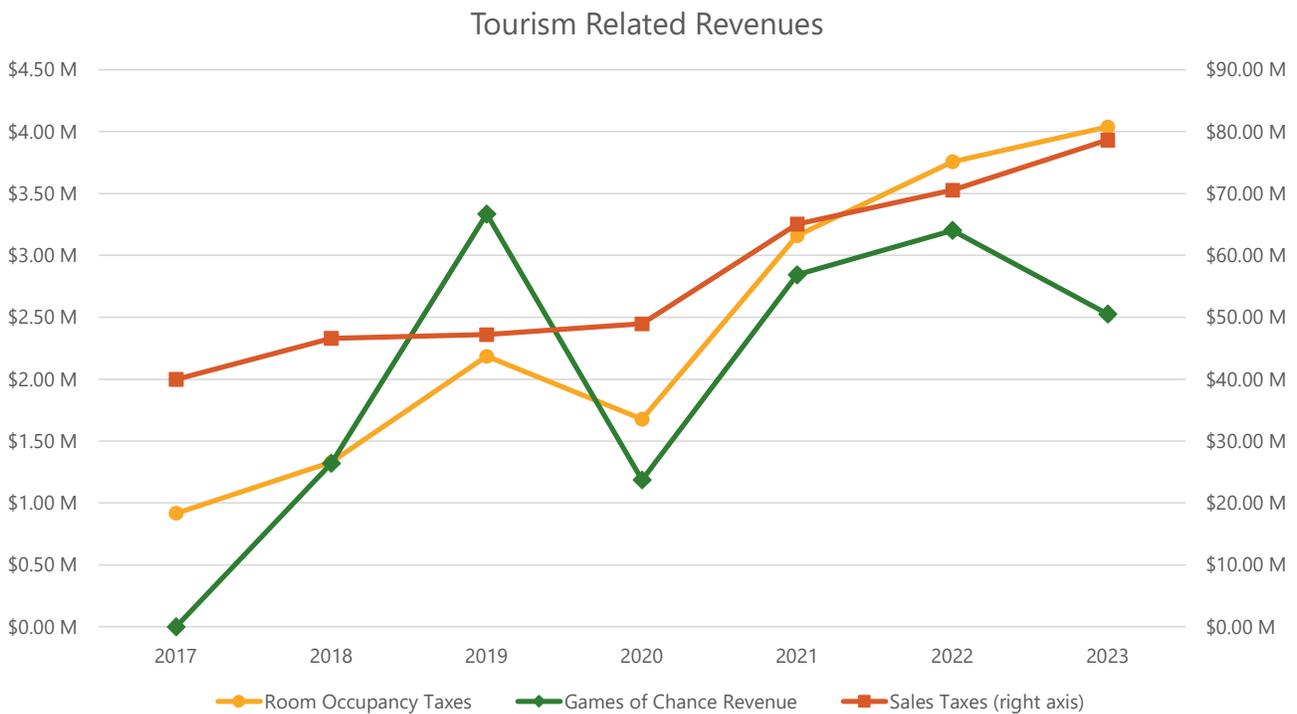


Tourism Related Revenues in Sullivan County

The graph below highlights tourism-related revenues in Sullivan County, including sales taxes, room occupancy taxes, and Games of Chance revenues. Sales taxes are plotted against the right axis, while room occupancy taxes and Games of Chance revenues are plotted against the left axis to better illustrate their trends over time.

Sales tax revenue grew steadily from 2017 to 2023, with only a slight plateau in 2020. In contrast, both room occupancy taxes and Games of Chance revenues saw strong increases between 2017 and 2019, followed by sharp declines in 2020 due to the COVID-19 pandemic.

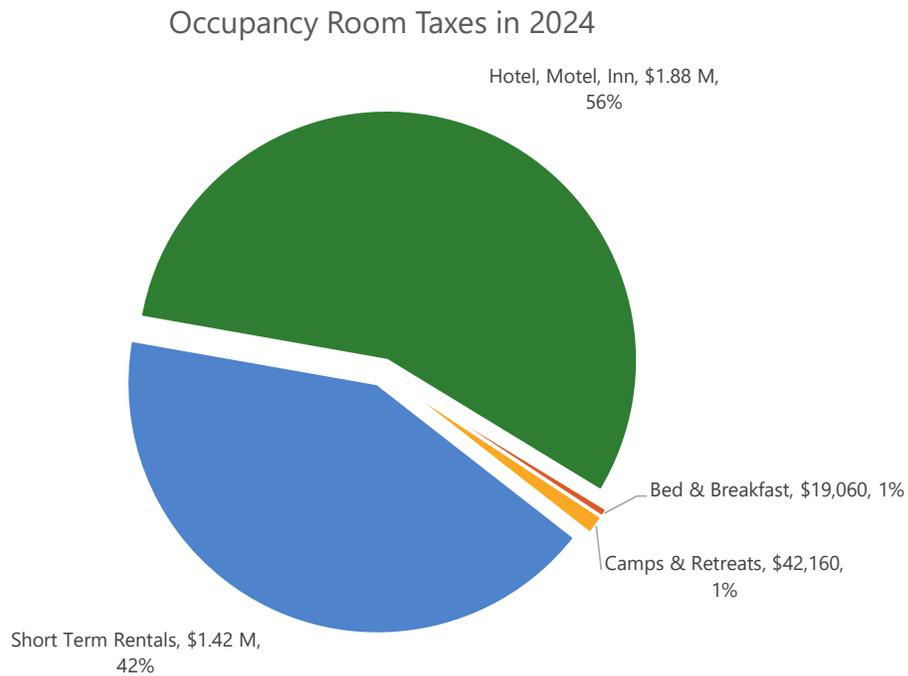
Since then, room occupancy taxes have continued to rise, reaching their highest level in 2023, reflecting growth in local tourism and lodging activity. Meanwhile, Games of Chance revenue has rebounded since 2020, though it remained below its 2019 peak in 2023.



Source: Sullivan County Annual Comprehensive Financial Report, Fiscal Year Ended December 31, 2023

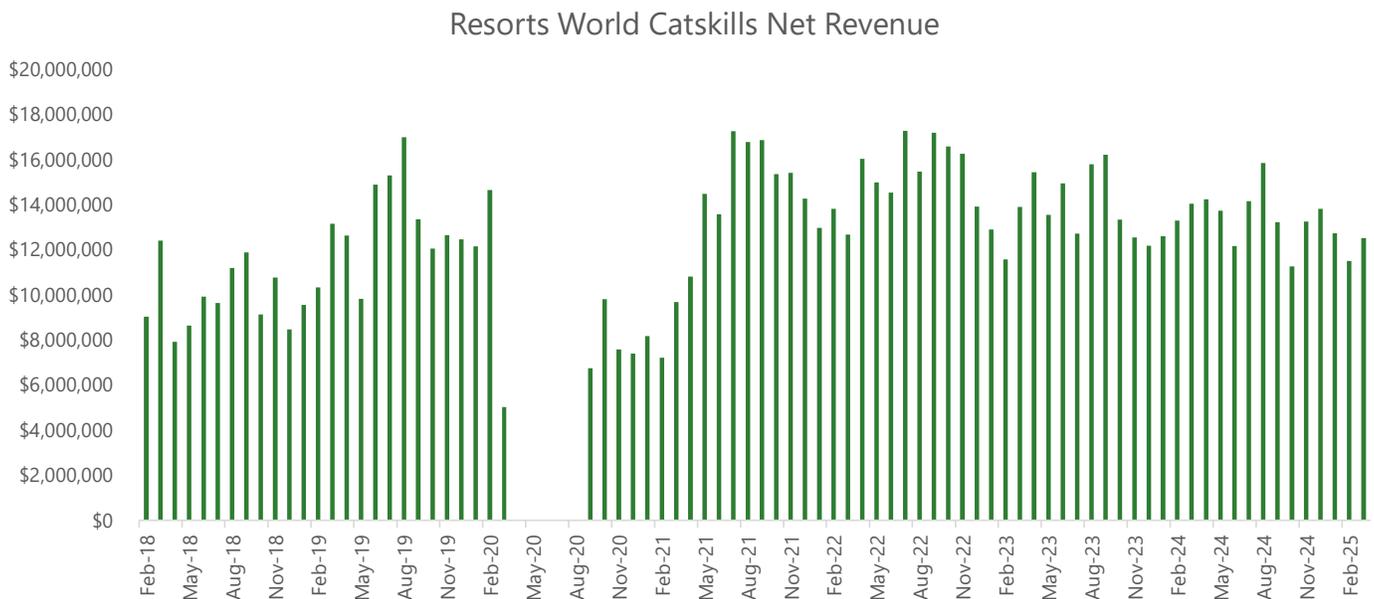
Room Occupancy Taxes in 2024

The graph below provides additional breakdown of room occupancy taxes in 2024. In total, the county is expected to have collected \$3.36 million in room occupancy taxes with 56% from hotels and 42% from short term rentals.



Resorts World Net Revenue

The New York State Gaming Commission publishes monthly revenue reports for casinos across the state. The chart below shows Resorts World Catskills’ net revenue since opening in February 2018. Over the 86-month period through March 2025, the casino reported total net revenue of \$1.03 billion, averaging \$11.98 million per month. This period includes the COVID-19 pandemic where the company did not generate any revenue for five months.



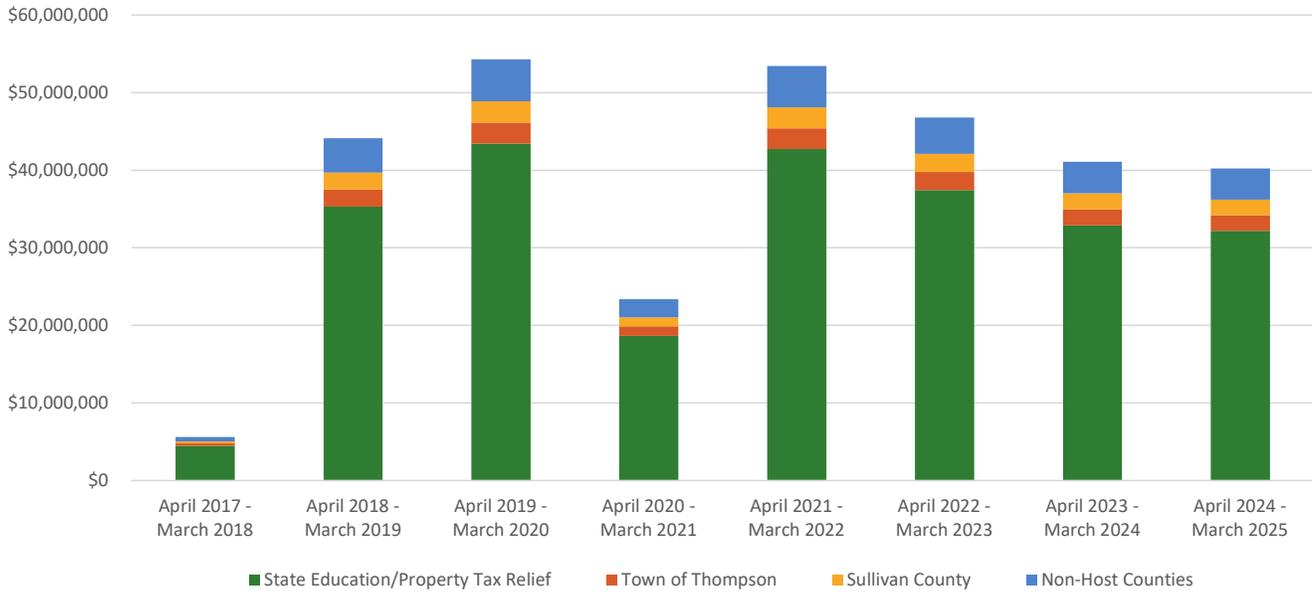
Source: New York State Gaming Commission

Gaming Tax Distributions

Over the 7+ years since Resorts World Catskills opened, the casino has generated more than \$300 million in direct gaming tax payments. These revenues are distributed as follows:

- 80% to the State
- 5% to Sullivan County
- 5% to the Town of Thompson
- 10% to surrounding non-host counties, including Columbia, Delaware, Dutchess, Greene, Orange, and Ulster counties.

Distributions to the State and Local Governments



Source: New York State Gaming Commission

Table 7. Gaming Tax Distributions

	State Education/ Property Tax Relief	Town of Thompson	Sullivan County	Non-Host Counties	Total
April 2017 - March 2018	\$4.50 M	\$0.28 M	\$0.28 M	\$0.56 M	\$5.63 M
April 2018 - March 2019	\$35.32 M	\$2.21 M	\$2.21 M	\$4.41 M	\$44.14 M
April 2019 - March 2020	\$43.44 M	\$2.71 M	\$2.71 M	\$5.43 M	\$54.30 M
April 2020 - March 2021	\$18.69 M	\$1.17 M	\$1.17 M	\$2.34 M	\$23.36 M
April 2021 - March 2022	\$42.73 M	\$2.67 M	\$2.67 M	\$5.34 M	\$53.41 M
April 2022 - March 2023	\$37.45 M	\$2.34 M	\$2.34 M	\$4.68 M	\$46.81 M
April 2023 - March 2024	\$32.90 M	\$2.06 M	\$2.06 M	\$4.11 M	\$41.12 M
April 2024 - March 2025	\$32.19 M	\$2.01 M	\$2.01 M	\$4.02 M	\$40.24 M
Total	\$247.21 M	\$15.45 M	\$15.45 M	\$30.90 M	\$309.02 M

Source: New York State Gaming Commission

Key Takeaways

- Accommodation & Food Services employment grew 54% between 2017 and 2023 - more than 4x faster than all other sectors combined (+13%).
- Average annual wages in Accommodation & Food Services increased 91%, from \$22,439 to \$42,886 - outpacing the 41% wage growth seen countywide.
- Sales tax revenue nearly doubled, rising from \$40M in 2017 to nearly \$79M in 2023, driven by increased spending and tourism activity.
- Tourism-related taxes (room and gaming) grew substantially, with room occupancy tax rising 340% from under \$1M to over \$4M.
- Sullivan County's GDP grew 42%, faster than New York State's 34% over the same period- suggesting a more robust local economy post-2018.

Resorts World Catskills: Annual Economic Impact

Economic Impact

The economic impact of Resorts World Catskills includes the direct revenue it generates, the workers it employs, and the wages it pays. In addition, the casino’s indirect and induced impacts ripple through the county, supporting further spending, employment, and household earnings for other businesses and workers. The table below estimates the current annual economic impact of Resorts World Catskills.

Resorts World Catskills is estimated to support \$287.0 million in total annual economic output in Sullivan County. Of this, \$176.2 million represents value added, or the contribution to the county’s gross domestic product. The resort is estimated to support 1,486 total jobs and 53.3 million in annual household earnings or wages.

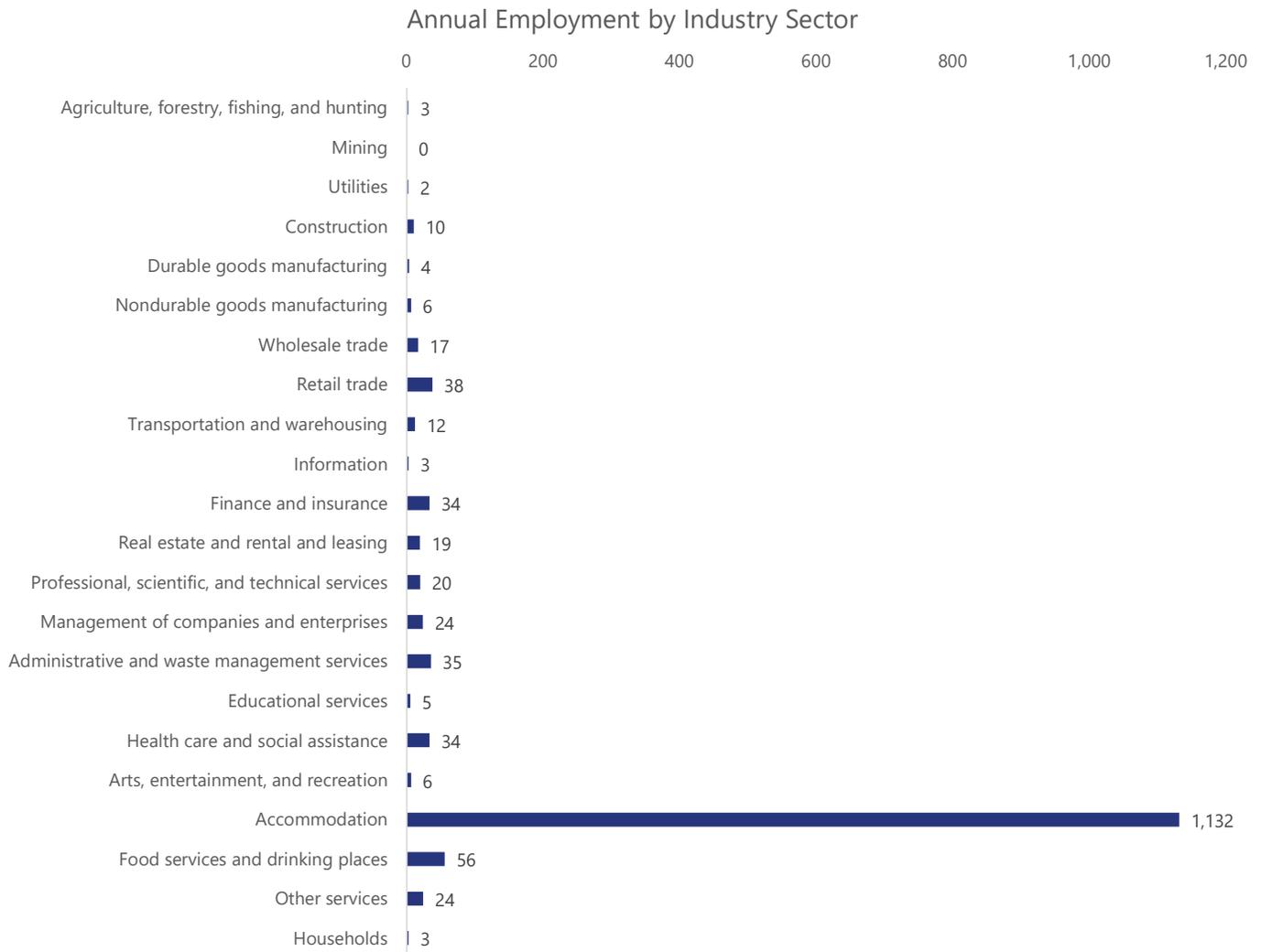
Table 8. Economic Impact in Sullivan County

	Annual
Economic Output:	
Direct	\$209.2M
Indirect & Induced	\$77.8M
<u>Total Economic Output</u>	<u>\$287.0M</u>
Value Added:	
<u>Total Value Added</u>	<u>\$176.2M</u>
Employment:	
Direct	1,125
Indirect & Induced	361
<u>Total Employment</u>	<u>1,486</u>
Household Earnings:	
Direct	\$35.1M
Indirect & Induced	\$18.2M
<u>Total Household Earnings</u>	<u>\$53.3M</u>

Employment Impact by Sector

The economic impact of the casino affects industries throughout the local economy. The following chart presents a graphical illustration of the total local employment by industry. In total, the casino is estimated to support 1,486 total jobs in the county. The sectors seeing the largest increase in employment include:

- Accommodation
- Food services and drinking places
- Retail trade
- Administrative and waste management services
- Health care and social assistance



Economic Impacts by Sector

The table below provides additional detail on the countywide economic impacts by industry sector.

Table 9. Total Local Economic Impact by Industry Sector

	Employment	Household Earnings	Economic Output	Value Added
Agriculture, forestry, fishing, and hunting	3	\$83,696	\$565,031	\$188,294
Mining	0	\$0	\$0	\$0
Utilities	2	\$272,012	\$2,322,903	\$1,464,506
Construction	10	\$690,492	\$2,553,101	\$1,318,056
Durable goods manufacturing	4	\$230,164	\$1,674,164	\$711,332
Nondurable goods manufacturing	6	\$376,632	\$4,017,995	\$1,297,134
Wholesale trade	17	\$1,380,984	\$7,177,980	\$4,121,540
Retail trade	38	\$1,213,592	\$6,571,096	\$4,247,069
Transportation and warehousing	12	\$627,720	\$2,846,080	\$1,631,879
Information	3	\$188,316	\$1,402,113	\$795,018
Finance and insurance	34	\$2,029,628	\$11,007,632	\$6,548,436
Real estate and rental and leasing	19	\$564,948	\$4,813,223	\$3,368,365
Professional, scientific, and technical services	20	\$1,548,376	\$4,729,515	\$3,305,600
Management of companies and enterprises	24	\$2,594,577	\$5,441,035	\$3,535,737
Administrative and waste management services	35	\$1,401,908	\$4,248,192	\$2,343,210
Educational services	5	\$188,316	\$460,395	\$313,823
Health care and social assistance	34	\$1,966,856	\$6,926,856	\$4,267,990
Arts, entertainment, and recreation	6	\$125,544	\$544,103	\$292,901
Accommodation	1,132	\$35,319,720	\$210,484,331	\$131,136,090
Food services and drinking places	56	\$1,401,908	\$5,901,430	\$3,431,129
Other services	24	\$1,025,276	\$3,327,402	\$1,841,094
Households	3	\$41,848	\$0	\$41,843
Total	1,486	\$53,272,516	\$287,014,575	\$176,201,045

Key Takeaways

- Resorts World Catskills supports 1,486 total jobs and \$53.3 million in household earnings annually in Sullivan County
- 76% of jobs and 66% of earnings are in the Accommodation sector alone.
- The casino’s indirect and induced impacts support local businesses in health care, retail, and food service - multiplying its footprint across the county.
- Resorts World Catskills contributes \$176.2 million annually to the county's GDP, nearly 4% of Sullivan County’s total economy.

Potential Risks from Downstate Casino Expansion

Resorts World Catskills currently plays a vital role in Sullivan County's economy, generating hundreds of jobs, millions in wages, and significant tax revenue. However, the potential approval of new full-scale casinos in downstate New York presents a serious risk to the region. With easier access to casinos in the New York City metro area, fewer visitors may choose to travel to Sullivan County, leading to reduced spending at the resort and across the local economy. A decline in visitation could diminish the casino's direct revenue and ripple effects, resulting in lower gaming tax distributions, reduced room occupancy tax collections, and slower growth (or even declines) in sales tax revenue tied to tourism and hospitality activity.

An illustration of Resorts World Catskills' reliance on New York City patrons is the seven-days-a-week charter bus service linking the casino to neighborhoods such as Flushing, Chinatown, and Midtown Manhattan. These line runs reflect an ongoing effort to attract downstate visitors. The introduction of a new commercial casino within or closer to New York City would likely reduce the need for such travel - posing a direct threat to Resorts World Catskills' existing customer base.

RWC Revenue Losses from Downstate Casino Licenses

A key risk facing Resorts World Catskills is the introduction of up to three new commercial casinos in the downstate region. While these casinos have yet to be licensed, it is widely expected that at least one will be located in or near New York City. This would fundamentally shift the competitive landscape for Resorts World Catskills, which currently serves a significant share of the New York City market, particularly for table games and poker, which are not offered at the existing video gaming facilities in the city.

New York's Two-Tier Gaming System

New York State distinguishes between commercial casinos and video lottery terminal (VLT) facilities. Commercial casinos, like Resorts World Catskills, are licensed to operate slot machines, table games, and poker, and offer full-scale resort amenities. In contrast, VLT facilities operate under the New York Lottery and are limited to electronic gaming and they do not offer table games or poker.

There are four commercial casinos in the state, all located upstate, while several of the state's highest-grossing VLT facilities are in the New York City metro area. These include:

- [Resorts World New York City](#) in Queens
- [Empire City Casino at Yonkers Raceway](#) in Westchester
- [Jake's 58 Casino Hotel](#) on Long Island
- [Nassau OTB's facility](#), which operates a separate VLT presence co-located within Resorts World NYC

Together, these downstate facilities already generate nearly \$1.88 billion in annual revenue, but offer a more limited gaming experience. As a result, many downstate residents continue to travel to Resorts World Catskills to access the full range of gaming and resort amenities.

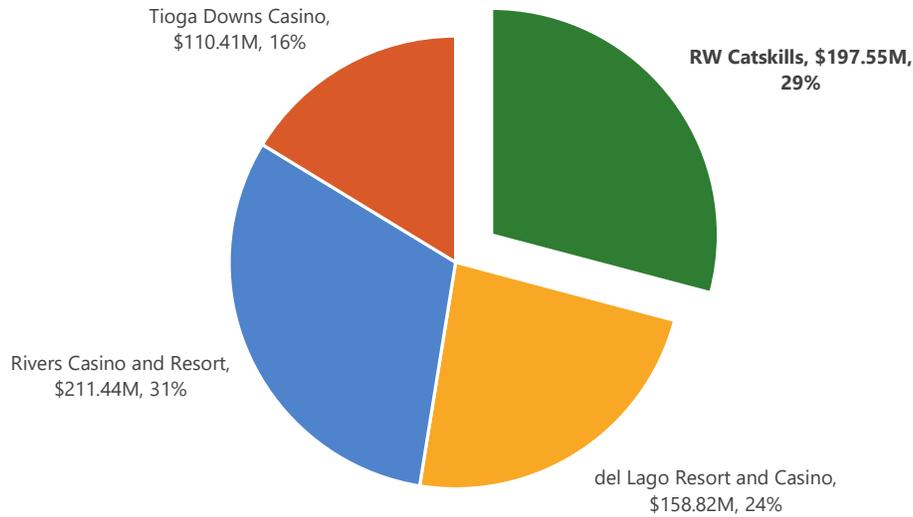
The introduction of new downstate commercial casinos would mark the first time full-scale gaming is available locally to NYC-area patron, potentially shifting customer behavior and placing significant pressure on upstate casinos like RWC.

To estimate the potential loss in gross gaming revenue at RWC, we consider the following:

1. Current Statewide Commercial Casino Revenue

The four existing commercial casinos in New York generate a combined total of \$678 million in annual gross gaming revenue (GGR). Resorts World Catskills accounts for \$197.5 million, or 29% of this total.

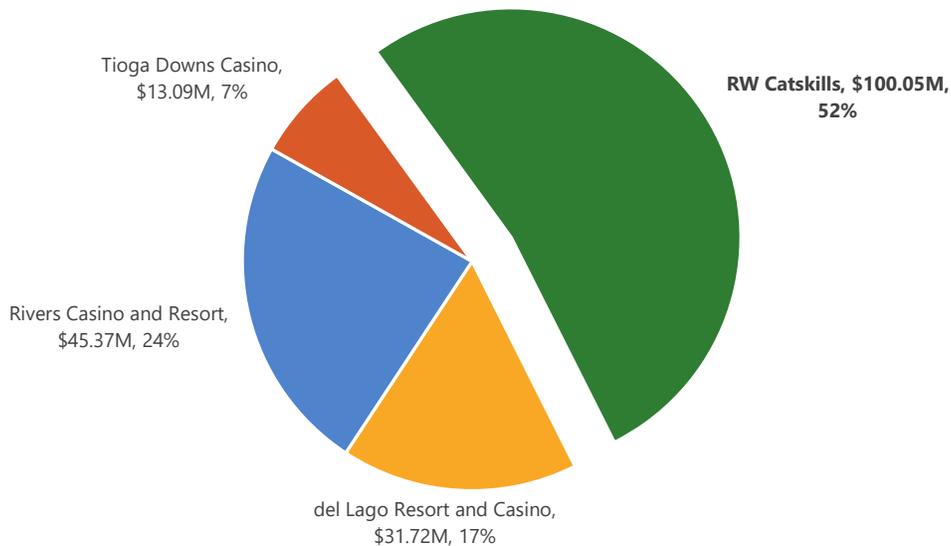
Total Gross Gaming Revenue (GGR) at New York Commercial Casinos
FY 24-25



2. Disproportionate Share of Table and Poker Play

While RWC represents 29% of total commercial casino GGR, it accounts for over half (52%) of statewide revenue from table games and poker. This indicates that RWC serves a specialized customer base and would be particularly vulnerable if a new downstate casino offers a full range of gaming options - including the table games currently unavailable in NYC.

Table Games and Poker GGR at New York Commercial Casinos
FY 24-25



3. Size and Scale of NYC Video Gaming Market

New York State’s video gaming facilities generate \$2.4 billion in gross gaming revenue, with \$1.88 billion (77%) coming from the NYC-area locations alone. This dwarfs the commercial casino market and suggests that the latent demand for gaming in the NYC metro is substantial. If even 10% to 20% of NYC’s current video gaming revenue were to shift to a new downstate commercial casino, offering table games and broader amenities, that single casino could generate \$188 million to \$376 million in GGR on its own.



4. New Downstate Casino Revenue Scenarios

The average commercial casino in New York generates \$170 million in gross gaming revenue. However, given the size of the New York City market and the scale of existing video gaming activity in the region, it is likely that a new downstate commercial casino could exceed this average substantially.

Assuming one or more new casinos are approved, and depending on the scale of their operations, we estimate each could generate between \$170 million and \$350 million in annual GGR - with even higher revenue possible if they tap into the current video gaming customer base. Across three new casinos, total new commercial GGR could exceed \$750 million annually.

5. Allocation of Impact to RWC

Given RWC’s dominant position in table games and its proximity to New York City, it is reasonable to assume it would bear a disproportionate share of any revenue loss. We estimate RWC could lose between 20% and 30% of the GGR generated by the new downstate casinos due to customer reallocation and direct competition. The table below summarizes a range of possible impacts.

Table 10. Estimating Revenue Losses from Downstate Casino Licenses

Scenario	New Casinos	Average GGR per Casino	Total New GGR	Estimated Share Lost by RWC	Estimated RWC Loss	% Decline from Baseline
A	1	\$170.00 M	\$170.00 M	30%	\$51.00 M	26%
B	1	\$250.00 M	\$250.00 M	30%	\$75.00 M	38%
C	1	\$350.00 M	\$350.00 M	30%	\$105.00 M	53%
D	2	\$250.00 M	\$500.00 M	25%	\$125.00 M	63%
E	3	\$250.00 M	\$750.00 M	20%	\$150.00 M	76%

Assumes 20% to 30% of new GGR is reallocated from RWC, depending on scale and proximity of new casinos.

Given RWC’s current annual GGR of \$197.5 million, these scenarios show potential losses ranging from \$51 million to \$150 million annually, representing a 26% to 76% decline in gross gaming revenue. A single large downstate commercial casino could result in a \$75 to \$125 million reduction, which is the most likely and defensible range under current assumptions.

These revenue declines would have broader implications beyond the casino itself - including job losses, reduced payroll, fewer local purchases, and decreased tax collections (sales, room, and potentially property taxes). Additionally, any reduction in the casino’s financial viability could impact community contributions and trigger secondary losses throughout the regional economy.

While the precise share of new downstate casino revenue that would come at RWC’s expense is unknown, we estimate that 20% to 30% of new gross gaming revenue may be reallocated from RWC, based on its share of the statewide commercial gaming market and its concentration in table and poker games. These estimates are intended to illustrate a plausible range of economic impacts, not a precise forecast.

Initial Economic Damages

To translate the projected loss in gross gaming revenue into broader local impacts, we modeled the economic and fiscal damages under Scenario A, which assumes Resorts World Catskills loses approximately \$51 million in gross gaming revenue - a 26% decline from its current baseline. This scenario represents the low end of our estimated impact range and illustrates the localized consequences of even a single new downstate casino. The analysis captures reductions in jobs, wages, and economic output in Sullivan County, as well as declines in gaming, sales, and room occupancy tax revenues that support local governments.

Table 11. Scenario A: Initial Economic Damages

	Amount	Percentage
<u>Economic Damages</u>		
Job Losses in the County	(384)	(1.6%)
Reduction in Wages in the County	(\$13.8M)	(1.1%)
Contraction in County GDP	(\$45.5M)	(1.1%)
<u>Fiscal Damages</u>		
Reduction in Town Gaming Tax Revenue	(\$0.5M)	(25.8%)
Reduction in County Gaming Tax Revenue	(\$0.5M)	(25.8%)
Reduction in County Room Occupancy Taxes	(\$0.4M)	(10.8%)
Reduction in County Sales Taxes	(\$0.9M)	(1.1%)
<u>Total Reduction in Local Tax Revenue</u>	<u>(\$2.3M)</u>	<u>(2.7%)</u>

While this analysis focuses on Scenario A - representing the low end of potential impacts - the results are significant on their own. A single new downstate casino could trigger a 26% reduction in RWC’s gross gaming revenue, resulting in substantial economic and fiscal losses for Sullivan County. The more aggressive scenarios (B through E), which assume additional casinos and higher levels of gross gaming revenue, would result in compounded revenue losses and even greater regional disruption. Under those conditions, the viability of Resorts World Catskills as a major employer and economic anchor could be seriously threatened.

Beyond the Initial Impact

Scenario A assumes that Resorts World Catskills would lose 30% of a new downstate casino’s revenue, resulting in a 26% decline in its own gross gaming revenue. However, the longer-term implications could extend well beyond this initial impact. A sustained reduction in visitation and revenue may challenge the casino’s operational viability and potentially prompt cost-cutting measures, staffing reductions, or deferred capital improvements. In such a case, the initial decline in local tax revenues may represent only the beginning, with broader consequences likely if the resort’s business model becomes significantly strained. This underscores the need to monitor evolving competitive pressures and prepare for potential cascading effects throughout the regional economy.

Overview of Methodology

The economic impact as calculated in this report can be categorized into two main types of impacts. First, the direct economic impacts are the jobs and payroll directly created by the Project. Second, this economic impact analysis calculates the indirect and induced impacts that result from the Project. Indirect jobs and salaries are created in new or existing area firms, such as maintenance companies and service firms, that may supply goods and services for the Project. In addition, induced jobs and salaries are created in new or existing local businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to new workers and their families.

Regional Input-Output Modeling System (RIMS II)

The economic impact estimates in this report are based on the Regional Input-Output Modeling System (RIMS II), a widely used regional input-output model developed by the U. S. Department of Commerce, Bureau of Economic Analysis. The RIMS II model is a standard tool used to estimate regional economic impacts. The economic impacts estimated using the RIMS II model are generally recognized as reasonable and plausible assuming the data input into the model is accurate or based on reasonable assumptions. The RIMS II model is described in basic detail below.

Generally speaking, input-output modeling attempts to estimate the changes that occur in all industries based on a change in the demand for the output of an industry. An input-output model allows an analyst to identify the subsequent changes occurring in various industries within a regional economy in order to estimate the total impact on the economy. Total economic impact is the sum of three components: (1) direct, (2) indirect, and (3) induced impacts.

If the demand for the output of an industry, measured by industry sales or revenue, increases by \$1.0 million, total regional output increases by \$1.0 million. This initial change in output is called the change in direct economic output and also referred to as the direct expenditure effect. The change in total economic output in the region resulting from the initial change does not stop with the change in direct economic output. Businesses in a variety of industries within the region will be called upon to increase their production to meet the needs of the industry where the initial increase in demand occurs. Further, other suppliers must also increase production to meet the needs of the group of initial supplier firms to the industry. This increase in expenditures by regional suppliers is considered the indirect economic impact of the initial \$1.0 million in sales, and is classified as indirect expenditures of the total economic impact or the change in indirect economic output.

The total economic impact of the \$1.0 million in sales includes one more component, the induced impact. All economic activity, whether direct or indirect, that results from the initial increase in demand of \$1.0 million, requires workers, and these workers must be paid for their labor. This means that part of the direct and indirect expenditures is actually in the form of wages and salaries paid to workers in the various affected industries. These wages and salaries will in turn be spent in part on goods and services produced locally in the region. This spending is another part of the regional economic impacts referred to as induced impacts and is classified as induced expenditures or the change in induced economic output.

Based on the initial direct impact, the RIMS II model can be used to estimate the direct, indirect and induced impacts on economic output, value added, earnings and employment in a given region. Economic output is gross output and is the sum of the intermediate inputs and final use. This is a duplicative total in that goods and services will be counted multiple times if they are used in the production of other goods and services. Value added is defined as the value of gross output less intermediate inputs. Workers' earnings or earnings consist of wages and salaries, employer provided benefits and proprietors' income. Employment consists of a count of jobs that include both full-time and part-time workers.

The RIMS II model is based on regional multipliers, which are summary measures of economic impacts generated from changes in direct expenditures, earnings, or employment. Multipliers show the overall impact to a regional economy resulting from a change in demand in a particular industry. Multipliers can vary widely by region. Multipliers are higher for regions with a diverse industry mix. Industries that buy most of their materials from outside the state or region tend to have lower multipliers. Multipliers tend to be higher for industries located in larger areas because more of the spending by the industry stays within the area.

The RIMS II model generates six types of multipliers for approximately 400 industrial sectors for any region in the United States. The multipliers include four “final-demand” multipliers and two “direct-effect” multipliers. Final demand multipliers indicate the impact of changes in final demand for the output of a particular regional industry on total regional output, earnings, employment and value added. Direct-effect multipliers indicate the impact of changes in regional earnings or employment within a particular industry on total employment or earnings within a region.

Final-demand output multipliers indicate the total regional output (direct, indirect and induced expenditures) that results from an increase in direct expenditures for a good produced by a particular regional industry. For example, if an industry in a particular region is said to have a final demand output multiplier of 2, this tells us that a \$1 increase in final demand for the good produced by that industry results in a \$2 increase in total output or expenditures within the regional economy. Final-demand earnings multipliers indicate the impact of an increase in final demand for the good of a particular regional industry on the total earned income of households within the region. Final-demand employment multipliers indicate the increase in total regional employment that results from a \$1.0 million increase in final demand for the good produced by a particular regional industry. Final-demand value-added multipliers indicate the increase in total regional value added that results from a \$1.0 million increase in final demand for the good produced by a particular regional industry. Direct-effect earnings multipliers indicate the impact of a \$1 change in earnings within a particular regional industry on total earnings in all industries within a region. Direct-effect employment multipliers indicate the impact of a change in employment in a particular regional industry on total employment in all industries within a region.

Theoretically, changes in final demand drive the total change in economic output, earnings, and employment. However, these multipliers relationships can be used to estimate impacts in other ways if only limited information is known about a project. For example, the multiplier relationships can be used to estimate the increase in direct economic output based on a given level of employment in a specific industry.

Additional Notes on RIMS II

RIMS II multipliers are based on the average relationships between the inputs and outputs produced in a local economy. The multipliers are a useful tool for studying the potential impacts of changes in economic activity. However, the relative simplicity of input-output multipliers comes at the cost of several limiting assumptions.

- Firms have no supply constraints: Input-output based multipliers assume that industries can increase their demand for inputs and labor as needed to meet additional demand.
- Firms have fixed patterns of purchases: Input-output based multipliers assume that an industry must double its inputs to double its output.
- Firms use local inputs when they are available: The method used by RIMS II to develop regional multipliers assumes that firms will purchase inputs from firms in the region before using imports.

RIMS II, like all input-output models, is a “static equilibrium” model. This means that there is no specific time dimension associated with the results using the model. For the RIMS II model, it is customary to assume that the impacts occur in one year because the model is based on annual data.

About Capacity Business Consulting

Capacity Consulting specializes in providing comprehensive solutions to challenges faced by entrepreneurs, startups, communities, organizations, Tribal Nations, and local & state governments. Our expertise lies in deciphering complex business and economic environments to craft clear strategies aligned with your goals. Whether it's community revitalization or business growth, we're here to guide you with our expertise, clarity and precision.

Capacity Consulting boasts over 25 years of experience collaborating with private-sector and public-sector leaders across North America. This extensive background has endowed us with a profound understanding of the intricate challenges involved in maintaining stakeholder engagement amidst competing interests and time constraints. Our diverse clientele, including communities, economic development organizations, private firms, and Tribal Nations, benefit from our expansive network of industry professionals, which we leverage to provide deeper insights and actionable intelligence.

About Impact DataSource

Impact DataSource is an Austin economic consulting, research, and analysis firm founded in 1993. The firm has conducted thousands of economic impact analyses of firms, projects, and activities in most industry groups in New York and throughout the United States.

In addition, Impact DataSource developed and supports more than 150 economic impact models for its clients to perform their own analyses of economic development projects. These clients include the Tennessee Department of Economic and Community Development, the City of Dallas, Texas, the Orlando Economic Partnership, and many more.

The Tennessee Department of Economic and Community Development uses Impact DataSource's computer model to project the economic impact of new or expanding firms in the state, including costs and benefits for the State of Tennessee, as well as local taxing districts. The model also analyzes the amount of eligible state and local incentives and calculates a rate of return and payback period for these incentives.