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# Impacts of the Nevele Resort, Casino & Spa on Property Values

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## *Introduction*

There has been a significant amount of debate in the local and national press as to the impact of a casino on property values in the immediate vicinity of a casino. Based on our analysis and on a review of the literature and research, the weight of the evidence tends to support an increase in property values.

The factors that support an increase in property values include:

1. Increased demand for housing as a result of additional employment generated by the casinos.
2. Increase attractiveness of the area for commercial establishments which hope to draw demand from the large volumes of visitors drawn to the casinos.
3. Local communities in the vicinity of a casino are able to improve services and/or reduce property tax levels due to payments from the casino.
4. The amenities provided by the casino in terms of entertainment and F&B will provide an incentive for certain individuals who value these amenities to look at purchasing homes in the area.
5. Property speculators who recognize the likelihood of property value increases and seek to benefit from this.
6. Revitalization of communities and specific areas within communities that have needed cleaning up, capital investment, or an entertainment anchor, etc., which then functions as a catalyst to create a spillover effect on adjacent properties that then experience increased property values.

On the other side of the coin, those who suggest casinos cause a decline in property values point to concerns over crime<sup>1</sup> and traffic as the controlling factor. It should be pointed out though that there is no evidence for increased crime and traffic issues are generally mitigated through infrastructure investment by the casino itself or by the local municipality often subsidized by funds from the casino. The following presents both anecdotal and quantitative information on the impact on property values in the immediate vicinity of a casino.

Casino development will also bring additional jobs to the region, some of which will be filled by employees that re-locate to the area. The creation of new households will have an impact on the local housing market and area school districts.

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<sup>1</sup> It should be pointed out though that there is no evidence for increased crime, and traffic issues are generally mitigated through infrastructure investment from the casino or gaming funds.

## *Evidence Supporting Property Value Increases*

The most comprehensive study on residential property value impacts related to casino development can be found in “Betting on the Future: The Economic Impact of Legalized Gambling” by the Rappaport Institute for Greater Boston and Dartmouth College published in January of 2005<sup>2</sup>. This analysis looked at data for 365 Indian casinos located in 156 different counties in 26 separate states.

The Rappaport study indicates that casinos are associated with population, employment and house price increases and unemployment declines. The exception is for the most populous casino counties where these beneficial impacts are more muted and where unemployment actually increased. The latter more likely results from macroeconomic issues in these counties rather than the presence or lack thereof of a casino. The following table is reproduced from the Rappaport analysis.

	All casino-counties	Large -capacity casino counties	Populous casino counties	Average effect
Population growth (%)	5	8.6	8.1	7.2
Total employment (%)	6.7	14.9	5.7	9.1
Unemployment (%)	-0.3	-1.2	0.5	-0.3
House prices (increase)	\$5,869	\$8,924	\$7,083	\$7,292

This analysis suggests that there is a positive impact on house prices and therefore property values.

A dissertation found similar effects. In “The Impact of Casino Gambling on Housing Markets: A Hedonic Approach”<sup>3</sup> (2007), Mike Wenz states that “Using data from the 1990 and 2000 U.S. Census of Population and Housing, the estimated net benefit of casino gambling at year 2000 levels was approximately 2% of household value, or about \$2,000-\$3,000 per household for households living near a casino. Additionally, there are positive spillover effects to neighboring in-state regions and no significant costs to out-of-state border regions.” The dissertation also found that benefit declines as population increases.

So while both these analyses see a benefit in terms of increasing housing property values, they differ in the degree, and both see less benefit with increasing population in the surrounding area.

Research on the impact on commercial real estate is scant. A study regarding Detroit found a significantly positive influence on retail property values from casino

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<sup>2</sup> Phineas Baxandall and Bruce Sacerdote, “Betting on the Future: The Economic Impact of Legalized Gambling,” Rappaport Institute for Greater Boston and Dartmouth College, 2005.

<sup>3</sup> Mike Wenz, “The Impact of Casino Gambling on Housing Markets: A Hedonic Approach” 2007, Winona State.

development.<sup>4</sup> The effect is stronger within a 5-mile radius of the casinos, suggesting that casinos have a complementary, rather than substitution, effect on other businesses.

In addition to the quantitative evidence there is also some qualitative and anecdotal evidence to support increasing commercial property values as a result of casino development.

### Lawrenceburg, Indiana

As part of its evaluation of the Argosy (Now Hollywood) riverboat casino in Lawrenceburg, the Indiana Gaming Commission<sup>5</sup> and its consultants conducted focus groups with community leaders including representatives of law enforcement, local business leaders (retail, restaurant, hotel, convention) from both Rising Sun and Lawrenceburg, and Social services providers (from or serving Rising Sun and/or Lawrenceburg). All three groups stated emphatically that the presence of the riverboat had increased commercial property values. In the summary the evaluation stated “Property tax reassessment increased assessed values and reduced tax rates”.

A 1997 study in *Review Business* came to a similar conclusion: “Virtually every community that has welcomed casinos has witnessed a sharp increase, occasionally almost instantaneously, in property values.”<sup>6</sup>

### Case Studies

To determine if gaming had an effect on property values, we compared median housing values in a number of communities from 1990 and 2000 census data<sup>7</sup>. These locations were selected for two primary reasons, first they were in operation prior to 2000 but not in 1990. This allowed the effect on housing values to be assessed by comparing data from the 1990 and 2000 census (using data for the 2010 census was not considered as appropriate given the housing crash that occurred in 2007-2008 and from which housing values have not yet recovered) and secondly for the availability of local housing value data. To determine what effect gaming had on property values, we compared the change in property values surrounding the casino to those of a control group. The control group was a similarly situated locality that did not have any gaming facilities operating during the time period. By examining the different growth rates for the gaming and non-gaming locations, we can begin to understand if the introduction of gaming has an effect on surrounding property values.

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<sup>4</sup> Jonathan A. Wiley & Douglas M. Walker, “Casino Revenues and Retail Property Values: The Detroit Case,” *J Real Estate Finance Econ*, March 2009.

<sup>5</sup> “Eight-Year License Renewal: Argosy Casino and Hotel,” Center for Urban Policy and the Environment Indiana University School of Public and Environmental Affairs Indiana University and Purdue University Indianapolis, November 2004.

<sup>6</sup> M.N. Browne and N.K. Kubasek, “Should We Encourage Expansion of the Casino Gambling Industry?” *Review of Business*, Spring 1997 Volume 18 Number 3 (9).

<sup>7</sup> Data from the 2010 census was not included in the analysis because of the abnormalities that resulted from 2008 housing market crash.

## Wheeling, West Virginia

Wheeling Island is a greyhound racetrack that, at the time of this case study, featured 2,400 slot machines, 6 restaurants and a 151-room hotel. It is located in Wheeling, West Virginia. The control community chosen was Morgantown, WV, located to the southeast. Housing value growth in this case study did not appear as stratified as in the other locations. Here the city and county which was host to a casino saw an increase in median housing values in the time period by 43% and 46%, respectively. The control city and county increased housing values by 37% and 48%, respectively. The two do not appear to be markedly different.

The census tract hosting the racetrack saw an increase in housing values of 44%. Again, the increase was not particularly different from the other locations. In this instance, it would appear that the racetrack had little to no impact on housing values in the immediate area.

**Wheeling Island Median Housing Values**

	1990	2000	Percent Change
<b>Census Tract</b>	\$28,800	\$41,400	44%
<b>Wheeling</b>	\$47,000	\$67,100	43%
<b>Ohio County</b>	\$48,800	\$71,400	46%
<b>Morgantown</b>	\$69,500	\$95,000	37%
<b>Monongalia County</b>	\$64,600	\$95,500	48%
<b>West Virginia</b>	\$47,900	\$72,800	52%
<b>United States</b>	\$79,100	\$119,600	51%

Source: U.S. Census.

## The Downs at Albuquerque

The Downs at Albuquerque is an operating racetrack that introduced gaming in 1999. The facility offers slot machines and video poker. The control location is Las Cruces, NM, which is located about 200 miles south of Albuquerque. The city does not have a gaming facility.

During the study period, housing values in New Mexico rose 54% which was slightly higher than the national average of 51%. The area directly surrounding The Downs at Albuquerque saw a 47% gain in housing values compared to the city's increase of 49%. The county in which The Downs is located saw an increase of 50%. For the control groups, city and county median housing values increased by only 34% and 35%, respectively.

These figures indicate that as compared to a location without gaming, such as Las Cruces, property values increased more rapidly in the city and county with gaming facilities available. For the census tract that hosted the casino, property values did not rise as

much as those in the city and county generally. However, the difference is extremely slight, and property values in the neighborhood with the racetrack were already much lower than the city or county average before gaming was introduced.

**The Downs at Albuquerque Median Housing Values**

	1990	2000	Percent Change
<b>Census Tract</b>	\$64,000	\$94,150	47%
<b>Albuquerque</b>	\$85,900	\$127,600	49%
<b>Bernalillo County</b>	\$85,300	\$128,300	50%
<b>Las Cruces</b>	\$68,300	\$91,200	34%
<b>Dona Ana County</b>	\$67,300	\$90,900	35%
<b>New Mexico</b>	\$70,100	\$108,100	54%
<b>United States</b>	\$79,100	\$119,600	51%

Source: U.S. Census.

Note: The census tract containing the Downs at Albuquerque from 1990 was split into two census tracts for the 2000 census. The 2000 census tracts have median house values of \$94,500 and \$93,800. The average of the two new census tracts' housing values was used in these computations.

## Conclusion of Case Studies

In none of the case studies we looked at, either in the neighborhood, the city or the host county, did we find any evidence that property values declined due to the presence of a casino.

In the case of Wheeling and Albuquerque, there are no appreciable differences between median housing values in the census tract and the city or county averages. In no case did property values decline.

The preponderance of evidence seems to lie with increases in property values rather than declines. It is likely that the degree of positive impact of a casino on property values is primarily related to the specifics of each case and any effect is in all likelihood dwarfed by broader economic factors affecting housing values nationally, regionally and at the neighborhood level. As previously discussed, some of the positive effects may be attributed to casinos' funding school improvement programs.

## *Smaller Versus Larger Communities*

The impact on housing is much more significant in smaller communities where the housing stock prior to the advent of a casino would be much smaller and where the proportion of single family homes is much greater than in major metropolitan area. For

example, many of the small communities in and around Foxwoods and Mohegan Sun in Connecticut saw housing shortages as casino employees looked for proximate housing. These communities also experienced illegal and indeed dangerous subdivision of single family homes into apartments and even boarding houses. Local officials should be vigilant to mitigate similar activities in the counties surrounding the Nevele Resort, Casino & Spa. 2010 vacancy rates in Ulster County indicate there is likely to be some stress on the local housing market. Ulster County as a whole had a homeowner vacancy rate of 2.4% and rental vacancy rate of 7.9%. As such, the rate for all properties in the county is much higher. A look at U.S. Census data provides an overview of the number of total vacant properties in the county. As demonstrated in the table below, the vacancy rate is currently estimated at 15.4% and anticipated to increase to 15.9% by 2018. The discrepancy between the two figures likely reflects the impact of vacant properties that are no longer considered to be a part of the local housing market. These might include unoccupied properties that are being used for storage or properties that are dilapidated and no longer suitable for occupancy.

**Housing Units by Occupancy Status and Tenure – Ulster County, New York**

Housing Unit Status	Census 2010		2013		2018	
	Number	Percent	Number	Percent	Number	Percent
Total Housing Units	83,638	100.0%	84,530	101.1%	85,181	101.8%
Occupied	71,049	84.9%	71,626	85.6%	71,904	86.0%
Owner	48,781	58.3%	48,965	58.5%	50,282	60.1%
Renter	22,268	26.6%	22,661	27.1%	21,622	25.9%
Vacant	12,589	15.1%	12,904	15.4%	13,277	15.9%

Source: U.S. Census, ESRI, The Innovation Group

While there are vacant properties in the county, there have also been concerns about the lack of affordable housing in the region as addressed by the 2009 report, “A Three-County Regional Housing Needs Assessment: Ulster, Orange and Dutchess Counties From 2006 to 2020.” The report indicated the need for affordable rental and ownership units throughout the region, with a focus on the construction of new units.

### *School Expenditures and Property Values*

A byproduct of increased property values is improved funding for schools that are largely funded by property tax assessments. The following provides some evidence for this effect.

In “Using Market Valuation to Assess Public School Spending”, a working paper available on The National Bureau of Economic Research’s website, the authors concluded that for every \$1.00 increase in per pupil aid aggregate housing values increased by \$20.00. The authors further conclude that even though some of the increase in value reflects lower tax burdens, most of the increase reflects per pupil district expenditures.

Other sources cite that school quality/expenditures are correlated to higher property values.

From the “Federal Reserve Bank of St. Louis Review, Mary/June 2010” in an article titled *Nonlinear Effects of School Quality on House Prices*:

Unlike most studies in the literature, we find that the price premium parents must pay to buy a house in an area associated with a better school increases as school quality increases. This is true even after controlling for neighborhood characteristics, such as the racial composition of neighborhoods. In contrast to previous studies that use the boundary discontinuity approach, we find that the price premium from school quality remains substantially large, particularly for neighborhoods associated with high-quality schools.

From a 2006 paper entitled *Public School Funding and Performance*, written by John Mackenzie, FREC/CANR at the University of Delaware:

School system quality, indexed by NAEP performance, is correlated with higher property values generally; therefore all residents in a community benefit from strong schools. The direct positive correlation between school taxes and property values is also proved. This positive correlation between local tax per housing unit and property values suggests that most of America is under-investing in public education.

From a paper entitled *Housing Prices and the Quality of Public Schools: What Are We Buying?*, written by Theodore M. Crone in a Business Review for the Federal Reserve Bank of Philadelphia, September/October, 1998:

Even though the overall relationship between school resources and student achievement is a matter of controversy, most researchers agree that when extra resources are used wisely, they can enhance the quality of education and thereby contribute to higher house prices. These extra resources might be used to improve academic achievement, but they might also be used to improve other dimensions of school quality, such as the physical attractiveness of the school or the range of extracurricular activities.

According to New York legislation, 80% of tax revenue will be used for statewide elementary and secondary education and/or property tax relief, 10% will go to surrounding counties and 10% will go to the host county. These additional funds will benefit the school systems and provide property tax relief, which in turn will increase the value of the community’s housing market.

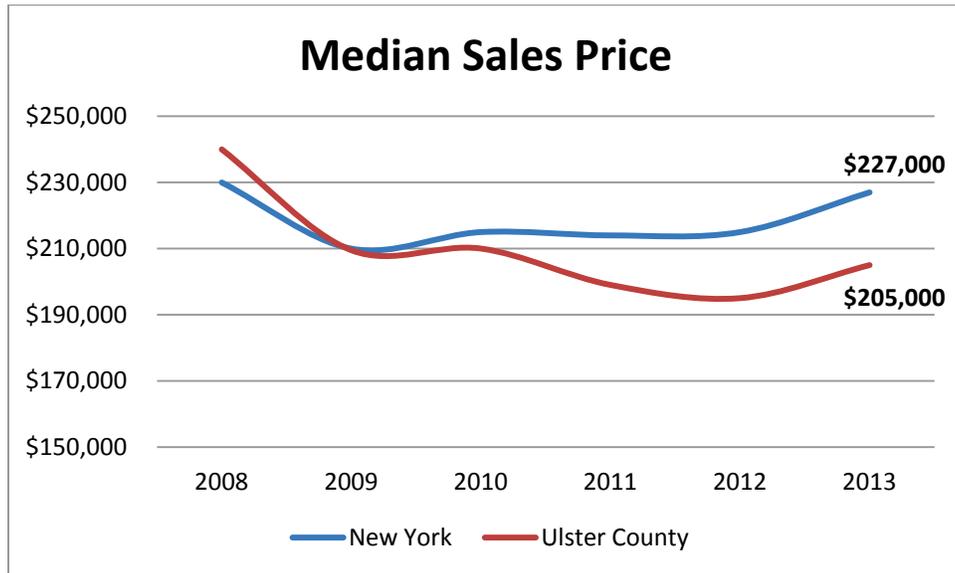
Tax Revenue Distribution		
80%	10%	10%
Statewide elementary and secondary education and/or property tax relief	Surrounding counties elementary and secondary education and/or property tax relief	Host county elementary and secondary education and/or property tax relief

Source: Upstate New York Gaming and Economic Development Act

## *Casino Employees and Local Home Values*

As noted above, one mechanism that is likely to be at play in driving property values of residential property is the presence of casino employment in the area. To give an indication of the ability of these employees to afford homes in the communities surrounding the Nevele Resort, Casino & Spa we conducted the following analysis.

The median sales price in Ulster County declined sharply from 2008 to 2009, as housing prices declined across the country in reaction to the Great Recession. Housing values in Ulster County and the state of New York improved in 2013, reaching \$205,000 and \$227,000 respectively.



Source: New York State Association of Realtors, The Innovation Group

In comparison to other counties in the region, Ulster County has seen a decline in the number of houses sold, while median sales price has increased slightly from 2011. Other counties in the area have seen a double digit percentage increase in sales. Greene County is the only other county to experience an increase in median sales price since 2011. Based on these figures, Ulster County appears to have a stable housing market. This data indicates that while the housing market is picking up in these areas, median sales prices are not increasing at the same level. This can likely be attributed to an increase in rental property acquisition; however it could indicate a movement towards smaller houses and/or declining property values.

**Mid-Hudson Valley Residential Sales Trends by County, 2011-2013**

County	2011		2012		2013		A.A.G. 2011-2013	
	Sales	Median Price	Sales	Median Price	Sales	Median Price	Sales	Median Price
Ulster County	1,590	\$199,000	1,368	\$195,000	1,545	\$205,000	-1%	1%
Sullivan County	581	\$125,000	604	\$126,000	701	\$120,000	10%	-2%
Greene County	374	\$157,500	417	\$160,000	499	\$165,750	16%	3%
Orange County	1,593	\$250,000	1,745	\$240,000	2,170	\$235,000	17%	-3%

Source: New York State Association of Realtors, Hudson Gateway Association of Realtors, Inc.

Assuming the current quoted rate of 4.48% for a 30-year mortgage and a 20% down payment, the average mortgage payment for a house at the 2013 median sales price of \$205,000 is \$1,130. Using the industry standard of 28% of gross annual income, the household income threshold to afford the payments on a \$205,000 house in Ulster County is \$48,421.

Estimated Mortgage Payment	
Median Price	\$205,000
Down Payment @ 10%	\$20,500
Loan Amount	\$184,500
Average Mtg Payment 30 year @ 4.48%	\$1,130
HH Income Threshold	\$48,421

Source: New York State Association of Realtors, Market Watch, Mortgagecalculator.com, The Innovation Group

This equates to approximately 18% of the workforce who would be able to purchase a house at the median sales price using a one-person household income. In order to assess the number of employees that live in a household with two-incomes, it was assumed that 34% of the remaining employees lived within a family household. This figure was taken from U.S. Census data. Once the number of family households was established, data from the Bureau of Labor Statistics (BLS) was used to estimate the number of two income households. According to 2012-2013 BLS data, 47% of married-couple families have dual income households. While not every household consists of a married couple, this is a good proxy for determining the number of dual income households. Based on these figures, an additional 9% of the workforce will meet the minimum income requirements in order to purchase a home at the median sales price in Ulster County.

**Minimum Estimate of 2 Wage Earner Incomes for Nevele Employees and  
% Able to Purchase Home at Median Sales Price in Ulster County**

Salary/Wages	% of Employees	Average	2 Income Earner Multiplier=1.8
<\$20K	26%		
\$20-30K	32%	\$25,000	\$45,000
\$30-40K	14%	\$35,000	\$63,000
\$40-50K	10%	\$45,000	\$81,000
\$50-\$60K	3%	\$55,000	\$99,000
\$60K-\$70K	8%	\$65,000	\$117,000
\$70K +	8%	\$125,000	\$225,000
<b>% of Workforce able to Purchase in Area</b>	<b>27%</b>		

With this level of potential demand from casino employees, and additional demand generated by the other mechanisms outlined previously, a modest increase in residential, and indeed commercial, property values in surrounding communities and county can be expected although this will be largely controlled by the specifics of the market and the overall attractiveness of the neighborhood and less by issues related to Nevele Resort, Casino & Spa.

### *New Households*

The development of the Nevele Resort, Casino & Spa is projected to create 2,350 permanent jobs. Of those positions, approximately 90% are expected to be filled by individuals that live within 50 minutes of the casino resort. The remaining 240 positions will likely be filled by individuals that relocate their households to the region. The region includes the following counties; Ulster, Sullivan, Dutchess, Orange, Putnam, Columbia and Greene. In order to account for households that may have two individuals working for the casino, we assumed 1.1 jobs per household for a total of 218 new households.

New Households	
New Casino Employees	240
# of Jobs per Household	1.1
Number of New Households	218

Source: U.S. Census 2010, The Innovation Group, Client Data

To ascertain the number of households that are likely to settle in Ulster County, Innovation Group first established the “fair share” of households for each county in the region. According to Census data, Ulster County is home to approximately 17% of the households in the region. The two largest counties are Orange (30%) and Dutchess (26%). These figures were applied to the estimated number of new households in the region and adjusted to account for the distance between the resort and each county. A premium or discount was applied based on the distance an employee would need to commute to work. Based on this approach, 86 new households are projected to move to Ulster County.

### New Households – Direct Jobs

County	2008-12 HH	Fair Share	Distance (Miles)	Distance Premium	New Households
Ulster	70,274	17%	17.5	2.36	86
Sullivan	29,664	7%	30.3	0.98	15
Dutchess	107,734	26%	47.7	0.62	35
Orange	125,180	30%	31.9	0.93	61
Putnam	35,088	8%	55.4	0.54	10
Columbia	25,476	6%	81.1	0.37	5
Greene	25,476	6%	65	0.46	6

Source: U.S. Census 2010, The Innovation Group, Client Data

### *Impact on School Districts*

The impact of the development of the Nevele Resort, Casino & Spa on the School Districts in Ulster County is expected to be minimal. The addition of 86 households to the county is projected to increase enrollment by 39 children, an increase of 0.17% over the 2012-2013 enrollment figures for the county. According to 2010 Census data, approximately 30% of households have children in Ulster County, which was applied to the total number of households created by Nevele employees. Next, that figure was multiplied by 1.9 (the average number of children per family in New York) to establish the number of children for the new households. Approximately 80% of the population under 19 in Ulster County is of school-age.

New School Age Children	
Number of New Households	86
Number of Households That Will Have Children @ 30%	26
Number of Children per Household @ 1.9 per HH	49
School-age Children @ 80%	39
2013 - Number of Students	23,878
% Increase Over Current Enrollment	0.17%

Source: New York State Education Department, U.S. Census 2010, The Innovation Group

### *New Households – Indirect Jobs*

In addition to the 2,350 permanent jobs the Nevele Resort, Casino & Spa is projected to create, the ongoing operations are expected to spur the creation of 1,152 indirect jobs. Assuming that 65% of these jobs will be filled by employees living in the region, 403 jobs are likely to be filled by new residents, totaling 367 households.

New Households – Indirect Jobs	
New Casino Employees	403
# of Jobs per Household	1.1
Number of New Households	367

Indirect jobs are the positions induced by additional spending on goods and services for the ongoing operations of the casino and tend to be spread over a wider geography. In order to project the number of households that may be added to Ulster County as a result of indirect jobs, a fair share model was used based on the number of households in each county. Of the 367 new households that may be created, 17% or 61 new households are likely to be added to Ulster County based on the creation of indirect jobs.

**New Households – Indirect Jobs**

County	2008-12 HH	Fair Share	New Households
Ulster	70,274	17%	61
Sullivan	29,664	7%	26
Dutchess	107,734	26%	94
Orange	125,180	30%	110
Putnam	35,088	8%	31
Columbia	25,476	6%	22
Greene	25,476	6%	22

Source: U.S. Census 2010, The Innovation Group

Overall, 148 new households are projected to be created in Ulster County as a result of the ongoing operations of the Nevele Resort, Casino & Spa.

**New Households – Direct and Indirect Jobs**

	Direct	Indirect	Total
Ulster	86	61	148
Sullivan	15	26	41
Dutchess	35	94	129
Orange	61	110	170
Putnam	10	31	41
Columbia	5	22	27
Greene	6	22	28
<b>Total</b>	<b>218</b>	<b>367</b>	<b>585</b>

## *Conclusion*

The preponderance of evidence suggests that casinos increase commercial property values especially in the vicinity of the casino. This can be attributed to the large influx of visitors to a specific area which provides greater commercial opportunities than would otherwise be available. The evidence for a positive impact on residential property values is less conclusive but in no case did we find evidence that property values in the vicinity of a casino, in a city or county hosting a casino declined.

The creation of 2,350 jobs at the Nevele Resort, Casino & Spa is anticipated to draw approximately 70 additional households to the area. Of these employees, it is estimated that over 30% will earn more than the minimum income to purchase a home at the median sales price in Ulster County. The combination of an affordable housing and good

wages has the potential to encourage new employees to invest in the local housing stock, which may spur efforts to bring vacant housing back into commerce and create a positive impact on property values.

Local school districts have seen a decrease in enrollment over the last 10 years. According to data from the New York State Education Department, enrollment in the Catskills/Hudson Valley region has fallen from 186,836 in the 2003-04 school year to 165,841 in the 2012-13 school year. Enrollment has declined by over 11% in the same time period for an average annual rate of 1.3%. Although many districts have seen the number of students decline, the amount of state aid has increased. “The Empty Classroom Syndrome,” by Hudson Valley Pattern for Progress outlines two main reasons for the trend; staffing and “Save Harmless.” The report highlights the fact that all schools need at least one teacher per grade, even if enrollment drops from 25 students per class to 15 students. In addition to staffing needs, Save Harmless (or Hold Harmless) was included in the New York state aid formula, guaranteeing that aid will not drop from one year to the next. While there may be a small impact on the local school districts as new households move in, increased enrollment has the potential to lessen the discrepancies between enrollment and funding.

## *Disclaimer*

Certain information included in this report contains forward-looking estimates, projections and/or statements. The Innovation Group has based these projections, estimates and/or statements on our current expectations about future events. These forward-looking items include statements that reflect our existing beliefs and knowledge regarding the operating environment, existing trends, existing plans, objectives, goals, expectations, anticipations, results of operations, future performance and business plans.

Further, statements that include the words "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan," "project," or other words or expressions of similar meaning have been utilized. These statements reflect our judgment on the date they are made and we undertake no duty to update such statements in the future.

Although we believe that the expectations in these reports are reasonable, any or all of the estimates or projections in this report may prove to be incorrect. To the extent possible, we have attempted to verify and confirm estimates and assumptions used in this analysis. However, some assumptions inevitably will not materialize as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties and unanticipated events and circumstances, which may occur. Consequently, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material. As such, The Innovation Group accepts no liability in relation to the estimates provided herein.