

**Economic and Fiscal Impacts of a  
Slot Machine Facility at Bangor Raceways**

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Prepared for

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## Executive Summary

The economic impacts of a combined racetrack and casino (a.k.a., "racino") located at Bangor Historic Raceways in Bangor, Maine, are estimated using financial information provided by the developer. Construction costs, including the renovation of existing racetrack facilities, are expected to be \$30 million. Annual gross revenues from operations of the casino and racetrack are projected to be \$75.3 million, with \$5.3 million of that amount paid in wages and salaries to 314 full and part-time workers. The facility is expected to draw customers primarily from within the state of Maine, as well as portions of New Hampshire, New Brunswick and Quebec. In addition, a portion of Maine's out-of-state tourist market is included in the racino's customer base.

Economic impact is defined as the amount of "new economic activity" that is attracted to the region by the racino complex. Activity that is redistributed from other businesses in the region is not included in the impact. The racino's annual impact on the Maine economy relies heavily on the expenditures made by out-of-state customers, as well as a portion of the expenditures made by in-state customers. The in-state spending counted in the impact reflects either a decrease in expenditures made out of state, or an increase in discretionary spending (i.e., a decrease in savings). From the perspective of the Bangor economy, the impact is considerably larger because it includes the spending of out-of-state customers, as well as Maine customers that reside outside of the Bangor economic region.

Using an input-output model that accounts for multiplier effects, we estimate the racino's annual impact on the Maine economy would be \$57.8 million in additional sales revenue, of which \$6.8 million is paid in wages and salaries to 318 full and part-time workers. The total annual impact on the Bangor economy is estimated at \$95.6 million in sales revenue, \$10.3 million in wages and salaries, and 504 full and part-time jobs. By comparison, the Bangor economy overall generated \$3,050 million in total sales and supported nearly 45,000 jobs in 2000. The operation of the racino will generate annually \$21.0 million in state and local government revenues, not including the local property

taxes for the City of Bangor that would be directly attributable to the racino facilities. The majority of this revenue is the result of taxes levied on gross slot machine revenues.

Renovation of the existing raceway and construction of new facilities would begin in Fall 2003 and continue into 2006. The projected construction expenditures of \$30 million, while substantial, would have a temporary impact during the construction period. Including the construction costs and the multiplier effects, we estimate this overall impact to be \$48.9 million in added economic activity throughout the Maine economy. The construction project directly and indirectly would result in 527 new jobs and \$9.1 million in wages and salaries. This activity would generate \$1.1 million in state and local government tax revenues. It is not likely that these impacts would continue beyond the period of construction.

The realized economic impact on Bangor and the State of Maine will depend heavily on the racino's ability to attract patrons from beyond the Bangor region and from out of state. For this analysis, we used a 150-mile market area. The actual market area and the amount of tourist visits that ultimately occur will depend, in part, on the quality and attractiveness of the proposed redeveloped harness racing facility, and the hotel and conference center. If the racino complex (track, conference center, and hotel) is not of sufficient quality or size, the associated economic impacts presented in this report will not be realized.

The racino impacts examined in the report represent the economic effects of increased business activity and personal incomes resulting directly and indirectly from the construction and ongoing operations of the proposed racino. Other issues that are not addressed in the report include, among other things, the effects of a racino on the local labor market, added demand for public services, and the potential social costs associated with crime and compulsive gambling. Further, the study does not assess the effect of the racino on existing state lottery revenues. Finally, the market analysis suggests adequate support for the racino within a 150-mile radius assuming that no significant competition exists in the region.

## **1. Background**

Development of a combined horse racetrack and casino facility (a.k.a., “racino”) at the existing Bangor Historic Raceways has been proposed to the City of Bangor. Preliminary plans call for redevelopment of the harness racing facility, construction of a hotel/conference center and restaurant, and installation of slot machines (Gagnon, 2002). In addition to business, property and payroll taxes paid by businesses in Maine, the racino would remit an additional “tax” to the state in the amount of 25 percent of gross slot machine revenues. These funds would be collected and distributed according a formula that designates its uses for purse enhancement at commercial race tracks in Maine, support of Maine agricultural fairs, financial assistance to elderly or disabled adults for the purchase of prescription drugs, and contributions toward scholarships at the University of Maine System and the Maine Technical College System (An Act to Allow Slot Machines..., 2002). The proposed racino also would remit a “tax”, currently thought to be 5 percent of gross slot machine revenues, to the City of Bangor.

The developers of the proposed racino estimate that the combined operations of the racetrack and casino will generate annual gross revenues of \$75.3 million, employ 314 people, and pay \$5.3 million in wages and salaries. Construction costs, including the renovation of existing racetrack facilities, are expected to be \$30 million. The economic impact results presented in this report are based on these projections. Installation of slot machines is contingent on approval by both statewide and local referendums.

## **2. Racino Market Area Demographics**

Three hypothetical market areas for the proposed racino are examined at distances of 50 miles, 100 miles, and 150 miles from Bangor. Based on 2000 population figures from the U.S. Census Bureau, there are 346,000 people residing within 50 miles of Bangor, and 826,000 people within 100 miles. Over 1.7 million people live within 150 miles of Bangor, which includes towns in the Canadian provinces of New Brunswick and Quebec.

**Table 1. Selected market area data for proposed Racino located in Bangor, Maine.**

|                              | <i>Within 50<br/>miles<br/>of Bangor</i> | <i>Within 100<br/>miles<br/>of Bangor</i> | <i>Within 150<br/>miles<br/>of Bangor</i> |
|------------------------------|--|---|---|
| <b>Population in 2000</b>    |  |   |   |
| Total population*            | 345,759                                  | 826,110                                   | 1,721,373                                 |
| Population, age 21 and over  | 249,423                                  | 577,197                                   | 970,945                                   |
| Population growth, 1995-2000 | 0.7%                                     | 1.1%                                      | 2.6%                                      |
| Median age                   | 38.3                                     | 38.8                                      | 38.7                                      |
| <b>Education</b>             |  |   |   |
| No college                   | 53.0%                                    | 53.2%                                     | 50.8%                                     |
| Some college                 | 26.0%                                    | 25.6%                                     | 26.5%                                     |
| Bachelor's degree            | 13.4%                                    | 13.6%                                     | 14.9%                                     |
| Graduate degree              | 7.6%                                     | 7.6%                                      | 7.9%                                      |
|                              | 100.0%                                   | 100.0%                                    | 100.0%                                    |
| <b>Occupations</b>           |  |   |   |
| White collar                 | 55.2%                                    | 55.6%                                     | 57.2%                                     |
| Blue collar                  | 44.8%                                    | 44.4%                                     | 42.8%                                     |
|                              | 100.0%                                   | 100.0%                                    | 100.0%                                    |
| <b>Household Income</b>      |  |   |   |
| Less than \$25,000           | 36.4%                                    | 34.5%                                     | 32.4%                                     |
| \$25,000 to \$49,999         | 33.3%                                    | 33.1%                                     | 32.7%                                     |
| \$50,000 to \$99,999         | 24.6%                                    | 26.1%                                     | 27.8%                                     |
| More than \$100,000          | 5.7%                                     | 6.3%                                      | 7.2%                                      |
|                              | 100.0%                                   | 100.0%                                    | 100.0%                                    |
| Median Household Income      | 34,161                                   | 35,945                                    | 38,105                                    |

\*Includes persons living in Canada. All other figures in table based only on populations within the United States.

Sources: "Profiles of General Demographic Characteristics 2000", U.S. Census Bureau.

"A National Overview: Population and Dwelling Counts", Statistics Canada.

Table 1 shows selected demographic and economic information for the three hypothetical market areas. From 1995 to 2000, the population within 50 miles of Bangor grew by 0.7 percent. Growth rates within 100 miles and 150 miles of Bangor were 1.1 percent and 2.6 percent, respectively. For towns in Canada included in the 100 and 150-mile market areas, population growth rates are based on 1996 and 2001 census figures reported by Statistics Canada. Since comparable demographic data are not readily available for areas

in Canada, the education, occupation and household income figures presented in table 1 are based only on persons living in the United States. Appendix A presents additional market area information.

### 3. Market Area Demographics Compared to U.S. Casino Customers

Table 2 shows a comparison of U.S. casino customers to the overall U.S. population, based on information from the American Gaming Association. Casino patrons are slightly more likely than the average U.S. resident to have some college education (55 percent compared to 52 percent) and to work in white-collar occupations (46 percent compared to 41 percent). The median household income of casino patrons (\$49,753) is considerably higher than the U.S. median household income (\$41,343).

**Table 2. U.S. casino players compared to the overall U.S. population.**

|                         | <i>U.S.<br/>Population</i> | <i>U.S. Casino<br/>Customers</i> |
|-------------------------|----------------------------|----------------------------------|
| <b>Education</b>        |                            |                                  |
| No college              | 48%                        | 45%                              |
| Some college            | 27%                        | 30%                              |
| Bachelor's degree       | 16%                        | 16%                              |
| Graduate degree         | 9%                         | 9%                               |
|                         | 100.0%                     | 100.0%                           |
| <b>Occupations</b>      |                            |                                  |
| White collar            | 41%                        | 46%                              |
| Blue collar             | 28%                        | 26%                              |
| Retired                 | 13%                        | 13%                              |
| Other                   | 18%                        | 15%                              |
|                         | 100.0%                     | 100.0%                           |
| Median Household Income | \$41,343                   | \$49,753                         |

*Source: "State of the States: The AGA Survey of Casino Entertainment 2002". American Gaming Association, Washington, D.C.*

For the characteristics shown in table 2, the demographic profile of a 150-mile market area appears to be more favorable to casino patronage than a market area of 50 miles. However, the average education and income levels within a 150-mile market area are still considerably lower than the U.S. average. Within 50 miles of Bangor, 47 percent of the population age 25 and over has at least some college education. This amount increases to 49.2 percent within 150 miles of Bangor. The median household income increases from \$34,200 within 50 miles of Bangor to \$38,100 within 150 miles of Bangor. Due to differences in categorization, occupational profiles are not directly comparable between tables 1 and 2.

#### **4. Bangor Racino Customer Base**

The customer base of the proposed Bangor racino would be made up of customers who reside within the racino's defined market area and out-of-state tourists visiting Maine. The "market area-based customers" include residents within the Bangor economic region, residents living elsewhere in the state, and out-of-state residents who live within the market area. A percentage of tourists that visit the state each year can be expected to include a visit to the racino during their vacation in Maine. Table 3 shows the estimated customer base and number of annual casino visits based on the three hypothetical market areas.

The number of customers that would visit the casino differs depending on the size of its market area. An estimated 67,391, 161,285 and 336,855 market area-based customers live within 50 miles, 100 miles and 150 miles of Bangor, respectively. These figures are based on the populations aged 21 and older within the market area, and figures from the American Gaming Association that suggest approximately 27 percent of all U.S. adults visit a casino one or more times per year. The estimated customer bases are translated into estimated numbers of racino visits per year by multiplying the number of customers by 5.7 visits, which the American Gaming Association suggests is the number of casino visits a typical customer makes per year.

An estimated 109,908 tourists from outside the market area will visit the casino each year. This figure is estimated, as described in Appendix C, using information from the 2000 Longwoods International tourism study for the state of Maine. The Longwoods study shows that Maine has 9.1 million out-of-state adult tourists per year, and about 10 percent of these people visit the Bangor region. Further, the Longwoods study suggests that 12 percent of all U.S. travelers visit a casino during a vacation. The 109,908 tourists that would visit the Bangor racino is found by multiplying the total number of adult visitors to the state, times the percentage that visit the Bangor region, times the percentage of U.S. travelers that visit a casino during a vacation.

**Table 3. Estimated customer base and racino visits.**

|  | <i>Within 50<br/>miles<br/>of Bangor</i> | <i>Within 100<br/>miles<br/>of Bangor</i> | <i>Within 150<br/>miles<br/>of Bangor</i> |
|--|--|---|---|
| <b>Population in 2000 age 21 and older</b>       |  |   |   |
| Total market area population                     | 249,423                                  | 596,936                                   | 1,246,742                                 |
| <i>Bangor area residents*</i>                    | 77,195                                   | 77,195                                    | 77,195                                    |
| <i>Other Maine residents</i>                     | 172,228                                  | 500,002                                   | 815,237                                   |
| <i>Out-of-state residents</i>                    | -  | 19,739                                    | 354,310                                   |
| <b>Estimated gamblers</b>                        |  |   |   |
| Total gamblers within market area                | 177,299                                  | 271,193                                   | 446,763                                   |
| <i>Bangor area residents*</i>                    | 67,391                                   | 161,285                                   | 336,855                                   |
| <i>Other Maine residents</i>                     | 20,857                                   | 20,857                                    | 20,857                                    |
| <i>Out-of-state</i>                              | 46,534                                   | 135,095                                   | 220,267                                   |
| Tourists from outside the market area            | -  | 5,333                                     | 95,730                                    |
| Tourists from outside the market area            | 109,908                                  | 109,908                                   | 109,908                                   |
| <b>Estimated casino visits</b>                   |  |   |   |
| Total visits within market area                  | 494,113                                  | 1,029,414                                 | 2,030,359                                 |
| <i>Bangor area resident visits</i>               | 384,205                                  | 919,506                                   | 1,920,451                                 |
| <i>Other Maine resident visits</i>               | 118,909                                  | 118,909                                   | 118,909                                   |
| <i>Out-of-state visits</i>                       | 265,297                                  | 770,192                                   | 1,255,772                                 |
| Tourist visits from outside the market area      | -  | 30,406                                    | 545,771                                   |
| Tourist visits from outside the market area      | 109,908                                  | 109,908                                   | 109,908                                   |
| <b>Estimated gross slot revenues per visit**</b> | <b>\$144.05</b>                          | <b>\$69.14</b>                            | <b>\$35.06</b>                            |

*\*Bangor area estimated as equivalent trade area population.*

*\*\*Based on estimated annual gross slot revenues of \$71,175,000.*

As shown in table 3, we estimated that adults living within 50 miles, 100 miles and 150 miles of Bangor would make 384,200 visits, 919,500 visits, and 1.9 million visits, respectively, to the proposed racino. We combined the number of visits made by market area-based customers and tourists from outside the market area to arrive at an estimated total number of annual visits to the Bangor racino. Maine residents will account for 78 percent of total visits within the 50-mile market area, and an estimated 68 percent of the total annual visits within the 150-mile market area.

The developers of the proposed Bangor racino estimate that the racino will generate \$71,175,000 million annually in gross slot machine revenue. To collect this amount of revenue, it would require that each of the racino visits shown in table 3 result in \$144, \$69 and \$35 in gross slot machine play (i.e., loss), based on the market areas of 50 miles, 100 miles and 150 miles from Bangor. A national survey of 143 U.S. casinos, including tribal casinos and those with table games, finds the average revenue across all casinos to be \$43 per admission (Hoffman, et al. 1999). Iowa and Louisiana, which are states with existing racinos, have average casino revenues of \$48 and \$39 per admission (American Gaming Association 2002). From this information, it appears that a 150-mile market area would be sufficient to provide the annual revenue estimated by the developers of the Bangor racino, assuming that no significant competition from other casinos exists in the region.

A market area of 150 miles is assumed in the impact analysis presented in the next section. The economic impacts, however, are predicated on the installation of a racino complex (track, conference center, and hotel) of sufficient quality and size to draw patrons from up to 150 miles. If the actual racino complex is not of sufficient quality and size, the associated economic impacts given in this report will not be realized.

## **5. Annual Economic and Fiscal Impacts**

The annual economic impact of the Bangor racino is defined as the amount of “new economic activity” that is brought into the region each year as a result of the operation of

the racino complex. The impact also can be interpreted as the potential economic activity that would be lost from the region if the slot machine facility is not built. Consequently, economic impact is not the total economic activity associated with the facility, since a portion of the facility's economic activity is redistributed from other businesses located in the region. The racino sales that are redistributed from other businesses in the region are not included in the racino's economic impact. Temporary impacts associated with the modernization of the existing raceway facilities and the construction of the new racino complex are addressed in a separate section of this report.

A recent survey of in-state gamblers at Missouri casinos found that 64 percent of the gamblers' casino expenditures represented reduced spending that otherwise would have been made at other businesses within the state (Leven, Phares and Louishomme, 1998; Phares, 2001). The remaining 36 percent of residents' expenditures came from savings (i.e., an increase in discretionary spending) or from expenditures that otherwise would have been made out-of-state. Thus, a little less than two-thirds of the money spent by in-state gamblers at Missouri casinos is redistributed from other businesses in the state, while slightly over one-third of the in-state expenditures represents new economic activity occurring in the state.

We used information from the Missouri study to estimate the amount of new economic activity that would be generated by Bangor and Maine resident spending at the racino. In addition to 100 percent of the casino spending by non-residents, 36 percent of the expenditures made by customers within the region (e.g., Bangor and Maine) are included in the racino's economic impact. As indicated above, a 150-mile market area is used to determine the sources of local versus non-local spending that will occur at the racino, which in turn determines the racino's economic impact on the state of Maine.

Because Bangor serves as a regional retail service center, it already draws a substantial amount of spending from beyond its municipal boundaries. The extent to which this occurs must be accounted for in order to make an accurate distinction between local and non-local sources of new spending that will occur at the racino. This is accomplished by

dividing the total retail sales in Bangor (\$1.051 billion) by the statewide retail sales per capita (\$9,825) to determine the population size of the Bangor economic region (107,010 people). This population figure for the Bangor economic region serves as the basis for determining the sources of local versus non-local spending that occurs at the racino relative to the economic impact on the city of Bangor.

According to financial projections provided by the racino developers, it is estimated that the racino will generate \$75.3 million in annual sales. This amount includes gross revenue from the slot machines, harness racing operations, food and beverage sales, etc. Based on a 150-mile market area shown in table 3, we estimate that approximately 32 percent of casino visits will come from patrons outside of Maine, and 94 percent of casino visits will come from patrons beyond the Bangor economic region. After making the adjustment that 36 percent of spending from within the region is new economic activity, we estimate that 56 percent (\$42.5 million) of the total casino activity is considered a direct economic impact to the Maine economy, while 96 percent (\$72.4 million) of the racino's activity constitutes a direct economic impact on the Bangor economy. Although the total revenue generated by the casino is the same (\$75.3 million) in both instances, the economic impact on the Bangor area is larger than the impact on Maine because a greater proportion of the money spent at the casino comes from outside of the Bangor region than comes from outside of Maine.

In addition to the direct economic impacts of the proposed racino, broader impacts - typically known as the multiplier effects - result from spending by the racino and its employees to purchase goods and services, and the spending by other area businesses and residents affected by the racino. Separate (IMPLAN) input-output models of the Bangor and Maine economies were used to determine the size of the multiplier effects. The results of the economic impact analysis are presented in tables 4 and 5.

With 96 percent of the spending at the racino considered as "new" spending in the Bangor economy, the racino will generate a direct impact of \$72.4 million in sales revenue, of which \$5.1 million is spent on wages and salaries that support 302 full and

part-time jobs. The multiplier effect, based on projected racino expenditures and employee spending, will create an additional \$23.2 million of sales output, including \$5.2 million in wages and salaries, and support 202 additional jobs. The total economic impact on the Bangor economy is estimated to be \$95.6 million of sales output, of which \$10.3 million is paid in wages and salaries. The racino would be responsible for a total of 504 new full and part-time jobs in the region.

**Table 4. Annual economic impacts of the proposed racino on the Bangor economy.**

|                                    | Direct Impacts | Multiplier Effects | Total Impacts |
|------------------------------------|----------------|--------------------|---------------|
| Output                             | \$72,439,452   | \$23,166,705       | \$95,606,157  |
| Income                             | \$5,073,531    | \$5,213,231        | \$10,286,762  |
| Employment                         | 302            | 202                | 504           |
| Local Government Revenues (Bangor) | \$3,978,750*   | \$220,261          | \$4,199,011   |

*\*Includes site lease and a local racino tax calculated as 5% of gross slot machine revenues. Future real estate valuation of the racino and its associated property taxes are unknown at this time.*

The state of Maine, with a larger economy than Bangor, captures a slightly greater share of the spending made by the racino and its employees than the city of Bangor. Therefore, the ratio of total impacts to direct impacts (i.e., the multiplier) is slightly higher for the state economy than the Bangor economy. However, because a relatively smaller proportion of the total racino visitors will come from outside of Maine than from outside of the Bangor economic region, the percentage of spending at the racino that represents “new” money for Maine is much smaller than it is for Bangor. As a result, the impact of the racino on the economy of Maine is considerably lower than its impact on Bangor. The racino will have a direct impact on Maine of \$42.5 million, including \$3.0 million of wages and salaries, and 177 full and part-time jobs. With the multiplier effects, the total impact of the racino on the Maine economy will be \$57.8 million of output, \$6.8 million in wages and salaries, and 318 full and part-time jobs.

**Table 5. Annual economic impacts of the proposed racino on the Maine economy.**

|                                      | <b>Direct<br/>Impacts</b> | <b>Multiplier<br/>Effects</b> | <b>Total<br/>Impacts</b> |
|--------------------------------------|---------------------------|-------------------------------|--------------------------|
| <b>Output</b>                        | \$42,493,736              | \$15,336,952                  | \$57,830,689             |
| <b>Income</b>                        | \$2,976,186               | \$3,811,330                   | \$6,787,516              |
| <b>Employment</b>                    | 177                       | 141                           | 318                      |
| <b>State Government<br/>Revenues</b> | \$16,488,320              | \$274,663                     | \$16,762,983             |

Like other businesses in Maine, the proposed racino would pay a variety of taxes to state and local governments. The largest source of revenue to the state government would be the 25 percent tax on gross slot machine revenue. Specifics about how this revenue would be collected and distributed are outlined in the referendum, presented as appendix B. As in the economic impact analysis, the amount of this tax revenue that is counted in the state impact depends on whether it is generated by new spending in the state. As discussed above, an estimated 56 percent of the gross revenue received from slot machines is considered “new economic activity” in the state of Maine. Therefore, the 25 percent tax rate is applied to 56 percent of the projected slot machine gross revenue. The remaining 44 percent of slot machine gross revenue, which represents spending that is redistributed from other businesses in the state, would normally generate tax revenues based on the current 5 percent sales tax. The slot machine revenue taxes associated with this spending is computed in the estimated fiscal impact at a rate of 20 percent (the difference between the 25 percent slot revenue tax rate and the current sales tax rate). Using these calculations, we estimate that the racino will provide an additional \$16.2 million in tax revenue to the state from its gross slot machine revenue.

In addition to taxes from slot machine revenues, the racino facility will pay sales taxes, payroll taxes, and other taxes and fees to state government. Also, racino employees will be subject to state payroll and sales taxes as a result of their increased incomes and spending. Including these taxes in proportion to the economic impact that the racino will

have on Maine suggests that the racino will directly provide \$16.5 million in additional revenue annually to state government. Finally, expenditures made by the racino and its employees (i.e., the multiplier effect) will generate additional economic activity in the state that results in increased tax revenues of \$274,663. Altogether, additional sources of tax revenues to the state, not including the slot machine tax, are estimated to provide \$519,000 in revenue annually. Including the slot machine revenue taxes, the racino will annually generate a total of \$16.8 million in new tax revenue to state government.

The City of Bangor would receive new revenues from the development of the proposed racino through several sources. First, it is anticipated that the racino would remit to the City of Bangor a payment equal to 5 percent of gross slot machine revenues. Based on the projected slot revenues, the City of Bangor would receive \$3.6 million annually from this tax. Second, the racino would be developed on land that is leased from the City of Bangor. Additional lease payments in excess of those currently paid by Bangor Historic Raceways are estimated to be \$420,000 annually. Annually, these two sources would directly provide \$4.0 million in revenues to the City of Bangor. Local governments in Maine receive the majority of general fund revenues through local property taxes. At present, the amount of additional property taxes to be paid to the City of Bangor by the racino is unclear because the future property valuation of the facility in excess of its current valuation is not known. Finally, the additional business activity and personal spending created by the racino will result in increased property taxes as some local businesses expand and employees spend portions of their increased incomes on real estate improvements (the multiplier effect). Based on the input-output model for Bangor, we estimate that the racino will generate \$220,260 annually in increased local property tax revenues, not counting the property taxes paid by the racino itself. Including the slot machine revenue taxes and lease payments the racino annually will generate a total of \$4.2 million in new revenue for the City of Bangor.

## **6. Temporary Economic and Fiscal Impacts from Racino Construction**

Construction activities at the proposed racino complex are planned in two phases. Phase I, expected to commence in August 2003, involves modernization of the existing harness racing facilities. Phase II activities would occur during 2004 and 2006 and include new construction of a grandstand, clubhouse, stables, and a hotel-conference center. Total construction costs for both phases of development are projected to be \$30 million.

Similar to the economic and fiscal impacts that result from the ongoing operation of the racino, expenditures associated with construction activities will have both direct and indirect effects. However, there also are important differences. First, ongoing racino operations would have an annual impact directly related to the annual level of operations. By contrast, construction activities would be short-term and the impacts that result from those activities would be temporary. Second, the analysis of the economic impacts of the racino's operations involved a determination of the extent of new versus displaced economic activity that it generated within the Maine and Bangor region economies. In the case of the proposed construction activities, we assume that all expenditures represent new economic activity. Finally, the impacts associated with the ongoing operation of the racino were presented for both the state and Bangor economies. However, the economic impacts associated with construction of the racino are analyzed only at the statewide level. While construction of the racino primarily will involve workers who live in Maine, it is not known how many of those workers will come from within the Bangor economic region.

Total construction expenditures for both Phase I and Phase II of the proposed development are projected to be \$30 million. During the period of construction, those expenditures will generate an additional \$19 million in indirect output throughout the Maine economy. The construction of the racino, therefore, will create a total economic impact of \$49 million in new economic activity within Maine (table 6).

**Table 6. Temporary economic impacts from construction of the proposed racino on the Maine economy.**

|  | <b>Direct Impacts</b> | <b>Multiplier Effects</b> | <b>Total Impacts</b> |
|--|-----------------------|---------------------------|----------------------|
| <b>Output</b>                              | \$30,000,000          | \$18,891,950              | \$48,891,950         |
| <b>Income</b>                              | \$9,108,084           | \$7,126,745               | \$16,234,829         |
| <b>Employment</b>                          | 268                   | 259                       | 527                  |
| <b>State and Local Government Revenues</b> |                       |                           | \$1,627,909          |

It is estimated that during the period of construction the project will directly employ an average of 268 full- and part-time workers who will be paid a total of \$9.1 million in wages and salaries. Through the multiplier effect, the construction activity will generate an additional 259 new jobs with \$7.1 million in wages and salaries beyond the construction site. As with the jobs and incomes that are directly tied to the construction project, the jobs and wages created from the multiplier effect also are unlikely to continue to exist after the construction is completed. Finally, the construction activity would directly and indirectly produce a one-time injection of \$1.1 million in new revenues for state and local governments throughout Maine.

## **7. Study Limitations**

Any study that attempts to measure the economic impact of a business or industry is subject to limitations regarding the scope of the issues that the research can reasonably address. Furthermore, the findings reported in these types of studies are, at least partially, influenced by information gathered from secondary sources and assumptions made by the researchers. For example, the estimates presented in the report are contingent upon the

proposed racino attracting customers from a 150-mile market area. At present, there are no casinos within 150 miles of Bangor. The results presented in the report would change considerably if other casinos are built either within the state or in a neighboring region. In addition, the economic impacts are predicated on the installation of a racino complex (track, conference center, and hotel) of sufficient quality and size to draw patrons from up to 150 miles. If the actual racino complex is not of sufficient quality and size, the associated economic impacts given in this report will not be realized.

This study focuses on the economic impact of a proposed racino in Bangor, Maine. As such, the report presents estimates of the racino's impact on economic variables including sales revenue (i.e., gross output), income and employment. The study also estimates the racino's "fiscal impact" on state and local tax revenue. To conduct a comprehensive fiscal impact study, we also would need to estimate the effect that the racino would have on increased government expenditures. The racino's gross fiscal impact would be calculated as the difference between the increased tax revenues, estimated in this report, and government expenditures associated with the racino. A comprehensive fiscal impact analysis is beyond the scope of this study.

When considering and interpreting the study findings, it is important to understand that there may be other economic and non-economic benefits and costs beyond the racino's economic impact as defined in this report. Other issues that are not addressed in the report include, among other things, the effects of a racino on the local labor market, existing state lottery revenues, as well as crime and compulsive gambling. Thus, findings presented in the report should be interpreted as a part, but not the whole, of the evidence in evaluating the effect of the proposed racino.

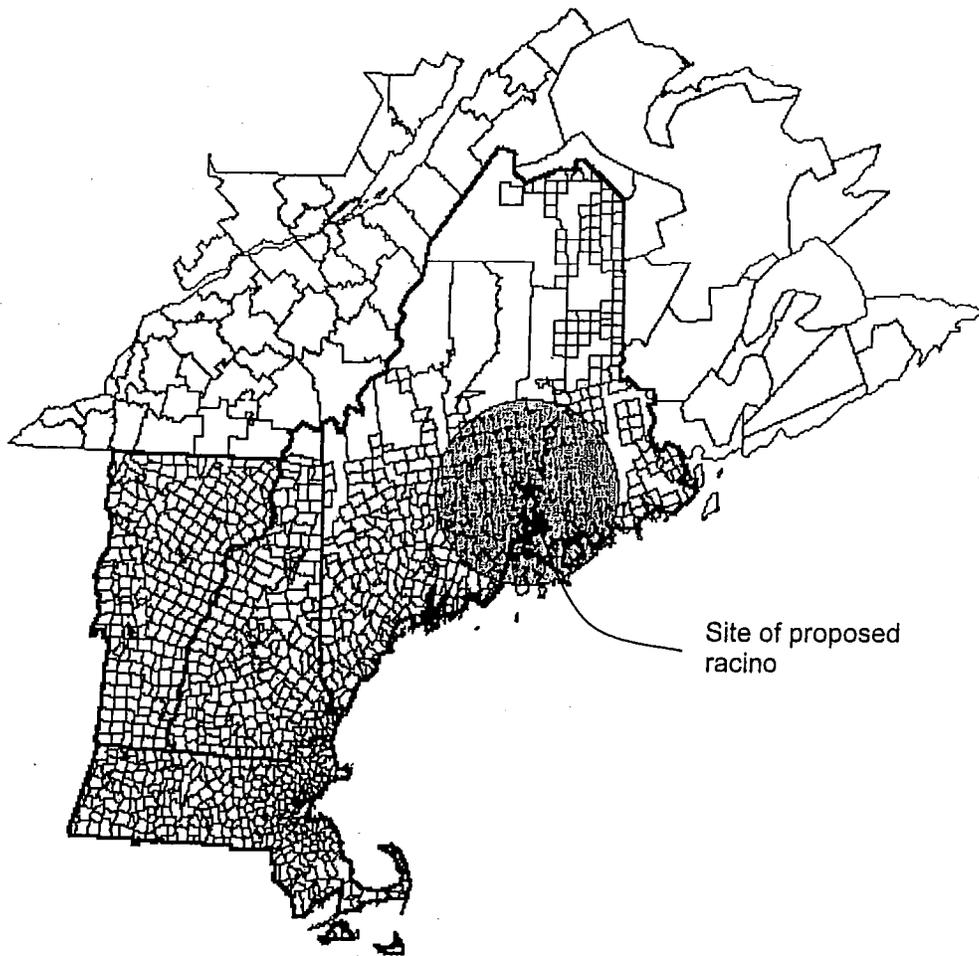
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## **Appendix A**

### **Market Area Assessment**

**Figure A1. Market area within 50 miles of the proposed racino in Bangor, Maine.**



**Table A1. Population within 50 miles of proposed racino in Bangor, Maine.**

|                                   | <i>Within 50 miles<br/>of Bangor</i> |               |
|-----------------------------------|--------------------------------------|---------------|
| <b>Population</b>                 |                                      |               |
| <b>1995</b>                       | <b>343,352</b>                       |               |
| <b>2000</b>                       | <b>345,759</b>                       |               |
| change                            | 2,407                                |               |
| percent change                    | 0.7%                                 |               |
| <b>Population by age category</b> |                                      |               |
| Under 5 years                     | 18,612                               | 5.4%          |
| 5 to 9 years                      | 21,737                               | 6.3%          |
| 10 to 14 years                    | 24,955                               | 7.2%          |
| 15 to 19 years                    | 25,984                               | 7.5%          |
| 20 to 24 years                    | 21,566                               | 6.2%          |
| 25 to 34 years                    | 41,969                               | 12.1%         |
| 35 to 44 years                    | 55,802                               | 16.1%         |
| 45 to 54 years                    | 52,217                               | 15.1%         |
| 55 to 59 years                    | 18,621                               | 5.4%          |
| 60 to 64 years                    | 14,934                               | 4.3%          |
| 65 to 74 years                    | 26,269                               | 7.6%          |
| 75 to 84 years                    | 16,896                               | 4.9%          |
| 85 years and over                 | 6,197                                | 1.8%          |
| <b>Total</b>                      | <b>345,759</b>                       | <b>100.0%</b> |
| <b>Median age</b>                 | <b>38.3</b>                          |               |
| <b>18 years and over</b>          | <b>265,308</b>                       | <b>76.7%</b>  |
| <b>21 years and over</b>          | <b>249,423</b>                       | <b>72.1%</b>  |
| <b>62 years and over</b>          | <b>58,216</b>                        | <b>16.8%</b>  |
| <b>65 years and over</b>          | <b>49,362</b>                        | <b>14.3%</b>  |

Sources: "Profiles of General Demographic Characteristics 2000", U.S. Census Bureau.

**Table A2. Education and marital status of the population within 50 miles of the proposed racino in Bangor, Maine.**

|   | <i>Within 50 miles<br/>of Bangor</i> |               |
|---|--------------------------------------|---------------|
| Educational attainment among<br>population age 25 and older |                                      |               |
| Less than 9th grade   | 11,764                               | 5.0%          |
| 9th to 12th grade, no diploma                               | 22,589                               | 9.7%          |
| High school graduate  | 89,103                               | 38.2%         |
| Some college, no degree                                     | 43,525                               | 18.7%         |
| Associate degree  | 17,056                               | 7.3%          |
| Bachelor's degree   | 31,308                               | 13.4%         |
| Graduate degree   | 17,757                               | 7.6%          |
| <b>Total</b>  | <b>233,102</b>                       | <b>100.0%</b> |
| Percent high school or higher                               |                                      | 85.3%         |
| Percent bachelor's degree or higher                         |                                      | 21.0%         |
| Marital status of the population age 15<br>and older        |                                      |               |
| Never married   | 67,718                               | 24.1%         |
| Now married, except separated                               | 156,107                              | 55.7%         |
| Separated   | 3,558                                | 1.3%          |
| Widowed   | 19,888                               | 7.1%          |
| Divorced  | 33,135                               | 11.8%         |
| <b>Total</b>  | <b>280,406</b>                       | <b>100.0%</b> |

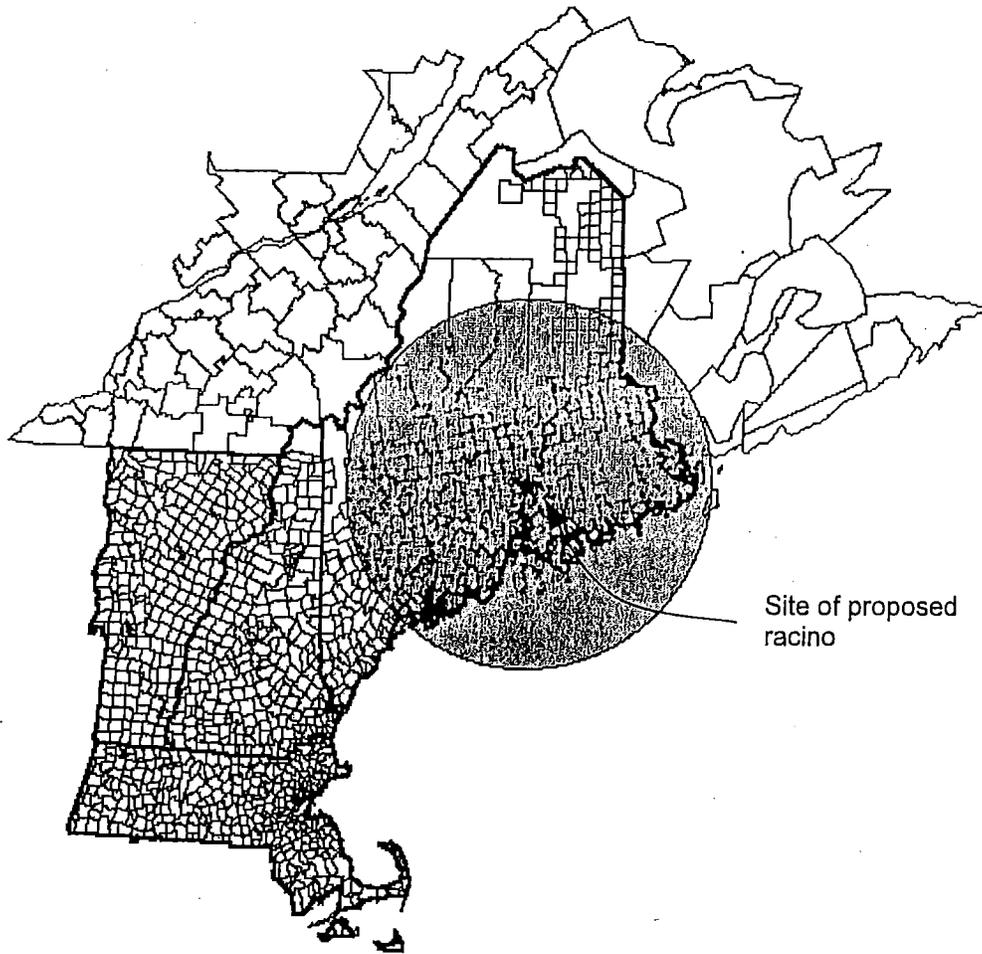
*Source: "Profiles of General Demographic Characteristics 2000", U.S. Census Bureau.*

**Table A3. Occupation and income of the population within 50 miles of the proposed racino in Bangor, Maine.**

|  | <i>Within 50 miles<br/>of Bangor</i> |               |
|--|--------------------------------------|---------------|
| <b>Occupations of the employed population<br/>age 16 and older</b>     |                                      |               |
| Management and professional  | 49,472                               | 30.0%         |
| Service  | 26,730                               | 16.2%         |
| Sales and office work  | 41,639                               | 25.2%         |
| Farming, fishing and forestry  | 3,356                                | 2.0%          |
| Construction, extraction and maintenance                               | 18,060                               | 10.9%         |
| Production and transportation  | 25,828                               | 15.6%         |
| <b>Total</b>   | <b>165,085</b>                       | <b>100.0%</b> |
| <br><b>Household income in 1999</b>                                    |                                      |               |
| Less than \$10,000   | 16,642                               | 11.9%         |
| \$10,000 to \$14,999   | 12,067                               | 8.6%          |
| \$15,000 to \$24,999   | 22,455                               | 16.0%         |
| \$25,000 to \$34,999   | 20,758                               | 14.8%         |
| \$35,000 to \$49,999   | 26,023                               | 18.5%         |
| \$50,000 to \$74,999   | 24,506                               | 17.5%         |
| \$75,000 to \$99,999   | 10,009                               | 7.1%          |
| \$100,000 to \$149,999   | 5,554                                | 4.0%          |
| \$150,000 to \$199,999   | 1,181                                | 0.8%          |
| \$200,000 or more  | 1,208                                | 0.9%          |
| <b>Total</b>   | <b>140,403</b>                       | <b>100.0%</b> |
| <br><b>Median Household Income (Average of<br/>town median income)</b> | <br><b>34,161</b>                    |               |
| <br><b>Per Capita Income (Average of town per<br/>capita income)</b>   | <br><b>17,762</b>                    |               |

Source: "Profiles of General Demographic Characteristics 2000", U.S. Census Bureau.

**Figure A2. Market area within 100 miles of the proposed racino in Bangor, Maine.**



**Table A4. Population within 100 miles of proposed racino in Bangor, Maine.**

|                                   | <i>Between 50 and 100<br/>miles from Bangor</i> |               | <i>Between 0 and 100<br/>miles from Bangor</i> |               |
|-----------------------------------|---|---------------|--|---------------|
| <b>Population</b>                 |   |               |  |               |
| 1995*                             | 473,823   |               | 817,175  |               |
| 2000*                             | 480,351   |               | 826,110  |               |
| change                            | 6,528   |               | 8,935  |               |
| percent change                    | 1.4%  |               | 1.1%   |               |
| <b>Population by age category</b> |   |               |  |               |
| Under 5 years                     | 25,082  | 5.5%          | 43,694   | 5.5%          |
| 5 to 9 years                      | 29,804  | 6.6%          | 51,541   | 6.5%          |
| 10 to 14 years                    | 33,403  | 7.4%          | 58,358   | 7.3%          |
| 15 to 19 years                    | 31,856  | 7.0%          | 57,840   | 7.2%          |
| 20 to 24 years                    | 22,981  | 5.1%          | 44,547   | 5.6%          |
| 25 to 34 years                    | 53,288  | 11.8%         | 95,257   | 11.9%         |
| 35 to 44 years                    | 75,324  | 16.6%         | 131,126  | 16.4%         |
| 45 to 54 years                    | 68,762  | 15.2%         | 120,979  | 15.1%         |
| 55 to 59 years                    | 25,133  | 5.5%          | 43,754   | 5.5%          |
| 60 to 64 years                    | 19,958  | 4.4%          | 34,892   | 4.4%          |
| 65 to 74 years                    | 35,115  | 7.8%          | 61,384   | 7.7%          |
| 75 to 84 years                    | 23,673  | 5.2%          | 40,569   | 5.1%          |
| 85 years and over                 | 8,606   | 1.9%          | 14,803   | 1.9%          |
| <b>Total</b>                      | <b>452,985</b>                                  | <b>100.0%</b> | <b>798,744</b>                                 | <b>100.0%</b> |
| <b>Median age</b>                 | <b>39.2</b>                                     |               | <b>38.8</b>                                    |               |
| <b>18 years and over</b>          | <b>344,659</b>                                  | <b>76.1%</b>  | <b>609,967</b>                                 | <b>76.4%</b>  |
| <b>21 years and over</b>          | <b>327,774</b>                                  | <b>72.4%</b>  | <b>577,197</b>                                 | <b>72.3%</b>  |
| <b>62 years and over</b>          | <b>79,270</b>                                   | <b>17.5%</b>  | <b>137,486</b>                                 | <b>17.2%</b>  |
| <b>65 years and over</b>          | <b>67,394</b>                                   | <b>14.9%</b>  | <b>116,756</b>                                 | <b>14.6%</b>  |

\*Includes persons living in Canada, 1996 and 2001. All other figures in table based only on populations within the United States.

Sources: "Profiles of General Demographic Characteristics 2000", U.S. Census Bureau.

"A National Overview: Population and Dwelling Counts", Statistics Canada.

**Table A5. Education and marital status of the population within 100 miles of the proposed racino in Bangor, Maine.**

|  | <i>Between 50 and 100<br/>miles from Bangor</i> |  | <i>Between 0 and 100<br/>miles from Bangor</i> |  |
|--|---|--|--|--|
|--|---|--|--|--|

**Educational attainment among  
population age 25 and older**

|                                     |                |               |                |               |
|-------------------------------------|----------------|---------------|----------------|---------------|
| Less than 9th grade                 | 18,202         | 5.9%          | 29,966         | 5.5%          |
| 9th to 12th grade, no diploma       | 30,132         | 9.7%          | 52,721         | 9.7%          |
| High school graduate                | 117,276        | 37.8%         | 206,379        | 38.0%         |
| Some college, no degree             | 57,562         | 18.6%         | 101,087        | 18.6%         |
| Associate degree                    | 20,663         | 6.7%          | 37,719         | 6.9%          |
| Bachelor's degree                   | 42,774         | 13.8%         | 74,082         | 13.6%         |
| Graduate degree                     | 23,343         | 7.5%          | 41,100         | 7.6%          |
| <b>Total</b>                        | <b>309,952</b> | <b>100.0%</b> | <b>543,054</b> | <b>100.0%</b> |
| Percent high school or higher       |                | 84.4%         |                | 84.8%         |
| Percent bachelor's degree of higher |                | 21.3%         |                | 21.2%         |

**Marital status of the population age 15  
and older**

|                               |                |               |                |               |
|-------------------------------|----------------|---------------|----------------|---------------|
| Never married                 | 82,089         | 22.5%         | 149,807        | 23.2%         |
| Now married, except separated | 208,925        | 57.3%         | 365,032        | 56.6%         |
| Separated                     | 4,451          | 1.2%          | 8,009          | 1.2%          |
| Widowed                       | 26,556         | 7.3%          | 46,444         | 7.2%          |
| Divorced                      | 42,843         | 11.7%         | 75,978         | 11.8%         |
| <b>Total</b>                  | <b>364,864</b> | <b>100.0%</b> | <b>645,270</b> | <b>100.0%</b> |

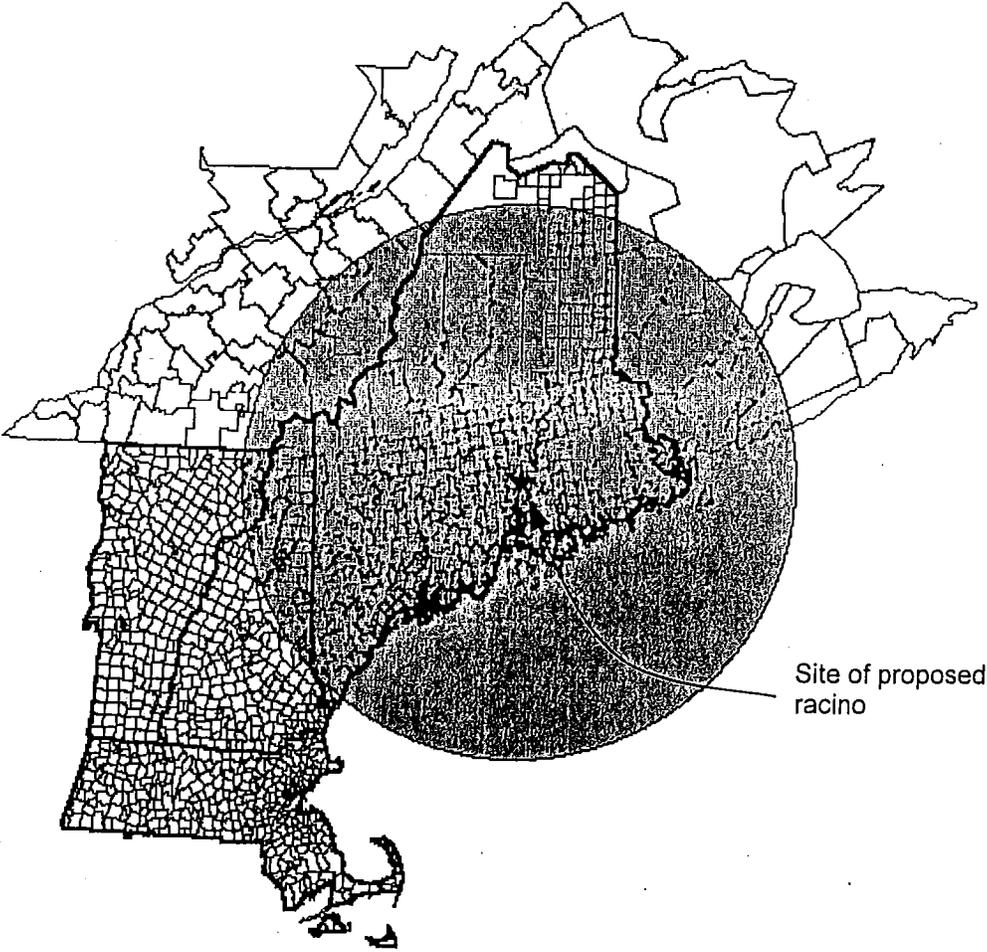
*Source: "Profiles of General Demographic Characteristics 2000", U.S. Census Bureau.*

**Table A6. Occupation and income of the population within 100 miles of the proposed racino in Bangor, Maine.**

|  | <i>Between 50 and 100<br/>miles from Bangor</i> |               | <i>Between 0 and 100<br/>miles from Bangor</i> |               |
|--|---|---------------|--|---------------|
| <b>Occupations of the employed population<br/>age 16 and older</b>     |   |               |  |               |
| Management and professional  | 67,038  | 30.7%         | 116,510  | 30.4%         |
| Service  | 32,919  | 15.1%         | 59,649   | 15.6%         |
| Sales and office work  | 54,775  | 25.1%         | 96,414   | 25.2%         |
| Farming, fishing and forestry  | 4,655   | 2.1%          | 8,011  | 2.1%          |
| Construction, extraction and maintenance                               | 23,995  | 11.0%         | 42,055   | 11.0%         |
| Production and transportation  | 34,716  | 15.9%         | 60,544   | 15.8%         |
| <b>Total</b>   | <b>218,098</b>                                  | <b>100.0%</b> | <b>383,183</b>                                 | <b>100.0%</b> |
| <br><b>Household income in 1999</b>                                    |   |               |  |               |
| Less than \$10,000   | 18,876  | 10.2%         | 35,518   | 10.9%         |
| \$10,000 to \$14,999   | 14,327  | 7.8%          | 26,394   | 8.1%          |
| \$15,000 to \$24,999   | 27,756  | 15.1%         | 50,211   | 15.5%         |
| \$25,000 to \$34,999   | 26,697  | 14.5%         | 47,455   | 14.6%         |
| \$35,000 to \$49,999   | 33,951  | 18.4%         | 59,974   | 18.5%         |
| \$50,000 to \$74,999   | 35,312  | 19.2%         | 59,818   | 18.4%         |
| \$75,000 to \$99,999   | 14,862  | 8.1%          | 24,871   | 7.7%          |
| \$100,000 to \$149,999   | 8,182   | 4.4%          | 13,736   | 4.2%          |
| \$150,000 to \$199,999   | 1,953   | 1.1%          | 3,134  | 1.0%          |
| \$200,000 or more  | 2,369   | 1.3%          | 3,577  | 1.1%          |
| <b>Total</b>   | <b>184,285</b>                                  | <b>100.0%</b> | <b>324,688</b>                                 | <b>100.0%</b> |
| <br><b>Median Household Income (Average of<br/>town median income)</b> | <b>37,304</b>                                   |               | <b>35,945</b>                                  |               |
| <br><b>Per Capita Income (Average of town per<br/>capita income)</b>   | <b>19,284</b>                                   |               | <b>18,625</b>                                  |               |

*Source: "Profiles of General Demographic Characteristics 2000", U.S. Census Bureau.*

Figure A3. Market area within 150 miles of the proposed racino in Bangor, Maine.



**Table A7. Population within 150 miles of proposed racino in Bangor, Maine.**

|                                   | <i>Between 100 and 150<br/>miles from Bangor</i> |               | <i>Between 0 and 150<br/>miles from Bangor</i> |               |
|-----------------------------------|--|---------------|--|---------------|
| <b>Population</b>                 |  |               |  |               |
| 1995*                             | 860,486  |               | 1,677,661                                      |               |
| 2000*                             | 895,263  |               | 1,721,373                                      |               |
| change                            | 34,777   |               | 43,712   |               |
| percent change                    | 4.0%   |               | 2.6%   |               |
| <b>Population by age category</b> |  |               |  |               |
| Under 5 years                     | 30,504   | 5.6%          | 74,198   | 5.5%          |
| 5 to 9 years                      | 35,740   | 6.6%          | 87,281   | 6.5%          |
| 10 to 14 years                    | 38,807   | 7.2%          | 97,165   | 7.3%          |
| 15 to 19 years                    | 35,806   | 6.6%          | 93,646   | 7.0%          |
| 20 to 24 years                    | 27,318   | 5.1%          | 71,865   | 5.4%          |
| 25 to 34 years                    | 69,722   | 12.9%         | 164,979  | 12.3%         |
| 35 to 44 years                    | 92,556   | 17.1%         | 223,682  | 16.7%         |
| 45 to 54 years                    | 81,091   | 15.0%         | 202,070  | 15.1%         |
| 55 to 59 years                    | 28,349   | 5.2%          | 72,103   | 5.4%          |
| 60 to 64 years                    | 22,755   | 4.2%          | 57,647   | 4.3%          |
| 65 to 74 years                    | 40,711   | 7.5%          | 102,095  | 7.6%          |
| 75 to 84 years                    | 27,167   | 5.0%          | 67,736   | 5.1%          |
| 85 years and over                 | 9,744  | 1.8%          | 24,547   | 1.8%          |
| <b>Total</b>                      | <b>540,270</b>                                   | <b>100.0%</b> | <b>1,339,014</b>                               | <b>100.0%</b> |
| <b>Median age</b>                 | <b>38.6</b>                                      |               | <b>38.7</b>                                    |               |
| <b>18 years and over</b>          | <b>412,396</b>                                   | <b>76.3%</b>  | <b>1,022,363</b>                               | <b>76.4%</b>  |
| <b>21 years and over</b>          | <b>393,748</b>                                   | <b>72.9%</b>  | <b>970,945</b>                                 | <b>72.5%</b>  |
| <b>62 years and over</b>          | <b>90,967</b>                                    | <b>16.8%</b>  | <b>228,453</b>                                 | <b>17.1%</b>  |
| <b>65 years and over</b>          | <b>77,622</b>                                    | <b>14.4%</b>  | <b>194,378</b>                                 | <b>14.5%</b>  |

\*Includes persons living in Canada, 1996 and 2001. All other figures in table based only on populations within the United States.

Sources: "Profiles of General Demographic Characteristics 2000", U.S. Census Bureau.

"A National Overview: Population and Dwelling Counts", Statistics Canada.

**Table A8. Education and marital status of the population within 150 miles of the proposed racino in Bangor, Maine.**

|  | <i>Between 100 and 150<br/>miles from Bangor</i> | <i>Between 0 and 150<br/>miles from Bangor</i> |
|--|--|--|
|--|--|--|

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**Educational attainment among  
population age 25 and older**

|                                     |                |               |                |               |
|-------------------------------------|----------------|---------------|----------------|---------------|
| Less than 9th grade                 | 18,697         | 5.0%          | 48,663         | 5.3%          |
| 9th to 12th grade, no diploma       | 32,793         | 8.8%          | 85,514         | 9.3%          |
| High school graduate                | 124,073        | 33.3%         | 330,452        | 36.1%         |
| Some college, no degree             | 72,580         | 19.5%         | 173,667        | 19.0%         |
| Associate degree                    | 30,768         | 8.3%          | 68,487         | 7.5%          |
| Bachelor's degree                   | 62,015         | 16.7%         | 136,097        | 14.9%         |
| Graduate degree                     | 31,204         | 8.4%          | 72,304         | 7.9%          |
| <b>Total</b>                        | <b>372,130</b> | <b>100.0%</b> | <b>915,184</b> | <b>100.0%</b> |
| Percent high school or higher       |                | 75.3%         |                | 85.3%         |
| Percent bachelor's degree of higher |                | 25.1%         |                | 22.8%         |

**Marital status of the population age 15  
and older**

|                               |                |               |                  |               |
|-------------------------------|----------------|---------------|------------------|---------------|
| Never married                 | 106,801        | 24.5%         | 256,608          | 23.8%         |
| Now married, except separated | 243,901        | 56.1%         | 608,933          | 56.4%         |
| Separated                     | 5,061          | 1.2%          | 13,070           | 1.2%          |
| Widowed                       | 30,624         | 7.0%          | 77,068           | 7.1%          |
| Divorced                      | 48,744         | 11.2%         | 124,722          | 11.5%         |
| <b>Total</b>                  | <b>435,131</b> | <b>100.0%</b> | <b>1,080,401</b> | <b>100.0%</b> |

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Source: "Profiles of General Demographic Characteristics 2000", U.S. Census Bureau.

**Table A9. Occupation and income of the population within 150 miles of the proposed racino in Bangor, Maine.**

|  | <i>Between 100 and 150<br/>miles from Bangor</i> |               | <i>Between 0 and 150<br/>miles from Bangor</i> |               |
|--|--|---------------|--|---------------|
| <b>Occupations of the employed population age 16 and older</b> |  |               |  |               |
| Management and professional                                    | 89,354   | 32.6%         | 205,864  | 31.3%         |
| Service  | 42,022   | 15.3%         | 101,671  | 15.5%         |
| Sales and office work  | 73,855   | 26.9%         | 170,269  | 25.9%         |
| Farming, fishing, and forestry                                 | 2,494  | 0.9%          | 10,505   | 1.6%          |
| Construction, extraction and maintenance                       | 26,336   | 9.6%          | 68,391   | 10.4%         |
| Production, and transportation                                 | 40,405   | 14.7%         | 100,949  | 15.3%         |
| <b>Total</b>   | <b>274,466</b>                                   | <b>100.0%</b> | <b>657,649</b>                                 | <b>100.0%</b> |
| <b>Household income in 1999</b>                                |  |               |  |               |
| Less than \$10,000   | 19,391   | 8.8%          | 54,909   | 10.1%         |
| \$10,000 to \$14,999   | 14,434   | 6.5%          | 40,828   | 7.5%          |
| \$15,000 to \$24,999   | 30,477   | 13.8%         | 80,688   | 14.8%         |
| \$25,000 to \$34,999   | 29,909   | 13.6%         | 77,364   | 14.2%         |
| \$35,000 to \$49,999   | 40,871   | 18.5%         | 100,845  | 18.5%         |
| \$50,000 to \$74,999   | 46,465   | 21.1%         | 106,283  | 19.5%         |
| \$75,000 to \$99,999   | 20,425   | 9.3%          | 45,296   | 8.3%          |
| \$100,000 to \$149,999   | 11,857   | 5.4%          | 25,593   | 4.7%          |
| \$150,000 to \$199,999   | 3,129  | 1.4%          | 6,263  | 1.1%          |
| \$200,000 or more  | 3,550  | 1.6%          | 7,127  | 1.3%          |
| <b>Total</b>   | <b>220,508</b>                                   | <b>100.0%</b> | <b>545,196</b>                                 | <b>100.0%</b> |
| <b>Median Household Income (Average of town median income)</b> | <b>41,285</b>                                    |               | <b>38,105</b>                                  |               |
| <b>Per Capita Income (Average of town per capita income)</b>   | <b>20,992</b>                                    |               | <b>19,580</b>                                  |               |

Source: "Profiles of General Demographic Characteristics 2000", U.S. Census Bureau.

**Appendix B**

**LEGISLATIVE LANGUAGE FOR STATEWIDE CITIZEN  
INITIATIVE:**

**An Act to Allow Slot Machines at Commercial Horse Racing Tracks**

LVA members -

see your

LD 1371 File

for IB language

## Appendix C

### Estimated Tourist Visitors to a Racino in Bangor, Maine

Using information from the 2000 Longwoods International study of travel and tourism in Maine, we estimated the number of tourists that are likely to visit a racino in Bangor, Maine. There were approximately 4.3 million overnight trips in Maine in 2000, and nonresidents were involved in 3.7 million (85 percent) of these trips. The average travel party had 2.5 adults, and an estimated 10 percent of all trips to Maine included an overnight stay in the Bangor region. This suggests that slightly over 914,000 adult visitors passed through Bangor in 2000. Based on the U.S. average that 12 percent of all overnight trips include a casino visit, we estimated that 109,900 out-of-state tourists would annually visit the racino while in the Bangor region.

**Table C1. Estimation of tourist visitors to a racino located in Bangor, Maine.**

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|  |           |
|--|-----------|
| <b>Marketable overnight pleasure trips in Maine</b>                                | 4,300,000 |
| <b>Origin of visitors on overnight trips to Maine</b>                              |           |
| Maine residents  | 15%       |
| Non-residents  | 85%       |
| <b>Average number of adults in travel party – Maine</b>                            | 2.5       |
| <b>Percent of overnight trips that include a stay in Bangor</b>                    | 10%       |
| <b>Percent of overnight trips in the United States that include a casino visit</b> | 12%       |
| <b>Estimated nonresident casino visitors</b>                                       | 109,908   |

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*Source: Longwoods International. Travel and Tourism in Maine: 2000 Visitor Study*