



NATHAN
ASSOCIATES INC.

M E M O R A N D U M

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To: Concerned Parties

From: Alan Meister and Clyde Barrow

Subject: Potential Direct Economic Impact of Proposed Medford Casino on Jackson County

We understand that the Coquille Indian Tribe has stated that it will create 233 direct jobs and \$9.65 million in wages (including benefits) at the proposed Medford casino if it opens. However, based on a comprehensive analysis, Nathan Associates finds that this amount is vastly overstated and it fails to recognize that a large number of these jobs are not new to Jackson County as they will merely replace jobs that are lost at video lottery terminal (VLT) establishments.

As shown in the table below, after correcting for these issues, we estimate that the proposed Medford casino would directly create only a **net increase of 11 new jobs and \$489,000 in new wages and benefits.**

Potential Direct Economic Impact of Proposed Medford Casino on Jackson County		
	Jobs	Wages
Medford Casino	128	\$5,687,602
VLT Establishments	(117)	(\$5,198,824)
Total Jackson County	11	\$488,778
Sources: Coquille Indian Tribe Memorandum (7/18/13); and Nathan Associates analysis.		

First, the Coquille Tribe has assumed too many employees for such a small gaming facility with only Class II machines and limited amenities, assuming one employee for every \$137,000 of revenue (Coquille Tribe documents estimate annual revenue of \$32 million for the facility). In our experience, gaming machine only facilities similar to the proposed Medford casino have an approximately one employee for every \$250,000 of revenue. As shown in the first row of the table, using a ratio of 1 employee per \$250,000 of revenue means that the proposed casino would directly employ 128 people, not 233. Wages and benefits associated with the 128 jobs is estimated to be \$5.69 million per year.

Second, the Coquille Tribe has failed to take into account that the introduction of the proposed Medford casino will have a significant negative impact on nearby VLT establishments that offer gaming machines. As shown in the second row of the table, we determined through a comprehensive market analysis that the introduction of the proposed Medford casino would lead to the closure of a number of nearby video lottery establishments and the loss of 117 direct jobs. Lost wages and benefits associated with the 117 lost jobs is estimated to be \$5.20 million per year.

Taking into account the above, the net change in jobs and wages and benefits in Jackson County as a result of the proposed casino would be computed in the third row of the table as the difference between the first and second rows.