

Economic Development Action Plan:
Opportunities Related to Wynn Boston Harbor
Casino Resort
Town of Saugus, MA

September 2017

Prepared for:

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About Camoin Associates

Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of \$600 million. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 29 states and garnered attention from national media outlets including *Marketplace* (NPR), *Forbes* magazine, and *The Wall Street Journal*. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. We are based in Saratoga Springs, NY, with regional offices in Cambridge, MA; Portland, ME; and Brattleboro, VT. To learn more about our experience and projects in all of our service lines, please visit our website at www.camoinassociates.com. You can also find us on Twitter [@camoinassociate](https://twitter.com/camoinassociate) and on [Facebook](https://www.facebook.com/camoinassociates).

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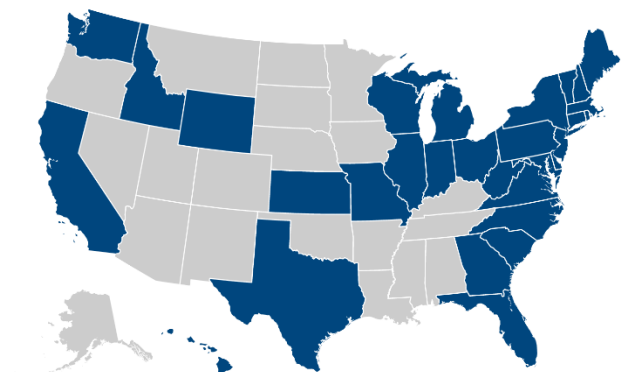


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Executive Summary

In 2016, Wynn, MA LLC was granted approval by the Massachusetts Gaming Commission (MGC) to build a full-service casino resort in the City of Everett, to be known as Wynn Boston Harbor. Due to its proximity to the casino site, the Town of Saugus engaged Camoin Associates to prepare an analysis of the potential economic impact this new development could have on Saugus businesses, as well as an Action Plan for capturing these economic benefits.

As part of this work, Camoin completed a demographic and economic base analysis of the Town, conducted background research on the casino industry, reviewed casino application filings, interviewed knowledgeable stakeholders, and quantified potential impacts through economic modeling. These efforts culminated in the identification of three key opportunity areas through which the Town may leverage the economic benefits of the casino:

1. **Employment** – Saugus residents will be among those hired by Wynn to fill the thousands of positions created by the casino. These employees will spend a portion of their wages in Saugus and support the local economy.
2. **Supply Chain** – Wynn will make millions of dollars in purchases each year from the region’s businesses in order to operate the casino resort. Saugus businesses have an opportunity to become vendors, allowing the Town to capture a portion of the casino’s spending.
3. **Visitation** – Saugus has an opportunity to attract casino patrons to the Town. These visitors will visit local attractions, spend money at stores and restaurants, and stay in hotels.

Camoin modeled economic impacts related to these opportunity areas under a low case and high case, as presented in the following tables. Total annual economic impacts (i.e. new sales at Saugus businesses) are likely to range from about \$2 million under the low case to close to \$10 million under the high case.

Summary of Economic Impact - Low Case			
	Direct	Indirect	Total
Jobs	21	0	21
Earnings	\$ 515,307	\$ 25,373	\$ 540,680
Sales	\$ 1,859,900	\$ 116,596	\$ 1,976,497

Source: EMSI, Camoin Associates

Summary of Economic Impact - High Case			
	Direct	Indirect	Total
Jobs	103	4	107
Earnings	\$ 3,494,875	\$ 156,312	\$ 3,651,187
Sales	\$ 9,165,879	\$ 570,693	\$ 9,736,572

Source: EMSI, Camoin Associates

Working with the Town, Camoin developed an Action Plan that lays out steps for the Town to capture the full \$10 million in potential annual economic benefits, the high case. If no specific efforts are made by the Town and the status quo continues, the low case will be the likely result. The concrete actions that comprise the plan are designed to ensure that the Town can fully realize the unique opportunity presented by the casino development. The actions are prioritized chronologically below and presented in greater detail within the full report that follows (see page 23). It is important to note that many of these recommendations serve not only to capture casino-related benefits, but also advance the Town’s general economic development efforts overall.

Implementation of the Plan

Camoin recommends that the Town adopt a resolution to implement the goals and actions laid out in the Action Plan. In order to be effective, the Town will need to commit sufficient resources and provide a mandate to the appropriate organization in charge of the plan's implementation. We recommend that the Town designate the Town's Economic Development Commission (EDC) as the lead implementer, supported by a new half-time or contract staff position overseen by the Planning and Development Department. The initial funding of this position would be seeded through existing and/or immediate grants, with ongoing funding supplemented through implementation efforts. However, we recommend that the Town commit to funding any potential additional need for a period of three years until the organization/position achieves sustainability. The Economic Development Commission would undertake the Action Plan with the support of the new staff position and it would report to the Town on progress every six months.

Implementation Schedule

The following schedule lays out a timeline for completing the recommended actions. Numbers found in parentheses after each item correspond to actions within the Action Plan Matrix (see page 23).

Immediate

- Adopt the Action Plan and task the Economic Development Commission with carrying it out.
- Create and fill a position to provide staff support to the EDC.
- Develop a structure for regular meetings and reporting on progress every six months.

Ongoing

- Develop the Riverwalk into a destination with visitor amenities. (3.1.1)
- Prioritize development that emphasizes sense of place over highway-oriented development. (3.1.4)
- Encourage development of non-chain retail and restaurants. Actively recruit successful entrepreneurs to open locations in Saugus. (3.1.5)
- Improve physical connections, including bike/pedestrian amenities and signage, between Ironworks, downtown Saugus, Riverwalk, parks, etc. (3.3.2)

2017 Q4

- Evaluate whether the Saugus workforce has the skills required for jobs at the casino. (1.1.1)
- Inventory existing training programs that would prepare the workforce for open positions. Develop any additional training programs that are needed. (1.1.2)
- Guide businesses through the process of becoming a casino vendor, including registration with the Massachusetts Gaming Commission. (2.1.1)
- Spread the word about opportunities for specific types of businesses. (2.2.2)

2018 Q1

- Inform job seekers about casino positions. (1.2.1)
- Engage the casino to participate in job fairs and/or organize and host a casino job fair in Saugus. (1.2.2)
- Inform / engage high schools and community colleges about opportunities for part-time / seasonal work and training programs. (1.2.3)

2018 Q2

- Develop a strategy for promoting the Town's natural and historic amenities. (3.1.3)
- Develop a strategy for cross-promoting visitor attractions within the Town. (3.3.1)

2018 Q3

- Evaluate transportation options between Saugus and the casino site. (1.3.1)
- Create a visible identity for the town through signage along major thoroughfares. (3.2.1)
- Take advantage of increased traffic by adding wayfinding signage for major attractions. (3.2.2)

2018 Q4

- Develop a strategy for encouraging hotel/meeting space development. Identify suitable sites and market to developers. (3.1.6)

2019

- Create a carpooling hub for Saugus residents employed at the casino. (1.3.2)
- Expand programming at the Saugus Ironworks and lengthen visitation season. (3.1.2)
- Promote Saugus businesses and attractions through Wynn's "concierge program." (3.2.3)

Introduction

In 2016, Wynn, MA LLC was granted approval by the Massachusetts Gaming Commission (MGC) to build a full-service casino resort in the City of Everett, Massachusetts, to be known as Wynn Boston Harbor. Due to its proximity to the casino site, the Town of Saugus, Massachusetts has engaged Camoin Associates to prepare both an analysis of the potential economic impact this new development could have on Saugus businesses, as well as an Action Plan for capturing these economic benefits.

Work Completed

Camoin Associates gathered and analyzed demographic and economic data on the Town of Saugus to provide context for the potential economic impacts of the casino. Key statistics on resident age, education, income, and commuting patterns were compiled and compared to the Boston metro area, Massachusetts, and the nation. In addition, we performed an economic base analysis to profile the Town's key industries in terms of contribution to gross regional product (GRP) and employment.

Camoin also conducted background research on the casino industry to gain an understanding of community impacts and the industry's supply chain. Application materials and other filings from Wynn, MA LLC to the Massachusetts Gaming Commission with respect to casino development programming and economic development impacts were reviewed, as well as Wynn's agreements with the designated host and neighboring communities. See Appendix F for supporting documents.

To supplement research and data analysis, we conducted interviews with various stakeholders with knowledge of potential impacts of Wynn on Saugus. Interviewees included real estate developers, workforce development professionals, tourism professionals, and other stakeholders.

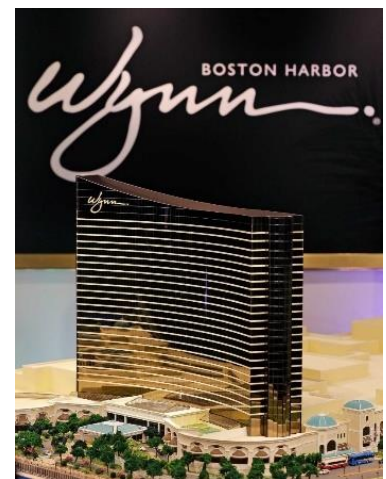
Based on information learned from research and interviews, we developed estimates of how the casino will impact sales at Saugus businesses, as well as associated jobs and earnings. Using the input-output model from Economic Modeling Specialists Intl. (EMSI), we determined the indirect impacts of these sales on Saugus as these dollars ripple through the local economy, i.e. the so-called "multiplier effect."

As a final step, Camoin worked with the Town to develop an Action Plan that identifies discrete, implementable actions the Town can take to ensure that it captures the full economic benefits of the casino.

Key Findings

Billed as a five-star waterfront resort accessible by land and sea, Wynn Boston Harbor is well underway and scheduled to open on June 24, 2019. With a total price tag of \$2.4 billion, Wynn Resorts has described it as "the largest private single-phase construction project in the history of the Commonwealth of Massachusetts." It is being constructed on a 33-acre parcel along the Mystic River in Everett. According to Wynn's most recent filings, the project will consist of the following components:¹

- 671 hotel rooms (663,000+ SF hotel tower)
- 4,400+ gaming positions (206,400+ SF of gaming space)
- 9,000+ SF of retail space



¹ Wynn Boston Harbor Notice of Project Change. EOEEA #15060. Submitted to Executive Office of Energy and Environmental Affairs, February 28, 2017.

- 105,000+ SF of food/beverage space
- 60,000+ SF of meeting space
- 26,000+ SF spa/gym
- 3,700+ parking spaces (2,900 on-site + 800 off-site)
- Total gross floor area of over 3.1 million SF
- Landscape and open space amenities, including public Harborwalk along the Mystic River/Boston Harbor

For more information about Wynn in the context of the casino industry nationally, see Appendix A.

Demographics

Key findings from a demographic analysis of the Town are as follows:

- In contrast to slowing population growth in the Boston MSA and the US, Saugus is expected to see a faster rate of growth between 2016 and 2021 (3%) than between 2010 and 2016 (1.9%).
- Median household income in Saugus (\$77,700) is on par with that of the Boston region (\$76,800).
- The median age of Saugus residents (45.3 years) is 6 years older than that of the Boston MSA (39.2), nearly 5 years older than that of all of Massachusetts (39.8), nearly 7 years older than the median age of the United States (38.0).
- Educational attainment in Saugus is lower than in the Boston MSA, with 27% of Saugus residents holding a bachelor's degree or higher, compared to 46% in the MSA.
- Of 14,462 employed residents in Saugus, 13,208 (91%) commute out of town for work. Another 8,452 workers commute from elsewhere to jobs in Saugus, while 1,254 people both work and reside in the Town.
- More than 90% of Saugus residents who earn wages similar to those anticipated for Everett Casino employees commute by car, either alone or as part of a carpool.

See Appendix B for detailed demographic information.

Economic Base

Key findings from an economic base analysis of the Town are as follows:

- 10-year projections anticipate a slowing down in job growth over the next decade. Though the net number of jobs in Saugus grew by 743 between 2007 and 2017 (a 6.1% growth in jobs, driven by Food Service and Health Care), only 192 net jobs (or 1.5% in growth) are expected to be added town-wide over the next 10 years. It is anticipated that this slowed growth will be driven by a loss of retail jobs.
- Saugus has a concentration of retail industry employment over three times as great as that of the US.
- Behind retail, food service is a major employment driver, with food service-related jobs being twice as concentrated in Saugus as elsewhere in the US. 7 of the top 25 occupations in Saugus are in food service.

See Appendix C for detailed economic base information.

Economic Opportunities

There are 3 major categories of economic opportunities for Saugus related to the casino:

4. **Employment** – Saugus residents will be among those hired by Wynn to fill the thousands of positions created by the casino. These employees will spend a portion of their wages in Saugus and support the local economy.
5. **Supply Chain** – Wynn will make millions of dollars in purchases each year from the region’s businesses in order to operate the casino resort. Saugus businesses have an opportunity to become vendors, allowing the Town to capture a portion of the casino’s spending.
6. **Visitation** – Saugus has an opportunity to attract casino patrons to the Town. These visitors will visit local attractions, spend money at stores and restaurants, and stay in hotels.



Employment

Once operational, Wynn Boston Harbor will employ approximately 4,382 total employees, or 3,287 full-time equivalent employees (FTEs). Of these, approximately 20% will be supervisory level or above. The average FTE annual salary is expected to be in the \$41,500 range, excluding tips, which equates to \$136.1 million in total annual salary payments. When including taxes and benefits, payroll-and-benefit compensation will average approximately \$51,750 per FTE, or \$170.1 million in total compensation.² Job opportunities will be varied across an array of professions and industries, including hotel management, guest services, information and technology, dining services, gaming operations, marketing, human resources, and others.

Wynn, MA LLC, the project developer, has entered into community agreements with several nearby cities and towns, including the host city of Everett. Among other terms and conditions, the agreements lay out terms for preferential hiring of residents of these communities, which were selected based on workforce demographics and suitability for employment at Wynn. Wynn agrees to give “reasonable preference to properly qualified residents” of Everett, with Malden residents given secondary preference. Residents of Boston (and in particular, the residents of Boston’s Charlestown neighborhood), Cambridge, Chelsea, Medford, and Somerville will be given tertiary hiring preference.

Because Saugus was not designated as a “surrounding community,” Saugus residents are at a disadvantage when it comes to seeking employment at Wynn. Wynn will only be able to consider residents of non-“surrounding” communities after it has made reasonable attempts to hire residents in the above-listed communities. It is also important to note that Wynn has agreed to work with the region’s non-profits to establish job readiness training programs to increase the hireability of the workforce in the designated surrounding communities.

Table 1 shows the number of unemployed workers and the unemployment rate for each of these communities. Low unemployment rates in the region suggest that Wynn may have to broaden its search to residents beyond the “surrounding communities.” Only a portion of these unemployed workers will be deemed qualified depending on the skills and education level required for each position, and others may not be interested in the positions offered or

² Wynn MA, LLC RFA-2 Application to Massachusetts Gaming Commission. Section 3-02-01.

not be willing or able to commute to Everett. The attractiveness of positions at Wynn will depend heavily on how wages compare to other jobs with similar skill requirements in the region.

Table 1: Host & Surrounding Community Labor Force Data, May 2017

Host & Surrounding Community Labor Force Data, May 2017					
Hiring Preference	Community	Labor Force	Employed	Unemployed	Unemployment Rate
1	Everett	26,080	25,147	933	3.6
2	Malden	34,017	32,704	1,313	3.9
3	Boston	376,818	362,099	14,719	3.9
3	Cambridge	66,551	64,635	1,916	2.9
3	Chelsea	20,163	19,383	780	3.9
3	Medford	34,278	33,057	1,221	3.6
3	Somerville	51,807	50,345	1,462	2.8
	Total	609,714	587,370	22,344	3.8
-	Saugus	16,126	15,474	652	4.0

Source: Massachusetts Executive Office of Labor and Workforce Development

According to the North Shore Workforce Investment Board (WIB), the labor market for jobs in the accommodations and retail industries is very tight. The abundance of job opportunities in these and other industries has left businesses “desperate” to hire and retain workers. As such, the WIB anticipates substantial job opportunities at Wynn for residents of Saugus and other North Shore communities. The casino could even lead to the poaching of workers from existing Saugus businesses that offer less competitive pay, leaving these businesses to contend with further job vacancies.

Supply Chain

In its application and community agreements, Wynn commits to supporting local businesses by not only stimulating economic activity in the area but also sourcing goods and services directly from local communities. Wynn is committed to supporting the local business community through a robust local procurement program, including training initiatives to enable local businesses to grow and compete for these opportunities. In its application, Wynn states that the “overwhelming majority” of an estimated \$80 million in annual spend on goods and services for the casino resort will be purchased locally. Wynn will spend an additional \$30-\$40 million in annual maintenance expenditures, for a total of \$110-\$120 million per year. Wynn’s preference is to deal with local vendors and distributors and will offer a “first and last look” to all local suppliers and distributors. In the case that a particular supply is not available locally, Wynn will work with local distributors to bring the item to market. All procurement contracts will be competitively bid. Wynn states that it will partner with local chambers of commerce and other interested organizations to support the growth and expansion of local businesses in host and surrounding communities.³

According to Wynn, the estimated \$80 million in annual spend will include goods and service in the following major categories:

- Food and beverage
- General operating supplies

³ Wynn MA, LLC RFA-2 Application to Massachusetts Gaming Commission. Section 3-16-01.

- Repairs and maintenance
- Uniforms, linens, and laundering
- Outside services⁴
- Communications
- Information technology
- Bus program
- Retail inventory

Wynn will host several vendor fairs specifically targeted to business owners in the designated host and surrounding communities for the purpose of informing vendors of its needs and the details of its procurement process.⁵ Some of these fairs have already occurred.

Through its host and surrounding community agreements, Wynn has committed to making a “good faith effort” to make minimum purchases from vendors with a principal place of business in the subject communities. These commitments are laid out in Table 2. Note that no minimums exist for Everett and Cambridge. In addition, Wynn has agreed to include vouchers and gift certificates to local businesses as part of some of its guest rewards programs, such as frequent guest, loyalty and/or similar programs.

Table 2: Annual Community Spend Commitments

Annual Community Spend Commitments			
	Vendor Spend	Vouchers/ Gift Certificates	Total
Everett	"good faith effort"	\$ 50,000	\$ 50,000
Boston	\$ 20,000,000	\$ -	\$ 20,000,000
Cambridge	"good faith effort"	\$ -	\$ -
Chelsea	\$ 2,500,000	\$ -	\$ 2,500,000
Malden	\$ 10,000,000	\$ 25,000	\$ 10,025,000
Medford	\$ 10,000,000	\$ 25,000	\$ 10,025,000
Somerville	\$ 10,000,000	\$ 25,000	\$ 10,025,000
Total	\$ 52,500,000	\$ 125,000	\$ 52,625,000

Source: Host and Surrounding Community Agreements

In total, Wynn has committed to spending almost \$53 million in these communities annually. This is less than half of the approximately \$110 million it estimates it will spend in its application to the Gaming Commission. The remaining \$57 million is spending that can occur at vendors in other communities, such as Saugus.

The amount of supply chain spending that Saugus will be able to capture will depend on whether the Town’s existing businesses are able to deliver the goods and services that the casino needs. Key supplying industries will include wholesalers and distributors of food and beverage and retail inventory, food service contractors, janitorial and landscaping services, professional services (legal, advertising, insurance, real estate, etc.), and information technology. See Appendix C for detailed statistics on Saugus’s existing economic base.

⁴ “Outside services” typically includes janitorial/custodial services, landscaping/gardening services, trash removal, snow removal, security and burglar alarm services, and other services typically performed by specialists that would not be employed directly by the casino

⁵ Wynn MA, LLC RFA-2 Application to Massachusetts Gaming Commission. Section 3-17-01.

Visitation and Tourism

Promoting and supporting visitation and tourism in Saugus is critical for capturing the economic benefits of Wynn Boston Harbor. By positioning itself as a regional destination for shopping, recreation, and other amenities, the Town has an opportunity to attract casino resort patrons who may be interested in off-site activities. Some patrons will seek out activities other than gambling while they are in the Boston area. For example, attendees of conventions and meetings held at the casino who are uninterested in gambling will look for other things to do in the area during unprogrammed time. Other patrons may be visiting the casino resort primarily for gambling but may be traveling with others in their party who would prefer alternate activities.

Wynn has developed a proprietary “concierge program” for the purpose of cross-marketing the region’s cultural, historical, and entertainment attractions. Through the program, Wynn will direct its guests to other attractions throughout the region. While visiting these attractions, guests will likely patronize local restaurants, retail, and hotel facilities.⁶ Saugus businesses and tourism venues may want to participate in this program in order to drive visitation.

Retail and Restaurants

Currently, Saugus is home to a large number of retail stores, primarily along the Route 1 corridor. The Retail Trade sector (excluding food services) accounts for 21% of the Town’s gross regional product (GRP), with Accommodations and Food Services⁷ accounting for an additional 7%. In comparison, these sectors amount to just 4% and 2%, respectively, of the GRP of the Boston MSA as a whole. In terms of employment, Retail Trade and Accommodations and Food Services account for 6,500 jobs, or *half* of all employment in Saugus.⁸

According to CoStar data reported by FXM Associates, there are 3.4 million square feet of space in the Town, with the vast majority clustered on Route 1.⁹ Major retail establishments along Route 1 include the Square One mall; big-box chains including Walmart, Target, Lowe’s, and Home Depot; casual restaurant chains such as Buffalo Wild Wings, Fuddruckers, Chipotle, Panera, McDonalds, and Burger King; and a handful of well-established local restaurant landmarks.

The Town’s success in capturing retail and restaurant spending from Wynn patrons will depend on its ability to offer unique experiences to shoppers and diners. Route 1 is dominated by national chain stores which are by definition not unique to Saugus. These stores may enjoy a small increase in sales from casino patrons on their way to or from the casino, but most of these purchases will be convenience items, gas, or quick meals.

To realize the full potential economic benefits from the casino, Saugus will have to increase its offering of destination shopping and dining that appeals to casino guests and lures them off of Route 1 to spend time in Saugus rather than simply pass through the Town. This includes not only refreshing retail offerings on Route 1 itself, but also working to revitalize other commercial nodes within the Town, such as downtown Saugus, Cliftdale, and the recently rezoned RiverWalk area.

Given very low retail vacancy rates in recent years, positive absorption, and strong rents, FXM concludes that the retail market in Saugus is strong and shows good prospects for additions to the current supply. A retail leakage analysis shows the potential for over 1.4 million square feet of potentially supportable retail space in the regional trade area, defined as the area within a 10-to-15-minute drive time of the Town. FXM conservatively estimates that Saugus could capture about 3% of this potentially supportable retail space, or about 46,000 square feet, at the

⁶ Wynn MA, LLC RFA-2 Application to Massachusetts Gaming Commission. Section 3-18-01.

⁷ Includes hotels, restaurants, and other similar industries

⁸ Source: EMSI 2017.2

⁹ Potential Economic Impacts of a RiverWalk in Saugus. Technical Memorandum. 2017. FXM Associates.

Riverwalk area, which was the focus of the firm’s analysis. Additional retail potential could likely be captured in the Town’s other commercial areas.¹⁰

Hotels

Saugus currently has a handful of limited-service hotels located along Route 1, including low- to mid-range chains such as Holiday Inn Express, Red Roof PLUS+, and Quality Inn. There are also several smaller independent motels and inns. Saugus currently has an inventory of 329 rooms. Under development are a 150-room boutique luxury hotel and a 130-room extended-stay hotel at the proposed Essex Landing site, as well as a 126-room WoodSpring-branded extended-stay hotel farther north on Route 1. Together, these developments would increase the Town’s hotel stock to 735 rooms.

As evidenced by these new hotel developments underway plus input from local developers, the regional hotel market is strong and presents economic opportunities for Saugus. Demand will only rise once the casino resort is built and patrons seeking lower room rates look to hotels in areas farther away, like Saugus. While the existing hotel stock is fairly generic, the hotel at Essex Landing will offer a full-service experience integrated into a mixed-use village-style development and will likely succeed in attracting would-be casino hotel guests. The Essex Landing hotel would offer luxury accommodations that are not currently present in Saugus. Additional higher-end hotel development will likely be viable once the casino has opened.

Pipeline Development

Route 1 has seen new private investment recently, with two major developments that will modernize the corridor’s amenities and character. Essex Landing, planned for the southbound side of Route 1 near the Town line, will feature 100,000 square feet of retail space, five food and beverage establishments, a 150-room four-star, four-diamond hotel, a 130-room extended-stay hotel, along with 256 one-bedroom apartments and outdoor amenities.¹¹ The focus of the project is around creating a strong sense of place that will be a destination unto itself. Located about 6 miles from the casino site, the development is expected to serve casino patrons seeking somewhat more affordable lodging relative to the on-site casino hotel, as well as those patrons who are passing through Saugus in search of unique dining and shopping options. Project completion is expected in Fall 2017/Winter 2018.

AvalonBay Communities recently closed a deal to purchase the site of the former Hilltop Steak House on Route 1. A \$100 million mixed-use development is proposed for the site, to include 24,000 square feet of retail space and 280 studio, one-bedroom, and two-bedroom apartments.¹²

Recreation

In addition to shopping, restaurants, and hotels, Saugus has existing and planned recreational assets that, if positioned and marketed effectively, can serve as further draws to the Town. The recreational asset in Saugus with the strongest drawing power is the Saugus Ironworks, a National Historic Site operated by the National Park Service. Its national significance as an early Colonial manufacturing operation attracts visitors from around the country. Approximately half of all visitors live over 50 miles away from the site. For the last decade or so, the site has been operational only during the summer season (May through October). Visitation has remained steady at about 10,000 visitors annually, with visitors typically spending 2 to 3 hours onsite.

¹⁰ In a retail leakage analysis, the existing retail sales (“supply”) of trade area businesses are compared to the estimated retail spending of trade area residents (“demand”). The difference between demand and supply is referred to as the “retail gap.” Camoin Associates was not tasked with evaluating the development potential for additional retail in Saugus, though we determine FXM’s analysis to be reasonable.

¹¹ Essex Landing development website. <http://www.essexlanding.com>.

¹² “Hilltop sold for \$17.2M.” Itemlive.com. <http://www.itemlive.com/news/hilltop-sold-for-17-2m/>.

Despite its location just a quarter mile north of the traffic circle at Main Street and Central Street, the Ironworks is not well integrated into the Town. Ironworks visitors tend to come solely for that attraction and do not spend time (or money) elsewhere in Saugus. While the Ironworks is certainly a unique asset, by itself, it may not be enough to lure casino visitors who may be looking for activities other than gambling. This presents an opportunity to better connect this key tourism destination with the surrounding community and create synergies that spur increased visitor spending.

Other notable recreational assets in Saugus that were mentioned in interviews include Breakheart Reservation and Prankers Pond, which offer both active and passive recreation options to visitors. While these sites are open year-round, they are unlikely to have much drawing power during the winter months. As is often the case with many New England communities with a tourism base, assets are seasonally active.

RiverWalk

Saugus is currently in the planning phases of an initiative to activate its waterfront along the Saugus River. While historically the Town was economically dependent on the river, both to power mills like the Ironworks and to serve as the domain for local commercial lobstermen, in recent decades the river has played a less significant role in the Town's economic vitality. Understanding the economic potential associated with re-connecting Town and river, Saugus has undertaken an effort to develop a RiverWalk. According to the Saugus RiverWalk Feasibility Study recently completed by Apex, the Town's strategy is to enhance public access to the river, encourage the development of new tourism-oriented businesses compatible with and supportive of the lobstering industry, and to create a seamless public pedestrian access way that connects significant public spaces and facilities along the river.¹³ The creation of a RiverWalk would support the types of uses permitted under the Waterfront Mixed Use Overlay District zoning bylaw that was adopted in 2014, including retail, restaurant, hotel, office, residential, and light industrial.

Developing the Saugus riverfront area into a visitor destination offering seafood restaurants, gift shops, boating, and other maritime uses, as well as connections to nearby Rumney Marsh Reservation and the Ironworks, would greatly strengthen Saugus's ability to attract casino patrons to the Town. While similar waterfront attractions exist elsewhere in the region, few are as close to the casino site as Saugus, presenting the Town with a unique advantage.

However, it will be essential to provide amenities that go beyond what is planned for the Harborwalk along the Mystic River at the casino site. The Wynn Harborwalk will be a four-season waterfront park offering views of the river and Boston Harbor and connect to existing paths along the shoreline. It will offer public gardens, an expansive event lawn with live music, a picnic park, and viewing decks. The Saugus RiverWalk must be sufficiently distinct from Wynn Harborwalk in order to be successful in attracting casino guests who may simply opt to take advantage of onsite riverside attractions.

Competing Attractions

It is important to state that Saugus will be competing with the entire Boston region for casino patron spending. Boston proper has a high concentration of well-known tourist attractions, including historic sites, sporting events, entertainment, recreation, etc. Moreover, Assembly Row, a large mixed-use development including outlet retail and a movie theater, is located just across the river from the casino site in Somerville. Forthcoming development phases at Assembly Row will add more retail and entertainment space. A proposed footbridge across the river connecting the casino with Assembly Row would make access for casino patrons very easy.

Therefore, it is Saugus's recreational assets, rather than its national retail chains, that are most likely the best positioned to attract casino visitors since they offer access to natural amenities not available in Boston and the immediate vicinity of the casino. Saugus's attractions also have the advantage of easy access by automobile and

¹³ "Saugus RiverWalk Feasibility Study." Prepared for Town of Saugus by Apex Companies, LLC. May 2017.

abundant parking, which may appeal to visitors who want to avoid taking public transportation to Boston attractions. This is especially important since the casino will not be directly located along a T line.



Economic Impact Analysis

The following economic impact analysis quantifies the potential impact of Wynn Boston Harbor on the Saugus’s local economy. Based on information learned from research and interviews, we developed estimates of how the casino will impact sales at Saugus businesses, as well as associated jobs and earnings. Using the input-output model from Economic Modeling Specialists Intl. (EMSI), we determined the indirect impacts of these sales on Saugus as these dollars ripple through the local economy, i.e. the so-called “multiplier effect.” It takes into account impacts in each of the major economic opportunity areas: employment, supply chain, and visitation.

It is important to stress that this analysis is an *estimate* of how economic impacts might play out, based on our research and experience. The analysis presents “high” and “low” estimates of impacts, with actual impacts expected to fall somewhere within this range. This is not an exact projection, and there is no guarantee that these impacts will occur. Economic benefits ultimately felt by Saugus’s businesses and residents are highly dependent on the Town’s efforts to fully capitalize on these opportunities, as well as factors outside the Town’s control, including operational decisions made by Wynn and the whims of its patrons.

Employment of Saugus Residents

Based on low unemployment rates in the region and conversations with the North Shore Workforce Investment Board, it is reasonable to assume that Saugus residents will be considered for positions at Wynn. We assume a low estimate of 50 Saugus hires and a high estimate of 100 Saugus hires. In other words, Saugus residents would hold approximately 1–2% of the casino resort’s 4,382 permanent jobs.

Given an annual average salary of \$41,500 and in-town spending of wages of 30-50%, these residents are expected to spend between \$600,000 and \$2.1 million at Saugus businesses annually.

Table 3: Projected Impact of Direct Employment

Projected Impact of Direct Employment		
	Low	High
Direct Employment of Saugus Residents	50	100
Average Salary	\$ 41,500	\$ 41,500
Total Earnings	\$ 2,075,000	\$ 4,150,000
Percent Spent in Saugus	30%	50%
Sales at Saugus Businesses	\$ 622,500	\$ 2,075,000

Source: Wynn, MA LLC; Esri; Camoin Associates

Under the low case, in-Town spending of new wages by residents holding casino jobs is expected to result in a total of 9 new jobs in Saugus, \$257,000 in worker earnings, and \$667,000 in sales, including both direct and indirect impacts.

Table 4: Economic Impact of New Local Spending - Low Case

Economic Impact of New Local Spending - Low Case			
	Direct	Indirect	Total
Jobs	9	0	9
Earnings	\$ 245,006	\$ 12,250	\$ 257,256
Sales	\$ 622,500	\$ 44,825	\$ 667,325

Source: EMSI, Camoin Associates

Under the high case, Saugus could see 29 new jobs at local businesses, \$850,000 in earnings, and \$2.2 million in sales.

Table 5: Economic Impact of New Local Spending - High Case

Economic Impact of New Local Spending - High Case			
	Direct	Indirect	Total
Jobs	28	1	29
Earnings	\$ 809,591	\$ 40,480	\$ 850,071
Sales	\$ 2,075,000	\$ 153,322	\$ 2,228,322

Source: EMSI, Camoin Associates

Wynn Vendor Sales

We conservatively estimate that between 1% and 5% of Wynn’s annual purchases will be sourced from Saugus vendors. This represents between \$574,000 and \$3.4 million in annual sales at Saugus businesses.

Table 6: Projected Supply Chain Impact

Projected Supply Chain Impact		
	Low	High
Total Annual Purchases by Wynn	\$ 110,000,000	\$ 120,000,000
Designated Community Spend Commitments	\$ 52,625,000	\$ 52,625,000
Remaining Spend Available to Other Communities	\$ 57,375,000	\$ 67,375,000
Percent from Saugus Businesses	1%	5%
Wynn Purchases from Saugus Businesses	\$ 573,750	\$ 3,368,750

Source: Wynn, MA LLC; Camoin Associates

Under the low case, vendor sales could result in 3 jobs, \$23,000 in earnings, and \$600,000 in sales, including both direct and indirect impacts.

Table 7: Economic Impact of New Vendor Sales - Low Case

Economic Impact of New Vendor Sales - Low Case			
	Direct	Indirect	Total
Jobs	3	0	3
Earnings	\$ 21,932	\$ 877	\$ 22,809
Sales	\$ 573,750	\$ 28,402	\$ 602,152

Source: EMSI, Camoin Associates

Under the high case, Saugus businesses could add 20 new jobs, \$1.3 million in earnings, and \$3.5 million in sales.

Table 8: Economic Impact of New Vendor Sales - High Case

Economic Impact of New Vendor Sales - High Case			
	Direct	Indirect	Total
Jobs	19	1	20
Earnings	\$ 1,246,489	\$ 49,860	\$ 1,296,349
Sales	\$ 3,368,750	\$ 166,731	\$ 3,535,481

Source: EMSI, Camoin Associates

Convenience Spending

Increased traffic along Route 1 in Saugus as a result of the casino will have a direct result on spending at Saugus businesses as casino patrons stop to purchase convenience items, gas, and meals. We assume that the increase in sales at convenience-type establishments will be directly proportional to the increase in average daily trips along the corridor. According to Wynn project filings, 9% of vehicle trips generated by the casino will be distributed to Route 1, or about 1,500 daily trips. This represents a 1.3% increase over the 108,500 daily trips currently occurring along the corridor.¹⁴

Annual sales at convenience retail and restaurant sales at businesses on Route 1 in Saugus are approximately \$89 million.¹⁵ The following types of establishments were included in this category: health and personal care stores (e.g. CVS, Walgreens); gasoline stations; beer, wine, and liquor stores; and all restaurants. Applying a 1.3% increase results in about \$1.2 million in additional sales at Saugus businesses resulting from convenience purchases by casino patrons.

Table 9: Project Impact on Convenience Retail and Restaurants

Projected Impact on Convenience Retail and Restaurants	
2016 Average Daily Trips, Rt. 1 Saugus	108,500
Average Daily Trips to Be Generated by Wynn*	16,100
Trip Distribution, Rt. 1	9%
Additional Daily Trips via Rt. 1 Saugus	1,449
Percent Increase	1.3%
Annual Sales, Rt. 1 Convenience Retail and Restaurants	\$ 89,046,562
Estimated Increase in Sales	\$ 1,189,202

*Wynn MA, LLC provided average daily vehicle trips only for Friday (17,550) and Saturday (20,566). Trips for other days were estimated based on factors from national casino trip generation data.

Source: Esri, Notice of Project Change Filing by Wynn, MA LLC

For the purposes of impact modeling, we will assume a high case of \$1.5 million and a low case of \$500,000.

Table 10: Saugus Convenience Sales Potential

Saugus Convenience Sales Potential		
	Low	High
Convenience Sales	\$ 500,000	\$ 1,500,000

Source: Camoin Associates

Assuming the low case, there would be 7 new jobs, \$195,000 in earnings, and \$534,000 in sales in Saugus resulting from convenience sales at Route 1 businesses.

¹⁴ Average of vehicle counts at various points along the Saugus segment of Route 1, as provided by Esri.

¹⁵ The \$89 million in annual sales at convenience retail and restaurant businesses represent 16% of all retail and restaurants sales (\$541 million) along Route 1 in Saugus. Source: Esri Business Analyst Online.

Table 11: Economic Impact of New Convenience Sales in Saugus – Low Case

Economic Impact of New Convenience Sales - Low Case			
	Direct	Indirect	Total
Jobs	7	0	7
Earnings	\$ 185,341	\$ 9,267	\$ 194,608
Sales	\$ 500,000	\$ 32,945	\$ 532,945

Source: EMSI, Camoin Associates

The high case would result in 20 new jobs, \$584,000 in earnings, and \$1.6 million in sales.

Table 12: Economic Impact of New Convenience Sales in Saugus – High Case

Economic Impact of New Convenience Sales - High Case			
	Direct	Indirect	Total
Jobs	19	1	20
Earnings	\$ 556,025	\$ 27,801	\$ 583,826
Sales	\$ 1,500,000	\$ 98,836	\$ 1,598,836

Source: EMSI, Camoin Associates

Hotel Demand

According to the Gaming Market Assessment report submitted as part of Wynn MA, LLC’s application, the estimated demand for room-nights at Wynn is 292,415 annually.¹⁶ At the time of the application, a 500-room hotel was being proposed, which was projected to accommodate 165,811 room-nights, or 57% of demand. Wynn has since revised its programming to increase the number of hotel rooms from 500 to 671, a 34% increase. In order to adjust the forecasted number of accommodated room-nights at Wynn, Camoin Associates modified assumptions presented in the application as follows:

- Wynn still accommodates 100% of the “high-yield international gamer” demand segment
- The 34% increase in number of rooms results in a similar increase in “local lodging market capture,” i.e., those staying in the region for reasons other than gaming. This is a jump from 25% of room-nights accommodated to 34%.
- Assuming an overall hotel occupancy rate of 85%, which is line with Wynn’s projections, the remaining accommodated room-nights are assigned to local gamers.

¹⁶ Wynn MA, LLC RFA-2 Application to Massachusetts Gaming Commission. Section 3-01-03. “Wynn Everett Gaming Market Assessment.” TMG Consulting. November 2013.

Table 13: Projection of Accommodated Room-Nights of Demand (671-room hotel)

Projection of Accommodated Room-Nights of Demand (671-room hotel)			
Demand Segment	Est. Demand (Room-Nights)	Pct. Accommodated at Wynn	Accommodated Room-Nights at Wynn
Local Gamers	200,665	87%	175,263
Local Lodging Market Capture	88,540	34%	29,705
High-Yield International Gamers	3,210	100%	3,210
Total	292,415	71%	208,178

Source: Camoin Associates

Approximately 13% of the “local gamer” hotel demand segment will be accommodated outside of Wynn, amounting to 25,402 room-nights annually that could potentially be captured by other hotels. In 2013, Saugus’s hotel stock of 329 rooms accounted for approximately 1% of all rooms in the greater Boston region,¹⁷ which we use as a low estimate for the share of these room-nights that Saugus will be able to capture. Given Saugus’s proximity to the casino and new hotels in the pipeline (406 new rooms planned), it is likely that the Town’s hotels will be able to capture a larger share. In particular, the boutique hotel planned for Essex Landing will add unique amenities to the Town’s existing hotel stock, acting as a draw for casino patrons. We use 5% as a high estimate. Assuming average daily rates (ADR) of \$160-200, total potential revenue gains for Saugus hotels range from \$40,000 to \$254,000 annually.

Table 14: Saugus Hotel Revenue Potential

Saugus Hotel Revenue Potential		
	Low	High
Local Gamer Room-Night Demand	200,665	200,665
Accommodated at Wynn	175,263	175,263
Accommodated Elsewhere	25,402	25,402
Saugus Hotel Capture	1%	5%
Total Room-Nights	254	1,270
Average Daily Rate (ADR)	\$ 160	\$ 200
Saugus Hotel Revenues	\$ 40,644	\$ 254,024

Source: Camoin Associates

Assuming the low case, impacts resulting from new spending at Saugus hotels by casino patrons would be negligible.

Table 15: Economic Impact of New Hotel Revenue in Saugus – Low Case

Economic Impact of New Hotel Revenue - Low Case			
	Direct	Indirect	Total
Jobs	0	0	0
Earnings	\$ 11,444	\$ 915	\$ 12,359
Sales	\$ 40,644	\$ 3,111	\$ 43,755

Source: EMSI, Camoin Associates

¹⁷ Calculated based on listing of competitive hotels in “Wynn Everett Gaming Market Assessment” prepared by TMG Consulting.

Under the high case, new hotel spending could support 3 jobs, \$77,000 in annual earnings, and \$273,000 in annual sales.

Table 16: Economic Impact of New Hotel Revenue in Saugus – High Case

Economic Impact of New Hotel Revenue - High Case			
	Direct	Indirect	Total
Jobs	3	0	3
Earnings	\$ 71,524	\$ 5,722	\$ 77,246
Sales	\$ 254,024	\$ 19,443	\$ 273,467

Source: EMSI, Camoin Associates

Tourism Spending

TMG Consulting divides Wynn Boston Harbor patrons into four segments based on their purpose for visiting the facility:

- “Local Market” – Patrons from the regional market area that travel to the casino for the purpose of gaming
- “Overnight Guests” – Guests staying at the Wynn Hotel for a primary purpose other than gaming
- “Tourism” – Boston area tourists who visit Wynn as part of their trip, though this is not their primary purpose for being in Boston
- “Traffic Intercept” – Travelers from outside the casino market area who happen to be passing through and are diverted to Wynn through signs and billboards

Table 17: Wynn Visitation (Annual)

Wynn Visitation (Annual)	
Segment	Visitation
"Local Market"	5,671,157
"Overnight Guests"	402,467
"Tourism"	1,273,131
"Traffic Intercept"	78,130
Total	7,424,885

Source: TMG Consulting

Of these segments, only “Local Market” visitors can be considered new to Everett as a result of Wynn. These visitors are coming to Everett for the primary purpose of gaming. In contrast, the other segments are already present and spending money in the region, and therefore, they do not represent new tourist sales potential for Saugus businesses.

To project Saugus tourism potential, the “Local Market” should be further reduced to exclude hyper-local visitors—those within a 60-minute drive-time of Wynn who live in the region and already have access to Saugus attractions. Approximately 1.64 million visitors are expected to visit from farther than an hour away, annually.

Table 18: Potential New Visitors to Saugus (Annual)

Potential New Visitors to Saugus (Annual)	
"Local Market" Segment	5,671,157
<60-Min Drive Time	4,031,070
Potential New Visitors to Saugus	1,640,087

Source: Camoin Associates

Saugus’s ability to attract casino visitors will be entirely dependent on its capacity to promote its existing and future attractions. As discussed previously, while retail is a major component of the Town’s overall economy, current retail and restaurant offerings will not be enough to draw casino visitors to Saugus given the more modern options in close proximity to Wynn (e.g. Assembly Row). Therefore, it will be recreational amenities that drive visitation, with food and retail being a secondary draw.

The “low” scenario as presented in the following table is an estimate of visitation assuming the status quo, i.e. there are no major changes to the types of visitor amenities present in the Town. Since the Ironworks is open only for six months (from May to October), and Breakheart Reservation will principally be of interest to visitors during the same season, we reduce potential visitation by 50%. In other words, we assume virtually no visitation by casino patrons to Saugus during the winter months. Additionally, we estimate that existing attractions will be able to capture 0.5% of these potential visitors, or about 4,100 total visitors, assuming baseline promotion efforts.

We assume the average visitor will drive to Saugus, spend a few hours at the Ironworks or other attraction, have a meal at a restaurant, and make some miscellaneous retail purchases (e.g. Ironworks gift shop or incidental purchases). We estimate per-visitor daily spending in Saugus of \$30, and total potential annual visitor spending of \$123,000. No overnight accommodations are assumed.

Efforts to expand visitor amenities in the Town could increase casino visitor capture. Successful implementation and marketing of the RiverWalk concept could be a boon for tourism. Moreover, better integration of the Ironworks with recreational assets and/or expanding the site’s visitation season could also have a beneficial effect. Other future destination-type developments in Saugus, such as Essex Landing, may also succeed in drawing visitors year-round. Assuming no seasonal adjustment, casino patron capture of 3%, and daily per-visitor spend of \$40, total potential annual visitor spending is estimated at nearly \$2 million. Note that this is spending only by casino visitors; any efforts the Town undertakes to promote tourism will attract non-casino-related visitors, as well.

Figure 1: Drive Times from Wynn Boston Harbor



Table 19: Potential Annual Visitor Spending

Potential Annual Visitor Spending		
	Low	High
Potential New Visitors to Saugus	1,640,087	1,640,087
Seasonal adjustment	50%	0%
Potential New Visitors to Saugus	820,044	1,640,087
Percent Captured	0.5%	3.0%
Visitors Captured	4,100	49,203
Daily Spending per Visitor	\$ 30	\$ 40
Food/Beverage	\$ 20	\$ 20
Souvenirs, other retail	\$ 10	\$ 20
Total Potential Annual Visitor Spending	\$ 123,007	\$1,968,104

Source: Camoin Associates

Under the low case of 4,100 casino visitors captured annually, Saugus businesses could add 2 jobs, \$54,000 in earnings, and \$130,000 in sales.

Table 20: Economic Impact of New Visitor Spending in Saugus – Low Case

Economic Impact of New Visitor Spending - Low Case			
	Direct	Indirect	Total
Jobs	2	0	2
Earnings	\$ 51,585	\$ 2,063	\$ 53,648
Sales	\$ 123,007	\$ 7,314	\$ 130,320

Source: EMSI, Camoin Associates

In the high case, Saugus would capture about 49,000 casino visitors annually, whose spending would translate to 35 jobs, nearly \$844,000 in earnings, and over \$2.1 million in sales.

Table 21: Economic Impact of New Visitor Spending in Saugus – High Case

Economic Impact of New Visitor Spending - High Case			
	Direct	Indirect	Total
Jobs	34	1	35
Earnings	\$ 811,245	\$ 32,450	\$ 843,695
Sales	\$ 1,968,104	\$ 132,360	\$ 2,100,465

Source: EMSI, Camoin Associates

Total Impact

We project annual total sales at Saugus businesses from all casino-related sources to range from a low estimate of about \$2.0 million to a high estimate of \$9.7 million, including both direct and indirect sales. Direct and indirect sales by impact category are summarized in Table 22.

Table 22: Estimated Impact of Wynn Boston Harbor on Sales at Saugus Businesses

Estimated Impact of Wynn Boston Harbor on Sales at Saugus Businesses						
Impact Category	Direct Sales		Indirect Sales		Total Sales	
	Low	High	Low	High	Low	High
Local Spending of Wynn Wages	\$ 622,500	\$ 2,075,000	\$ 44,825	\$ 153,322	\$ 667,325	\$ 2,228,322
Wynn Vendor Sales	\$ 573,750	\$ 3,368,750	\$ 28,402	\$ 166,731	\$ 602,152	\$ 3,535,481
Convenience Retail and Restaurant Sales	\$ 500,000	\$ 1,500,000	\$ 32,945	\$ 98,836	\$ 532,945	\$ 1,598,836
Hotel Revenues	\$ 40,644	\$ 254,024	\$ 3,111	\$ 19,443	\$ 43,755	\$ 273,467
Tourism Spending	\$ 123,007	\$ 1,968,104	\$ 7,314	\$ 132,360	\$ 130,320	\$ 2,100,465
Total	\$ 1,859,900	\$ 9,165,879	\$ 116,596	\$ 570,693	\$ 1,976,497	\$ 9,736,572

Source: EMSI, Camoin Associates

Total new jobs in Saugus resulting from all impacts detailed above are estimated to range between 21 and 107. Direct and indirect jobs by impact category are shown in the following table.

Table 23: Estimated Impact of Wynn Boston Harbor on Jobs at Saugus Businesses

Estimated Impact of Wynn Boston Harbor on Jobs in Saugus						
Impact Category	Direct Jobs		Indirect Jobs		Total Jobs	
	Low	High	Low	High	Low	High
Local Spending of Wynn Wages	9	28	0	1	9	29
Wynn Vendor Sales	3	19	0	1	3	20
Convenience Retail and Restaurant Sales	7	19	0	1	7	20
Hotel Revenues	0	3	0	0	0	3
Tourism Spending	2	34	0	1	2	35
Total	21	103	0	4	21	107

Source: EMSI, Camoin Associates

Total annual earnings associated with new jobs are projected to range from \$541,000 to \$3.7 million. Direct and indirect earnings by impact category are shown in the following table.

Table 24: Estimated Impact of Wynn Boston Harbor on Worker Earnings at Saugus Businesses

Estimated Impact of Wynn Boston Harbor on Worker Earnings at Saugus Businesses						
Impact Category	Direct Earnings		Indirect Earnings		Total Earnings	
	Low	High	Low	High	Low	High
Local Spending of Wynn Wages	\$ 245,006	\$ 809,591	\$ 12,250	\$ 40,480	\$257,256	\$850,071
Wynn Vendor Sales	\$ 21,932	\$ 1,246,489	\$ 877	\$ 49,860	\$ 22,809	\$ 1,296,349
Convenience Retail and Restaurant Sales	\$ 185,341	\$ 556,025	\$ 9,267	\$ 27,801	\$ 194,608	\$ 583,826
Hotel Revenues	\$ 11,444	\$ 71,524	\$ 915	\$ 5,722	\$ 12,359	\$ 77,246
Tourism Spending	\$ 51,585	\$ 811,245	\$ 2,063	\$ 32,450	\$ 53,648	\$ 843,695
Total	\$ 515,307	\$ 3,494,875	\$ 25,373	\$ 156,312	\$ 540,680	\$ 3,651,187

Source: EMSI, Camoin Associates

The following “low case” and “high case” tables summarize total jobs, earnings, and sales impacts for all categories analyzed.

Table 25: Summary of Economic Impact – Low Case

Summary of Economic Impact - Low Case			
	Direct	Indirect	Total
Jobs	21	0	21
Earnings	\$ 515,307	\$ 25,373	\$ 540,680
Sales	\$ 1,859,900	\$ 116,596	\$ 1,976,497

Source: EMSI, Camoin Associates

Table 26: Summary of Economic Impact – High Case

Summary of Economic Impact - High Case			
	Direct	Indirect	Total
Jobs	103	4	107
Earnings	\$ 3,494,875	\$ 156,312	\$ 3,651,187
Sales	\$ 9,165,879	\$ 570,693	\$ 9,736,572

Source: EMSI, Camoin Associates

Action Plan Matrix

The following Action Plan Matrix contains concrete steps for achieving the full economic benefits of the casino. It contains three overarching goals with strategies and actions for accomplishing these goals. The three goals are:

1. **EMPLOYMENT** | Ensure that Saugus residents have access to employment opportunities at the casino.
2. **SUPPLY CHAIN** | Incorporate Saugus businesses into the casino's supply chain.
3. **VISITATION** | Attract casino visitors to patronize Saugus businesses and amenities.

In addition, for each action the matrix establishes key partners, priority level, timeframe, and outcome metrics for measuring progress.

GOAL 1 EMPLOYMENT Ensure that Saugus residents have access to employment opportunities at the casino.							
	Strategy		Action	Key Partner(s)	Priority Level	Timeframe	Outcome Metric(s)
1.1	Ensure the workforce has the skills necessary for positions at the casino.	1.1.1	Evaluate whether the Saugus workforce has the skills required for jobs at the casino.	WIB	High	2017 Q4	
		1.1.2	Inventory existing training programs that would prepare the workforce for open positions. Develop any additional training programs that are needed.	Community colleges and vocational institutions	High	2017 Q4	Number of program completions / certificates
1.2	Connect job seekers with employment opportunities.	1.2.1	Inform job seekers about casino positions.	One-stop career centers	High	2018 Q1	Number of residents hired
		1.2.2	Engage the casino to participate in job fairs and/or organize and host a casino job fair in Saugus.	WIB, Wynn casino	Medium	2018 Q1	
		1.2.3	Inform / engage high schools and community colleges about opportunities for part-time / seasonal work and training programs.	WIB, Town/EDC	Medium	2018 Q1	
1.3	Ensure employees can easily access the casino.	1.3.1	Evaluate transportation options between Saugus and the casino site.	Transportation consultant	Low	2018 Q3	
		1.3.2	Create a carpooling hub for Saugus residents employed at the casino.	Transportation consultant	Low	2019	
GOAL 2 SUPPLY CHAIN Incorporate Saugus businesses into the casino's supply chain.							
	Strategy		Action	Key Partner(s)	Priority Level	Timeframe	Outcome Metric(s)
2.1	Encourage local businesses to become vendors to the casino.	2.1.1	Guide businesses through the process of becoming a vendor, including registration with the Mass. Gaming Commission.	Town/EDC	High	2017 Q4	Number of participating businesses; Vendor sales
		2.1.2	Spread the word about vendor opportunities for specific types of businesses.	Town/EDC, Chamber of commerce	High	2017 Q4	

[Continued on next page.]

GOAL 3 | VISITATION | Attract casino visitors to patronize Saugus businesses and amenities.

	Strategy		Action	Key Partner(s)	Priority Level	Timeframe	Outcome Metric(s)
3.1	Expand unique dining, retail, entertainment, hotel, and other visitor-oriented destinations.	3.1.1	Develop the Riverwalk into a destination with visitor amenities.	Town/EDC	Medium	ongoing	Number of visitors
		3.1.2	Expand programming at the Saugus Ironworks and lengthen visitation season.	Ironworks	Low	2019	Number of visitors
		3.1.3	Promote and encourage visitation to other natural and historic amenities.	Town/EDC	Medium	2018 Q2	Number of visitors
		3.1.4	Prioritize development that emphasizes sense of place over highway-oriented development.	Town/EDC	High	ongoing	New square footage
		3.1.5	Encourage development of non-chain retail and restaurants. Actively recruit successful entrepreneurs to open locations in Saugus.	Town/EDC	High	ongoing	Number of businesses
		3.1.6	Encourage hotel/meeting space development. Identify suitable sites and market to developers.	Town/EDC	Medium	2018 Q4	New hotel rooms
3.2	Promote Saugus as a destination.	3.2.1	Create a visible identity for the town through signage along major thoroughfares.	Town/EDC	Medium	2018 Q3	Signage installed
		3.2.2	Take advantage of increased traffic by adding wayfinding signage for major attractions.	Town/EDC	Medium	2018 Q3	
		3.2.3	Promote Saugus businesses and attractions through Wynn's "concierge program."	Wynn casino	High	2019	Businesses participating
3.3	Improve connections between attractions to encourage visits to multiple destinations.	3.3.1	Cross-promote attractions (e.g. advertise Ironworks at Riverwalk and vice versa).	Town/EDC	Medium	2018 Q2	
		3.3.2	Improve physical connections, including bike/ped amenities and signage, between Ironworks, downtown Saugus, Riverwalk, parks, etc.	Town/EDC	Medium	ongoing	

Appendix A. Casino Industry Profile

The Casino Hotels Industry is worth \$60 billion a year in business around the United States, with steady annual growth dependent on changes in consumer spending for vacation and travel. The industry itself is highly competitive, minimally volatile, heavily regulated, and incredibly difficult to enter, with casinos being legally operated in only 36 states as of 2017. Within the past five years the industry saw an average annual growth rate of 1.9%; this growth will slow to 1.7% annually by 2021.

In the United States, the Casino Hotels industry has been directed by rising competition and stagnant demand, as states increasingly approve casino development projects in the hope of recapturing potential tax revenues from a pool of residents who would otherwise travel out of state to traditional gambling enclaves like Atlantic City and Las Vegas. This trend has been particularly pronounced on the East Coast, with lawmakers in New York, Pennsylvania, Rhode Island, and Massachusetts approving the opening of new casinos over the past five years. The success of these casinos has been mixed—new casinos that were positioned to capture existing demand locally were able to steal market share from incumbent out-of-state competitors, while those that aimed to drum up new demand or steal market share from another local casino have rarely succeeded in doing so.

In the face of a sluggish market and an ongoing shift of consumer interests away from gambling activities, casino hotels have increasingly invested in non-gambling leisure activities like live music, fine dining, and more opulent accommodations in order to diversify their offerings and attract consumers who would otherwise avoid gambling establishments due to age or moral reasons.¹⁸

According to IBISWorld, the top industries that supply Casino Hotels are:

- Fish & Seafood Wholesale (NAICS 42445)
- Beef & Pork Wholesale (NAICS 42447)
- Fruit & Vegetable Wholesale (NAICS 42448)
- Beer Wholesale (NAICS 42482)
- Wine and Spirits Wholesale (NAICS 42482)
- Musical Groups and Artists (NAICS 71113)
- Hotels & Motels (NAICS 72111)
- Chain Restaurants (NAICS 72211a)
- Single Location Full-Service Restaurants (NAICS 72211b)

Nearby towns and cities benefit from the demand for goods and services used for prizes, awards, and off-site entertainment. Casinos are likely to partner with local venues for event hosting, local hotels for off-site stays, and other local businesses to purchase prizes and rewards. Many casinos create customer loyalty points programs, which provide points for exclusive rewards and discounts at local businesses. The Rivers Casino Des Plaines Casino in Pennsylvania, for example, holds a partnership with a local electronics retailer to provide discounts to casino visitors. Rivers Casino Pittsburgh, as well, directs visitors to hotels with which it has partnered, and rents select stadium space for special events.¹⁹

¹⁸ Alvarez, A. (2016). *IBISWorld Industry Report 72112: Casino Hotels in the US*. Retrieved April, 2017.

¹⁹ Hudson Valley Casino and Resort *Exhibit IX.B.3 (Local Business Owners)*

<https://www.gaming.ny.gov/pdf/Redacted%20RFA%20Applications/Hudson%20Valley%20Casino%20&%20Resort/Revised%20Redacted%20102014/Hudson%20Valley%20Casino%20and%20Resort%20-%20Exhibit%20IX.B.3.pdf>

Appendix B. Demographic Analysis

The following demographic and economic base analyses examine and compare trends in the following geographies:

- **Town of Saugus:** To show the current economic and sociodemographic trends that will be affected by this new development, information was gathered to identify the Town's assets and characteristics, including residential demographics and major industries.
- **Boston Metropolitan Statistical Area (MSA):** The Boston metropolitan area serves as a reference point against which the Town of Saugus's characteristics can be examined.
- **Massachusetts:** The Commonwealth of Massachusetts allows for a broad understanding of the immediate geography encompassing both Saugus and Boston MSA.
- **United States:** Data from the entire nation can provide the broadest geographic context.

Looking at the data at different geographic scales allows for an analysis of current trends within the region.

Demographic and economic data were examined to illustrate how these factors may affect the local and regional economy and potential economic development opportunities.

Prior to the development of a full analysis of the project's potential impact on the Town of Saugus, Camoin Associates prepared a sociodemographic base analysis to better understand the historic, current and future demographic shifts facing the Town, and how these changes have evolved over time. This information was then placed in context alongside the Boston MSA, Massachusetts, and the US.

Key Findings

The following are key findings from the Demographic Analysis:

- In contrast to slowing population growth in Boston MSA, Massachusetts, and the US, Saugus is expected to see a faster rate of growth between 2016 and 2021 (3%) than between 2010 and 2016 (1.9%).
- Median household income in Saugus (\$77,700) is on par with that of the Boston region (\$76,800).
- The median age of Saugus residents (45.3 years) is 6 years older than that of the Boston MSA (39.2), nearly 5 years older than that of all of Massachusetts (39.8), nearly 7 years older than the median age of the United States (38.0).
- Educational attainment in Saugus is lower than in the Boston MSA, with 27% of Saugus residents holding a bachelor's degree or higher, compared to 46% in the MSA.
- Of 14,462 employed residents in Saugus, 13,208 (91%) commute out of town for work. Another 8,452 workers commute from elsewhere to jobs in Saugus, while 1,254 people both work and reside in the Town.
- More than 90% of Saugus residents who earn wages similar to those anticipated for Everett Casino employees commute by car, either alone or as part of a carpool.

Table B.1: Demographic Comparisons

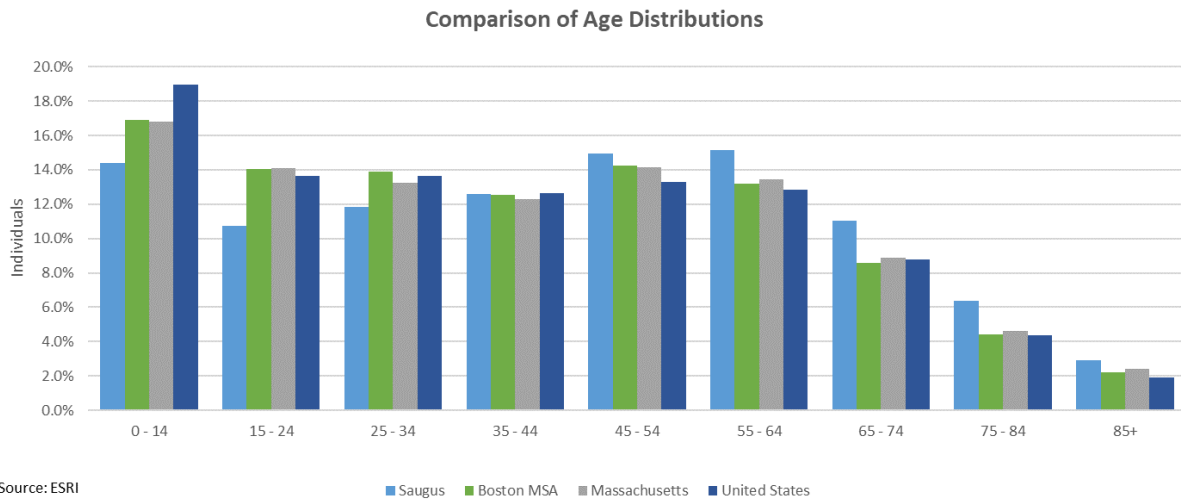
Demographic Comparisons							
	2010	2016	2021 (projected)	# Change 2010 - 2016	% Change 2010 - 2016	# Change 2016 - 2021	% Change 2016 - 2021
Town of Saugus							
Population	26,628	27,138	27,947	510	1.9%	809	3.0%
Households	10,318	10,517	10,836	199	1.9%	319	3.0%
Average Household Size	2.55	2.55	2.55	0	0.0%	0	0.0%
Median Age	43.9	45.3	46	1.4	3.2%	0.7	1.5%
Median Household Income	\$71,023	\$77,742	\$86,759	\$6,719	9.5%	\$9,017	11.6%
Family Households	7,144	7,249	7,450	105	1.5%	201	2.8%
Boston Metropolitan Area							
Population	4,552,402	4,739,348	4,929,486	186,946	4.1%	190,138	4.0%
Households	1,760,584	1,825,779	1,897,757	65,195	3.7%	71,978	3.9%
Average Household Size	2.50	2.51	2.51	0.01	0.4%	0.00	0.0%
Median Age	38	39.2	39.8	0.8	2.1%	0.6	1.5%
Median Household Income	\$67,223	\$76,809	\$85,377	\$9,586	14.3%	\$8,568	11.2%
Family Households	1,101,595	1,137,380	1,179,469	35,785	3.2%	42,089	3.7%
Massachusetts							
Population	6,547,629	6,780,933	7,009,033	233,304	3.6%	228,100	3.4%
Households	2,547,075	2,625,978	2,711,166	78,903	3.1%	85,188	3.2%
Average Household Size	2.48	2.49	2.49	0.01	0.4%	0	0.0%
Median Age	39	39.8	40.5	0.8	2.1%	0.7	1.8%
Median Household Income	\$64,509	\$69,456	\$78,460	\$4,947	7.7%	\$9,004	13.0%
Family Households	1,603,591	1,646,226	1,695,950	42,635	2.7%	49,724	3.0%
United States							
Population	308,745,538	323,580,626	337,326,118	14,835,088	4.8%	13,745,492	4.2%
Households	116,716,292	121,786,233	126,694,268	5,069,941	4.3%	4,908,035	4.0%
Average Household Size	2.58	2.59	2.60	0.01	0.4%	0.01	0.4%
Median Age	37.1	38	38.7	0.9	2.4%	0.7	1.8%
Median Household Income	\$49,445	\$54,149	\$59,476	\$4,704	9.5%	\$5,327	9.8%
Family Households	77,538,296	80,307,260	83,243,260	2,768,964	3.6%	2,936,000	3.7%

Source: ESRI, American FactFinder

Age

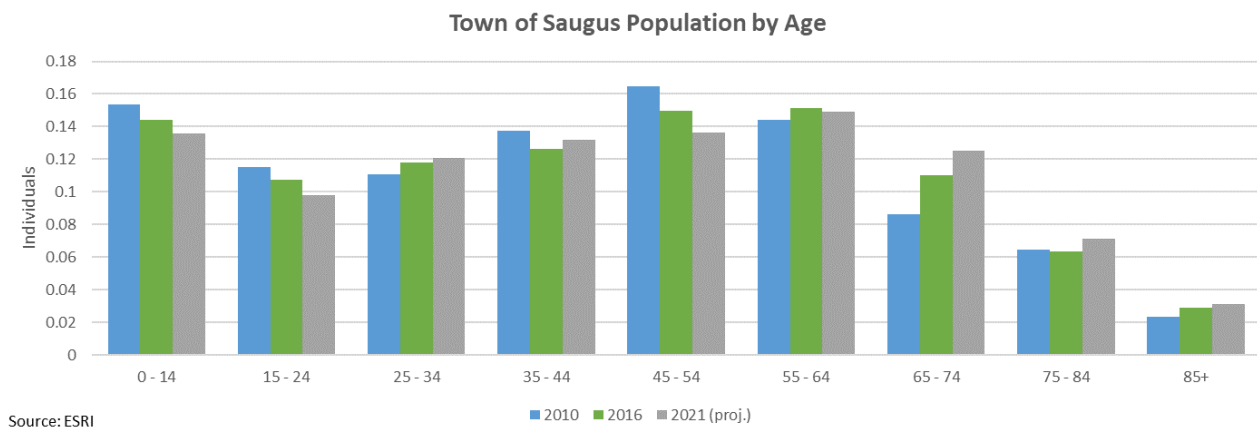
As illustrated in Figure B.1, Saugus resident ages skew more towards older age cohorts compared to the other measured geographies. The median age for Saugus was 45.3 years in 2016, which is significantly higher than Boston (39.2), Massachusetts (39.8) and the US (38.0). Individuals 45 and up comprise a larger share of individuals 45 years old and older when compared to these other three geographies.

Figure B.1: Comparison of Age Distributions



This trend is expected to continue over time, with the share of individuals younger than 25 projected to decrease over the next five years while the share of individuals 65 and older increases over the same period.

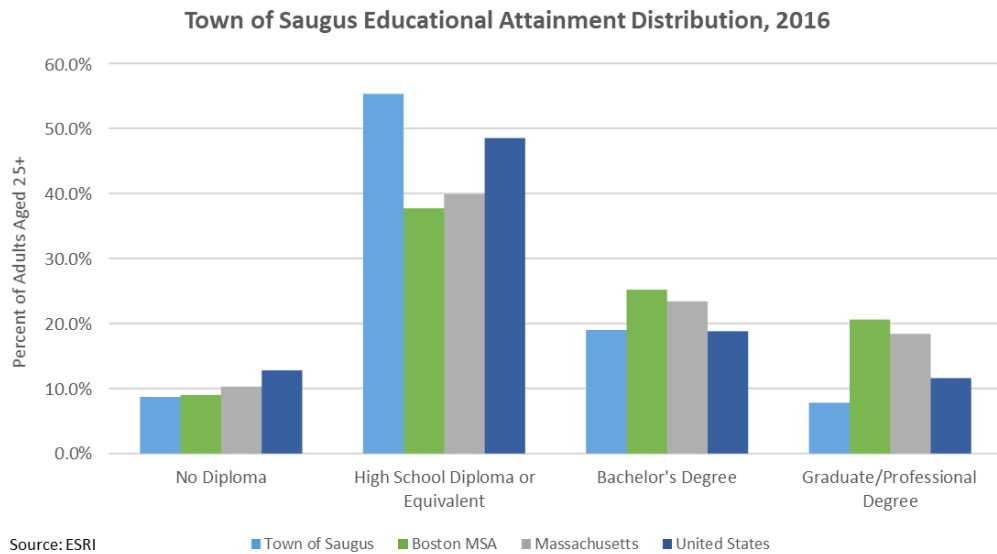
Figure B.2: Town of Saugus Population by Age



Education

55% of Saugus residents have attained a high school diploma or equivalent as their highest level of education, which is a higher share than that of Boston MSA (37.7%), Massachusetts (39.9%), and the United States (48.5%). About 27% of Saugus residents hold a bachelor's degree or higher, compared to 46% in the Boston MSA and 42% in Massachusetts.

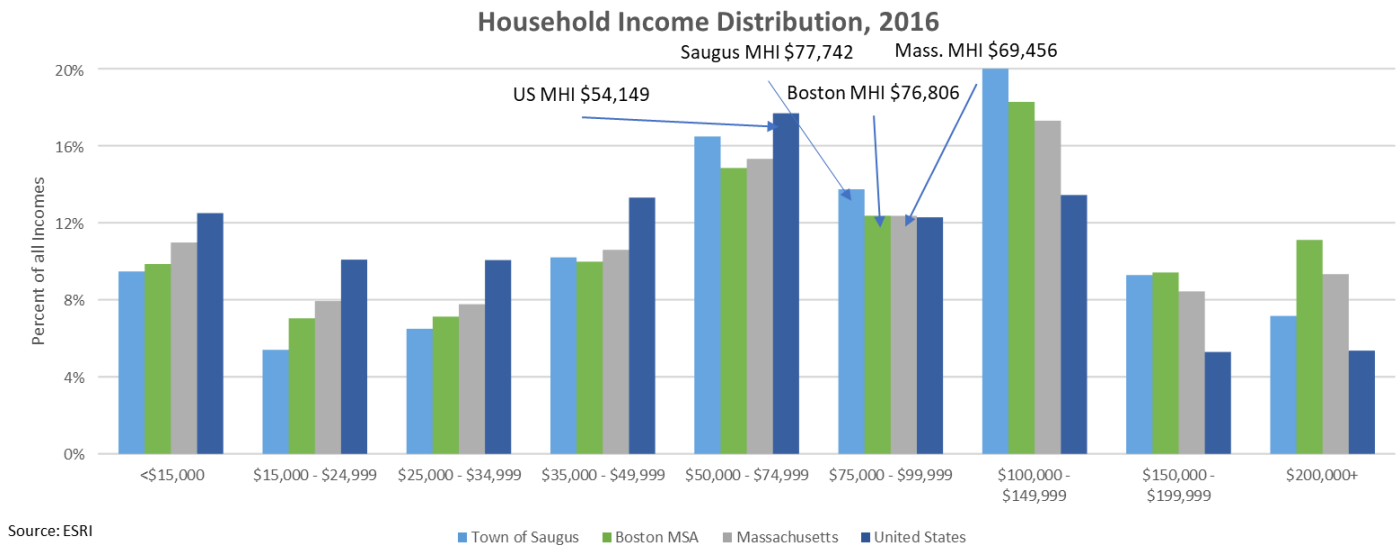
Figure B.3: Town of Saugus Educational Attainment Distribution



Income

Compared to the Boston MSA, Massachusetts, and the United States, Saugus has a lower share of incomes below \$50,000 and a higher share of incomes between \$50,000 and \$200,000. The median household income in Saugus is on par with that of the Boston region overall.

Figure B.4: Household Income Distribution, 2016



Commute

In order to estimate the effect that the casino's development will have on employment, it is necessary to first understand if Saugus residents have reasonable access to transportation between Saugus and the casino.

Figure B.5 and Table B.2 show the commuter inflow/outflow of Saugus residents and workers. Of 14,462 employed residents in Saugus, 13,208 (91%) commute out of Town for work. Another 8,452 workers commute from elsewhere to jobs in Saugus, while 1,254 people both work and reside in the Town.

Figure B.5: Map of Inflow/Outflow of Saugus Residents and Workers

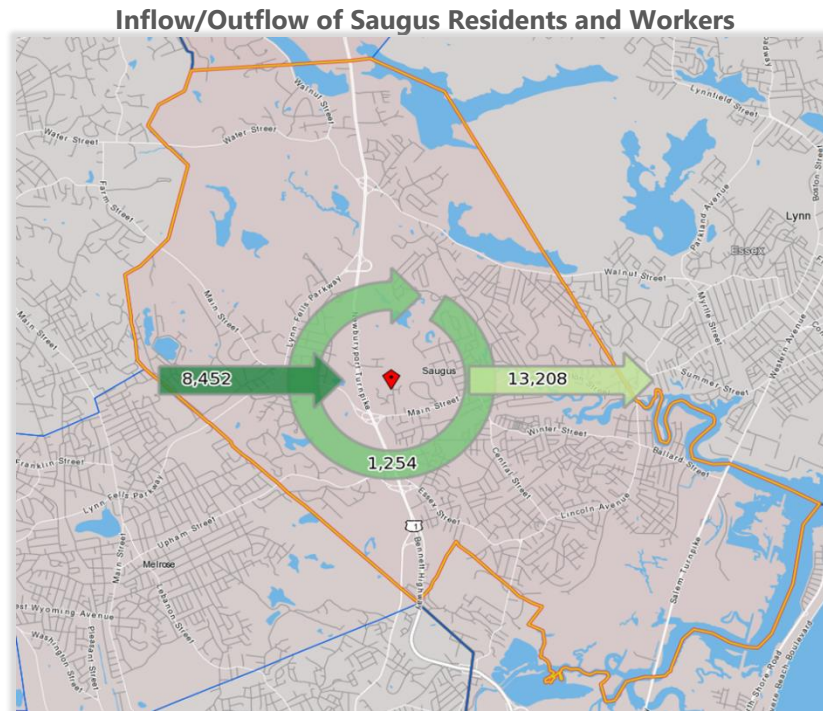


Table B.2: Commuter Inflow/Outflow

Commuter Inflow/Outflow		
	2014 Count	2014 Share
Employed in Saugus	9,706	100%
Employed in Saugus but Living Outside	8,452	87.1%
Employed and Living in Saugus	1,254	12.9%
Living in Saugus	14,462	100%
Living in Saugus but Employed Outside	13,208	91%
Living and Employed in Saugus	1,254	9%

Note: Job counts reflect primary jobs, meaning that a worker holding multiple jobs is only counted once. These figures should not be interpreted to represent the total number of jobs in the Town.

Source: Census On-The-Map

Table B.3 depicts the distribution of both where Saugus residents are employed and where Saugus workers reside. The City of Everett (highlighted) currently employs 422 Saugus residents, or 2.9% of all Saugus residents who are employed.

Table B.3: Saugus Commuter Origins and Destinations

Places where Saugus Residents Work, 2014		
Place	Count	Share
City of Boston	3,515	24.3%
Town of Saugus	1,254	8.7%
City of Lynn	583	4.0%
City of Cambridge	474	3.3%
City of Woburn	440	3.0%
City of Everett	422	2.9%
City of Peabody	385	2.7%
City of Malden	356	2.5%
Town of Danvers	328	2.3%
City of Chelsea	323	2.2%
Other	6,382	44.1%
Total	14,462	100%

Note: Job Counts include only primary jobs
Source: Census On-The-Map

Places where Saugus Workers Live, 2014		
Place	Count	Share
Town of Saugus	1,254	12.9%
City of Lynn	806	8.3%
City of Boston	644	6.6%
City of Peabody	372	3.8%
City of Malden	314	3.2%
City of Revere	285	2.9%
City of Everett	221	2.3%
Salem City	187	1.9%
Town of Wakefield	171	1.8%
City of Beverly	149	1.5%
Other	5,303	54.6%
Total	9,706	100%

Note: Job Counts include only primary jobs
Source: Census On-The-Map

Per EMSI, an individual working in Gambling Industries (NAICS 7132) in Massachusetts has an average annual salary of just over \$37,000. Table B.5 lists a breakdown of how Saugus residents, both within this income bracket and across all income brackets, typically commuted to work as of 2015. More than 90% traveled by car, either alone or as part of a carpool.

Table B.4: Breakdown of Saugus Residents by Type of Commute and Annual Earnings, 2015

Breakdown of Saugus Residents by Type of Commute and Annual Earnings, 2015				
Mode of Transportation	\$35,000 to \$49,000		All Incomes	
	Count	Share	Count	Share
Drove Alone	1,808	83.8%	11,400	79.3%
Carpooled	139	6.4%	1,087	7.6%
Public Transit	119	5.5%	1,071	7.5%
Walked	0	0.0%	146	1.0%
Taxi, Motorcycle, or Bicycle	52	2.4%	390	2.7%
Worked at Home	39	1.8%	279	1.9%
Total	2,157	100.0%	14,373	100.0%

Source: ACS 5-Year Estimates

The distance to drive from central Saugus to the Casino is roughly 8.5 miles, which typically amounts to a 16-to-24-minute one-way commute by car. When commuting by bicycle, the distance and estimated one-way commute time are 7.2 miles and 42 minutes, respectively. For residents without access to a car or bicycle, the Massachusetts Bay Transit Authority (MBTA) offers bus service between Saugus and the casino that typically takes 40 minutes to an hour to travel one way and requires at least one transfer.

Appendix C. Economic Base Analysis

This section provides and analyzes economic trends and industry performance for our three comparison geographies: The Town of Saugus, Boston MSA, the Commonwealth of Massachusetts, and the United States. The sociodemographic data, combined with industry data, will provide a more complete picture of Saugus’s economic trends in the context of the larger region. The economic outlook includes:

- **Regional Economic Trends** – Gross Regional Product, (GRP), like national Gross Domestic Product (GDP), provides a snapshot of the size of a regional economy, and for this analysis includes the contribution of different sectors.
- **Industry Occupation and Employment Trends** – This analysis shows which industries in each region are major employers as well as their recent employment trends, and which industries are expected to add or shed jobs over the next few years.

It should be noted that in this analysis, the location quotient of various industries and occupations will be examined. A location quotient (LQ) measures the concentration of a given industry in a given area compared to the rest of the United States. LQs higher and lower than 1 denote concentrations that are higher or lower than the rest of the US, respectively, with an LQ of 1 denoting equal concentration. For example, an LQ of 3 signifies that the given industry is three times more prominent in the given area than the rest of the US.

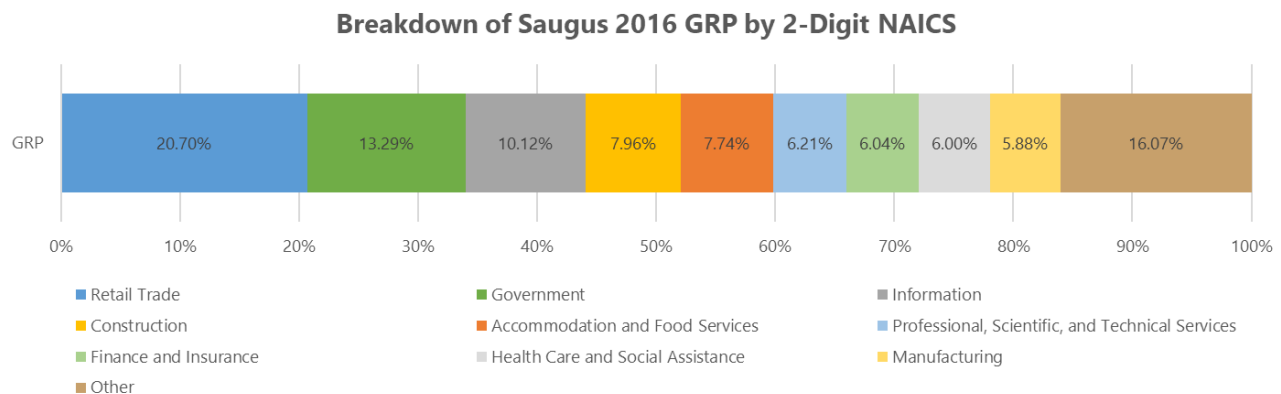
Key Findings

- 10-year projections anticipate a slowing down in job growth over the next decade. Though the net number of jobs in Saugus grew by 743 between 2007 and 2017 (a 6.1% growth in jobs driven by Food Service and Health Care), only 192 net jobs (or 1.5% in growth) are expected to be added over the next 10 years. It is anticipated that this slowed growth will be driven by a loss of retail jobs.
- Saugus has a concentration of retail industry over three times as great as that of the US.
- Behind retail, food service is a major employment driver, with food service-related jobs being twice as concentrated in Saugus as elsewhere in the US. 7 of the top 25 occupations in Saugus are in food service.

Economic Overview

Saugus’s Gross Regional Product (GRP) in 2016 was \$890,699,899. Figure C.1 breaks down Saugus’s GRP in 2016 by all 2-Digit NAICS codes which contributed 5% or more.

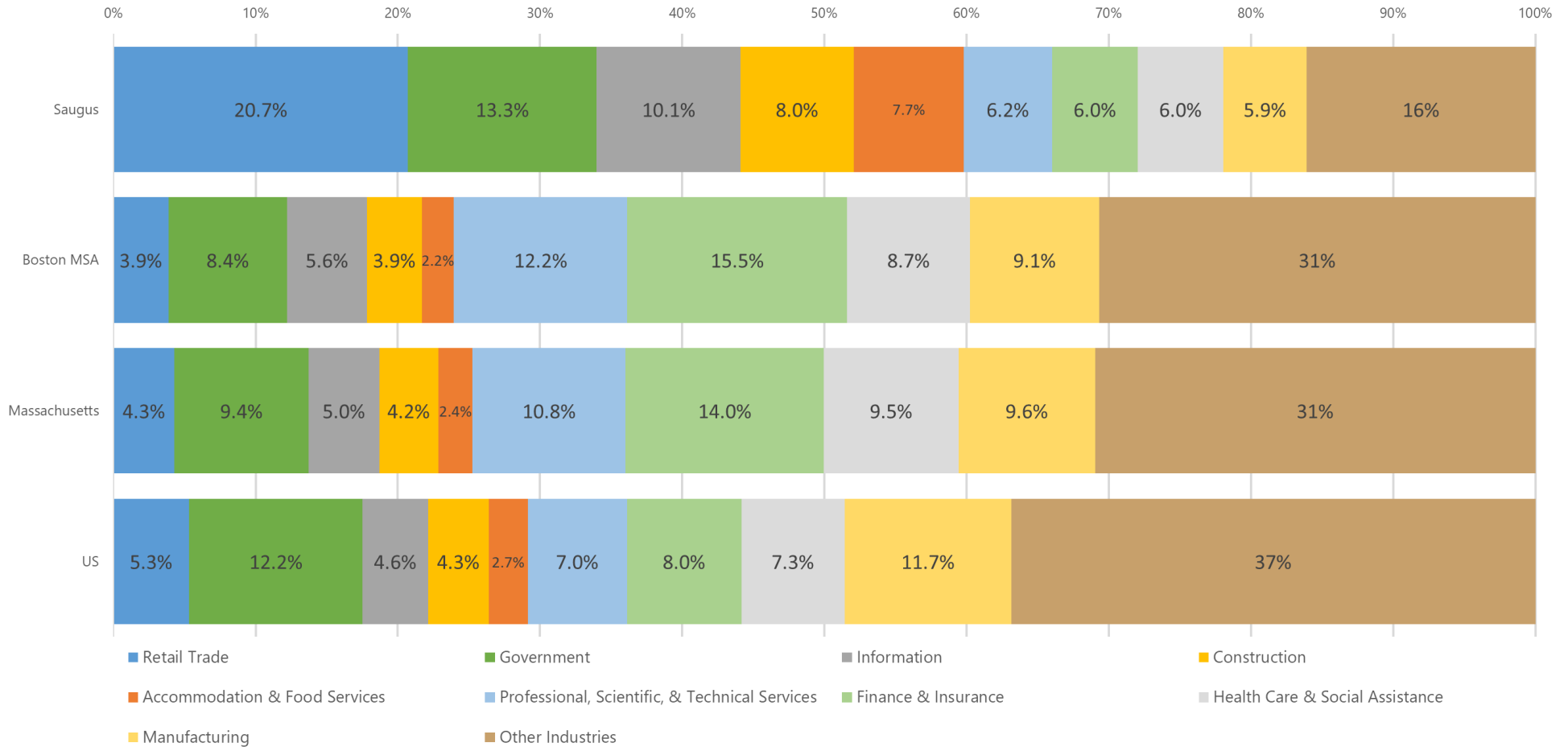
Figure C.1: Breakdown of Saugus 2016 GRP by 2-Digit NAICS



For greater context on Saugus's unique economic situation, Figure C.2 compares the components of Saugus's GRP against those of the other regions. Only industries that contributed 5% or more to Saugus's GRP are listed. Retail Trade is a dominant industry in Saugus, especially when compared to the rest of Massachusetts and the US.

Figure C.2: Regional Comparison of GRP by 2-Digit NAICS

Comparison of Saugus 2016 GRP Components by 2-Digit NAICS



The industry landscape in Saugus has been marked by a rise in healthcare and food service. Accommodation and Food Services (NAICS 72) grew by 463 jobs between 2007 and 2017, adding more than twice as many jobs as any other industry. The second-highest job contributor over this 10-year period was Health Care and Social Assistance, which grew by 230 jobs.

10-year projections anticipate a slowing down in job growth over the next decade.²⁰ Though the number of jobs in Saugus grew by 743 between 2007 and 2017 (a 6.1% growth in jobs), only 192 net jobs (or 1.5% in growth) are expected to be added over the next 10 years. It is anticipated that this slowed growth will be driven by a loss of retail jobs.

Table C.1: Industry Trends by Top Industry

Industry Trends by Top Industry - Saugus MA										
2-Digit NAICS	Industry	2007 Jobs	2017 Jobs (estimated)	2027 Jobs (projected)	Growth 2007-2017 (estimated)	% Growth 2007-2017 (estimated)	Growth 2017 - 2027 (projected)	% Growth 2017 - 2027 (projected)	2016 LQ	2016 Earnings
44	Retail Trade	4,117	4,133	3,913	17	0.4%	-221	-5.3%	3.12	\$31,563
72	Accommodation and Food Services	1,910	2,373	2,455	463	24.2%	82	3.4%	2.14	\$23,746
90	Government	1,311	1,362	1,391	51	3.9%	29	2.2%	0.69	\$89,334
62	Health Care and Social Assistance	793	1,024	1,206	230	29.0%	182	17.8%	0.62	\$51,201
23	Construction	857	823	905	-34	-4.0%	83	10.1%	1.17	\$63,722
81	Other Services (except Public Administration)	666	798	879	132	19.9%	81	10.2%	1.27	\$28,863
31	Manufacturing	525	459	425	-66	-12.6%	-34	-7.3%	0.46	\$80,990
54	Professional, Scientific, and Technical Services	525	457	434	-68	-12.9%	-22	-4.9%	0.56	\$78,102
56	Administrative and Support and Waste Management and Remediation Services	285	357	383	72	25.4%	26	7.3%	0.44	\$51,894
51	Information	305	289	319	-16	-5.2%	30	10.3%	1.21	\$95,971
52	Finance and Insurance	328	281	259	-47	-14.5%	-22	-7.8%	0.57	\$90,299
48	Transportation and Warehousing	151	164	163	13	8.7%	-1	-0.7%	0.37	\$59,899
71	Arts, Entertainment, and Recreation	135	146	144	11	8.4%	-3	-1.8%	0.67	\$26,198
53	Real Estate and Rental and Leasing	97	90	83	-7	-7.2%	-7	-7.9%	0.43	\$53,725
42	Wholesale Trade	78	60	50	-18	-22.6%	-10	-16.0%	0.13	\$106,802
61	Educational Services	19	26	29	7	37.2%	3	12.0%	0.08	\$23,914
55	Management of Companies and Enterprises	18	25	25	8	42.4%	-1	-3.2%	0.14	\$167,777
22	Utilities	16	<10	<10	Insuf. Data	Insuf. Data	Insuf. Data	Insuf. Data	0.23	\$155,718
11	Crop and Animal Production	<10	<10	10	Insuf. Data	Insuf. Data	Insuf. Data	Insuf. Data	0.06	Insuf. Data
21	Mining, Quarrying, and Oil and Gas Extraction	<10	<10	<10	Insuf. Data	Insuf. Data	Insuf. Data	Insuf. Data	0.02	Insuf. Data
99	Unclassified Industry	0	0	0	0	0%	0	0%	0.00	\$0
Total		12,144	12,887	13,079	743	6.1%	192	1.5%	-	-

Source: EMSI

²⁰ EMSI projections are based on historical employment data for each local industry as well as national, state, and regional projections.

Top Industries

Table C.2 shows the top 25 largest industries in the Town of Saugus, by number of jobs, for the years 2010 and 2016, as well as the total change in jobs over this timeframe. Also included are the current (2016) average earnings of jobs in each industry, as well as the industry's location quotient.

Table C.2: Top 25 4-Digit NAICS Industries by Job Count

Top 25 Industries by Job Count - Saugus MA							
4-Digit NAICS	Description	2010 Jobs	2016 Jobs	2010 - 2016 Change	2010 - 2016 % Change	Avg. Earnings Per Job	2016 Location Quotient
7225	Restaurants and Other Eating Places	1872	2203	331	18%	\$ 23,319	2.63
4521	Department Stores	1056	1179	123	12%	\$ 28,248	10.96
4481	Clothing Stores	650	568	-82	-13%	\$ 22,409	6.78
9036	Education and Hospitals (Local Government)	466	504	38	8%	\$ 84,137	0.73
9039	Local Government, Excluding Education and Hospitals	470	491	21	4%	\$ 89,945	1.08
4451	Grocery Stores	446	471	25	6%	\$ 26,769	2.13
8121	Personal Care Services	315	383	68	22%	\$ 24,291	3.80
4441	Building Material and Supplies Dealers	362	354	-8	-2%	\$ 41,913	3.85
4461	Health and Personal Care Stores	232	253	21	9%	\$ 45,094	2.91
2382	Building Equipment Contractors	183	224	41	22%	\$ 73,693	1.23
6232	Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	184	221	37	20%	\$ 40,883	4.38
5221	Depository Credit Intermediation	234	205	-29	-12%	\$ 91,184	1.49
5617	Services to Buildings and Dwellings	157	192	35	22%	\$ 36,670	0.85
9029	State Government, Excluding Education and Hospitals	178	185	7	4%	\$ 100,135	1.00
6244	Child Day Care Services	161	179	18	11%	\$ 25,738	1.78
9011	Federal Government, Civilian	171	174	3	2%	\$ 91,150	0.75
4511	Sporting Goods, Hobby, and Musical Instrument Stores	175	171	-4	-2%	\$ 24,861	3.68
2389	Other Specialty Trade Contractors	97	148	51	53%	\$ 43,110	1.83
4532	Office Supplies, Stationery, and Gift Stores	158	143	-15	-9%	\$ 24,413	6.07
7139	Other Amusement and Recreation Industries	134	142	8	6%	\$ 26,140	1.30
3327	Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing	139	142	3	2%	\$ 75,356	4.82
2381	Foundation, Structure, and Building Exterior Contractors	103	140	37	36%	\$ 69,977	1.67
4482	Shoe Stores	109	136	27	25%	\$ 23,033	7.87
2383	Building Finishing Contractors	137	131	-6	-4%	\$ 47,832	1.32
5172	Wireless Telecommunications Carriers (except Satellite)	52	126	74	142%	\$ 90,300	11.88

Source: EMSI

As shown in the GRP breakdown, just over 20% of Saugus's GRP is in the Retail Trade industry (NAICS 44). Department Stores (NAICS 4521); Clothing Stores (NAICS 4481); Shoe Stores (NAICS 4482); and Office Supplies, Stationery, and Gift Stores (NAICS 4532) all have location quotients of over 5, indicating that all are more than five times as concentrated in Saugus as in the rest of the United States. These numbers are reflected by occupation data for Saugus, which lists Retail Salespersons (SOC 41-2030), Fast Food and Counter Workers (SOC 35-3020), and

Cashiers (SOC 41-2010) as the most prominent occupations in the Town. Despite being the third largest industry in 2016, Clothing Stores (NAICS 4481) has shrunk by roughly 13% between 2010 and 2016.

Wireless Telecommunications Carriers (except Satellite) (NAICS 5172) has grown more than 140% in the past six years, and now has an LQ of 11.88. Further investigation has revealed that this growth was the result of new demand for wireless communication over wired. Wired Telecommunication Carriers (NAICS 5171) contracted by 61 jobs over the same 2010 – 2016 period that Wireless Telecommunications Carriers (except Satellite) saw its 71-job growth.

Top Occupations

Table C.3 lists the most prominent occupations in Saugus for 2010 and 2016, their net changes between these years, their average hourly earnings, and their LQs in 2016.

While nearly every other occupation listed above appears to be less concentrated in Saugus compared to the rest of the nation, all seven food service-related occupations in this table have an LQ above 1.5.

Table C.3: Top 5-Digit SOC Occupations

Top 25 Occupations							
4-Digit SOC	Description	2010 Jobs	2016 Jobs	2010 - 2016 Change	2010 - 2016 % Change	Avg. Hourly Earnings	2016 Location Quotient
41-2030	Retail Salespersons	1,764	1,813	49	3%	\$12.67	4.71
35-3020	Fast Food and Counter Workers	502	616	114	23%	\$10.45	1.97
41-2010	Cashiers	555	587	32	6%	\$10.96	2.02
35-3030	Waiters and Waitresses	455	512	57	13%	\$12.58	2.44
43-5080	Stock Clerks and Order Fillers	375	396	21	6%	\$13.07	2.48
41-1010	First-Line Supervisors of Sales Workers	390	385	-5	-1%	\$20.56	2.65
35-2010	Cooks	306	352	46	15%	\$12.39	1.79
37-2010	Building Cleaning Workers	198	209	11	6%	\$13.80	0.63
39-5010	Barbers, Hairdressers, Hairstylists and Cosmetologists	173	204	31	18%	\$15.11	3.29
53-3030	Driver/Sales Workers and Truck Drivers	181	202	21	12%	\$18.62	0.77
11-1020	General and Operations Managers	183	198	15	8%	\$58.58	1.09
35-1010	Supervisors of Food Preparation and Serving Workers	151	182	31	21%	\$18.58	2.07
43-6010	Secretaries and Administrative Assistants	168	178	10	6%	\$20.20	0.52
43-4050	Customer Service Representatives	165	173	8	5%	\$17.78	0.79
43-9060	Office Clerks, General	142	151	9	6%	\$16.07	0.56
53-7060	Laborers and Material Movers, Hand	146	148	2	1%	\$13.43	0.48
43-3030	Bookkeeping, Accounting, and Auditing Clerks	121	120	-1	-1%	\$19.39	0.84
47-2060	Construction Laborers	87	120	33	38%	\$20.23	1.11
35-9020	Dishwashers	108	117	9	8%	\$10.70	2.79
39-9010	Childcare Workers	136	115	-21	-15%	\$9.93	1.12
25-2020	Elementary and Middle School Teachers	106	115	9	8%	\$34.29	0.69
35-2020	Food Preparation Workers	101	115	14	14%	\$11.83	1.56
35-3010	Bartenders	94	112	18	19%	\$12.35	2.25
43-1010	First-Line Supervisors of Office and Administrative Support Workers	106	111	5	5%	\$26.69	0.91
31-1010	Nursing, Psychiatric, and Home Health Aides	104	110	6	6%	\$14.00	0.53

Source: EMSI

Appendix D. What is Economic Impact Analysis?

The purpose of conducting an economic impact study is to ascertain the total cumulative changes in employment, earnings and output in a given economy due to some initial “change in final demand”. To understand the meaning of “change in final demand”, consider the installation of a new widget manufacturer in Anytown, USA. The widget manufacturer sells \$1 million worth of its widgets per year exclusively to consumers in Canada. Therefore, the annual change in final demand in the United States is \$1 million because dollars are flowing in from outside the United States and are therefore “new” dollars in the economy.

This change in final demand translates into the first round of buying and selling that occurs in an economy. For example, the widget manufacturer must buy its inputs of production (electricity, steel, etc.), must lease or purchase property and pay its workers. This first round is commonly referred to as the “Direct Effects” of the change in final demand and is the basis of additional rounds of buying and selling described below.

To continue this example, the widget manufacturer’s vendors (the supplier of electricity and the supplier of steel) will enjoy additional output (i.e. sales) that will sustain their businesses and cause them to make additional purchases in the economy. The steel producer will need more pig iron and the electric company will purchase additional power from generation entities. In this second round, some of those additional purchases will be made in the US economy and some will “leak out”. What remains will cause a third round (with leakage) and a fourth (and so on) in ever-diminishing rounds of industry-to-industry purchases. Finally, the widget manufacturer has employees who will naturally spend their wages. Again, those wages spent will either be for local goods and services or will “leak” out of the economy. The purchases of local goods and services will then stimulate other local economic activity. Together, these effects are referred to as the “Indirect Effects” of the change in final demand.

Therefore, the total economic impact resulting from the new widget manufacturer is the initial \$1 million of new money (i.e. Direct Effects) flowing in the US economy, plus the Indirect Effects. The ratio of Total Effects to Direct Effects is called the “multiplier effect” and is often reported as a dollar-of-impact per dollar-of-change. Therefore, a multiplier of 2.4 means that for every dollar (\$1) of change in final demand, an additional \$1.40 of indirect economic activity occurs for a total of \$2.40.

Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e. how the “local economy” is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider the impact of the widget manufacturer on the entire North American continent, it would have to conclude that the change in final demand is zero and therefore the economic impact is zero. This is because the \$1 million of widgets being purchased by Canadians is not causing total North American demand to increase by \$1 million. Presumably, those Canadian purchasers will have \$1 million less to spend on other items and the effects of additional widget production will be cancelled out by a commensurate reduction in the purchases of other goods and services.

Changes in final demand, and therefore Direct Effects, can occur in a number of circumstances. The above example is easiest to understand: the effect of a manufacturer producing locally but selling globally. If, however, 100% of domestic demand for a good is being met by foreign suppliers (say, DVD players being imported into the US from Korea and Japan), locating a manufacturer of DVD players in the US will cause a change in final demand because all of those dollars currently leaving the US economy will instead remain. A situation can be envisioned whereby a producer is serving both local and foreign demand, and an impact analysis would have to be careful in calculating how many “new” dollars the producer would be causing to occur domestically.

Appendix E. Data Sources

Economic Modeling Specialists International (EMSI)

To analyze the industrial makeup of a study area, industry data organized by the North American Industrial Classification System (NAICS) is assessed. Camoin Associates subscribes to Economic Modeling Specialists Intl. (EMSI), a proprietary data provider that aggregates economic data from approximately 90 sources. EMSI industry data, in our experience, is more complete than most or perhaps all local data sources (for more information on EMSI, please see www.economicmodeling.com). This is because local data sources typically miss significant employment counts by industry because data on sole proprietorships and contractual employment (i.e. 1099 contractor positions) is not included and because certain employment counts are suppressed from BLS/BEA figures for confidentiality reasons when too few establishments exist within a single NAICS code.

Esri Business Analyst Online (BAO)

ESRI is the leading provider of location-driven market insights. It combines demographic, lifestyle, and spending data with map-based analytics to provide market intelligence for strategic decision-making. ESRI uses proprietary statistical models and data from the U.S. Census Bureau, the U.S. Postal Service, and various other sources to present current conditions and project future trends. Esri data are used by developers to maximize their portfolio, retailers to understand growth opportunities, and by economic developers to attract business that fit their community. For more information, visit www.esri.com.

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IBISWorld is one of the world's leading publishers of business intelligence, specializing in industry and procurement research. Through its detailed industry reports available at 5-digit NAICS level, IBISWorld provides insight into market conditions for targeted industries, helps to identify major suppliers or supply chain, and provides an understanding of competitor activity. More at www.ibisworld.com

American Community Survey (ACS), U.S. Census

The American Community Survey (ACS) is an ongoing statistical survey by the U.S. Census Bureau that gathers demographic and socioeconomic information on age, sex, race, family and relationships, income and benefits, health insurance, education, veteran status, disabilities, commute patterns, and other topics. The survey is mandatory to fill out, but the survey is only sent to a small sample of the population on a rotating basis. The survey is crucial to major planning decisions, like vital services and infrastructure investments, made by municipalities and cities. The questions on the ACS are different than those asked on the decennial census and provide ongoing demographic updates of the nation down to the block group level. For more information on the ACS, visit <http://www.census.gov/programs-surveys/acs/>

OnTheMap, U.S. Census

OnTheMap is a tool developed through the U.S. Census Longitudinal Employer-Household Dynamics (LEHD) program that helps to visualize Local Employment Dynamics (LED) data about where workers are employed and where they live. There are also visual mapping capabilities for data on age, earnings, industry distributions, race, ethnicity, educational attainment, and sex. The OnTheMap tool can be found here, along with links to documentation: <http://onthemap.ces.census.gov/>

Appendix F. Supporting Documents

The following supporting documents are included in this appendix:

- Relevant sections of the Wynn MA, LLC RFA-2 Application to the Massachusetts Gaming Commission (MGC). The full application can be found on the MGC website: <http://massgaming.com/about/wynn-boston-harbor/>
 - 3-01-03 – Wynn Everett Gaming Market Assessment
 - 3-02-01 – Employment and Payroll
 - 3-16-01 – Procurement
 - 3-17-01 – Procurement
 - 3-18-01 – Local Business Promotion
- Host and surrounding community agreements
 - City of Everett
 - City of Boston
 - City of Cambridge
 - City of Chelsea
 - City of Lynn
 - City of Malden
 - City of Medford
 - City of Melrose
 - City of Somerville

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