



SAGAMORE CROSSING GOLF RESORT & CONVENTION CENTER: ECONOMIC IMPACTS

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SAGAMORE MARKET AREA & MARKET POTENTIAL

A strong position in the New England resort, convention, and gaming market:

➤ Accessibility

➤ Quality

➤ Size

➤ Proximity to a dense concentration of population and disposable personal income



MARKET AREA & MARKET POTENTIAL

- DESIGNATED MARKET AREA = 8 million adults (21+)
- DISPOSABLE PERSONAL INCOME = \$439.5 billion
- PRIMARY MARKET AREA (0 to 60 minutes) = 3 million adults with DPI of \$181.6 billion.

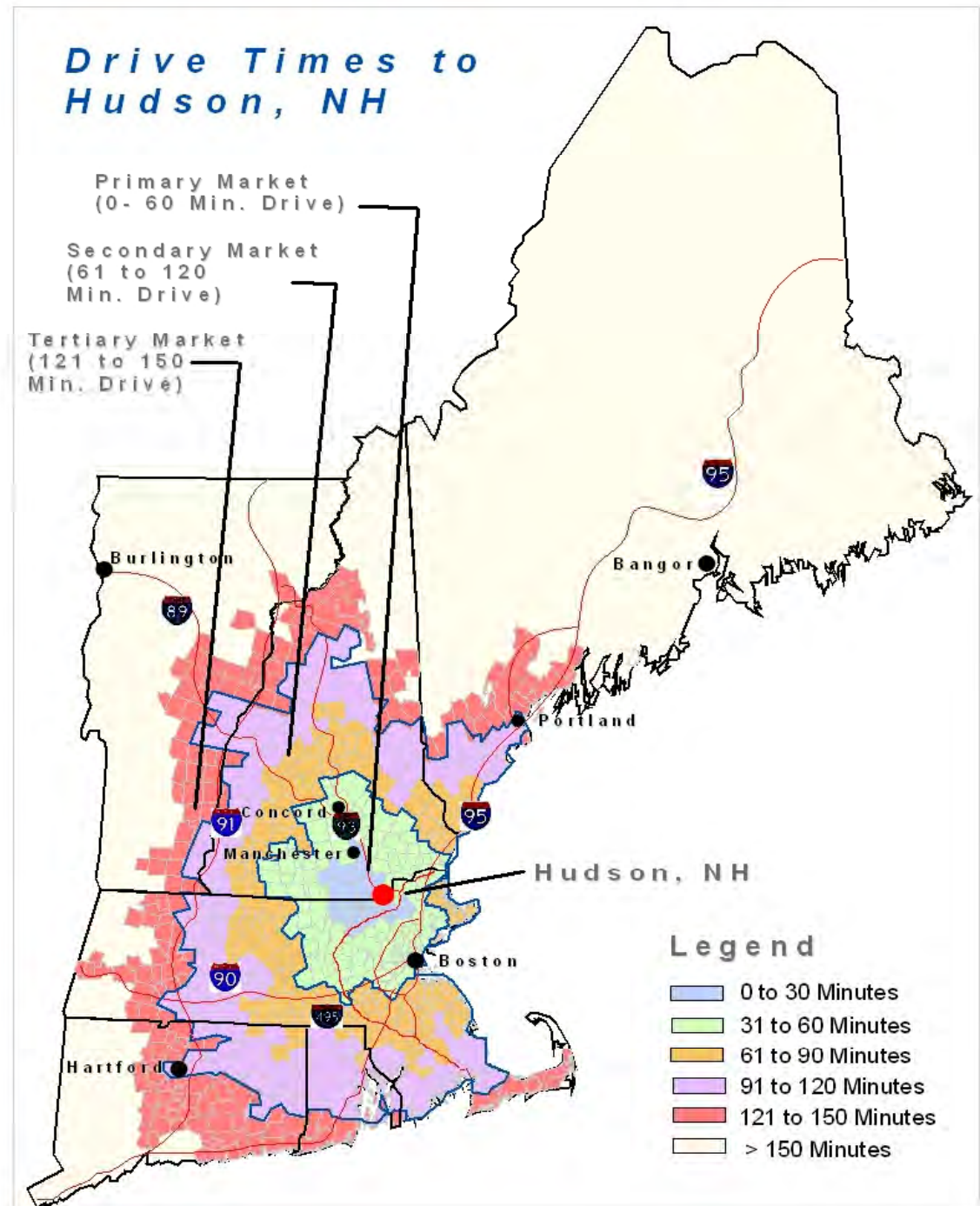
Population & Disposable Personal Income Within 30, 60, 90, 120, and 150 Minutes of Hudson, New Hampshire

	Within 0 - 30 Minutes	Within 31 - 60 Minutes	Within 61 - 90 Minutes	Within 91 - 120 Minutes	Within 121 - 150 Minutes
Total Population (2007)	712,180	3,460,915	2,277,983	2,613,602	2,033,043
Adult Population (21+) (2007)	496,608	2,525,046	1,613,034	1,866,896	1,482,973
Average Per Capita Income (1999)	\$25,899	\$27,761	\$24,213	\$21,340	\$25,949
Total Disposable Personal Income (2007)	\$29,014,793,106	\$152,621,923,414	\$86,618,747,849	\$88,279,332,464	\$83,004,777,290

Sources: U.S. Census, *American Community Survey*, 2007; U.S. Bureau of Economic Analysis (2007); Center for Policy Analysis (2008).

SAGAMORE CROSSING MARKET AREA

- Capture resort patrons from eastern Massachusetts, Maine, New Hampshire, and Vermont, who already spend about \$826 million annually on resort and gaming related activities in CT.
- Drive-time to Hudson is less than for Foxwoods and Mohegan Sun from all points in the PMA (0 to 60 minutes) and nearly all points within a 90 minute drive-time.



OPTIMAL GAMING POLICY

Optimal gaming policy is to authorize a golf resort with a hotel, convention center, with gaming, in addition to VLTs at the state's racetracks:



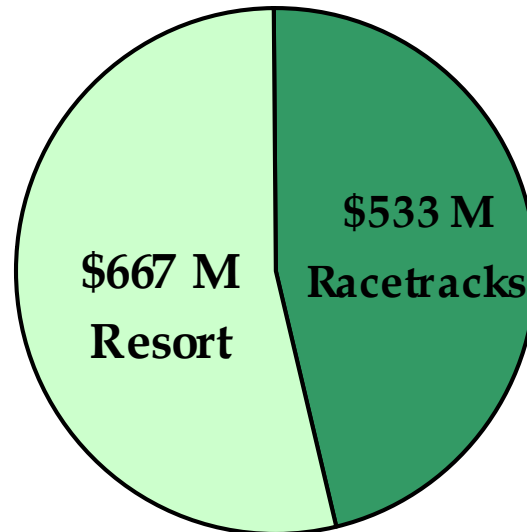
- Total capital investment and construction spending will be higher,
- Gaming tax revenues will be higher
- Total new employment and business activity will be greater

Potential gaming market for southern Hampshire is sufficiently large that racetrack casinos alone will not capture even half the estimated PMA of \$1.2 billion.

Gaming Market with a Casino and VLTs at the Tracks

150 minute market radius

81% or more of casino patrons from out-of-state



Assumptions:

5,000 VLTs at tracks, 4,000 VLTs at Sagamore + 100 Table Games

No Action by Massachusetts

POLICY ADVANTAGES OF DESTINATION RESORT

DESTINATION EFFECT

Resort with gaming = 2.5 hours (150 miles)

Racino = 0.5 hours to 0.75 hours (30 miles)

75% to 80% of resort casino patrons in New England do not visit racinos, even when racinos are closer.

EXPORT EFFECT

Golf resort = 81%

On border racino = 70%



POLICY ADVANTAGES OF DESTINATION RESORT

- Overnight visitors and regional conventions
- Demographic profile is more affluent and more educated, which means greater DPI
- Travel longer distances
- Stay longer
- Spend on a wider range of non-gaming amenities
- Spend more per visit
- More jobs



CONSTRUCTION SPENDING



**\$300M CAPITAL
INVESTMENT**

**\$140M CONSTRUCTION
EXPENDITURES IN NH**

CONSTRUCTION SPENDING



- 1,211 direct construction jobs (18-month period)
- Total annual payroll = \$52.8M
- Avg. annual wage = \$43,599.
- 762 indirect & induced jobs in NH with annual payroll of \$33.8 million.

CONSTRUCTION SPENDING

ALL NEW CONSTRUCTION:



- Does not include cost of land
- Does not include the cost of license
- Does not include existing investment in golf course
- Does not include assumption of any existing mortgages

ANNUAL VISITATIONS

2.1 MILLION



Assumes Golf Resort & Convention Center + VLTs at NH Racetracks + Boston Area Resort Casino (Suffolk Downs)

ECONOMIC IMPACTS OF SAGAMORE CROSSING

\$531M gross gaming
revenues

\$138M non-gaming
revenues

\$668M total gross
revenues



Assumes Golf Resort & Convention Center + VLTs at NH Racetracks + Boston Area Resort Casino (Suffolk Downs)

ECONOMIC IMPACTS OF SAGAMORE CROSSING



4,042 direct jobs
(7.6 jobs per \$1 million GGR)

\$126M in annual payroll

\$39,000 avg. annual wage
(gaming operations)

Avg. annual average wages in all other operational sectors (i.e., retail, hotel, food and beverage significantly higher than current statewide average in same sectors)

Assumes Golf Resort & Convention Center + VLTs at NH Racetracks + Boston Area Resort Casino (Suffolk Downs)

EMPLOYMENT AT SAGAMORE CROSSING

Estimated Sectoral Distribution of Resort Employees		
Sector	No.	Percent
Food & Beverage	1,388	34%
Retail/Entertainment	127	3%
Hotel	259	6%
Marketing & Administration	311	8%
Facilities	338	8%
Security	144	4%
Gaming Operations	1,375	34%
Accounting	99	2%
TOTAL	4,042	100.0%

Source: Center for Policy Analysis (2009).

Assumes Golf Resort & Convention Center + VLTs at NH Racetracks + Boston Area Resort Casino (Suffolk Downs)

TYPES OF JOBS: MARKETING & ADMINISTRATION

- Accounting Manager
- Auditor
- Compliance
- Mgr, Planning & Analysis
- Financial Analyst
- V.P. Human Resources
- V.P. Casino Marketing
- Dir, Public Relations
- Dir, Customer Relations
- Office Clerk
- Accounts Payable Clerk
- Internet Marketing Specialist
- Events & Promotions Specialist
- Dir Advertising
- Service Representative



TYPES OF JOBS

FOOD & BEVERAGE

- Restaurant Manager
- Banquet Manager
- Conf Services Manager
- Beverage Server
- Pantry Attendant
- Butcher
- Banquet Server
- Cashier
- Waitperson
- Potwasher
- Bartender
- Baker
- Executive Chef
- Cook
- Specialty Chef
- Maitre D
- Kitchen Steward
- Kitchen Maintenance
- Bus Person



TYPES OF JOBS: GAMING OPERATIONS

- V.P. Operations
- Slot Performance Analyst
- Director Slot Operations
- Slot Floor Supervisor
- Director Table Games
- Table Games Analyst
- Electronics Technician
- Facilities Supervisor
- Casino Controller
- Keno Writer
- Poker Dealer
- Slot Technician



- Casino Cashier
- Mail Room Clerk
- Fiscal Administrator
- Operations Analyst
- Casino Accounting Mgr

SAGAMORE CROSSING: OTHER ECONOMIC IMPACTS

2,081 indirect & induced jobs in NH

\$48.4M total annual payroll



Assumes Golf Resort & Convention Center + VLTs at NH Racetracks + Boston Area Resort Casino (Suffolk Downs)

INDIRECT IMPACTS

- ❑ Atlantic City casinos make 61 percent of their non-payroll purchases -- \$2.16 billion in 2006 -- from 2,331 different vendors within the state (NJCCC)
- ❑ Foxwoods made \$353 million in non-payroll purchases (2006) with 46% in CT and 51% in MA.
- ❑ Mohegan Sun made \$538 million in non-payroll purchases (2006) with 93% in CT.
 - ❑ purchases from businesses located in 158 of CT's 169 municipalities.

TOTAL EMPLOYMENT IMPACTS

Total Employment Impacts Generated by Sagamore Resort Hotel & Convention Center						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Direct Economic Impacts	739	1,818	3,451	3,708	4,042	4,042
Construction	739	472	-	-	-	-
Operations		1,346	3,451	3,708	4,042	4,042
Indirect Economic Impacts	181	342	580		679	679
Construction	181	116	-	-	-	-
Operations		226	580	623	679	679
Induced Economic Impacts	284	648	1,197	1,286	1,402	1,402
Construction	284	181	-	-	-	-
Operations		467	1,197	1,286	1,402	1,402
Total Economic Impacts	1,204	769	5,228	5,617	6,123	6,123
Construction	1,204	769	-	-	-	-
Operations	-	-	5,228	5,617	6,123	6,123

Source: IMPlan & Center for Policy Analysis.

NEW EMPLOYMENT IMPACTS: THREE SCENARIOS

Scenario	New Employment at Tracks	New Employment at Resort	Total New Employment
Racetracks Only	1,752	0	1,752
Resort + Racetracks	1,599	5,068	6,667
Resort + Racetracks + Boston	1,140	4,042	5,182

Source: Implan & Center for Policy Analysis, 2009.



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