

Economic Impacts of Project First Light

*On the City of Taunton, Bristol County, and
the Commonwealth of Massachusetts*

Prepared for:
City of Taunton
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2. HR&A Advisors, Inc. (HR&A) has been engaged and compensated by the City of Taunton to prepare this Study. In preparing this Study HR&A has used its independent professional judgment and skills in good faith, subject to the limitations, disclosures and disclaimers herein.
3. This Study is based on estimates, assumptions and other information developed by HR&A, other third party consultants, and city officials. Every reasonable effort has been made to ensure that the data contained in this Study are accurate as of the date of this Study; however, factors exist that are outside the control of HR&A and that may affect the estimates and/or projections noted herein. HR&A neither guarantees any results nor takes responsibility for their actual achievement or continuing applicability, as actual outcomes will depend on future events and circumstances beyond HR&A's control.
4. HR&A reviewed the information and projections provided by third parties using its independent professional judgment and skills in good faith, but assumes no liability resulting from errors, omissions or any other inaccuracies with respect to the information provided by such third parties referenced in this Study.
5. HR&A also relied on data provided by or purchased from the Minnesota IMPLAN Group and the Commonwealth of Massachusetts in order to generate estimates of indirect employment, economic output and to calculate estimated tax revenues. HR&A assumes no liability resulting from errors, omissions or any other inaccuracies with respect to the information provided by these parties.
6. HR&A received all project information and projections of attendance, revenues, costs, etc. from project sponsors. HR&A did not independently verify these numbers.
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14. This Study is qualified in its entirety by, and should be considered in light of these General and Limiting Conditions. By use of this Study each party that uses this Study agrees to be bound by all of the General and Limiting Conditions stated herein.

Executive Summary

On behalf of the City of Taunton, HR&A Advisors, Inc. (“HR&A”) conducted an economic impact analysis of a proposed destination resort casino (“the Project”) to be developed and operated by the Mashpee Wampanoag Tribe under the 2011 Massachusetts Gaming Law. The proposed Project includes approximately one million square feet of gaming, retail, restaurant, hotel and recreational uses, including an indoor water park. Specifically, the program studied includes:

- A 150,000 SF casino with 4,500 gaming positions, including:
 - 3,000 slot machines,
 - 150 gaming tables, and
 - 40 poker tables.
- Three 300 room hotels, two of which would be built above the casino.
- 65,629 SF of restaurants
- 12,000 SF of retail
- 2,500-3,000 structured parking spaces

This study estimates the economic impacts that the Project would generate from construction and ongoing operations. The HR&A analysis includes the direct economic spending projected for Taunton’s economy as well as the multiplier impacts this spending will generate on the economies of Taunton, Bristol County and the Commonwealth of Massachusetts

Key findings from the assessment of one-time economic activities during construction include:

- **Project construction would generate a total of \$530 million in one-time economic spending in the City of Taunton.** This includes an estimated total \$364 million in direct spending on construction-related activities and \$165 million in multiplier spending. An additional \$152 million in spending would take place in the rest of Bristol County and the Commonwealth of Massachusetts.
- **Project construction would generate significant employment in the City over a number of years.** Overall, the Project would create or support 2,080 full-time equivalent (FTE) jobs in the City, including 1,410 direct FTE jobs and 670 multiplier FTE jobs. The full build out of the Project would also support 390 jobs the rest of Bristol County and the Commonwealth of Massachusetts.
- **Project construction would generate \$197 million in wages in the City of Taunton.** This includes \$156 million in wages from direct jobs and \$41 million in wages from multiplier jobs in the City. Phase I alone is estimated to generate \$83 million in total wages in Taunton and \$20 million in wages in the rest of Bristol County and Commonwealth of Massachusetts.

Key findings from the assessment of ongoing annual operations include:

- **The Project would generate a total of \$336 million in annual economic spending in the City of Taunton at full build out.** This includes \$232 million in annual spending on direct operational activities and \$104 million in annual multiplier spending. This direct spending would generate an additional \$80 million in economic spending in the rest of Bristol County and the Commonwealth of Massachusetts. Over 80% of this spending results from casino operations and thus would begin after the completion of Phase I of the Project.

- ***The Project would support a total of 3,990 full-time equivalent jobs in the City of Taunton based on the estimated annual operating budget at full build-out.*** This includes 3,220 direct jobs and 770 multiplier jobs. In addition, the completed Project would support an additional 300 jobs in the rest of Bristol County and the Commonwealth of Massachusetts.
- ***The Project would generate a total of \$102 million in wages to workers in the City of Taunton based on estimated annual operating expenses.*** This includes \$77 million in wages from direct jobs and \$25 million in wages from multiplier jobs in the City. The project would support \$24 million in wages for jobs in the in the rest of Bristol County and the Commonwealth of Massachusetts.
- ***The Project would generate a range of jobs at wages comparable to similar occupations at other casinos.*** The Casino will employ people in administrative, table game, retail, food and beverage, marketing, and support positions, among others. Operations will require people in both full- and part-time capacity and the ranges of wages reflect this variation. While it is difficult to compare proposed wages against other casino projects due to the uniqueness of the project and the fact that it is the first in Massachusetts, in general, proposed wages are in the range of those at other comparable projects.

I. Introduction

The City of Taunton retained HR&A Advisors, Inc. to conduct an economic impact assessment of a proposed destination resort casino on the City. HR&A is a real estate, economic development, and public policy consulting firm based in New York City. HR&A has conducted economic and fiscal impact studies for over \$50 billion in development since 2006.

PURPOSE OF PROJECT

The Mashpee Wampanoag Tribe is proposing to build a destination resort casino (“the Project”) on property in the City of Taunton, Bristol County, Massachusetts. The Project would be built on a 130-acre development site in the Liberty & Union Industrial Park, which is located at the intersection of State Routes 140 and 24 in the City’s East Taunton neighborhood. The properties on which the Tribe currently has options to purchase include approximately 90 buildable acres and are bisected by an active freight rail line. The Tribe is petitioning for the property to become designated tribal land, and therefore would be exempt from state and local taxes.

ECONOMIC IMPACTS OVERVIEW

The construction and operation of a 171,000 SF casino, three hotels, and ancillary uses would produce significant economic impacts on the City of Taunton. These impacts include creating and supporting jobs, employee compensation, and economic spending. HR&A’s analysis includes the direct economic spending projected for Taunton’s economy as well as the multiplier impacts this spending would generate on the economies of Taunton, Bristol County and the Commonwealth of Massachusetts.

HR&A based its analyses on pro formas and employment numbers provided by the Tribe and its partners. *HR&A did not independently verify any of these estimates.* Using the input-output model IMPLAN (IMpact analysis for PLANning), a nationally-recognized industry standard econometric input-output model,¹ HR&A estimated the direct and multiplier effects on employment, wages, and economic spending on the City of Taunton,² Bristol County, and the Commonwealth of Massachusetts.

Multiplier or spinoff activity is comprised of two components: 1) indirect economic impacts caused by additional business spending stimulated by direct economic spending during construction and operating activities (e.g., supplier business operations) and 2) induced economic impacts stimulated by additional household spending due to wages from the direct and indirect activity.³

EXISTING CONDITIONS

The Liberty and Union Industrial Park currently contains approximately 275 jobs in both buildings at the Crossroads Commerce Center. Current plans are to leave these uses in place and the program is replacing undeveloped or grossly underutilized properties.

¹ Further details on the IMPLAN model can be found in Appendix 1.

² The City is defined as the area covered by zip codes 02780 and 02718.

³ A description of indirect and induced impacts can be found on Appendix 1.

II. One-Time Economic Impacts of Construction

HR&A estimated the one-time economic impacts of construction activities for each of the four development phases. During each phase, significant economic benefits would be generated for the City of Taunton, Bristol County and the Commonwealth of Massachusetts due to additional economic spending and direct job opportunities for construction workers. In addition, these direct impacts will create spinoff jobs from indirect and induced spending. This analysis only looks at the direct and multiplier impacts on these three geographies and does not consider economic benefits outside of the Commonwealth.

The Tribe and its partners plan to invest a total of \$650 million in development over an eight-year period. Figure 1 summarizes the construction cost estimate HR&A used to estimate the temporary economic impacts of construction. This analysis excludes land and acquisition costs that do not generate new economic activity. Thus, HR&A analyzed a total spending estimate of \$598 million using the IMPLAN model. The construction cost estimate includes the infrastructure upgrades required to serve the large number of visitors the Project will attract, the vertical construction costs of the facility as well as other project related soft costs such as furniture, fix and equipment, advertising costs, and insurance. HR&A considers all of the spending to be “net new” to the region because other construction activities of this magnitude would not have otherwise taken place at this site.

Figure 1. Project First Light Construction Cost Estimate, April 2012

	Phase I	Phase II	Phase III	Phase IV	Total
Infrastructure	\$10,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$25,000,000
Vertical					
Construction	\$180,800,000	\$101,900,000	\$60,400,000	\$100,600,000	\$443,700,000
Soft Costs	\$114,100,000	\$5,500,000	\$3,500,000	\$6,400,000	\$129,500,000
Total	\$304,900,000	\$112,400,000	\$68,900,000	\$112,000,000	\$598,200,000
Construction					
Period (months)	15	30	30	36	

Source: The Mashpee Wampanoag Tribe and its partners; HR&A Advisors, Inc.

The following sections summarize each type of impact on the City, County, and State by phase. Economic spending refers to the aggregate spending taking place in the region due to the Project activities. These include purchases of goods and services and employee compensation. Construction jobs are defined as the annual number of jobs to be available during the construction period. Permanent jobs are the annual number of positions created by the Project’s operations. In contrast to construction jobs that are no longer available after project completion, permanent positions are expected to be available in the local economy as long as the facility continues to operate. For the purposes of this study, wages have been defined as employee compensation net of benefits and taxes.

HR&A estimates three levels of economic impacts in terms of jobs, wages, and economic spending. Direct impacts are the change in industry production that results from activities directly related to the planning and construction of the Project. Indirect impacts includes additional ancillary business activities that results from the construction activities. Induced impacts are generated by household spending that is supported

from wages generated by the direct and indirect activities. For reporting purposes, we combine indirect and induced spending, which are collectively referred to as multiplier impacts.

ECONOMIC SPENDING

HR&A estimated that approximately \$364 million out of the overall \$598 million construction cost estimate would be spent in Taunton. This \$364 million in direct spending in the City of Taunton would trigger a total of \$317 million in multiplier spending throughout the region and Commonwealth, including:

- \$165 million in the City of Taunton,
- \$74 million in the rest of Bristol County,
- \$78 million in Massachusetts outside of Bristol County.

The total economic impacts of the construction of the Project for the Commonwealth of Massachusetts are estimated to reach \$682 million. Figure 2 below shows detailed economic spending by phase for each of the three geographies studied.

Figure 2. Construction-Related Economic Spending

	Phase I	Phase II	Phase III	Phase IV	Total
City of Taunton					
Direct Spending	\$154,500,000	\$80,700,000	\$49,400,000	\$79,800,000	\$364,400,000
Indirect + Induced	\$70,400,000	\$36,500,000	\$22,300,000	\$36,100,000	\$165,300,000
<i>Subtotal Taunton</i>	<i>\$224,900,000</i>	<i>\$117,200,000</i>	<i>\$71,700,000</i>	<i>\$115,900,000</i>	<i>\$529,700,000</i>
Bristol County					
Additional					
Indirect + Induced	\$30,800,000	\$16,700,000	\$10,300,000	\$16,500,000	\$74,300,000
<i>Subtotal Bristol County</i>	<i>\$255,700,000</i>	<i>\$133,900,000</i>	<i>\$82,000,000</i>	<i>\$132,400,000</i>	<i>\$604,000,000</i>
Commonwealth of Massachusetts					
Additional					
Indirect + Induced	\$33,200,000	\$17,300,000	\$10,500,000	\$17,000,000	\$78,000,000
Total	\$288,900,000	\$151,200,000	\$92,500,000	\$149,400,000	\$682,000,000

Source: HR&A Advisors, Inc.

JOBS

HR&A estimated that the total construction spending would support 2,470 full-time equivalent jobs, 1,410 of which would be directly related to onsite construction activities in the City of Taunton. The types of direct jobs include construction laborers, managers, architects, engineers, and other related professions. The type of jobs is consistent with those estimated by the Tribe in its May 8, 2012 community presentation. The actual number of full-time equivalent jobs varies by phase, based on the magnitude of estimated spending, as shown in Figure 3.

The highest number of jobs would be generated in Phase I with an estimated 850 full-time equivalent direct jobs over the 15 month period for direct construction-related efforts.

Figure 3. Construction-Related Jobs (Full Time Equivalent)

	Phase I	Phase II	Phase III	Phase IV	Total
City of Taunton					
Direct Impact	850	230	140	190	1,410
Indirect + Induced	400	110	70	90	670
<i>Sub Total Taunton</i>	<i>1,250</i>	<i>340</i>	<i>210</i>	<i>280</i>	2,080
Bristol County					
Additional Indirect + Induced	170	40	20	40	270
<i>Sub Total Bristol County</i>	<i>1,420</i>	<i>380</i>	<i>230</i>	<i>320</i>	2,350
Commonwealth of Massachusetts					
Additional Indirect + Induced	70	20	20	10	120
Total	1,490	400	250	330	2,470

Source: HR&A Advisors, Inc.

Over all four phases, the Project would support 1,410 direct jobs in the City of Taunton, and an additional 1,060 multiplier full-time equivalent jobs, including:

- 670 FTE jobs in the City of Taunton,
- 270 FTE jobs in Bristol County outside of the City,
- 120 FTE jobs in Massachusetts outside of Bristol County.

WAGES

The construction of the Project would generate over \$245 million in wages to workers in direct and multiplier jobs. Wages are defined as employee compensation net of taxes and benefits. The Project would generate \$156 million in wages to workers directly employed during construction. In addition, the multiplier activities would support:

- \$41 million in multiplier wages to workers in the City of Taunton,
- \$16 million in multiplier wages to workers in the rest of Bristol County,
- \$33 million in multiplier wages to workers in Massachusetts outside of Bristol County.

The average annual direct construction wage in each phase is approximately \$61,000 per full-time equivalent employee.

Figure 4: Construction-Related Wages

	Phase I	Phase II	Phase III	Phase IV	Total
City of Taunton					
Direct Impact	\$65,100,000	\$35,000,000	\$21,400,000	\$34,600,000	\$156,100,000
Indirect + Induced	\$17,500,000	\$9,000,000	\$5,600,000	\$8,900,000	\$41,000,000
<i>Sub Total Taunton</i>	\$82,600,000	\$44,000,000	\$27,000,000	\$43,500,000	\$197,100,000
Bristol County					
Additional					
Indirect + Induced	\$6,400,000	\$3,600,000	\$2,100,000	\$3,600,000	\$15,700,000
<i>Sub Total Bristol</i>					
<i>County</i>	\$89,000,000	\$47,600,000	\$29,100,000	\$47,100,000	\$212,800,000
Commonwealth of Massachusetts					
Additional					
Indirect + Induced	\$13,900,000	\$7,200,000	\$4,400,000	\$7,100,000	\$32,600,000
Total	\$102,900,000	\$54,800,000	\$33,500,000	\$54,200,000	\$245,400,000

Source: HR&A Advisors, Inc.

III. Ongoing Annual Economic Impacts

HR&A estimated the ongoing annual impacts of the Project on the City of Taunton, Bristol County, and the Commonwealth of Massachusetts based on estimates of spending within the geographies. These economic impacts are related to activities at the Project as well as offsite support operations. As with the construction impact analysis, this spending generates multiplier impacts that HR&A estimated using the IMPLAN model.

HR&A relied on an operating expense estimates provided by the Tribe and its partners to estimate ongoing annual impacts. HR&A did not independently verify these numbers. The analysis was performed by phase using its first stabilized year of operations, as illustrated in Figure 5. The Total column represents the Project’s estimated operating expenditures at full build out in a stabilized year.

Figure 5: Project First Light Annual Operating Expenditures

	Phase I	Phase II	Phase III	Phase IV	Total
Employee Compensation	\$83,600,000	\$3,600,000	\$4,200,000	\$5,200,000	\$96,600,000
Facilities	\$23,900,000	\$1,000,000	\$1,200,000	\$1,500,000	\$27,600,000
Gaming Supplies	\$1,200,000	\$350,000	\$0	\$0	\$1,550,000
Food & Beverage	\$1,600,000	\$700,000	\$2,550,000	\$2,550,000	\$7,400,000
Other Supplies	\$1,200,000	\$2,450,000	\$2,450,000	\$4,950,000	\$11,050,000
Marketing Expenses	\$53,700,000	\$2,300,000	\$2,700,000	\$3,400,000	\$62,100,000
Electricity	\$3,500,000	\$150,000	\$150,000	\$250,000	\$4,050,000
Gas	\$3,500,000	\$150,000	\$150,000	\$250,000	\$4,050,000
Administration	\$15,900,000	\$500,000	\$1,000,000	\$1,100,000	\$18,500,000
Total	\$188,100,000	\$11,200,000	\$14,400,000	\$19,200,000	\$232,900,000

Source: The Mashpee Wampanoag Tribe and its partners; HR&A Advisors, Inc.

ECONOMIC SPENDING

HR&A estimated at full build out, the Project would generate a total of \$416 million in economic spending annually in the Commonwealth of Massachusetts. Of this, \$336 million would be in the City of Taunton, including \$232 million in spending directly related to Project operations and an additional \$103 million in multiplier spending. Further, the Project’s spending would support an additional \$80 million multiplier spending throughout the region, including:

- \$28 million in spending in Bristol County outside of the City,
- \$52 million in spending in Massachusetts outside of Bristol County.

Casino operations established in Phase I contribute to 80% of the total estimated direct spending. As a result, the majority of the economic impacts would begin with the opening of Phase I.

Figure 6: Economic Spending from Operations

	Phase I	Phase II	Phase III	Phase IV	Total
City of Taunton					
Direct Impact	\$187,400,000	\$11,000,000	\$14,400,000	\$19,200,000	\$232,000,000
Indirect + Induced	\$84,500,000	\$4,600,000	\$6,200,000	\$8,200,000	\$103,500,000
<i>Sub Total Taunton</i>	<i>\$271,900,000</i>	<i>\$15,600,000</i>	<i>\$20,600,000</i>	<i>\$27,400,000</i>	<i>\$335,500,000</i>
Bristol County					
Additional Indirect + Induced	\$22,900,000	\$1,300,000	\$1,800,000	\$2,400,000	\$28,400,000
<i>Sub Total Bristol County</i>	<i>\$294,800,000</i>	<i>\$16,900,000</i>	<i>\$22,400,000</i>	<i>\$29,800,000</i>	<i>\$363,900,000</i>
Commonwealth of Massachusetts					
Additional Indirect + Induced	\$44,000,000	\$2,000,000	\$2,600,000	\$3,400,000	\$52,000,000
Total	\$338,800,000	\$18,900,000	\$25,000,000	\$33,200,000	\$415,900,000

Source: HR&A Advisors, Inc.

JOBS

At full build out, HR&A estimates that the Project would support a total of 4,290 full-time equivalent jobs. This figure includes 3,220 direct full-time equivalent jobs in the City of Taunton for on-site operations and direct support activities. The Casino would be the project's major source of employment requiring 2,552 full time equivalent jobs to sustain its operations.

In addition to the 3,220 direct full time equivalent jobs in the City, the Project's annual operating expenditures will generate or support an additional multiplier 1,070 full time equivalent positions throughout the region illustrated in Figure 7, including:

- 770 full time equivalent jobs in the City of Taunton,
- 130 full time equivalent jobs in the rest of Bristol County,
- 170 full time equivalent jobs in Massachusetts outside of Bristol County.

Figure 7: Jobs from Operations (Full-Time Equivalent)

	Phase I	Phase II	Phase III	Phase IV	Total
City of Taunton					
Direct Impact ⁴	2,740	120	150	210	3,220
Indirect + Induced	630	30	50	60	770
<i>Sub Total Taunton</i>	3,370	150	200	270	3,990
Bristol County					
Additional Indirect + Induced	110	10	-	10	130
<i>Sub Total Bristol County</i>	3,480	160	200	280	4,120
Commonwealth of Massachusetts					
Additional Indirect + Induced	140	10	10	10	170
Total	3,620	170	210	290	4,290

Source: HR&A Advisors, Inc.

WAGES

Project operations would generate a total of \$126 million in annual wages to workers in direct and multiplier jobs. This includes \$77 million in wages⁵ to Taunton workers directly employed at the Project as well as offsite support operations. In addition, the multiplier activities would support:

- \$25 million in multiplier wages to workers in the City of Taunton,
- \$4 million in multiplier wages to workers in the rest of Bristol County,
- \$21 million in multiplier wages to workers in Massachusetts outside of Bristol County

Figure 8: Annual Wages from Operations

	Phase I	Phase II	Phase III	Phase IV	Total
City of Taunton					
Direct Impact	\$64,600,000	\$2,800,000	\$3,900,000	\$5,300,000	\$76,600,000
Indirect + Induced	\$20,500,000	\$1,100,000	\$1,500,000	\$2,000,000	\$25,100,000
<i>Sub Total Taunton</i>	\$85,100,000	\$3,900,000	\$5,400,000	\$7,300,000	\$101,700,000
Bristol County					
Additional Indirect + Induced	\$3,000,000	\$200,000	\$200,000	\$300,000	\$3,700,000
<i>Sub Total Bristol County</i>	\$88,100,000	\$4,100,000	\$5,600,000	\$7,600,000	\$105,400,000
Commonwealth of Massachusetts					
Additional Indirect + Induced	\$17,300,000	\$800,000	\$1,100,000	\$1,400,000	\$20,600,000
Total	\$105,400,000	\$4,900,000	\$6,700,000	\$9,000,000	\$126,000,000

Source: HR&A Advisors, Inc.

⁴ Note the majority of direct jobs are categorized by IMPLAN as “Amusement parks, arcades, and gambling industries.” Due to limitations of the model, HR&A believes this may underestimate the true impacts due to the higher job density as a casino compared to an amusement park.

⁵ The \$76 million wage estimate is not directly comparable the \$97 million compensation estimate in Figure 5 because compensation includes taxes and fringe benefits.

IV. Benchmark Analysis on Projected Wages

HR&A conducted a high level assessment of employment and wages proposed by the Tribe with comparable projects in other states in order to benchmark proposed wages in Phase I of the project. In addition, HR&A analyzed regional wage data for hotel employees to provide information on what wages are likely to be at the future phases of development based on market rates.

HR&A reviewed information from the following data sources:

1. Occupation and wage data from the Tribe and its partners.
2. Wages by occupation from comparable casino projects in Connecticut, Pennsylvania, and New York states.
3. Wages by occupation from the Massachusetts Department of Labor for the Taunton-Norton-Raynham, MA NECTA Division.

While these data sources all provide valid information on employment and wages in gaming and related industries, the comparison must be interpreted with caution. The data represent different geographies and time periods that can be difficult to compare. In addition, tips comprise as significant percentage of wages in some gaming-related occupations. As a result, reporting on total wages to national and state sources may be inconsistent. Despite the limitations of the data, this assessment provides an important review of wage and employment levels at gaming facilities.

The following sections summarize HR&A's findings. The first section presents an overview of information presented by the Tribe. The second section compares the wages proposed for the Project's first Phase to wages paid by other casinos in nearby states. The third section estimates the wage level for different occupations for Phases II, III and IV of the Project.

TRIBAL EMPLOYMENT PROJECTIONS

Information provided by the Tribe and its partners indicates that upon completion, the Project would create 3,496 jobs, distributed among 2,407 full-time employees and 1,089 part-time employees. These positions represent 2,951 full-time equivalent jobs, with an average wage of approximately \$28,500.⁶ Total wages in the completed project are expected to amount to approximately \$84.0 million per year out of a total payroll of \$96.6 million.⁷ This figure is higher than the \$77 million in wages estimated in the previous section because it includes all jobs, not just those estimated to be held by Taunton residents.

The majority of the employment, 2,552 full-time equivalent jobs (87 percent of the total 3,496) would be related to the direct casino operations and would therefore start with the opening of Phase I. This phase will provide employment opportunities in a range of positions, from tellers and security personnel to administrative and executive positions. Wages at the facility would range from \$9,400 per year for the Casino Service Bar to a potential \$435,000 per year for a top executive, according to information

⁶ HR&A assumed wages amount to 85 percent of total employee compensation based on data on employee compensation and wages from the U.S. Bureau of Economic Analysis.

⁷ HR&A assumed wages amount to 85 percent of total employee compensation based on data on employee compensation and wages from the U.S. Bureau of Economic Analysis.

provided by the Tribe. This range includes both full- and part-time positions. It is important to note that many of these positions earn significant tips, which are not included in the ranges above. Figures 9 and 10 show projected employment, wage ranges, total full time equivalent jobs, total payroll, and average wages by department for Phase I as provided by the Tribe.

Figure 9: Estimated Employment and Employee Compensation Range, Phase I

Department	Low Wage	High Wage	FT	PT	Total Employees
Executive	\$18,087	\$434,783	18	-	18
Administration	\$21,704	\$52,174	43	-	43
Auditor and Accounting	\$18,087	\$60,870	30	-	30
Marketing and Sales	\$18,087	\$104,348	152	61	210
Casino Cage	\$23,513	\$69,565	82	41	123
Table Games	\$12,661	\$104,348	869	434	1,303
Slot Operations	\$19,896	\$121,739	82	41	124
Support Activities	\$18,087	\$65,217	64	8	72
Facilities	\$18,087	\$86,957	33	16	49
Environmental Services	\$18,087	\$39,130	81	40	121
Security	\$18,087	\$82,609	105	37	142
Food and Beverage	\$9,043	\$47,826	526	261	786
Total			2,085	939	3,021

Source: The Mashpee Wampanoag Tribe and its partners; HR&A

Figure 10: Estimated Employment and Employee Compensation Range

Department	Full-Time Employment	Total Wages	Average Wage
Executive	18	\$4,109,769	\$198,540
Administration	43	\$2,802,790	\$56,679
Auditor and Accounting	30	\$1,298,795	\$37,646
Marketing and Sales	181	\$7,651,507	\$36,760
Casino Cage	102	\$4,028,036	\$34,340
Table Games	1,086	\$29,169,248	\$23,356
Slot Operations	103	\$4,366,265	\$36,862
Support Activities	68	\$3,071,059	\$39,272
Facilities	41	\$2,932,274	\$62,190
Environmental Services	101	\$3,102,327	\$26,710
Security	123	\$4,469,820	\$31,600
Food and Beverage	656	\$16,600,798	\$22,005
Total	2,552	\$83,602,688	\$28,487

Source: The Mashpee Wampanoag Tribe and its partners; HR&A

EMPLOYMENT AT COMPARABLE CASINOS

Given that there are currently no casinos in the Commonwealth of Massachusetts, HR&A reviewed employment and compensation data for four casinos in nearby states to compare against the Project's proposed wages. Figure 11 shows the results of this analysis for gaming venues located in the states of New York, Connecticut, and Pennsylvania.

Figure 11: Average Wage for Comparable Casinos⁸

Gaming Facility	State	Employees	Total Wages (millions)	Average Wage
Foxwoods	Connecticut	10,137	\$336.9	\$33,231
Mohegan Sun	Connecticut	10,810	\$356.9	\$33,011
Taunton Casino	Massachusetts	2,951	\$84.0	\$28,465
Seneca Casino	New York	2,141	\$60.0	\$28,024
Meadows Racetrack and Casino	Pennsylvania	1,480	\$33.0	\$22,297

Sources: The Mashpee Wampanoag Tribe and its partners; Spectrum Gaming Group, prepared for the State of Connecticut; Gaming & Resort Development, Inc., prepared for US Niagara Development Corporation; The Meadows Racetrack & Casino

The estimated average wage at the Project is slightly lower than casinos in Connecticut, but higher than the two in New York State and Pennsylvania for which data were available. Several factors drive these differences. First, the New England states have a higher cost of living than western Pennsylvania and western New York. Second, the facilities differ in the mix of table games to slot machines, the former typically being labor intensive with higher paying jobs. Finally, the data do not confirm the extent to which tips are included in the wages. Overall, the proposed average wage appears to be in a reasonable range based on the type of project and expected occupations.

The variation in casino pay is further supported by a 2007 study by the Spectrum Group on behalf of the State of Connecticut. Figure 12 reveals notable differences in wages for the same occupations across the Mohegan Sun and Foxwoods, the only casinos in Connecticut. This supports the suggestion that the distribution of uses within a facility among, for example, slots versus gaming tables or gaming area versus dining areas, has a relevant impact in the average wage by occupation. Thus, it is challenging to compare wages at different projects even on an occupation by occupation basis.

⁸ Connecticut reported wages are from 2007 and HR&A did not adjust. According to the Quarterly Census of Employment and Wages from the Connecticut Department of Labor, average quarterly wages in amusement, gambling and recreation industries declined by three percent between the fourth quarter of 2007 and the fourth quarter of 2011.

Figure 12: Foxwoods and Mohegan Sun Wages by Occupation

Occupation	Foxwoods	Mohegan Sun
Senior Management	\$281,935	\$320,332
Directors	\$122,608	\$112,071
Managers	\$75,490	\$59,924
Supervisors	\$49,295	\$45,841
Dealers and Floor Persons	\$22,023	\$39,358
Games Support	\$28,082	\$28,016
Non-Games Floor Support	\$21,251	\$19,251
Non-Gambling Support	\$31,025	\$23,796
General Support	\$39,105	\$25,206

Source: Spectrum Gaming Group, prepared for the State of Connecticut, 2009

WAGE PROJECTION FOR FUTURE DEVELOPMENT PHASES

Information provided by the Tribe did not include detailed information on estimated wages for development beyond Phase I. To estimate wage ranges for jobs in future phases, HR&A obtained data on wages for occupations that are likely to support planned hotel and entertainment uses. According to information provided by the Tribe and its partners, these three development phases will add 900 hotel rooms, and a 25,000 square foot waterpark. These developments will require an additional 397 FTE employees. HR&A obtained data from the Massachusetts Department of Labor on wages by occupation in the Taunton region to illustrate the types of jobs and estimates wages that would be added in future phases based on current market averages. Average wages range from approximately \$52,000 per year for managers and supervisors to \$24,140 per year for retail sales person. These averages include both full-time and part-time positions.

Figure 13: Wages by Occupation for Taunton-Norton-Raynham, MA NECTA

Occupation	Average Wage
Retail Salespersons	\$24,140
Hotel, Motel, and Resort Desk Clerks	\$21,590
Security Guards	\$30,730
Office and Administrative Support Occupations	\$36,140
First-Line Supervisors/Managers of Office and Administrative Support Workers	\$52,020
Office Clerks, General	\$30,060
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	\$22,940
Cooks, Restaurant	\$27,750
Bartenders	\$28,660
Maids and Housekeeping Cleaners	\$21,300
Arts, Design, Entertainment, Sports, and Media Occupations	\$38,700

Source: Massachusetts Department of Labor, 2011

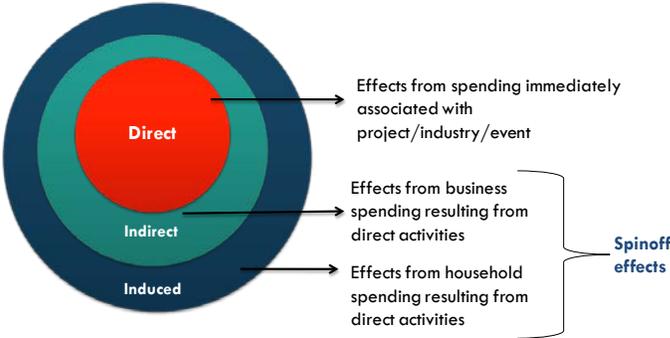
Appendix

IMPLAN ECONOMIC IMPACT MODEL

The IMPLAN model is used to conduct economic impact analyses by leading public and private sector organizations across the United States, including a number of federal and state agencies. IMPLAN traces the pattern of commodity purchases and sales between industries that are associated with each dollar's worth of a product or service sold to a customer, analyzing interactions among 440 industrial sectors for a specific location, with assumptions about spending that takes place outside of the location. HR&A conducted its analysis with 2010 multipliers for the economies of the City of Taunton, Bristol County and the Commonwealth of Massachusetts. Multipliers are the total production requirements in the local economy for all goods and services consumed by final users in 2010. This is the most recent data available.

Figure 14 illustrates the structure of economic impacts produced by the model. Multiplier or spinoff activity is comprised of two components: 1) indirect economic impacts caused by additional business spending stimulated by direct economic spending during construction and operating activities (e.g., supplier business operations) and 2) induced economic impacts stimulated by additional household spending due to wages from the direct and indirect activity.

Figure 14: Overview of Economic Impacts, Direct and Spinoff Effects



Source: HR&A Advisors, Inc.

In addition to overall economic spending, the IMPLAN input-output model also produces estimates of the number of jobs supported and employee compensation. Compensation generated by the IMPLAN input-output model is based on a nationally recognized econometric model, customized for local economic conditions. It includes wage and salary income plus benefits and employer paid taxes. For each specific industry, IMPLAN also provides what percentage of total employee compensation corresponds, on average, to wages. This tool allows estimating wages using IMPLAN's total employee compensation output.

