

# Impacts of MGM Springfield on the City of Northampton

**Presentation For:**  
**City of Northampton**  
Surrounding Community Hearing  
Massachusetts Gaming Commission  
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Prepared by:



[www.camoinassociates.com](http://www.camoinassociates.com)

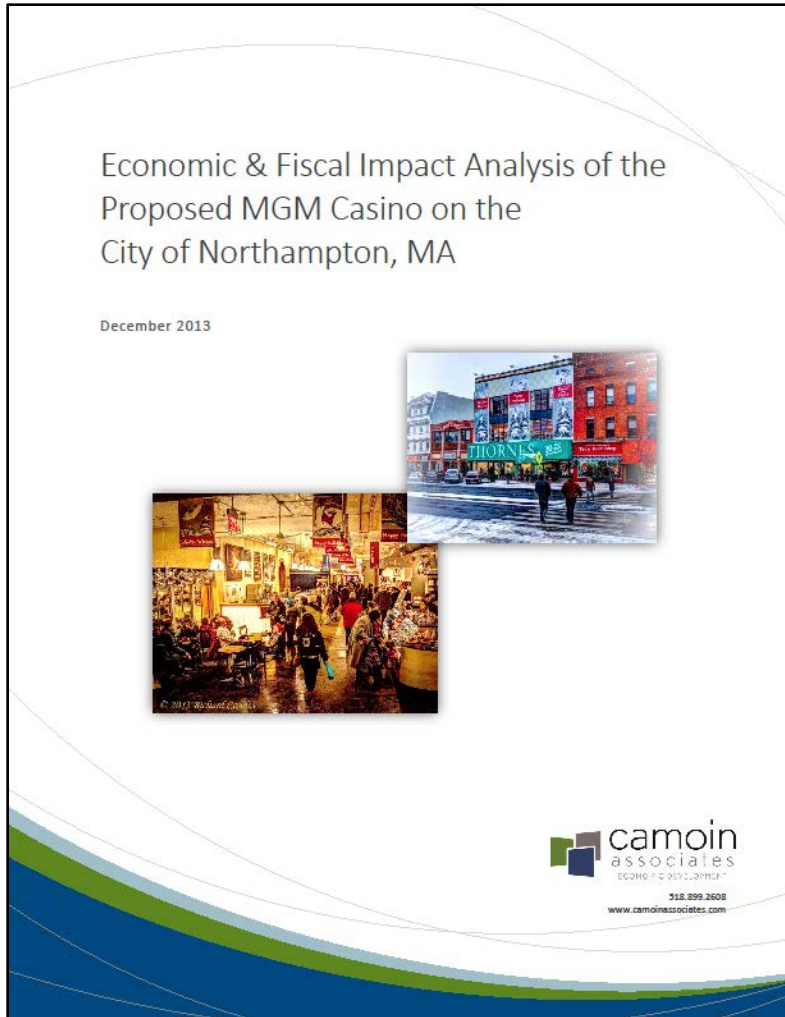
# About Camoin Associates

We have provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. We specialize in:

- Economic and Fiscal Impact Analysis
- Strategic Planning
- Market Analysis
- Downtown Revitalization
- Program Evaluation



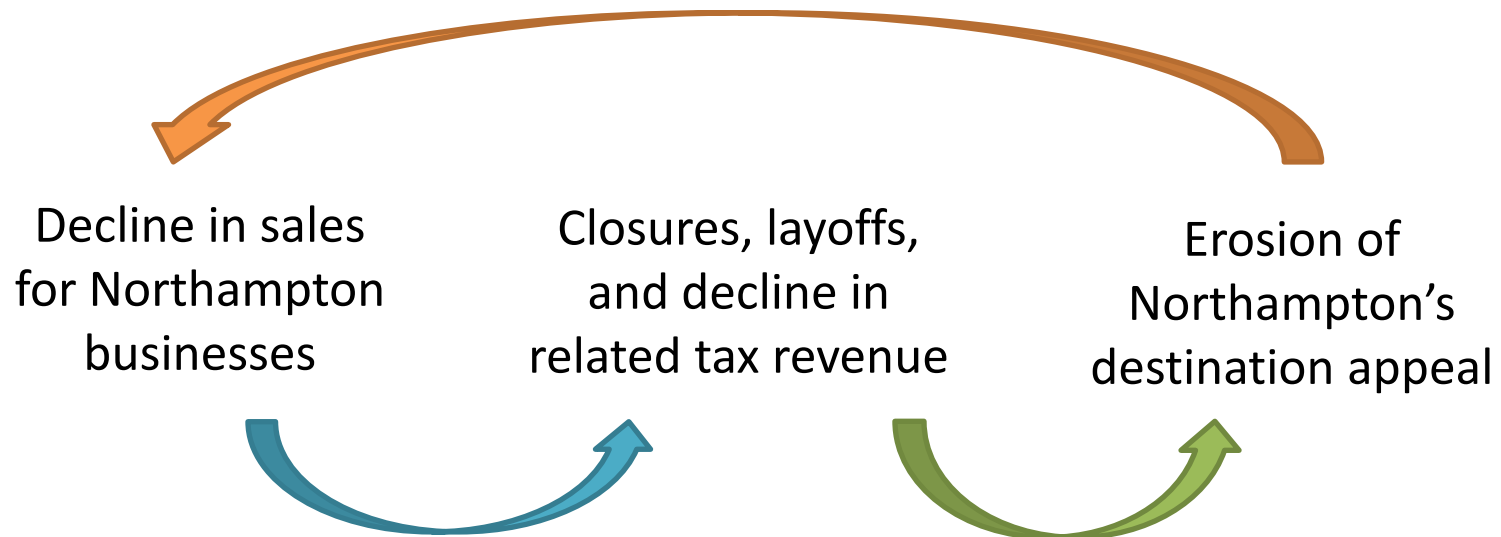
# Outline



1. Analytic Framework
2. Northampton – Cultural Magnet of Western MA
3. Competition from Proposed Casino
4. Our Approach to Estimating the Casino's Impact
5. Major Findings

# Summary of Analytic Framework

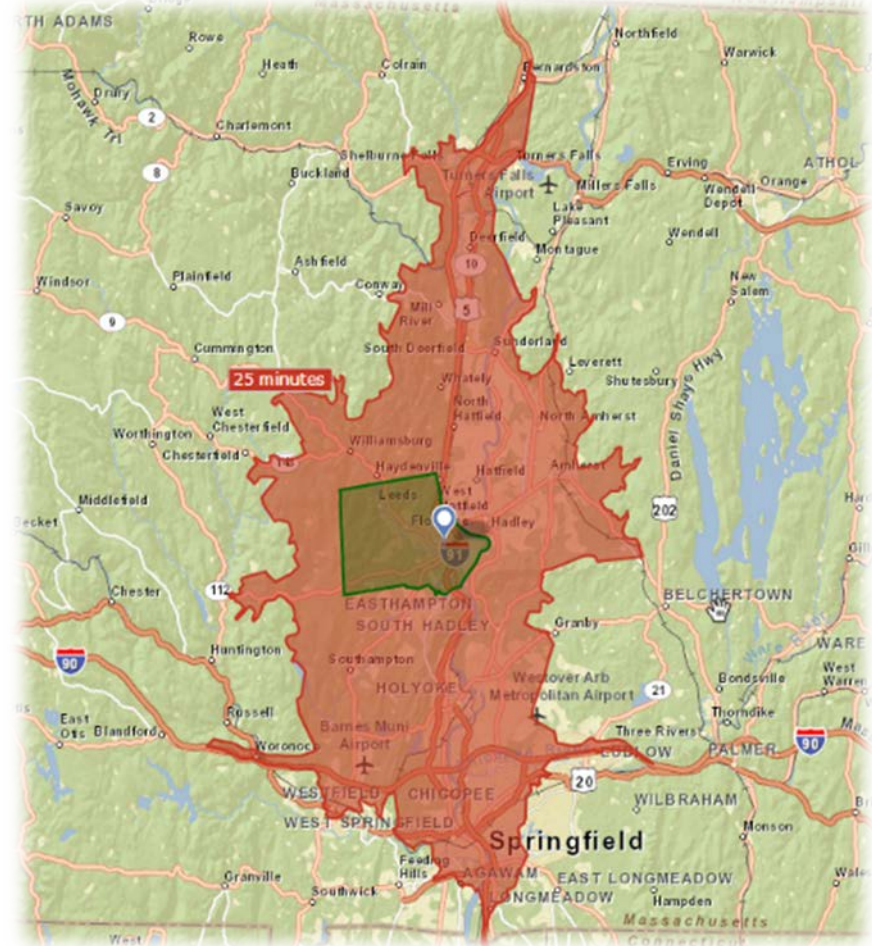
- Northampton is a unique destination in Western MA for “recreational” spending
- The Casino will compete for a **limited amount of regional dollars** spent on entertainment, dining, and shopping.



# Northampton – A Cultural Hub

## Northampton Trade Area – 25 minute drive time

- Attracts over 500,000 visitors annually
- Unique retail, entertainment, restaurant options
- Majority of visitors from 25 minute drive time, including many from the south

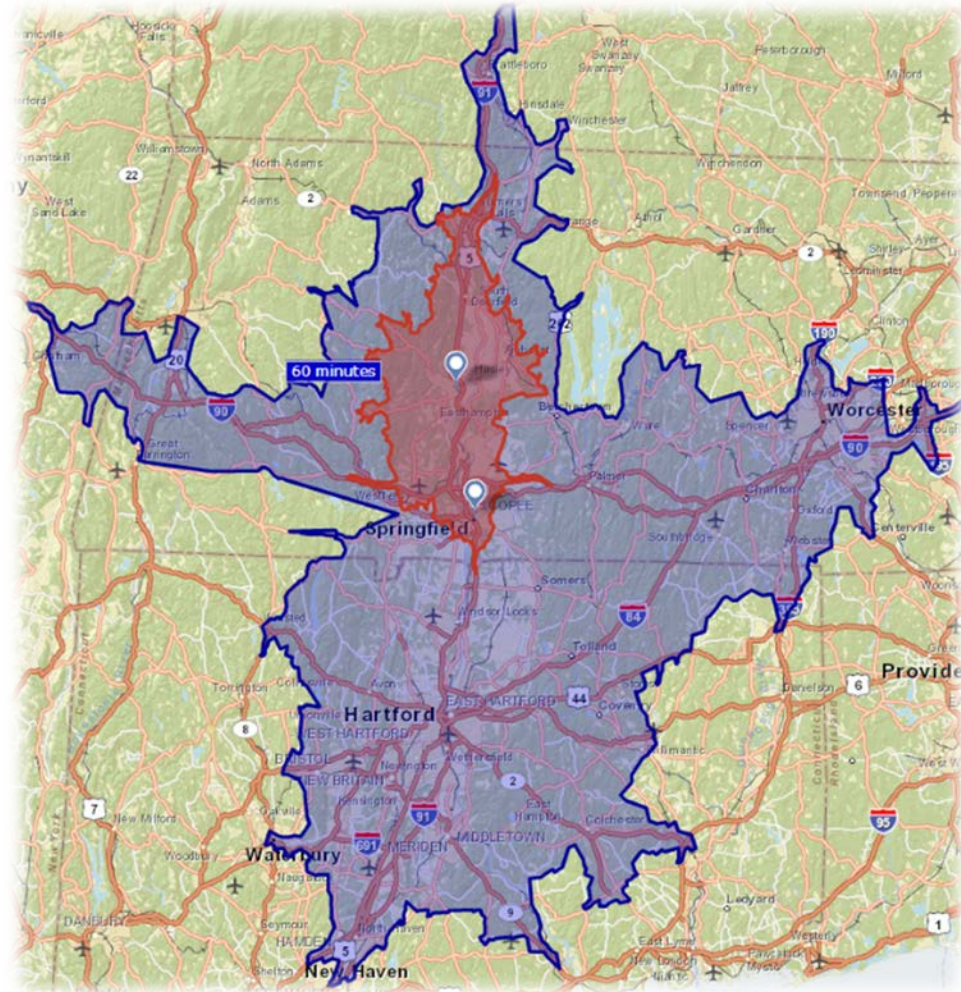




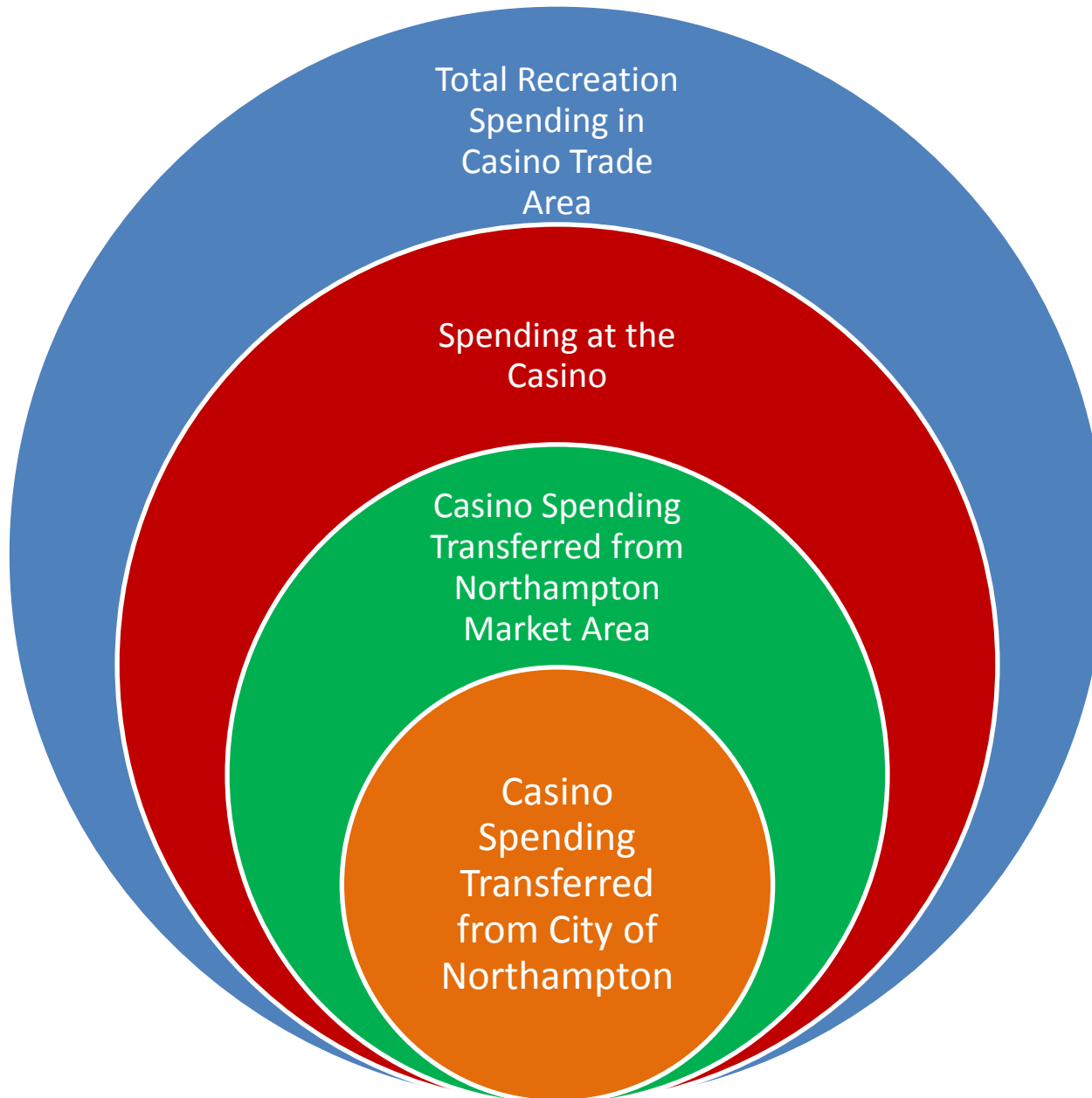
# Casino Competition

- Casino will attract customers from a 60 minute drive time
- A portion of recreation spending by residents in this area will transfer to the casino
- Increasing number of casinos in region leading to a shrinking market area

**Casino Trade Area –  
60 minute drive time**



# Calculating Impacts



## Low Case Scenario

\$8 billion in total recreation spending in Casino Trade Area

\$342 million spent at Casino- 4.04% of total Casino Trade Area spending

\$40 million lost to NTA- 4.04% of Northampton Trade Area spending

\$4 million lost to City- 10.22% of Northampton Trade Area transferred spending

# Low and High Case Scenarios

## Low Case

4% decrease in Northampton sales equal to **\$4,124,528**  
in direct sales lost to downtown businesses

## High Case

8% decrease in Northampton sales equal to **\$8,251,736**  
in direct sales lost to downtown businesses

- Based on discussions with stakeholders, proximity of Northampton to Springfield, I-91 accessibility



# Major Findings

## Annual Sales Lost

\$4.4 million to \$8.8 million

## Annual Jobs Lost

90 jobs to 180 jobs

## Annual Earnings Lost

\$1.6 million to \$3.2 million

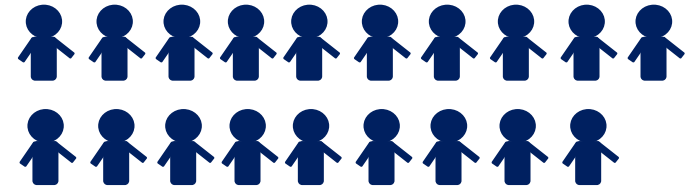
## Annual City Revenue Lost

\$136,936 to \$273,623

## 20 Year Total City Revenue Lost


\$3.6 million to \$7.3 million

### Low Case Job Loss



### High Case Job Loss



 = 5 jobs

# Conclusions

- There is a finite amount of disposable income and recreation spending
- Northampton will be competing with the Casino for recreation spending
- Current businesses are operating on thin margins and a decrease in sales could lead to a domino effect of closures in the downtown business district
- A resort style casino in Springfield would negatively impact Northampton's current businesses and future investment potential

