

MASSACHUSETTS GAMING COMMISSION HEARING

JANUARY 29, 2014

STATEMENT IN SUPPORT OF
SURROUNDING COMMUNITY DESIGNATION
FOR SAUGUS MASSACHUSETTS
IN CONNECTION WITH WYNN RESORTS APPLICATION

Respectfully submitted,

Scott C. Crabtree
Town Manager
Town of Saugus
Town Hall – 298 Central Street
Saugus, MA 01906

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I. BACKGROUND

Saugus, Massachusetts is a community of approximately 26,000 people. As set forth in its original petition with the Commission, the Town satisfies the criteria to be designated as a “surrounding community” of the proposed Wynn Resort location in Everett, Massachusetts. At the outset, the Town notes that Wynn Resorts did not include analysis specific to Saugus in its opposition to the Saugus petition, and Wynn had not provided any such information to the Town as late as the day before this hearing (despite Saugus’ written request for the same should it become available).

M.G.L. c. 23K, §2 defines “surrounding community” to mean, “municipalities in proximity to a host community which ... are likely to experience impacts from the development or operation of gaming establishment, including municipalities from which the transportation infrastructure provides ready access to [a] ... proposed gaming establishment” (emphasis added).¹ Being adjacent to the host community is not dispositive, one way or the other, in this calculus.

Applicable statutory guidance calls for the Commission to consider “population, infrastructure [and] distance from the gaming establishment,” and this has been interpreted by applicable regulation to incorporate several factors (not only traffic), which include:

- (i) *Proximity*. This includes geographic and commuting distance to both the host community (here, Everett) and the gaming establishment. 205 CMR 125.01(2)(b)(1).

¹ “Likely” is defined as “probable” and “having [a] better chance of existing or occurring than not.” Black’s Law Dictionary, Sixth Ed. [1990].

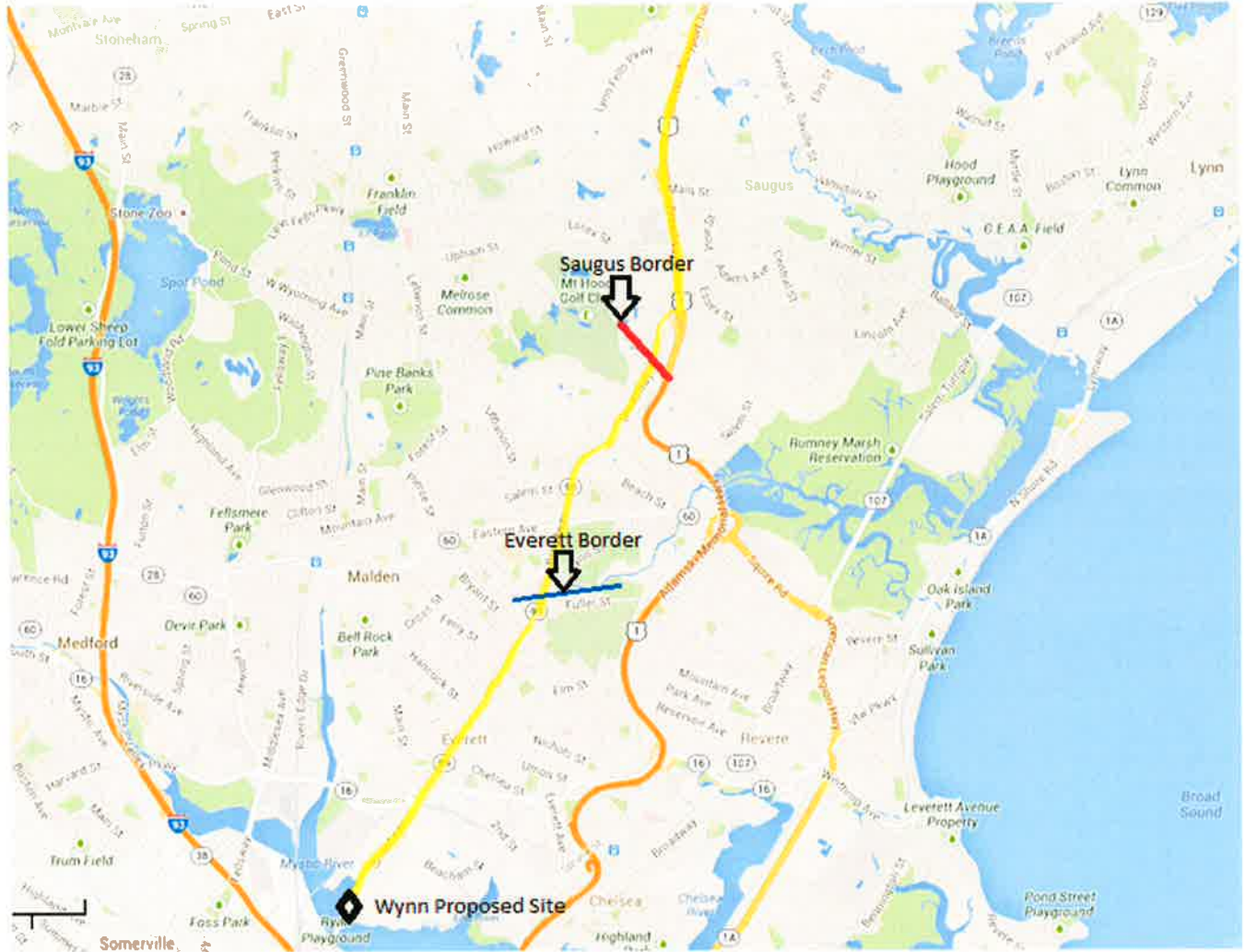
- (ii) *Transportation Infrastructure.* Factors include ready access between the community and gaming establishment; increased volume (including on state roadways within the community); and increased traffic due to construction. 205 CMR 125.01(2)(b)(2), (3).

- (iii) *Impacts Caused by Operation.* These can include public safety; negative impact on local retail, entertainment and service establishments; and increased social service needs. 205 CMR 125.01(2)(b)(4).

- (iv) *Other Relevant Potential Impacts.* The Commission will evaluate whether other relevant potential impacts are appropriate. 205 CMR 125.01(2)(b)(5) (emphasis added).

II. PROXIMITY

Saugus' closest border is approximately 1.9 miles from the host community, Everett, measured from border-to-border on Route 99, and is 4 miles by air from the casino location in Everett proposed by Wynn Resorts in its application; Saugus is 4.2 miles from the proposed casino by car heading North on Route 99 (on which route the resort would be located). Saugus has every reason to believe that Route 1 will be a primary travel road, both to and from, the proposed Wynn casino, for most traffic in the North/Northeast on the Route 95 and Route 128 corridor. In fact, the interchange of Route 99 and Route 1 is located in Saugus, 4.5 miles from the Wynn site:



III. TRANSPORTATION / TRAFFIC-VEHICLE TRIPS

In addition to many of Saugus' own residents, anecdotal evidence suggests that those from several nearby communities (such as Salem, Lynn, Peabody and Beverly) would likely avoid major interchanges altogether and travel instead through Saugus' arterial roads to get to Everett for the purpose of local travel to and from this casino. More specifically, Saugus has retained CDM to perform an initial analysis of the likely potential traffic impacts to Saugus of Wynn's proposed casino resort based upon a review of the Wynn application.

CDM found that a Wynn casino in Everett would create a “perceivable difference in the flow of traffic on the town’s roadway networks,” and that “[a]dded volume during already congested periods will cause traffic to divert to town streets to avoid jams which will stress already stressed intersections, and potentially hamper emergency response time.” See Exhibit A (Memorandum of CDM Smith, dated January 28, 2014).

IV. IMPACTS DUE TO OPERATION

A. Public Safety

Every week, approximately 150,000 trips are taken in each direction on Route 1 through Saugus -- over twenty thousand trips per day. The Town’s public safety officials are called out to Route 1 approximately 4,000 times per year. Any increase of traffic on Route 1 generated by the proposed Wynn casino -- whether 2%, 4% or 10% -- will necessarily increase that demand on the Saugus police force. This is not an academic concern. When Route 1 and Saugus’ streets are congested at peak traffic times, this has a severe effect on the Town’s public safety response times for emergencies, whether they are police, fire or medical in nature.

Saugus’ police, based upon years of experience with their community, further believe that a gambling location of the size and scope being proposed by Wynn, in Everett, will increase the likelihood of additional “social crimes” occurring in Saugus -- such as drug usage, domestic violence, driving under the influence, and potentially prostitution (such as at motels located in Saugus).

Furthermore, Saugus is a party to mutual aid agreements with regard to both fire and police services with the Wynn host community, Everett, due to the close and overlapping relationship between the communities. Detectives and police officers in both Everett and Saugus have arrest powers that cross each other’s city lines, and as many as three or four Saugus detectives at a time may be involved in

task force work with the Everett police. The two communities are parties to the same metropolitan fire district: Everett responds to Saugus fire station calls, and Saugus responds to Everett's. To the extent that Everett's police and fire services are burdened by the proposed Wynn casino, this "overflow" effect necessarily impacts Saugus' public safety resources. Saugus' annual outlay for police and fire services is currently slightly under \$10 million dollars, and any increased demand on these public officials will further strain the Town.

B. Local Retail, Entertainment and Service Establishments

Saugus is a "top twenty" community in Massachusetts in terms of revenue generated by a local meals tax. This revenue is approaching \$1 million per year of receipts which are generated by local meals, in a Town with a total annual budget of \$80 million per year. This is a significant source of revenue for Saugus. Saugus businesses encompass a breadth of economic diversity, from high-end consumers to working- and middle-class meals and entertainment.

The Town's economic development coordinator, Robert Luongo, has interviewed several venues located in Saugus, including restaurants, which are deeply familiar with the clientele and consumer base which support their businesses. Specifically, Mr. Luongo conducted an informal survey of five restaurants on Route 1 that could be impacted by the casino development: three of these restaurants are upscale, and two have large followings based on entertainment that is provided on-site at their facilities. All five restaurants expressed concerns about losing clients if and when a casino opens. Concerns were expressed that their customers, who are often middle-class individuals and families with fixed discretionary funds for the purpose of entertainment (including meals), would potentially do business with Wynn Resorts' proposed gaming and entertainment options rather than their own, i.e. that the casino would in fact be a competitor and not merely a source of new customers. Some restaurants noted that

increased volumes especially on weekends, when the casino would be at its busiest point, could have a negative impact on patronage.

In addition, Town has reviewed at least one published study, a report entitled “The Casino Gamble in Massachusetts,” by Phineas Baxandall and Bruce Sacerdote, (Release date: January 13, 2005), which found, among other things, that:

- Commercial casinos are more likely to reduce unemployment but, unlike Indian casinos, their presence is also correlated with increases in crime, and reduced earnings in hospitality and retail businesses located within 50 miles radius; and
- Commercial casinos reduced general merchandise earnings 13% among businesses inside a 50-mile radius.

The results of Mr. Luongo’s informal survey reflect that Saugus’ businesses share concerns over a similar impact as that found in this study happening to them, based upon their own understanding and knowledge of their own customer base. Finally, the commercial tax base is vital to the Town’s finances. In the event that any businesses did close due to the new competitive challenge presented by an Everett casino, the Town’s finances may be further negatively impacted due to the genuine potential for abatements being sought by owners of vacant property.

C. Social Service Needs

Problem gambling is a known factor that geographically accompanies casinos. Saugus is not presently materially confronting this as a demand on its social services. The Town will take every effort to protect its residents and community from this risk, and alleviate any development of such a social issue. However, to the extent Saugus may be called upon provide these resources in the future, arising out of the Wynn Resorts casino in Everett, there would clearly be a causal link.

V. OTHER POTENTIAL IMPACTS

Unlike other neighboring communities, Saugus has historically resisted mixed-use zoning, and as a result the Town does not have the same opportunity at present to take advantage of what would be deemed “secondary” opportunities for economic growth in the event of the Wynn casino being located in Everett (such as construction of a hotel for individuals traveling to the immediate region to stay multiple nights to visit Wynn’s proposed resort). This zoning restriction in Saugus, alone, would potentially result in a long-term economic and competitive disadvantage that Saugus would suffer as compared to other communities, even in the event of an overall/statewide positive economic effect.

VI. CONCLUSION

Saugus understands that in presenting the above information and testimony to the Commission, together with its petition, it is not in a position to identify with scientific certainty the impacts that will result from a casino resort being located in Everett by Wynn Resorts, scheduled to open in 2017. Its view is simply that the information presented above and in its letter-petition is sufficient to establish that there will be such an impact, and that Saugus should therefore be entitled to the attendant rights, including to undertake best efforts to negotiate a fair “surrounding community” agreement with Wynn Resorts, in the days and weeks ahead, as envisioned by the Legislature.

The Town thanks the Commission for its consideration and welcomes any questions or further information that the Commission may wish to request.

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Memorandum

*To: Scott Crabtree
Town Manager, Saugus*

*From: Paul E. Ross, P.E.
Daniel L Murphy, Jr. P.E.*

Date: January 28, 2014

Subject: Town of Saugus Transportation Impacts of Wynn Everett

As requested, CDM Smith has compiled this summary of potential transportation concerns and impacts to the town of Saugus and its roadways based on available information and the DEIR filed by Wynn Everett.

With the limited time available and understanding that others have already done so, we did not delve deeply into the methodology of the proponent's trip generation and distribution projections.

Saugus Transportation Network

Route 1 is an Urban Interstate that bisects the town, carrying regional traffic from the north and south as well as from Wakefield via Route 129. With four major intersections/interchanges in town, (at Essex Street, Main Street, Lynn Fells and Walnut Street/129) it also carries local traffic from one end of town to another. Route 107 also provides a regional corridor from the north into Saugus and points south, though connectivity in Saugus is limited.

In order for Saugus residents to travel from one side of the town to the other, they must do so by way of overpasses at one of these few interchanges over Route 1. When Route 1 is congested and the associated ramps slow down, the impact is carried over onto the surface streets and these overpasses.

Route 1 Existing Conditions

Route 1 between Route 60 and Route 99 is a bottleneck, providing two lanes in each direction with three lanes in each direction to the north and south. As a result, the interchanges at Copeland Circle and at Route 99 are heavily congested. Further, this congestion carries north and south, particularly in the morning and evening peaks, respectively.

This congestion not only hampers local traffic wishing to enter Route 1, but also those who must use the overpasses to travel east-west or west-east over the arterial highway that divides the town.

The on and off ramps bring a level of traffic congestion, not only by regular users of Route 1, but by those that tend to “jump off” of Route 1 during congested periods to cut through the town toward their alternate route.

Crash Clusters

Each of the interchanges on Route 1 within the boundaries of the town of Saugus are represented on the MassDOT 2011 Crash Clusters map, each having a number of recorded crashes in 2011 higher than many of the project study intersections had in the three years studied. The crash numbers for the interchange of Route 1 with:

- Main Street experienced 44 crashes, 14 of them resulting in injuries
- Essex Street experienced 55 crashes resulting in 23 injuries
- Lynn Fells experienced 32 crashes resulting in 9 injuries (2010 data)
- Walnut Street experienced 72 crashes with one fatality. 28 of these crashes resulted in injuries.

Further, the Route 1/Walnut Street interchange is ninth on a list of the top 25 crash locations between 2006 and 2008, prepared by the Boston Region MPO. Route 1 at Essex Street is number 24 on that list.

(Note: The Walnut Street interchange has been identified for partial funding in the MassDOT 2014-2018 Capital Improvement Program and may begin construction as soon as 2016.)

Projected Route 1 Vehicle Trips

According to Figure 4-51 in the DEIR, nine percent of trips will use Route 1. Two percent will use Route 99 to and from the north. Ultimately, these two roadways merge in Saugus. This means that at least eleven percent of the project-generated trips will travel to and from the gaming resort through Saugus.

Additionally, even those regional trips using Route 60 or Route 107 will travel through Saugus as will any of the 25,000 Saugus residents that wish to visit the facility.

Many of the project study area roadways carry less project traffic than Route 1, however, none of the Route 1 interchanges in Saugus were considered in the study.

The Wynn Everett study prepared by Vanasse and Associates with Howard/Stein-Hudson used a project-wide annual growth factor of 0.5%. Further the communities of Everett, Boston, Cambridge,

Chelsea, Medford, Revere and Somerville were contacted to inquire about additional development projects to be considered in calculating the background growth for the traffic analysis.

Route 1 in Saugus, which is projected to carry 11% of the project-generated traffic north of Route 99, will experience additional development. A Super Wal-Mart is expected to open at 770 Broadway (Route 1) in the Summer of 2014.

With a projected 1,681 and 1,977 projected vehicle trips in the Friday and Saturday peak hours, 11% on Route 1 will be 185 and 217 additional cars. At 22' per vehicle, that's 4,000 to 4,800 feet of additional queuing.

Potential Impacts

The additional traffic that the gaming resort will admittedly bring to Route 1 and Saugus roadways will result in a perceivable difference in the flow of traffic on the town's roadway networks, highlighting the need for improvements to the town's infrastructure to accommodate the additional demand and provide additional capacity.

Added volume during already congested periods will cause traffic to divert to town streets to avoid jams which will stress already stressed intersections, and potentially hamper emergency response times.

The DEIR indicates that the Route 1 Transportation Improvements will begin construction in the summer of 2019. Based on this information, it is possible that the study preparer may have assumed that the Route 1 bottleneck will have been eliminated in time for full opening of the facility.

However, the construction of the Route 1 Transportation Improvements between Route 60 (Copeland Circle) and Route 99 has not yet been funded and today remains on the long range planning list at Boston Region Metropolitan Planning Organization for 2035.

In short, what happens on Route 1, Saugus' main artery, will impact the local roadway network as well. With the proposed increase in traffic on Route 1, improvements will need to be made on Route 1 and at locations yet unstudied, unidentified in order to handle the increased demand.