



***Policy Recommendations for Inclusion in the
2018 Community Mitigation Fund (“CMF”) Guideline Discussion Draft***

1. Should the Commission place an overall limit on grants for the 2018 CMF?

Background: Given that MGM Springfield is expected to open late in 2018 and that Wynn Boston Harbor is expected to open in mid-2019, the CMF will not see new revenues for a significant period of time. Approximately \$10 million in funding remains unallocated, assuming continuation of previously authorized reserves and further funding of prior awards.

2017 Results: The Commission anticipated authorizing no more than \$3.4M out of the 2017 CMF. The Commission awarded a total of \$2,207,106.03 of new grant funding. It also authorized \$298,397.92 in grants from the previous awarded reserves for a total of \$2,505,503.95.

Recommendation: The Commission should place an overall limit. Further dialogue is necessary to determine the amount.

2. Should the Commission place a per grant limit for 2018 CMF awards?

Background: As noted, given that MGM Springfield is expected to open late in 2018 and that Wynn Boston Harbor is expected to open in mid-2019, the CMF will not see new revenues for a significant period of time.

2017 Results: The Guidelines set specific limits for grant requests \$400,000 for Specific Impact Grants; \$150,000 for Transportation Planning Grants; \$200,000 for each Region A and B for Workforce Development; and \$200,000 for Tribal Technical Assistance. However, the Commission reserved their ability to authorize funding beyond the amounts.

Recommendation: It is recommended that the Commission set \$500,000 as the waivable limit for individual Specific Impact Grants. It is also recommended the Commission specify that only one application per community may be submitted (subject to waiver). The Workforce Pilot Program Grant is recommended to be set at \$300,000 for Region A and Region B, for a total of \$600,000. As no Region C license or Tribal facility has yet been fully authorized, it is recommended that the Commission maintain the \$200,000 for the Tribal Impact Grants. In regard



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to planning, it is recommended that the Commission increase the Transportation Planning Grant funding to \$200,000 and authorize a new non-transportation planning grant of \$50,000 discussed later.

Type	Proposed 2018 Amount	2017 Grant Amounts
Specific Impact Grants	\$500,000	\$400,000
Workforce Pilot Program	\$300,000 per region	\$200,000 per region
Transportation Planning	\$200,000	\$150,000
Tribal Impact Grant	\$200,000	\$200,000
Non-Transportation Planning Grant	\$50,000	N/A

3. If an overall limit is included, how should the Commission and staff evaluate competitive grants?

Background: It is difficult to make determinations between applications that may not be easily compared, given the wide range of potential mitigation requests.

2017 Results: The review team based their recommendations on specific criteria required of all applications and additional criteria depending upon the type of grant required.

Recommendation: Keep the same evaluation factors as last year with a slight modification. The Commission should include a new application question regarding how the proposed mitigation is connected to the casino. In the new application, communities would need to provide further specificity / evidence that the proposed mitigation addresses issues or impacts directly related to the gaming facility.

4. Should the Commission revisit its determination to authorize planning grants, which require an in-kind match?

Background: In recognition that transportation projects may take many years to plan, the Commission authorized first transportation planning grants in its 2016 CMF Guidelines and funded several projects. In addition, pursuant to its 2015 and 2016 CMF Guidelines, communities may utilize up to \$50,000 of their CMF reserves for planning purposes.

2017 Results: The Guidelines required in-kind services of planning funds.

Recommendation: It is recommended that the Commission establish a new \$50,000 Non-Transportation Planning Grant for non-transportation impacts

available to communities that qualified for the One-Time Reserve Grants. This grant solely would be for those communities that have allocated their One-Time Reserve and received Commission approval for the use of the Reserves. Any community applying for planning funds would also need to provide detail on what it will contribute to the planning project such as in-kind services or planning funds.

5. How and when should the CMF guidelines reflect the work of the Lower Mystic Regional Working Group?

Background: As a result of the Wynn MEPA review, the Massachusetts Department of Transportation established a working group to study the regional transportation needs of the Sullivan Square area and I-93 area near Sullivan Square. The recommendations of this group are purely advisory to all parties and are not expected until the late 2018, or early 2019 near the February 1 CMF application deadline.

2017 Results: The Lower Mystic Regional Workforce Group results were not reflected; because the report was not anticipated to be made by the February 1, 2017 deadline.

Recommendation: The Lower Mystic Regional Workforce Group report is not expected to be completed until too close to deadline of the CMF to be utilized in applications under the 2018 Community Mitigation Fund.

6. Should the Commission revisit its guideline regarding grants involving private parties?

Background: The 2016 Community Mitigation Fund (“CMF”) Guidelines specified that “[p]rivate non-governmental parties may not directly apply for Community Mitigation Funds. However, governmental entities may apply to the Commission for funds to mitigate impacts to private parties provided that such funding is for a ‘public purpose’ and not for the direct benefit or maintenance of the private party.” The 2016 CMF Guidelines also specified that the Commission did not anticipate awarding any grants involving private non-governmental parties unless the applicant governmental entity, licensee, or both provided significant funds. Questions about this guideline involve the difficulty of ensuring that funding requests are for a public purpose and that any awards would be consistent with the Commonwealth’s Constitution. Further, the funding matching requirement also is potentially difficult.

2017 Results: The 2017 Guidelines stated that “[t]he Commission will not fund any applications for assistance to non-governmental entities unless the applicant governmental entity or the licensee or both provide significant funding to match or partially match the assistance required from the 2017 Community Mitigation Fund. Any such application for assistance to non-governmental entities by a host community must demonstrate that the host community, the licensee, or both will match the assistance required from the 2017 Community Mitigation Fund.” There was one application

submitted on behalf of a private entity. However, no action was taken on that application as of this date.

Recommendation: Any application for assistance to non-governmental entities must demonstrate that the host community, the licensee, or a combination of the host community and licensee will match dollar for dollar the assistance required from the 2018 Community Mitigation Fund, subject to waiver by the Commission. Such applications for non-host communities would require a significant match.

7. How should the 2018 CMF Guidelines treat multi-year grant requests?

Background: Some 2016 and 2017 awards anticipate future grant requests. Some grants may not be able to be completed in a given fiscal year.

2017 Results: Not specifically addressed. Currently communities are required to apply each year. Each Grant has a 4-year contract limit, some grants were limited to one year, subject to a request for an extension that would be subject to Commission approval.

Recommendation: We do not recommend any change here.

8. How should the status of Region C and current litigation involving the potential tribal casino impact the 2018 CMF Guidelines?

Background: It may be unlikely that communities in Region C will experience significant construction or operational impacts by February 1, 2018, the statutory CMF deadline. Communities have expressed the need for technical assistance funding to help evaluate potential impacts.

2017 Results: \$200,000 of funding was set aside for use in Fiscal Year 2018 if there is a more clear determination on Region C status.

Recommendation: As the development of this Tribal casino is uncertain, maintenance of this \$200,000 set aside mitigation fund is recommended. SRPEDD would be required to submit another application this upcoming year.

9. Should the Commission require a dollar for dollar match for its CMF grants?

Background: In recognition of local funding constraints and relative differences between host and surrounding community agreements, the 2016 CMF Guidelines only required an in-kind match for all communities.

2017 Results: In-kind services or funds were required for Transportation Grants; Workforce Development Projects need to provide detail on in-kind services or workforce funds; and applications involving non-governmental entities require the applicant

governmental entity or the licensee or both to provide significant funding to match or partially match.

Recommendation: It is recommended that the Guidelines require the applicant governmental entity or the licensee or both to provide a significant match for 2018 applications involving non-governmental entities, subject to waiver by the Commission. Such applications for host communities would require a dollar for dollar match.

10. Should communities be reimbursed for the cost of administering CMF grants?

Background: Payment of such costs was not allowed under the 2016 CMF Guidelines, which instead required an in-kind match by communities.

2017 Results: In the 2017 Guidelines, Communities were not able to seek reimbursement.

Recommendation: No change is recommended.

11. Should the 2018 CMF be used to support and help leverage resources to help residents of the Springfield or Everett areas obtain their high school or work readiness credentials to be eligible for employment? If so, at what level?

Background: The Expanded Gaming Act places a priority on the hiring of the unemployed, underemployed, minority individuals, women and veterans at the gaming facilities. It is estimated that 21,000 individuals are on wait lists in MA seeking admission into Adult Basic Education Classes and English Learning language programs, with significant needs for resources in MA Gateway Cities like Springfield and Everett. Both the union construction and the casino operational jobs require a high school diploma or equivalency. The 2016 CMF Guidelines did not include a specific allocation for funding work readiness programs related to the gaming facilities. Workforce training, economic development, and other job promotion activities are eligible activities under the state appropriated Gaming Economic Development Fund, which is funded through gaming taxes from Category 1 facilities when they are operational.

2017 Results: The Guidelines allowed these applications. Two educational programs in Region B (totaling \$371,833.03) and one in Region A (totaling \$200,000) are being initiated. The Commission approved more funding than specified in the guidelines, given the pressing need for such funding.

Recommendation: Recognizing the need for workforce development in both Region A and Region B, an increase in funding to \$300,000 per region for a total of \$600,000 is recommended. In weighing requests for workforce readiness funds, the Commission will carefully review both the availability of funding

through the host community agreement and what the host community has agreed to provide.

12. Should the Commission place a limit on grants in each gaming region based on the projected tax revenues generated for the CMF by the gaming facility in that region? If so, should such limit be instituted during the construction period or when the Category 1 facilities are operational?

Background: The 2016 CMF Guidelines placed no regional limitation on grants for Category 1 facilities but did state that “no more than \$500,000 may be expended for operational impacts related to the Category 2 gaming facility, unless otherwise determined by the Commission.” The CMF is currently funded through a percentage of the license fees paid by both Category 1 facilities (\$7.5 million each from MGM Springfield and Wynn Boston Harbor) and the Category 2 facility (\$2.5 million from Plainridge Park). Once operational, 6.5% of the revenues from the tax on the gross gaming revenues from each Category 1 facility will be placed into the CMF. Plainridge Park, now operational, is not required to pay into the CMF, instead paying into the Gaming Local Aid Fund and the Race Horse Development Fund. Any operational Tribal Facility in Taunton would also be required to pay 6.5% of the revenues from the tax on its gross gaming revenues into the CMF; it is not required to pay a license fee).

2017 Results: Not addressed in the Guidelines.

Recommendation: The Commission has been operating the Community Mitigation Fund out of the initial licensee fees for 3 years. Instead of initiating a new allocation mid-stream, we recommend the Commission express its intent to develop a regional allocation system once the Category 1 facilities are generating new funding for the CMF upon the commencement of operations. Such a system would need to accommodate mitigation needs throughout the Commonwealth and a method to utilize unused allocations. It is recommended that the Commission express its intention to establish such a system that would allocate funding based on the needs in the regions while instituting a regional limit based on the amount of contributions to the CMF by the licensee in each region. Such system should account for the mitigation needs of other regions or areas where there is no Category 1 gaming facility.

13. Should the Commission allow the Hampden County Sheriff’s Department to reapply for its FY17 lease assistance?

Background: The Commission awarded \$280,000 to HCSD in lease assistance from the Community Mitigation Fund in 2016 “for Fiscal Year 2017” which was further extended by the Commission into July 2017. Pursuant to the grant letter, “the Commission authorized up to \$280,000 in funding for the cost of the first year of lease assistance for

the Western Massachusetts Correctional Addiction Center ("WMCAC").... In order to access lease assistance funding in future years, HCSD would need to reapply for such future year's funding.... the Sheriff's Office will be eligible for no more than five years of lease assistance totaling no more than \$2,000,00."

2017 Results: Due to transitions at the Sheriff's Department, the Department missed the deadline for re-applying for its grant but expressed the continued need for assistance.

Recommendation: It is recommended that the Commission state its authority to award funding for both Fiscal Year 2018 and 2019 lease assistance for the Sheriff's Office in the Guidelines. No grant shall exceed \$400,000 per year.

2018 POLICIES TO BE ADDRESSED

1. Should the Commission expressly authorize joint applications by communities?

Background: In 2017 the Commission received and funded a joint grant application by Revere and Saugus. At that time, the 2017 Guidelines did not specify if and how joint applications could be funded. They were required to specify how they would each allocate their reserves to meet grant requirements.

Recommendation: The Commission should authorize joint applications. Any joint applications would need to specify how reserves are allocated, which community is the fiscal agent and specify that both communities shall be responsible under the Grant contract.

2. Should the Commission allow funding to pay for a portion of the construction costs of transportation projects?

Background: To date, the Commission has only authorized funding for the planning or design of transportation projects.

Recommendation: The Category 1 facilities are not yet operational. In determining how to pay for transportation construction projects, the Commission would need to determine how any contribution it makes can leverage likely much larger contributions from other sources. Transportation construction projects usually require very significant funding which may not be available until the Category 1 facilities are operational and generating taxes. Given the outstanding issues and the current state of the projects, the Commission should not yet authorize funding for construction activities in the 2018 Guidelines.

3. How should the Commission approach issues that may arise in 2018 resulting from the operations of the first Category 1 casino (public safety, hiring, education, business issues)?

Background: The Commission has not witnessed large scale potential impacts resulting from the Plainridge facility. However, planning is necessary soon to be able to evaluate mitigation applications involving any operational impacts at the full casino facilities.

Recommendation: The Commission should engage even further in conversations with the advisory committees about these topics throughout calendar year 2018 and work closely with the Commission's research team.

4. Should communities be limited to only one (1) Specific Impact Grant?

Background: The 2017 guidelines specified that Specific Impact Grants were limited to \$400K but did not specify that only one application was allowed.

Recommendation: Yes. Because only one application would be allowed, the amount of the grant could be increased to \$500,000. As a reminder, the \$500,000 limit may be waived by the Commission. In addition, we recommend that the Commission continue to specify its authority to make grants in excess of this limit and other limits.

5. Are the grant limitations (\$400K for a specific impact grant, \$150K for a transportation grant) sufficient for the 2018 program?

Background: While there is a limit on the amount of funds until the full casinos are operational, communities have expressed an interest in more funding for some grants.

Recommendation: As explained earlier, we recommend that the Guidelines include an increase in the limit for Specific Impact Grants to \$500,000 (limited to one per community); \$200,000 for Transportation Planning Grants; \$300,000 for each Region A and Region B Workforce Development Grant; \$200,000 for Tribal casino technical assistance; and \$50,000 for Non-Transportation Planning Grants.

6. How can the applications be amended to require applicants to more clearly demonstrate the nexus between the request and casino related impacts?

Background: This is a very common issue in the review of the applications.

Recommendation: Although we should continue to make the Community Mitigation Fund application as easy to complete as possible, there is a need to ask applicants to answer this question with specificity.

7. What language needs to be included to ensure that all entities and departments (e.g. redevelopment authorities/agencies) apply through a community itself?

Background: In the last two cycles, entities within communities have applied, rather than the community itself. The communities were required to assume responsibility for those applications.

Recommendation: We recommend that the Commission include language requiring entities within the community to apply through the communities themselves. Governmental agencies such as redevelopment authorities, and non-regional public schools would need to apply through the communities.

8. Should the Commission extend the previously authorized reserves for the 2018 Community Mitigation Fund program and allow communities to continue to access whatever portion of the original \$100,000 that remains unexpended.

Background: Some communities have expended some or all of their reserves. In Region A, 7 communities have allocated their entire reserve and one has allocated a portion; in Region B, currently 1 has allocated its entire reserve and 2 have used a portion; and for Category 2 communities, 2 have allocated their reserve and 2 have used a portion of their reserve.

Recommendation: Yes, the Commission should extend the Reserves.

9. Are the same general analysis factors used in 2017 going to be used for 2018 evaluation?

“The Commission may specify factors that it and staff will utilize in evaluating competitive grants. The following are factors that may be used when the Commission and staff evaluate competitive grants: (i) a demonstration that the impact is being caused by the proposed gaming facility; (ii) the significance of the impact to be remedied; (iii) the potential for the proposed mitigation measure to address the impact; (iv) the feasibility and reasonableness of the proposed mitigation measure; (v) that any programs to assist non-governmental entities is for a demonstrated public purpose and not for the benefit or maintenance of a private party; (vi) the significance of any matching funds; (vii) regional benefits from a mitigation award; (viii) funds from host or surrounding community agreements are not available to fund the proposed mitigation measure; and (ix) that such mitigation measure is not already required to be completed by the licensee pursuant to any regulating requirements or pursuant to any agreements between such licensee and applicant.”

Background: The factors used in 2017 may need further refinement.

Recommendation: We recommend keeping the same factors used in 2017 with the addition of the following language. The red indicates changes from last year’s factors:

- The significance of any matching funds for workforce development pilot program activities or **planning efforts, including but not limited to the ability to compete for state or federal workforce, transportation or other funds;**
- **The inclusion of a detailed scope, budget, and timetable for each mitigation request.**

10. Should the Commission authorize more funding for non-transportation related planning for those communities that have expended their reserves?

Background: In 2017, communities could apply for transportation planning. However, no general planning application (except for uses of reserve funds for planning) was authorized under the Guidelines. In at least one instance, a planning application was not funded because it was not deemed transportation planning. Some communities have fully utilized their reserves and thus cannot use reserve for additional planning.

Recommendation: We recommend making available a reasonable but significant amount of funding, \$50,000, for non-transportation planning for those communities that have allocated and received approval from the Commission to use their reserves.