



Massachusetts Gaming Commission

RFA-2 Application Review

Category 1 License for Casino: Region B - MGM Springfield

**Report to the Commissioners for: Category # 3 - Economic Development**

**Commissioner Bruce Stebbins**

**June 10, 2014**

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# 1. Introduction

Category 3 encompasses the Economic Development aspects of the Applicant proposals specifically the areas of job creation, support of external business and job growth, and regional tourism and attractions.

## **Main Criteria**

Category 3 is comprised of 3 Criteria divided into three sections that parallel the Application form:

- **Criterion 1 (Questions 1 to 13) addresses Job Creation and is further broken into:**
  - HR practices and employment including number of employees (Q2), affirmative action (Q7), HR practices (Q9), employee retention (Q12) and ethnic diversity (Q13).
  - Workforce development including hiring and training (Qs 3, 4, 5, 6 and 8).
  - Labor relations including organized labor contracts and labor harmony (Qs 10 and 11)
  
- **Criterion 2 (Questions 14 to 23 and 30) addresses Support for External Businesses and Job Growth and is further broken into:**
  - Local business promotion and support (Qs14 and 18) as well as use of local suppliers (Q15), use of local business owners (Q16), assisting businesses to understand needs (Q17), and quantum of vendor supplied goods (Q19).
  - Support of Minority-, Women-, and Veteran-Owned Businesses (Q20)
  - Regional impact including the projected benefit for regional businesses (Q21) and coordination with the regional economic plan (Q30 reassigned from the Regional Tourism and Attractions section)
  - Domestic gaming equipment including the purchase of domestic slot machines (Q22) and identification of gaming equipment vendors (Q23).
  
- **Criterion 3 (Questions 24 to 29 and 31 to 33) addresses Regional Tourism and Attractions and is broken into two subcategories:**
  - Tourism and regional promotion and marketing including local agreements to expand gaming establishment draw (Q24), cross marketing (Q25), collaboration with tourism/other industries (Q26), international marketing (Q27), past record of success (Q32).
  - Other amenities, enhancements and strategies including amenities beyond the core casino project (Q28), unique business and marketing strategies (Q29), other community enhancements (Q31) and entertainment/athletic events (Q33).

**Rating System**

Color coding and rating explanation:

**INSUFFICIENT**

Failed to present a clear plan to address the topic, or failed to meet the minimum acceptable criteria of the Commission.

**SUFFICIENT**

Comprehensible and met the minimum acceptable criteria of the Commission; and/or provided the required or requested information.

**VERY GOOD**

Comprehensive, demonstrates credible experience and plans, and /or excels in some areas.

**OUTSTANDING**

Uniformly high quality, and demonstrates convincing experience, creative thinking, innovative plans and a substantially unique approach.

**Question List**

- 3-1 Studies and Reports
- 3-2 Employees
- 3-3 Massachusetts Community College Workforce Training Plans
- 3-4 Job Opportunities and Training for Unemployed and Underemployed
- 3-5 Experience with Hiring Unemployed and Underemployed
- 3-6 Plan for Workforce Development
- 3-7 Affirmative Action Plan
- 3-8 Workforce Development
- 3-9 HR Practices
- 3-10 Organized Labor Contracts
- 3-11 Labor Harmony
- 3-12 Employee Retention Record
- 3-13 Ethnic Diversity
- 3-14 Local Business Promotion
- 3-15 Local Suppliers
- 3-16 Local Business Owners
- 3-17 Assisting Businesses
- 3-18 Promoting Regional Businesses
- 3-19 Vendor Supplied Goods
- 3-20 Minority, Women, and Veteran Businesses
- 3-21 Projected Benefit for Regional Businesses
- 3-22 Domestic Slot Machines
- 3-23 Gaming Equipment Vendors
- 3-24 Local Agreements
- 3-25 Cross Marketing
- 3-26 Collaboration with Tourism and Other Industries
- 3-27 International Marketing Efforts
- 3-28 Other Amenities
- 3-29 Unique Business and Marketing Strategies
- 3-30 Regional Economic Plan Coordination
- 3-31 Other Community Enhancements
- 3-32 Record of Success
- 3-33 Entertainment and Athletic Events

## 2. Overall Rating (Provisional)

### Introduction

The RFA-2 review process consisted of a review of the applications and supporting documents by individual reviewers, presentations by the Applicants and questions by the Commission at public hearings, public input, review of background material prepared by subject matter experts, and group meetings to discuss individual reviews, culminating in the preparation of a provisional ratings report. The review process was augmented by field visits to a sample of the Applicant’s existing operations as well as reference calls.

The reviewers consisted of the following:

MGC staff: Jill Griffin, Director Workforce Supplier and Diversity Development

Independent Evaluators – Betsy Wall (MA Office of Travel and Tourism), Lynn Browne (past Director of Economic Research for the Federal Reserve Bank of Boston), Jennifer James (Undersecretary, Labor and Workforce Development)

Subject Matter Experts/Consultants – Lyle Hall (HLT Advisory Inc.), Carla Giancola (HLT Advisory Inc.)

Coordinator – Nancy Stack, Melissa Martinez (Pinck & Co., Inc.)

<b>Very Good</b>	<p><b>Springfield   MGM</b></p> <p>Applicant provided a detailed description of workforce development with numerous examples of existing employee career paths. Applicant has demonstrated workforce training initiatives through MOUs with both MCCCTI and American International College in Springfield, demonstrating an awareness of the workforce landscape in Massachusetts. The Applicant provided detail on on-boarding, and training and development initiatives (e.g., “Aspire”, “Leadership Institute”) and intend to provide a strong benefits package at an average of 51.1% of wages/salaries per FTE (includes: medical/dental, employee meals, 401k, tuition reimbursement, moving/relocation). Applicant referenced the low turnover rates (16%) at existing facilities and detailed their experience with diversity in hiring and employee progression practices (63.65% minority companywide, 37.7% management positions were held by minorities).</p> <p>Applicant provided a description of the vendor outreach process (e.g., research, attendance at vendor fairs, advertisements, vendor requirements) and process for contracting for goods and services (i.e., prior to launch, project launch) as well as identifying several local businesses with whom the Applicant has formal agreements. However, the Applicant could have provided additional detail on the strategies/plans to be developed to reach local business enterprises once operational (“LBE”).</p> <p>With respect to vendor diversity targets, Applicant identified targets for MBE/WBE/VBE participation and provided an extensive plan detailing building awareness, strategies for involvement and development, joint ventures and mentorships, monitoring process, and project operations training.</p> <p>Applicant demonstrated intention to cross-market with local partners and already has a number of agreements in place with local entities (e.g., Six Flags, golf courses, ski resorts, MassMutual Center, Symphony Hall/CityStage). Applicant provided detailed cross-marketing plans for a number of identified partners. However, there was a general lack of detail surrounding strategies/implementation (e.g., shared customer database, education/mentorship of smaller, local tourism organizations). While Applicant identified international marketing initiatives (e.g., Chinese, M-life members in Montreal &amp; Toronto and capitalizing on train service between New York and Springfield), MGM did not provide detail on how it plans to work with various local/regional groups to bring these target markets to the casino. Applicant provided a plan for a variety of other, non-gaming amenities (e.g. cinema, bowling alley, ice rink). However, Applicant did not provide a description or detailed plan on how MGM intends to use these “other amenity” elements to drive visitation to the casino. Applicant demonstrated strong linkages to regional economic plans (e.g., Rebuild Springfield, Pioneer Valley) and commitment to non-competition with local entertainment venues.</p>
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### 3. Criteria Rating Summary

Criterion 1: Job Creation	
Criterion 1 Rating	Very Good
	<p>Applicant demonstrated a broad-based understanding of workforce development needs and related these to an awareness of the Springfield operating environment. Applicant has established policies and procedures which guide training and development initiatives and contribute to a company-wide low turnover rate (16%). MGM has also demonstrated outreach to unemployed/underemployed groups and has a strong history of diversity in employment, referencing 37.7% of companywide management jobs being held by minorities. Applicant’s intended reliance on a yet-to-be-engaged general contractor to follow through on diversity commitments for construction was identified as a concern.</p>

Criterion 1: Grouping of Questions by Similarity	
Group 1 Rating	Very Good
<p>Group 1 - HR practices and employment  (Questions 2, 7, 9, 12 and 13)</p>	<ul style="list-style-type: none"> <li>• Significant job creation from construction (2,600 FTEs) and ongoing operation (2,350 FTEs) of the casino</li> <li>• Year 1 and stabilized year employed weighted towards full-time employees</li> <li>• Wages/benefits for construction (\$55,550) and operations employees (\$55,125) compare favorably to existing Springfield and Hampden County household incomes</li> <li>• Benefit package is very strong</li> <li>• Turnover rates (16%) at existing facilities; projections for Springfield are consistent with company-wide experience</li> <li>• Follow through on affirmative action during construction will be delegated to general contractor not identified</li> <li>• Comprehensive identification of career paths</li> <li>• History of diversity in hiring practices (63.65% minority companywide, 37.7% minority held management positions)</li> </ul>
Group 2 Rating	Very Good
<p>Group 2 - Workforce development  (Questions 3, 4, 5, 6, 8)</p>	<ul style="list-style-type: none"> <li>• Detailed description of workforce development</li> <li>• MOUs in place with MCCCTI and American International College in Springfield.</li> <li>• Demonstrated awareness of Mass situation (arrangements with MCCCTI and plans with other community colleges, career centers).</li> <li>• Good detail on on-boarding, and training and development initiatives (e.g., “Aspire”, “Leadership Institute”)</li> <li>• Identification of groups to assist with targeting unemployed/underemployed</li> <li>• Good detail on participation targets for local, minorities, women and veterans</li> </ul>
Group 3 Rating	Very Good
<p>Group 3 - Labor relations  (Questions 10 and 11)</p>	<ul style="list-style-type: none"> <li>• MOU’s in place with unions for both construction and operation of the project.</li> <li>• Letters of endorsement provided by several unions</li> <li>• Discussion underway with Building Trades Council for Project Labor Agreement; will stipulate local participation targets.</li> <li>• Significant union employee percentage of total workforce (78.7%) and total payroll (66.3%)</li> <li>• Company-wide history with union workforces includes 39 labor agreements with 10 different labor organizations</li> </ul>

<b>Criterion 2: Supporting External Business and Job Growth</b>	
<b>Criterion 2 Rating</b>	<b>Sufficient/Very Good</b>
	<p>Applicant identified the significant direct (e.g., construction costs, goods purchased, on-site payroll) and indirect economic benefits (e.g., marketing relationships with local businesses) a gaming facility could have on the host community (and surrounding area). Applicant noted the importance of buying locally and maintaining diversity in its supplier base. Through the HCA agreement, Applicant committed to buy-local and supplier diversity targets. While Applicant has plans to work with Springfield’s entertainment and cultural institutions, plans to reach out to Massachusetts businesses were relatively underdeveloped (although such plans might be considered premature at this point in the development process).</p> <p>Applicant’s stated objective to involve local businesses as tenants/contractors in the project’s retail/restaurant areas is commendable but identified lease rates and terms were identified as a potential concern (as interest from local businesses may be limited).</p>

<b>Criterion 2: Grouping of Questions by Similarity</b>	
<b>Group 1 Rating</b>	<b>Sufficient/Very Good</b>
<p>Group 1 - Local Business Promotion and Support</p> <p>(Questions 14, 15, 16, 17, 18 and 19)</p>	<ul style="list-style-type: none"> <li>• Identification of a number of local businesses (14) that MGM has reached out to and/or has established formal agreements.</li> <li>• MGM is working with local entertainment, arts and culture venues (e.g., MassMutual Center, Symphony Hall/CityStage) rather than create new, potentially competitive venues.</li> <li>• Provided description of the vendor outreach process (e.g., research, attendance at vendor fairs, advertisements, vendor requirements) and process for contracting for goods and services (i.e., prior to launch, project launch).</li> <li>• Dedicated purchasing team at Springfield will assist vendors to sell to MGM. Some concern over vendor requirements and process (e.g. years in business, financial statements) may require MGM to consider modifications (within any MGC vendor licensing requirements) in order to meet purchasing commitments in Application and HCA.</li> <li>• Outreach has commenced (and future plans detailed) to local businesses, chambers and influencers.</li> <li>• MGM has been active participant in various Springfield-area initiatives (e.g., disaster relief fund contributor, promotion of events at MassMutual Center) in support of Application.</li> </ul>
<b>Group 2 Rating</b>	<b>Very Good</b>
<p>Group 2 - Support of Minority-, Women-, and Veteran-Owned Businesses (Q20)</p>	<ul style="list-style-type: none"> <li>• MBE/WBE/VBE targets identified and consistent with the Administrative Bulletin.</li> <li>• Comprehensive plans defined for building awareness among these groups as well as strategies for involvement and development, joint ventures and mentorships, monitoring processes, and project operations training. However, Applicant fell short in detailing strategies/plans for local business enterprises (“LBE”) and awareness of local support organizations (e.g., supplier diversity office).</li> <li>• Outreach has commenced to build awareness of the project and project needs.</li> </ul>
<b>Group 3 Rating</b>	<b>Very Good</b>
<p>Group 3 - Regional Impact (Questions 21 and 30)</p>	<ul style="list-style-type: none"> <li>• Significant purchases through local vendors (HCA commits MGM to local purchases of \$50 million).</li> <li>• About 49% of casino visits generated by out-of-state residents</li> <li>• MGM plans consistent with and linked to City of Springfield and Pioneer Valley Planning Commission economic development plans</li> </ul>



<b>Group 4 Rating</b>	<b>Sufficient</b>
Group 4 - Domestic Gaming Equipment	<ul style="list-style-type: none"><li>• Applicant identified suppliers as required.</li></ul>

Criterion 3: Regional Tourism and Attractions	
Criterion 3 Rating	Sufficient/Very Good
	<p>Applicant identified a number of local and regional attractions, venues and tourism organizations with whom it has engaged or hopes to engage in cross-marketing and partnership opportunities. The marketing focus is, for the most part, regional with very limited emphasis placed on national or international visitation.</p> <p>MGM references relationships with target customers ranging from the International Gay and Lesbian Travel Association to MGM’s own “M Life” customers. More detail surrounding how the Applicant intends to use its existing customer database to drive visitation and support its cross-marketing efforts would have been useful.</p>

Criterion 3: Grouping of Questions by Similarity	
Group 1 Rating	Sufficient
<p>Group 1 - Tourism and Regional Promotion and Marketing</p> <p>(Questions 24, 25, 26, 27 and 32)</p>	<ul style="list-style-type: none"> <li>• Demonstrated intention to cross-market with local partners. Applicant already has a number of agreements in place with local entities (e.g., Six Flags, golf courses, ski resorts, MassMutual Center, Symphony Hall/CityStage).</li> <li>• Identified a number of initiatives to pursue for cross-marketing with local tourism (e.g., attracting LGBT market to meetings/conventions, however, there was a general lack of detail surrounding strategies/implementation (e.g., shared customer database, education/mentorship of smaller, local tourism organizations).</li> <li>• Applicant provided detailed cross-marketing plans for a number of identified partners (e.g., Six Flags, Golf Courses, Jiminy Peak Mountain Resort). However, there was no mention of tactics such as a shared customer database for cross-marketing purposes.</li> <li>• Identified international marketing initiatives (e.g., China, M-life members in Montreal &amp; Toronto and capitalizing on train service between New York and Springfield), however, did not provide detail on how it can work with various local/regional groups to bring these target markets to the casino and no mention of utilizing Bradley Airport.</li> <li>• MGM’s description of participation in regional tourism and attraction initiatives focuses more on passive funding as opposed to active involvement.</li> </ul>
Group 2 Rating	Very Good
<p>Group 2 - Other amenities, enhancements and strategies</p> <p>(Questions 28, 29, 31 and 33)</p>	<ul style="list-style-type: none"> <li>• Plan for a variety of other, non-gaming amenities (e.g. Cinema, bowling alley, ice rink), however, Applicant has not provided a description or detailed plan on how MGM will attract patrons to the “other amenity” elements of the facility or use these elements to attract patrons to the casino.</li> <li>• Investment in other community enhancements includes local parks, public transportation and recreation amenities.</li> <li>• MGM’s M Life program is a very large database of potential visitors to Springfield; more than three quarters of projected revenues are expected from members in this database.</li> <li>• Well-developed experience in leveraging sports and entertainment to drive visitation.</li> </ul>

## 4. Review Detail

Criterion 1: Job Creation	
<b>Criterion 1 Rating</b>	<b>Very Good</b>
	<p>Applicant demonstrated a broad-based understanding of workforce development needs and related these to an awareness of the Springfield area workforce stakeholders. Applicant has established policies and procedures which guide training and development initiatives and contribute to a company-wide low turnover rate (16%). MGM has also demonstrated outreach to unemployed/underemployed groups and has a strong history of diversity in employment, referencing 37.7% of companywide management jobs being held by minorities.</p> <p>Applicant’s intended reliance on a yet-to-be-engaged general contractor to follow through on diversity commitments for construction was identified as a concern.</p>

Grouping of Questions by Similarity	
<b>Group 1 Rating</b>	<b>Very Good</b>
<p>Group 1 - HR practices and employment</p> <p>(Questions 2, 7, 9, 12 and 13)</p>	<ul style="list-style-type: none"> <li>• Significant job creation from construction (2,600 FTEs) and ongoing operation (2,350 FTEs) of the casino</li> <li>• Year 1 and stabilized year employed weighted towards full-time employees</li> <li>• Wages/benefits for construction (\$55,550) and operations employees (\$55,125) compare favorably to existing Springfield and Hampden County household incomes</li> <li>• Benefit package is very strong</li> <li>• Turnover rates (16%) at existing facilities; projections for Springfield are consistent with company-wide experience</li> <li>• Follow through on affirmative action during construction will be delegated to general contractor</li> <li>• Comprehensive identification of career paths</li> <li>• History of diversity in hiring practices (63.65% minority companywide, 37.7% minority held management positions).</li> </ul>
<b>Group 2 Rating</b>	<b>Very Good</b>
<p>Group 2 - Workforce development</p> <p>(Questions 3, 4, 5, 6, 8)</p>	<ul style="list-style-type: none"> <li>• Detailed description of workforce development</li> <li>• MOUs in place with MCCCTI and American International College in Springfield.</li> <li>• Demonstrated awareness of Mass. landscape (arrangements with MCCCTI and plans with other community colleges, career centers).</li> <li>• Good detail on on-boarding, and training and development initiatives (e.g., “Aspire”, “Leadership Institute”)</li> <li>• Identification of groups to assist with targeting unemployed/underemployed</li> <li>• Good detail on participation targets for local, minorities, women and veterans</li> </ul>
<b>Group 3 Rating</b>	<b>Very Good</b>
<p>Group 3 - Labor relations</p> <p>(Questions 10 and 11)</p>	<ul style="list-style-type: none"> <li>• MOU’s in place with unions for both construction and operation of the project.</li> <li>• Letters of endorsement provided by several unions</li> <li>• Discussion underway with Building Trades Council for Project Labor Agreement; will stipulate local participation targets.</li> <li>• Significant union employee percentage of total workforce (78.7%) and total payroll (66.3%)</li> <li>• Company-wide history with union workforces includes 39 labor agreements with 10 different labor organizations</li> </ul>

<p><b>3.1 Studies and Reports</b>— Provide completed studies and reports showing the proposed gaming establishment’s: (i) economic benefits to the region and the Commonwealth; (ii) impact on the local and regional economy, including the impact on cultural institutions and on small businesses in the host community and surrounding communities.</p>	
<p>Expectations of Applicant</p>	<ul style="list-style-type: none"> <li>• Massachusetts-specific and/or project specific (independent or company) studies and reports that address:               <ul style="list-style-type: none"> <li>○ Job Creation                   <ul style="list-style-type: none"> <li>▪ Evidence (i.e., what Applicant is proposing specific to Mass or work done in other jurisdictions) demonstrating incremental employment?</li> </ul> </li> <li>○ Supporting External Business and Job Growth                   <ul style="list-style-type: none"> <li>▪ Creation of synergies and/or joint ventures with local businesses?</li> <li>▪ Evidence of incremental employment?</li> <li>▪ Evidence in incremental visitation?</li> </ul> </li> <li>○ Regional Tourism                   <ul style="list-style-type: none"> <li>▪ Evidence of incremental visitation to the host community (e.g., hotel room nights or similar measures)?</li> </ul> </li> </ul> </li> </ul>
<p>Overall Comments on all Application</p>	<p>Studies have been provided.</p>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
<p>Existing and past practices supporting commitments</p>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>

<p><b>3.2 Employees</b>—State the number of employees to be employed at the proposed gaming establishment, including detailed information on the pay rate and benefits for employees, and describe how the Applicant proposes to ensure that it provides a high number of quality jobs in the gaming establishment.</p>	
<p>Expectations of Applicant</p>	<ul style="list-style-type: none"> <li>• Full-time versus Part-time positions?</li> <li>• Comprehensiveness of benefits for full and part time?</li> <li>• Description of types of positions and wage levels per position (number of management (salaried) versus hourly wage positions)?</li> <li>• Ratio of management to general staff (management and supervisory positions used as proxy for “quality” jobs)?</li> <li>• Comparison of average wage per FTE to Mass averages?</li> <li>• Locally hired employees versus “imported”?</li> </ul>
<p>Overall Comments on Application</p>	<ul style="list-style-type: none"> <li>• Applicant was provided with a template to detail jobs, salaries/wages and benefits. Additional information provided in Appendix A1 – Labor and Payroll and Appendix B – Benefit Comparison.</li> </ul>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>• Provided substantial detail on job breakdowns and salaries/benefits by job type, showing the relationship between management and non-management positions by department.</li> </ul> <p>Construction (“FYE” = Full Year Equivalent)</p> <ul style="list-style-type: none"> <li>• FYEs – 2,600</li> <li>• \$/FYE - \$55,550</li> </ul> <p>Operations (Stabilized Year)</p> <ul style="list-style-type: none"> <li>• FTEs – 2,350</li> <li>• \$/FTE - \$55,125</li> <li>• Benefits:</li> <li>• Projected 51.1% salary to benefit ratio and a benefit per FTE employee of \$18,641. Benefits per FTE include: medical/dental (31.6%), 401k (2.8%), employee meals (7.0%) and tuition reimbursement (0.2%) and moving/relocation and awards (1.6%).</li> <li>• FT benefits/employee = \$16,391, PT benefits/employee - \$2,920.</li> <li>• Turnover rate is projected to range from 5% to 10% for the first five years of operation (with the exception of Year 1 at 20%).</li> <li>• MGM references longevity of current staff (8.25 years for non-management and 9.25 years for management).</li> <li>• Project 78.7% of FTEs to be Union (74% full-time, 26% part-time), representing 66.3% of overall wages/benefits.</li> <li>• Acknowledged the potential for expanded gaming (e.g., NY), but have not factored job reductions into projections due to belief that any new competition is likely to be smaller scale and less competitive.</li> </ul>
<p>Existing and past practices supporting commitments</p>	<ul style="list-style-type: none"> <li>• Established policies in place re: benefits, paid-time-off, employee assistance programs.</li> </ul>

<p><b>3.3- Massachusetts Community College Workforce Training Plans</b>—Describe any plans the Applicant has for working with the Massachusetts Community College Casino Careers Training Institute or other training organizations as the Applicant trains and hires the staff for its facility and specifically its plans for staffing gaming positions with Massachusetts residents.</p>	
<p>Expectations of Applicant</p>	<ul style="list-style-type: none"> <li>Existing agreements in place with colleges/institutions (other jurisdictions and/or Mass)?</li> <li>Proposed legacy arrangements (i.e., any facilities, programs, etc. that will remain in community)?</li> <li>Examples of college/institution relationships in other jurisdictions?</li> <li>Examples of college/institution relationships specifically related to gaming and hospitality training?</li> <li>Examples of past experience staffing using employees that are locally trained and local residents?</li> </ul>
<p>Overall Comments on Application</p>	<p>Applicant provided an MOU with Massachusetts Community College Casino Careers Training Institute. Contractual relationship includes a range of activities such as recruiting, screening, workforce development, job placement, career pathways, and career advancement. Applicant intends for over 90% of employees to be residents of Massachusetts.</p>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>Profiled table games, slots and basic skills (math, financial literacy) for gaming employee training.</li> </ul>
<p>Existing and past practices supporting commitments</p>	<ul style="list-style-type: none"> <li>Limited detail on training plans in other jurisdictions. Did provide an example of “The Apprentice Slot Technician Program” at MGM in Las Vegas to develop the “Journeyman Slot Technician” position within the Slot Technical Department. This program includes on the job as well as classroom training.</li> </ul>

<p><b>3.4 – Job Opportunities and Training for Unemployed or Underemployed</b> – Provide strategy as to how Applicant will focus on job opportunities and training in areas and demographics of high unemployment and underemployment.</p>	
<p>Expectations of Applicant</p>	<ul style="list-style-type: none"> <li>• Are there internal programs/systems in place in other jurisdictions?</li> <li>• Is there evidence of contact and/or arrangements with local career centers?</li> <li>• Quantification of jobs earmarked for unemployed/underemployed?</li> <li>• Proportion of available jobs earmarked for unemployed/underemployed (i.e., have specific targets been set; how will targets be measured)?</li> </ul>
<p>Overall Comments on Application</p>	<p>Applicant committed to provide opportunities for underemployed/unemployed (as referenced MOU with MCCCTI) and demonstrated clear knowledge of and approach to working with a number of local career centers/colleges to target unemployed/underemployed. Additional data provided in Appendix B - Host Community Demographic Characteristics.</p>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>• No quantification of jobs earmarked for unemployed or underemployed, although, MGM has identified areas of unemployment surrounding Springfield.</li> <li>• Identification of groups to aid in targeting the underemployed/unemployed (e.g., NAACP, Urban League of Springfield)</li> <li>• MGM has built relationships and signed MOUs with a number of state, regional, city and private employment-support agencies including: FutureWorks Career Center, Puerto Rican Cultural Center in Springfield, NAACP of Greater Springfield.</li> </ul>
<p>Existing and past practices supporting commitments</p>	<ul style="list-style-type: none"> <li>• Not referenced in answer to question, although 3.5 details Applicant experience with training programs at other facilities (e.g., culinary program in Las Vegas).</li> </ul>

<b>3.5 – Experience with Hiring Unemployed and Underemployed</b> – Describe the Applicant's approach to and experience with hiring in areas and demographics of high unemployment and underemployment in other jurisdictions where the Applicant has done business in the last 10 years.	
Expectations of Applicant	<ul style="list-style-type: none"> <li>• Evidence of past experience in other jurisdictions with hiring unemployed/underemployed?</li> <li>• Length (years) of experience in hiring unemployed/underemployed?</li> <li>• Programs in place with career/job creation centers?</li> <li>• How to consider those in jurisdictions without unemployed/underemployed</li> <li>• What has Applicant done in other jurisdictions (and does the Applicant propose to do in Mass)?</li> <li>• Measures of how programs have worked?</li> </ul>
Overall Comments on Application	Applicant demonstrated extensive past experience with hiring and training programs to target the unemployed/underemployed groups.
Application Commitments (e.g., targets, processes, plans)	<ul style="list-style-type: none"> <li>• Not Relevant.</li> </ul>
Existing and past practices supporting commitments	<ul style="list-style-type: none"> <li>• Long history of programs hiring unemployed/underemployed. MGM referenced track record back to 1993 with the opening of Culinary Training Academy (CTA) in Las Vegas.</li> <li>• Detailed numerous programs to hire unemployed/underemployed (e.g., MGM Grand Las Vegas Employment Outreach Program, MGM Culinary Training Academy, Boots to Business program (veterans), summer internship program for at-risk youth).</li> <li>• No tracking as to which positions have typically been filled by the under-employed or unemployed or the career progression of these individuals.</li> <li>• Recruitment and training initiatives profiled at MGM Grand Detroit and Beau Rivage.</li> </ul>



<p><b>3.6 – Plan for Workforce Development</b> – Provide your plan for workforce development as set forth in the host community agreement and any surrounding community agreements that the Applicant has executed.</p>	
<p>Expectations of Applicant</p>	<ul style="list-style-type: none"> <li>• Number of jobs?</li> <li>• Number of positions where internal growth is possible?</li> <li>• Has proponent demonstrated workforce development in past experience?</li> <li>• Length of experience with workforce development/training programs?</li> <li>• Number of employees who have completed workforce development/training programs?</li> <li>• What has Applicant done in other jurisdictions (and does the Applicant proposed to do in Mass) to work with community-based organizations to identify the unemployed and underemployed for job opportunities?</li> <li>• Linkage/agreements in place with colleges/institutions?</li> <li>• Evidence of historical arrangements with colleges/institutions?</li> </ul>
<p>Overall Comments on Application</p>	<p>Host Community Agreement focused more on local hiring goals (in addition to contractor/vendor selection, use of union labor, MBE/WBE targets) than workforce development strategies/plans.</p>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>• Commitment to meet Administrative Bulletin Number 14 for construction goals, but limited detail on how targets will be met.</li> <li>• Detailed information on operations workforce including participation targets for local, minorities, women and veterans and identification of a recruitment program (“First Choice”) with MCCCTI to focus on these groups.</li> <li>• As per HCA: MGM to hire 35% City residents and no more than 10% from outside the City and surrounding area (four Western MA counties).</li> <li>• Outlined training program and skills development and training for project employees (e.g., free ESL classes to employees). Although not quantified, MGM acknowledged spending significant resources (time, money, and personnel) towards pre-training, basic skills, ESL and related programs (potential joint training initiatives with Maryland National Harbor).</li> </ul>
<p>Existing and past practices supporting commitments</p>	<ul style="list-style-type: none"> <li>• Question specifically references the HCA. Past experience with workforce development initiatives detailed in 3.8.</li> </ul>

<p><b>3.7 Affirmative Action Plan</b> – Provide an explanation as to how the Applicant proposes to establish and implement an affirmative action program of equal opportunity whereby specific goals for the utilization of minorities, women and veterans on construction jobs; provided, however, that such goals shall be equal to or greater than the goals contained in the executive office for administration and finance Administration Bulletin Number 14.</p>	
<p>Expectations of Applicant</p>	<ul style="list-style-type: none"> <li>• Targeted number of positions earmarked?                             <ul style="list-style-type: none"> <li>• Sub-breakdown by need?</li> </ul> </li> <li>• Targets for management versus hourly positions?</li> <li>• Quality of positions available?</li> <li>• Evidence of past experience with affirmative action programs?</li> <li>• Agreements in place with career centers?</li> </ul>
<p>Overall Comments on Application</p>	<p>Applicant commits to hiring goals as set out in Administration Bulletin Number 14 for minorities, women and veterans. Additional information contained in Appendix B – Host Community Demographic Characteristics and Appendix C – Employee Diversity – Applicant’s Other Facilities.</p>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>• In addition to committing to goals set out in Administrative Bulletin 14, MGM details hiring a local minority, disadvantaged, women and veteran executive in charge of ensuring participation by these groups for construction and suppliers/vendors.</li> <li>• MGM will also use a standard construction contract provision which makes local and minority, women and veteran participation at both the business and trade worker level a competitive item that must be bid by the contractor. Noted that while MGM has been in discussions with several general contractors, MGM has yet to engage a contractor so no definitive agreement is in place that assigns responsibilities.</li> </ul>
<p>Existing and past practices supporting commitments</p>	<ul style="list-style-type: none"> <li>• Experience at MGM Detroit is profiled showing MGM exceeding participation targets (32% participation vs. 25% target).</li> </ul>

<p><b>3.8 – Workforce Development</b> – Describe your workforce development plan and explain how the Applicant proposes to implement it such that it:</p> <p>(i) incorporates an affirmative action program of equal opportunity by which the Applicant guarantees to provide equal employment opportunities to all employees qualified for licensure in all employment categories, including persons with disabilities (Applicant may reference response to question 3-7);</p> <p>(ii) utilizes the existing labor force in the commonwealth;</p> <p>(iii) estimates the number of construction jobs a gaming establishment will generate and provides for equal employment opportunities and which includes specific goals for the utilization of minorities, women and veterans on those construction jobs;</p> <p>(iv) identifies workforce training programs offered by the gaming establishment;</p> <p>(v) identifies the methods for accessing employment at the gaming establishment; and</p> <p>(vi) addresses workplace safety issues for employees.</p>	
<p>Expectations of Applicant</p>	<p>Overall targets for workforce development:</p> <ul style="list-style-type: none"> <li>• Total number of positions earmarked for minorities, women and veterans?</li> <li>• Number of jobs earmarked for local residents</li> <li>• Number of construction jobs earmarked for minorities, women and veterans?</li> <li>• Agreements in place with local colleges/institutions?</li> <li>• Ratio of jobs where progression is possible</li> <li>• Experience with workplace safety policies and practices in other jurisdictions? Is there evidence/Applicant demonstrated workplace safety record elsewhere?</li> </ul>
<p>Overall Comments on Application</p>	<p>Applicant provided a detailed answer that comprehensively addressed question segments, including a commitment to hire locally, use union labor, and advance MBE/WBE participation for construction and operations. Applicant provided evidence of past experience hiring from local workforces and data on ethnic workforce participation (construction and operations).</p>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>• Indicate strong commitment to diversity and to goals as set out in HCA.</li> <li>• Detailed methods for accessing employment (i.e., advertising, on-site employment center, job fairs) and training ("Pre- Employment Life Skills Training" program and apprenticeship programs)</li> <li>• Strong evidence of knowledge of and identification of local career centers, employment organizations</li> <li>• Tailored recruitment program and partnership in place with MCCCTI to provide Springfield residents with first opportunity and access to jobs at MGM.</li> </ul>
<p>Existing and past practices supporting commitments</p>	<ul style="list-style-type: none"> <li>• Workplace safety program in place.</li> <li>• Detailed training handbook provided for MGM. Assumed to be implemented at Springfield.</li> <li>• Evidence provided of minority, women employment practices (e.g., 2012 MGM Resorts was: 63.65% minority, 50.3% women, 38.17% minority managers, and 42.89% women managers) and awards for Diversity and Inclusion.</li> <li>• Past experience with apprenticeship training (i.e., UNITE Culinary Development Apprenticeship Program)</li> </ul>

**3.9 – HR Practices** – State whether the Applicant has prepared, and how the Applicant proposes to establish, fund and maintain human resource hiring and training practices that promote the development of a skilled and diverse workforce and access to promotion opportunities through a workforce training program that:

- (i) establishes transparent career paths with measurable criteria within the gaming establishment that lead to increased responsibility and higher pay grades that are designed to allow employees to pursue career advancement and promotion;
- (ii) provides employee access to additional resources, such as tuition reimbursement or stipend policies, to enable employees to acquire the education or job training needed to advance career paths based on increased responsibility and pay grades; and
- (iii) establishes an on-site child day-care program.

Further, identify whether the Applicant plans to establish employee assistance programs, including those relative to substance abuse and problem gaming, and outline its plan to establish a program to train its gaming employees in the identification of and intervention with customers exhibiting problem gaming behavior

Expectations of Applicant	<ul style="list-style-type: none"> <li>• Job descriptions for each position?</li> <li>• Additional resources earmarked for job training and promotion?</li> <li>• Funds earmarked for on-site daycare program?</li> <li>• Is there a funding provision for employee assistance programs, including problem gambling/substance abuse counseling programs?</li> </ul>
Overall Comments on Application	Applicant addressed requested HR policies and practices across a spectrum of requirements (e.g., tuition reimbursement, daycare, job training, EAP). While Career paths for all positions were not detailed, a sample of career paths across a variety of departments (e.g., culinary, table games, hotel) and examples of individual employee progression at other MGM facilities were provided.
Application Commitments (e.g., targets, processes, plans)	<ul style="list-style-type: none"> <li>• Career Path examples provided for culinary, table games and hotel operations and for a number of individuals employed at MGM.</li> <li>• Job skills training (post-employment, F&amp;B, hotel, gaming), management on-boarding, ongoing training (safety, compliance, guest services, diversity), career development (skills, supervisory skills, management/leadership) initiatives detailed. "Aspire", "Leadership Institute", "Management Associate" programs profiled.</li> <li>• Daycare provided to employees in dedicated space adjacent to casino.</li> <li>• Partnership with MCCCTI and detailed plans with other local educational institutions for recruitment, pre-employment, post-employment, ongoing training and career development.</li> </ul>
Existing and past practices supporting commitments	<ul style="list-style-type: none"> <li>• Profiled a number of employee career paths at existing MGM facilities and referenced using “best practice” for training and development from existing properties (Las Vegas, Michigan, Mississippi).</li> <li>• MOU in place with American International College in Springfield.</li> </ul>

**3.10 – Organized Labor Contracts** – State whether the Applicant has, is subject to, or is negotiating any contract with organized labor, including hospitality services, and whether the Applicant has the support of organized labor for its application, which specifies:

- (i) the number of employees to be employed at the gaming establishment, including detailed information on the pay rate and benefits for employees and contractors;
- (ii) the total amount of investment by the Applicant in the gaming establishment and all infrastructure improvements related to the project;
- (iii) completed studies and reports including an economic benefit study, both for the Commonwealth and the region; and
- (iv) whether the Applicant has included detailed plans for assuring labor harmony during all phases of the construction, reconstruction, renovation, development and operation of the gaming establishment.

**3.11 – Labor Harmony** – Outline the Applicant’s plans for ensuring labor harmony during the construction and operational phases of the project including whether the Applicant plans to enter into any Project Labor Agreements (“PLA”) or neutrality agreements. (Reference may be made to the response to question 3-10). If the Applicant does not intend to enter into any such agreements, please explain.

<p>Expectations of Applicant</p>	<ul style="list-style-type: none"> <li>• History of employing unionized staff?</li> <li>• Experience negotiating with unions?</li> <li>• (i) Ratio of unionized to non-union employees?</li> <li>• (ii) The proportion of union jobs/payroll to total payroll?             <ul style="list-style-type: none"> <li>• Funds allocated for unionized versus non-unionized staff</li> </ul> </li> <li>• (iii) Are there any completed reports showing economic benefit to the region?             <ul style="list-style-type: none"> <li>• Examples of previous projects providing economic impacts?</li> </ul> </li> <li>• (iv) Past experience with unionized staff in construction and development of gaming establishments</li> <li>• Experience with project labor/neutrality agreements?</li> <li>• History of strike actions and outcomes?</li> <li>• Measures in place to deal with union disputes?</li> </ul>
<p>Overall Comments on Application</p>	<p>Applicant intends to work with unions as laid out in respective Host Community Agreements (construction and operations); however no Applicant addressed strategies to ensure labor harmony during operations (although reference was made to not having labor disputes within the past 25 years of operations). Additional detail on planned union composition contained in Appendix A1 – Labor and Payroll.</p>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>• MOUs in place with Unite Here and Pioneer Valley Building and Construction Trades Council for construction and operations.</li> <li>• Letters of endorsement provided from the New England Regional Council of Carpenters Local 108, Teamsters Local 404, UNITE HERE, and IATSE Local 53.</li> <li>• MGM has started high-level discussions with the Building Trades and Unions to develop an outline PLA which will include specific pre-apprenticeship and apprenticeship programs.</li> <li>• The PLA will stipulate that local participation targets are met for the construction phase.</li> <li>• Projections show Union representation of:             <ul style="list-style-type: none"> <li>• 66.3% of total salaries and benefits (Year 1 &amp; 5)</li> </ul> </li> </ul>

	<ul style="list-style-type: none"><li>• 78.7% of total employees (Year 1 &amp; 5)</li></ul>
Existing and past practices supporting commitments	<ul style="list-style-type: none"><li>• MGM has demonstrated a strong history with Unions with over 39 labor agreements with 10 different labor organizations and no work stoppages in last 25 years. MGM indicates that 49% of all MGM employees belong to organized labor.</li><li>• MGM has been in regular dialogue with union groups re: Springfield and have begun discussions with United Auto Workers – no MOUs signed at this time.</li></ul>

<b>3.12 – Employee Retention Record</b> – Please describe and provide documentation that outlines Applicant's employee retention record at other operational sites.	
Expectations of Applicant	<ul style="list-style-type: none"> <li>• Projected ratio of employee retention (positioning of “retention” vs. “turnover”)</li> <li>• Benchmarks of employee turnover at similar sites?</li> <li>• Employee retention programs in place?</li> </ul>
Overall Comments on Application	While Applicant did reference current retention rates, no detail was provided on employee engagement initiatives. Additional detail on planned retention rates contained in Appendix A1 – Labor and Payroll.
Application Commitments (e.g., targets, processes, plans)	<ul style="list-style-type: none"> <li>• MGM did not provide detail on how to engage employees or improve retention – although current turnover record of 16% and reference to a number of awards and honors for employee engagement indicates that effective employee engagement practices are in place.</li> <li>• MGM anticipates a turnover rate of 5% to 10% annually during the first five years of operation in Springfield. Year 1 is projected to be higher (20%) and then decline in subsequent years. The American Gaming Association has stated that median tenure in the industry is seven years with 42% of employees engaged for 10 years or more. MGM turnover performance suggests better than average employee satisfaction levels.</li> </ul>
Existing and past practices supporting commitments	<ul style="list-style-type: none"> <li>• MGM cites a strong employee retention record (16% turnover companywide) and average tenure of 8.25 years for all employees (9.25 years for supervisors and above).</li> <li>• Reference was made to MGM’s “long term relationship with organized labor, learning, development and growth opportunities, an outstanding and generous benefits package and the Company's commitment to diversity, community and the environment”.</li> </ul>

<p><b>3.13 – Ethnic Diversity</b> – Please describe and provide documentation that outlines the ethnic diversity of the Applicant's workforce at other locations, the plans for workforce diversity the Applicant has used at those facilities, the results of those plans and, unless they are self-explanatory, the metrics the Applicant has used to determine those results.</p>	
<p>Expectations of Applicant</p>	<ul style="list-style-type: none"> <li>• Ratio of minority employees to total?</li> <li>• Levels of promotion of minority employees?</li> <li>• Management versus hourly positions held by minorities?</li> <li>• Salaries and wages of minority employees?</li> <li>• Consistency of minority employment practices over time?</li> <li>• Programs in place for workplace diversity?</li> <li>• Evidence that employee diversity programs have been implemented?</li> </ul>
<p>Overall Comments on Application</p>	<p>Applicant demonstrates proven success in operating with an ethnically diverse workforce at existing facilities. Additional information contained in Appendix B – Host Community Demographic Characteristics and Appendix C – Workforce Ethnicity – Applicant’s Other Facilities.</p>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>• Not relevant. This question focused on past experience, not current or future commitments</li> </ul>
<p>Existing and past practices supporting commitments</p>	<ul style="list-style-type: none"> <li>• MGM has demonstrated an ethnically diverse workforce on a companywide basis. Statistics show 1,602 minority managers (38.17% of total managers and 4.1% of total minority employees). Companywide employment is 63.65% minority (38,754 employees).</li> <li>• Length of history in ethnic diversity is demonstrated with MGM Detroit (15 years).</li> <li>• “Diversity and Inclusion Plan” in place and provided. Presumed to be implemented in Springfield.</li> <li>• MGM Springfield and National Harbor are led by two minority executives.</li> <li>• In April 2013, MGM Resorts earned the number 1 ranking on DiversityInc.’s “Top 10 Regional Companies” list as one of the nation’s leading sources on diversity management.</li> <li>• MGM provided detail on achieving ethnic diversity in management (e.g., mentoring, job fairs, transparency, collaboration with Ethnic organizations).</li> </ul>



<b>Criterion 2: Supporting External Business and Job Growth</b>	
<b>Criterion 2 Rating</b>	<b>Sufficient/Very Good</b>
	<p>Applicant identified the significant direct (e.g., construction costs, goods purchased, on-site payroll) and indirect economic benefits (e.g., marketing relationships with local businesses) a gaming facility could have on the host community (and surrounding area). Applicant noted the importance of buying locally and maintaining diversity in its supplier base. Through the HCA agreement, Applicant committed to buy-local and supplier diversity targets. While Applicant has plans to work with Springfield’s entertainment and cultural institutions, plans to reach out to Massachusetts businesses were relatively underdeveloped (although such plans might be considered premature at this point in the development process).</p> <p>Applicant’s stated objective to involve local businesses as tenants/contractors in the project’s retail/restaurant areas is commendable but identified lease rates and terms were identified as a potential concern (as interest from local businesses may be limited).</p>

<b>Grouping of Questions by Similarity</b>	
<b>Group 1 Rating</b>	<b>Sufficient/Very Good</b>
<p>Group 1 - Local Business Promotion and Support</p> <p>(Questions 14, 15, 16, 17, 18 and 19)</p>	<ul style="list-style-type: none"> <li>• Identification of a number of local businesses (14) that MGM has reached out to and/or has established formal agreements.</li> <li>• MGM is working with local entertainment, arts and culture venues (e.g., MassMutual Center, Symphony Hall/CityStage) rather than create new, potentially competitive venues.</li> <li>• Provided description of the vendor outreach process (e.g., research, attendance at vendor fairs, advertisements, vendor requirements) and process for contracting for goods and services (i.e., prior to launch, project launch).</li> <li>• Dedicated purchasing team at Springfield will assist vendors to sell to MGM; some concern over vendor requirements and process (e.g. years in business, financial statements) may require MGM to modify plans.</li> <li>• Outreach has commenced (and future plans detailed) to local businesses, chambers and influencers.</li> <li>• MGM has been active participant in various Springfield-area initiatives (e.g., disaster relief fund contributor, promotion of events at Mass Mutual Center) in support of Application.</li> </ul>
<b>Group 2 Rating</b>	<b>Very Good</b>
<p>Group 2 - Support of Minority-, Women-, and Veteran-Owned Businesses (Q20)</p>	<ul style="list-style-type: none"> <li>• MBE/WBE/VBE targets identified and consistent with the Administrative Bulletin.</li> <li>• Comprehensive plans defined for building awareness among these groups as well as strategies for involvement and development, joint ventures and mentorships, monitoring processes, and project operations training. However, Applicant fell short in detailing strategies/plans for local business enterprises (“LBE”) and awareness of local support organizations (e.g., supplier diversity office).</li> <li>• Outreach has commenced to build awareness of the project and project needs.</li> </ul>
<b>Group 3 Rating</b>	<b>Very Good</b>
<p>Group 3 - Regional Impact (Questions 21 and 30)</p>	<ul style="list-style-type: none"> <li>• Significant purchases through local vendors (HCA commits MGM to local purchases of \$50 million).</li> <li>• About 49% of casino visits generated by out-of-state residents</li> <li>• MGM plans consistent with and linked to City of Springfield and Pioneer Valley economic development plans</li> </ul>
<b>Group 4 Rating</b>	<b>Sufficient</b>
<p>Group 4 - Domestic Gaming Equipment</p>	<ul style="list-style-type: none"> <li>• Applicant identified suppliers as required.</li> </ul>

<p><b>3.14 – Local Business Promotion</b> – Describe plans for promoting local businesses in host and surrounding communities including developing cross-marketing strategies with local restaurants, small businesses, hotels, retail outlets and impacted live entertainment venues.</p> <p><b>3.18 – Promoting Regional Businesses</b> – Provide plans to demonstrate how you will support and/or promote regional businesses. (Applicant may refer back to response to question 3-14).</p>	
<p>Expectations of Applicant</p>	<ul style="list-style-type: none"> <li>• Number of local/regional businesses with partnership arrangements?</li> <li>• Dollar amount of goods/services?</li> <li>• Variety of local/regional business sectors partnered?</li> <li>• Arrangements already in place with local/regional businesses?</li> <li>• Extent of relationships with local/regional businesses in other jurisdictions?</li> <li>• Impact of cross-marketing initiatives in other jurisdictions?</li> </ul>
<p>Overall Comments on Application</p>	<p>Applicant provided a range of plans (intended and executed) and examples from existing operations showing partnership with and promotion of local business entities.</p>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>• Rather than build onsite facilities, MGM intends to partner with regional amenities (e.g., MassMutual Center, Symphony Hall).</li> <li>• With the MassMutual Center: MGM has committed to underwrite, co-promote, book and schedule a minimum of four new entertainment events per year for a term of eight years (e.g., Professional Bull Riders, Cirque du Soleil, Boxing).</li> <li>• With Symphony Hall: MGM has committed to underwrite, co-promote, book and schedule a minimum of three new entertainment events per year for a term of five years.</li> <li>• MGM’s “Shopping Program”( geared at mid-high level casino players) will cost [REDACTED] per event (anticipate 1 event per year)</li> <li>• Projected annual External “Comp” spend ranges from [REDACTED]</li> <li>• MGM intends to collaborate with a number of local businesses - including them in operating or lease deals within the property (e.g., local restaurateurs and local F&amp;B vendors) – however, planned lease rates and conditions may discourage many local operators. MGM points to “La Fiorentina Bakery” providing baked goods to the coffee bar, and “Frigo’s Sandwiches” providing deli goods as examples.</li> <li>• MGM anticipates area restaurants and businesses will also benefit from the increased foot and trolley traffic.</li> <li>• Retail space on-site will allow for pedestrian access from the street – with the idea that other restaurants/businesses will open along the street over time.</li> <li>• “M Life” program will be tied to local and regional attractions</li> <li>• “M Life Insider” for employees will offer promotions from local businesses</li> </ul>
<p>Existing and past practices supporting commitments</p>	<ul style="list-style-type: none"> <li>• Provided examples of the shopping program and “M Life Insider” promotion at MGM Beau Rivage.</li> <li>• Profiled partnership with “McCaffrey’s Public House” in Springfield as an example.</li> <li>• While the total number of partnerships was not provided. MGM profiled a number of partnerships that have been established for MGM Springfield. (e.g., Public Trolley, MassMutual Center, Symphony Hall/CityStage, Six Flags).</li> <li>• Provided a draft MOU with the Pioneer Valley Transit Authority (“PVTA”) to address public transportation options for MGM employees.</li> </ul>

<p><b>3.15 – Local Suppliers</b> – Describe plans for use of Massachusetts based firms, suppliers and materials in the construction and furniture, fixtures, and equipment (“FFE”) furnishing phase of the Applicant's project.</p>	
<p>Expectations of Applicant</p>	<ul style="list-style-type: none"> <li>• Number of local suppliers with partnership arrangements?</li> <li>• Dollar amount of goods/services?</li> <li>• Variety of local business sectors partnered?</li> <li>• Ratio of local suppliers to total in the construction, FFE phase?</li> <li>• Arrangements already in place with local suppliers?</li> <li>• Extent of relationships with local suppliers in other jurisdictions?</li> </ul>
<p>Overall Comments on Application</p>	<p>Applicant commits to supplier diversity, hiring locally and reaching out to local business for the construction and FF&amp;E phases, however no specific targets or goals are provided. Further, no MOUs are in place with local suppliers, although reference is made to having had discussions with Carpenter’s Local 108 and the Mass. Building Trades Council. Although mentioned, there is a general lack of detail on past experience using local suppliers. Appendix D Construction Cost Overview provides additional detail.</p>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>• MGM indicates intention to commit to: employ local design professionals, contractors, suppliers and vendors for the development and operation, and actively engage the City and region’s minority, women and veteran businesses.</li> <li>• Indicate corporate procurement team has been working directly and in partnership with the state and local building trades and unions, local chambers of commerce to identify MA businesses in the local area.</li> <li>• Plan to work with general contractor and local chambers to build capacity among local/MBE/VBE/WBE vendors to service the project with goods and services.</li> <li>• MGM references having entered into discussions with Carpenter's Local 108 and Mass. Building Trades Council and indicates commitment to supporting their apprenticeship programs - although no MOUs provided.</li> <li>• Plans to set "specific and reasonable" target goals for each category of business owner and “proactively reach out to businesses to educate them on business opportunities" through a program inspired by the Commonwealth Supplier Diversity Program.</li> </ul>
<p>Existing and past practices supporting commitments</p>	<ul style="list-style-type: none"> <li>• Track record at Las Vegas, Detroit and Biloxi is referenced, but no details provided.</li> </ul>

<p><b>3.16 – Local Business Owners</b> – Describe plans for contracting with local business owners for provision of goods and services to the gaming establishment, including developing plans designed to assist businesses in the Commonwealth in identifying the needs for goods and services to the establishment.</p>	
<p>Expectations of Applicant</p>	<ul style="list-style-type: none"> <li>• Number of local business owners with contracted arrangements?</li> <li>• Cost analysis of partnering with local business owners?</li> <li>• Variety of local business owners partnered?</li> <li>• Arrangements already in place with local business owners?</li> <li>• Extent/length of relationships with local business owners in other jurisdictions?</li> <li>• Quantification of success record in other jurisdictions (including explanation of why buy local programs may have or not have worked)</li> </ul>
<p>Overall Comments on Application</p>	<p>Applicant addressed the process of identifying vendors to supply goods and services to the facility (outreach) and the process for contracting (prior to launch, after launch). Corporate policies appear to be well established and in place.</p>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>• MGM plans to implement a dedicated purchasing team in Springfield.</li> <li>• Described vendor outreach process (e.g., research, attendance at vendor fairs, advertisements, vendor requirements). However, there was a lack of detail surrounding strategies for making participation easier for smaller businesses.</li> <li>• Described contracting for goods and services process (i.e., prior to launch, project launch).</li> <li>• Provided an overview of the MGM process for contracting goods and services and commitment to purchase environmentally sustainable/green initiatives.</li> <li>• MGM’s approach to “qualifying” vendors (e.g., in business for three years with financial statements) may too onerous and unintentionally eliminate some local vendors from participation.</li> <li>• Plan to work with existing businesses (and share their pre-hire plan) to mitigate the impact of the movement of employees (e.g., hiring of unemployed/underemployed and upward mobility of employees).</li> </ul>
<p>Existing and past practices supporting commitments</p>	<ul style="list-style-type: none"> <li>• Provided endorsement letter from with Berkshire Chamber of Commerce (MGM has met with 7 other chambers/business groups) – however, no letter from Springfield Chamber (or Greater Springfield) provided.</li> <li>• Referenced having purchasing teams in place at other regional properties and provided detail on the “MGM Resorts Global Procurement Department” (e.g., sourcing, purchasing, supplier diversity, materials management).</li> <li>• Reference "established corporate purchasing policies and procedures that guide the procurement of goods and services".</li> </ul>

<p><b>3.17 – Assisting Businesses</b> – Provide your plans to assist businesses owners in the Commonwealth in identifying the future needs of the Applicant for the provision of goods and services to the establishment.</p>	
<p>Expectations of Applicant</p>	<ul style="list-style-type: none"> <li>• Arrangements in place with local business owners?</li> <li>• Dollar amount of these arrangements?</li> <li>• Types of roles local business will play?</li> <li>• Length and type of arrangement with local business?</li> </ul>
<p>Overall Comments on Application</p>	<p>Applicant’s assisting business strategies focused primarily on funding programs (e.g., Disaster Business Recovery Loan Fund) and outreach efforts via food and beverage hosted events. MGM has identified a number (14) of local businesses with which they have had partnership discussions and or formal relationships to date. A detailed description of these arrangements is not provided.</p>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>• MGM appears to have focused on outreach events to target the local business community. Clear plans on particular outreach strategies are not provided, but MGM has detailed a number of initiatives already undertaken (e.g., sponsor at Western Mass Business Expo, and hosting food and beverage events).</li> <li>• Plan to work with general contractor and local chambers to build capacity among local vendors to service the project with goods and services.</li> </ul>
<p>Existing and past practices supporting commitments</p>	<ul style="list-style-type: none"> <li>• For outreach, MGM participated as a lead sponsor at the Western Mass Business Expo. In addition, has held numerous food and beverage events in outreach attempts with the local business community (e.g., private dinner held for 40 local Springfield businesses, a number of breakfast and luncheon events).</li> <li>• MGM has already provided \$125k to Disaster Business Recovery Loan Fund via Common Capital – but is not specific to Springfield (fund applies to a large geographic area).</li> <li>• MGM has participated in numerous vendor outreach events and met with several local business and chambers to assist them in identifying the types of goods and services needed by MGM.</li> <li>• Provided a list of 14 local businesses that MGM has had "productive discussions and/or established formal relationships."</li> </ul>

<p><b>3.19 – Vendor Supplied Goods</b> – Provide plans detailing an outside spending budget for vendor supplied goods and services and breakdowns by category of expenditures.</p>	
<p>Expectations of Applicant</p>	<ul style="list-style-type: none"> <li>• Past experience with budgeting for vendor supplied goods?</li> <li>• Benchmarks provided?</li> <li>• Benchmarks in line with industry averages?</li> <li>• Extent of experience with vendor supplied goods?</li> </ul>
<p>Overall Comments on Application</p>	<p>Applicant detailed projected vendor spending by a range of categories (e.g., food, beverage, OS&amp;E, Services, Engineering, FF&amp;E), although methodology not provided. Appendix D Operating Expense Summary provides additional detail.</p>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>• MGM expects to spend approximately \$52 million/year on “regional” vendor supplied goods and services. <i>Note: HCA requirements stipulate a minimum of \$50 million annually in goods and services with priority given to “Greater Springfield Area”.</i></li> <li>• MGM indicates that capital improvements will be in addition to this amount.</li> <li>• Projected goods and services spending as % of total revenue (gaming + non-gaming) in line with industry averages.</li> </ul>
<p>Existing and past practices supporting commitments</p>	<ul style="list-style-type: none"> <li>• Not provided (albeit not requested in question) although assumed given extent of MGM experience.</li> </ul>

<p><b>3.20 – Minority, Women and Veteran Businesses</b> – Provide a copy of a marketing program, and an explanation as to how the Applicant proposes to implement the program, by which the Applicant identifies specific goals, expressed as an overall program goal applicable to the total dollar amount of contracts, for utilization of:</p> <p>(i) minority business enterprises, women business enterprises and veteran business enterprises to participate as contractors in the design of the gaming establishment;</p> <p>(ii) minority business enterprises, women business enterprises and veteran business enterprises to participate as contractors in the construction of the gaming establishment; and</p> <p>(iii) minority business enterprises, women business enterprises and veteran business enterprises to participate as vendors in the provision of goods and services procured by the gaming establishment and any businesses operated as part of the gaming establishment. (See related attestation in section <a href="#">B. Signature Forms</a>).</p>	
<p>Expectations of Applicant</p>	<ul style="list-style-type: none"> <li>• Amount of funding provided to employ minorities, women and veterans for design elements.</li> <li>• Amount of funding provided to employ minorities, women and veterans for construction elements.</li> <li>• Amount of funding provided to employ minorities, women and veterans for provision of goods and services.</li> </ul>
<p>Overall Comments on Application</p>	<p>Applicant identified targets for MBE, WBE and VBE and provided a detailed plan to access these businesses citing numerous examples of existing policies/practices in place (e.g., Diversity and Inclusion Initiative) and benchmarks (e.g., MGM Detroit).</p>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>• Targets provided for contractors and vendors: <ul style="list-style-type: none"> <li>○ Construction: MBE – 15.3%, WBE – 6.9%, VBE - 4%</li> <li>○ Design/goods and services: MBE - 10%, WBE - 15%, VBE - 4%</li> </ul> </li> <li>• No specific mention of existing resources available to obtain MBE/WBE/VBE vendors (e.g., supplier diversity office), but MGM does provide extensive plan detailing building awareness, strategies for involvement and development, joint ventures and mentorships, monitoring process, and project operations training.</li> <li>• Indicated corporate procurement team has been working directly and in partnership with the state and local building trades and unions, local chambers of commerce, the National Association of Minority Contractors, and WBENC, to identify MBE/WBE/VBE and MA businesses in the local market and in the Commonwealth.</li> <li>• No formal preconstruction efforts have commenced at this time, but MGM indicates that general contractor candidates are aware of the importance of MBE/WBE/VBE targets.</li> </ul>
<p>Existing and past practices supporting commitments</p>	<ul style="list-style-type: none"> <li>• Referenced MGM’s "Supplier Diversity Program" as being highly regarded for more than a decade.</li> <li>• Indicated that in year 2000, MGM became the first company in the gaming and hospitality industry to adopt a Diversity and Inclusion Initiative.</li> <li>• Profiled MGM Detroit - 53% participation by defined target businesses - 33% MBE, 12% WBE, 9% disadvantaged and other local businesses</li> </ul>

	<ul style="list-style-type: none"><li>• MGM Springfield has identified 40 local MWDBE in Springfield with potential to provide goods and services to the casino.</li><li>• Detailed 3 existing vendor relationships with Springfield MBE, WBE, VBE businesses.</li></ul>
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<p><b>3.21 – Projected Benefit for Regional Businesses</b> – Provide projections for increases in gross revenues for regional businesses as a result of gaming establishment operations each year for the first five years of operations on a best, average and worst case basis, identifying and describing the methodology used to produce the projections and describe the assumptions on which each projection is based.</p>	
<p>Expectations of Applicant</p>	<ul style="list-style-type: none"> <li>• Are projections in line with Applicants efforts in other jurisdictions?</li> <li>• Are projections based on previous experience? Examples?</li> <li>• Are projections realistic and achievable?</li> <li>• Evidence of incremental visitation to the host community (e.g., hotel room nights, visitation, attraction attendance or similar measures)?</li> <li>• Are benchmarks used to create projections in line with industry norms?</li> </ul>
<p>Overall Comments on Application</p>	<p>Applicant based their projected benefit for regional business projections on HR&amp;A economic impact study. The study provided 5-year projections on a best, average and worst case scenario basis. Appendices F1 and F2 (Economic Impact Summary of Construction and Operations) provides additional detail.</p>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>• Based on HR&amp;A economic impact study: MGM operations project a Year 2 (2018) direct impact of \$72.3m on regional businesses (includes: vendor purchases, operations and maintenance, third-party retail operations). Impact on regional business projections range from (average case): \$62.2m to \$84.6m in years 1-5.</li> <li>• HR&amp;A projects visitor spending outside MGM to generate \$73.8m in annual spending (direct, indirect/induced) in Massachusetts (\$68.4m in Hamden County).</li> <li>• HR&amp;A Study - Total 8.12 million visits- 2018 (Average Case Scenario):             <ul style="list-style-type: none"> <li>• Local Hamden County Day Trippers - 2.634 million</li> <li>• Day Trippers Rest of Region B - 781.8k</li> <li>• Day Trippers Outside Region B - 4.149 million</li> <li>• Overnight- Staying with Friends and Family - 279.6k</li> <li>• Overnight - Staying at Other Hotels - 163.3k</li> <li>• Overnight - Staying at MGM - 116.3k</li> <li>• Approx. 49% of visits will be from outside Mass.</li> </ul> </li> </ul>
<p>Existing and past practices supporting commitments</p>	<ul style="list-style-type: none"> <li>• Existing and past practices not provided.</li> </ul>

<b>3.22 – Domestic Slot Machines</b> – Describe any plans the Applicant has for purchasing domestically manufactured slot machines for installation in the gaming establishment.	
Expectations of Applicant	<ul style="list-style-type: none"> <li>• Ratio of domestic to imported?</li> <li>• Dollar spend on domestic slot machines versus total slot spend?</li> <li>• Repair/service contracts with domestic providers?</li> </ul>
Overall Comments on Application	Applicant provided a list of slot manufacturers. The majority (all but 1) listed had U.S. headquarters.
Application Commitments (e.g., targets, processes, plans)	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
Existing and past practices supporting commitments	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>

<p><b>3.23 – Gaming Equipment Vendors</b> – Realizing that formal plans may not be finalized, please provide the names of all proposed vendors of gaming equipment to the best of your present knowledge and belief. If more space is needed, please use an attachment. Provide the primary business address for each vendor in an attachment.</p>	
<p>Expectations of Applicant</p>	<ul style="list-style-type: none"> <li>• Local vendor connection?</li> <li>• Ratio of domestic to imported?</li> <li>• Dollar spend on domestic slot machines versus total slot spend?</li> </ul>
<p>Overall Comments on Application</p>	<p>Applicant provided a list of gaming equipment vendors. The majority (all but 2) listed had U.S. headquarters.</p>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
<p>Existing and past practices supporting commitments</p>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>

<p><b>3.30 – Regional Economic Plan Coordination</b> – State whether the Applicant's proposed gaming establishment is part of a regional or local economic plan, and provide documentation demonstrating inclusion and coordination with regional economic plans.</p>	
<p>Expectations of Applicant</p>	<ul style="list-style-type: none"> <li>• Incremental visitation?</li> <li>• Incremental employment?</li> <li>• Use of local/regional business in all phases of casino complex?</li> <li>• \$ amount of economic impact projected?</li> <li>• Evidence of past experience working with local economic development agencies?</li> <li>• How has the development, operation and marketing of the gaming facility been tied to the applicable regional economic plan?</li> </ul>
<p>Overall Comments on Application</p>	<p>Applicant has identified local (Springfield) and regional (Pioneer Valley) economic development plans and demonstrated linkages between proposed development and local/regional economic development plans. Local vendor spending, diversity employment practices, visitation generation and job creation from casino operations aligns with local and regional goals.</p>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>• MGM has demonstrated linkage with City (Springfield) and regional (Pioneer Valley Planning Commission) economic plan - (e.g., job creation, urban investment, building on existing assets, designing/developing green), Urban Land Institute Plan, Tornado Recovery.</li> <li>• Plan to build 54 apartments in support of "Rebuild Springfield Plan".</li> <li>• MGM has planned local spend of [REDACTED] annually with local vendors for goods and services (3-19-01), partnership with local business for cross-marketing, and vendors leasing space on-site (3-14-01)</li> <li>• MGM projects 3,254 jobs (2,350 FTEs).</li> <li>• HR&amp;A Study – Projects 8.12 million visitors - 2018 (Average Case Scenario):             <ul style="list-style-type: none"> <li>• Local Hamden County Day Trippers - 2.634 million</li> <li>• Day Trippers Rest of Region B - 781.8k</li> <li>• Day Trippers Outside Region B - 4.149 million</li> <li>• Overnight-Staying with Friends and Family - 279.6k</li> <li>• Overnight - Staying at Other Hotels - 163.3k</li> <li>• Overnight - Staying at MGM - 116.3k</li> <li>• Approx. 49% of visitors will be from outside Mass = 4 million new visitors annually</li> </ul> </li> <li>• HR&amp;A study projects:             <ul style="list-style-type: none"> <li>• Economic Spending from MGM operations (excl. visitor spending outside the Casino): [REDACTED] annually (average case scenario)</li> </ul> </li> <li>• Visitor spending outside the Casino: [REDACTED] annually (average case scenario)</li> </ul>
<p>Existing and past practices supporting commitments</p>	<ul style="list-style-type: none"> <li>• Reference MGM being a leader in “sustainable development”, and having already demonstrated its commitment to “hiring and training” of employees from diverse backgrounds at other resorts”.</li> </ul>

<b>Criterion 3: Regional Tourism and Attractions</b>	
<b>Criterion 3 Rating</b>	<b>Sufficient/Very Good</b>
	<p>Applicant identified a number of local and regional attractions, venues and tourism organizations with whom it has engaged or hopes to engage in cross-marketing and partnership opportunities. The marketing focus is, for the most part, regional with very limited emphasis placed on national or international visitation.</p> <p>MGM references relationships with target customers ranging from the International Gay and Lesbian Travel Association to MGM’s own “M Life” customers. More detail surrounding how the Applicant intends to use its existing customer database to drive visitation and support its cross-marketing efforts would have been useful.</p>

<b>Grouping of Questions by Similarity</b>	
<b>Group 1 Rating</b>	<b>Sufficient</b>
<p>Group 1 - Tourism and Regional Promotion and Marketing</p> <p>(Questions 24, 25, 26, 27 and 32)</p>	<ul style="list-style-type: none"> <li>• Demonstrated intention to cross-market with local partners. Applicant already has a number of agreements in place with local entities (e.g., Six Flags, golf courses, ski resorts, MassMutual Center, Symphony Hall/CityStage).</li> <li>• Identified a number of initiatives to pursue for cross-marketing with local tourism (e.g., attracting LGBT market to meetings/conventions, however, there was a general lack of detail surrounding strategies/implementation (e.g., shared customer database, education/mentorship of smaller, local tourism organizations).</li> <li>• Applicant provided detailed cross-marketing plans for a number of identified partners (e.g., Six Flags, Golf Courses, Jiminy Peak Mountain Resort). However, there was no mention of tactics such as a shared customer database for cross-marketing purposes.</li> <li>• Identified international marketing initiatives (e.g., China, M-life members in Montreal &amp; Toronto and capitalizing on train service between New York and Springfield), however, did not provide detail on how it can work with various local/regional groups to bring these target markets to the casino and no mention of utilizing nearby Bradley Airport.</li> <li>• MGM’s description of participation in regional tourism and attraction initiatives focuses more on passive funding as opposed to active involvement.</li> </ul>
<b>Group 2 Rating</b>	<b>Very Good</b>
<p>Group 2 - Other amenities, enhancements and strategies</p> <p>(Questions 28, 29, 31 and 33)</p>	<ul style="list-style-type: none"> <li>• Plan for a variety of other, non-gaming amenities (e.g. Cinema, bowling alley, ice rink), however, Applicant has not provided a description or detailed plan on how MGM will attract patrons to the “other amenity” elements of the facility or use these elements to attract patrons to the casino.</li> <li>• Investment in other community enhancements includes local parks, public transportation and recreation amenities.</li> <li>• MGM’s M Life program is a very large database of potential visitors to Springfield; more than three quarters of projected revenues are expected to come from members in this database.</li> <li>• Well-developed experience in leveraging sports and entertainment to drive visitation.</li> </ul>

<b>3.24 – Local Agreements</b> – Provide local agreements designed to expand gaming establishment draw (i.e. - number of patrons brought to the region).	
Expectations of Applicant	<ul style="list-style-type: none"> <li>• Past experience using local agreements?</li> <li>• Amount of incremental visitation?</li> <li>• Amount of incremental spend?</li> </ul>
Overall Comments on Application	Applicant committed to entering into various local agreements for entertainment and sponsorship and provided evidence of such. Projected impact on gaming win/visitation from these partnership arrangements was not detailed.
Application Commitments (e.g., targets, processes, plans)	<ul style="list-style-type: none"> <li>• HCA stipulates the number of events MGM will co-promote, underwrite, book and schedule at MassMutual, Symphony/CityStage but no reference to incremental visitation or spending generated from such. Sponsorships have limited duration and do not extend through life of license.</li> <li>• Agreement with MassMutual stipulates annual support of local CVB activities (min of ██████ annually) and non-MGM sponsored events (██████ annually in ticket purchases).</li> <li>• Limited detail on how the MassMutual partnership will be used to support meeting and convention activity in Springfield.</li> </ul>
Existing and past practices supporting commitments	<ul style="list-style-type: none"> <li>• Local agreements executed for: Six Flags, Symphony Hall/CityStage, MCCA (owner of MassMutual Center), MPAC, Springfield Armor (Recently team announced departure from Springfield).</li> </ul>

<b>3.25 – Cross Marketing</b> – Provide plans that demonstrate how you will cross-market with other attractions.	
Expectations of Applicant	<ul style="list-style-type: none"> <li>• Target markets aligned with State/regional goals?</li> <li>• Arrangements in place?</li> <li>• Dollars allocated to marketing versus other departmental expenditure?</li> <li>• Ration of dollar amount spend in marketing to projected gaming win?</li> <li>• Past experience in local attraction cross-marketing initiatives?</li> <li>• Marketing tactics detailed? Historical success with marketing tactics?</li> <li>• Are there agreements in place with local tourism agencies?</li> </ul>
Overall Comments on Application	Applicant has demonstrated intention to cross-market with local partners, having already a number of agreements in place with local entities. Applicant provided detailed cross-marketing plans for a number of identified partners; however, there was no mention of tactics such as a shared customer database for cross-marketing purposes. Appendix E, Market Focus and Marketing Activities, provides additional detail.
Application Commitments (e.g., targets, processes, plans)	<ul style="list-style-type: none"> <li>• MGM Projects: <ul style="list-style-type: none"> <li>• Total marketing spend from \$130m to \$161.5m (Years 1-5). Hard marketing costs (Year 5) = \$23.2m</li> <li>• Marketing spend is 17.6% of gaming win (net of free play) in Year 5</li> </ul> </li> <li>• MGM is not building an entertainment center; instead, they plan to promote regional entertainment options. Agreements in place (e.g., MassMutual, Symphony/CityStage) to support this.</li> <li>• Plan to implement a public art program initiative with Studio 9 (non-profit art gallery) and establish relationship with the Basketball Hall of Fame.</li> <li>• Plan to promote special events (e.g., Brimfield Antique and Collectibles Show).</li> <li>• Significant number of unsupported initiatives (e.g., marketing through MPAC).</li> <li>• Not enough detail on how the identified cross-marketing initiatives would be undertaken.</li> <li>• MGM’s M Life Insider promotes local business to employees (e.g., discounted tickets, coupons)</li> <li>• As per HCA: MGM agrees to host employee family days at the Hall of Fame and Armory, purchase no fewer than 500 tickets annually, and promote through in-house and back of house promotions among employees.</li> </ul>
Existing and past practices supporting commitments	<ul style="list-style-type: none"> <li>• MGM is a member of Greater Springfield Convention and Visitors Bureau and has numerous cross-marketing relationships in place, including: Six Flags, golf courses, ski resorts, MassMutual Center, Symphony Hall/CityStage, MPAC venues, Tanglewood. Various agreements discuss usage of M Life database to offer special offers and market events/shows/attractions.</li> <li>• ILEV in place with Majestic Theater which involves MGM sponsorship (\$5k annually + purchase of 1,195 tickets to Majestic performances).</li> </ul>

<p><b>3.26 – Collaboration with Tourism and Other Industries</b> – Provide plans that detail collaboration by the Applicant with tourism and other related industries including the Massachusetts Office of Travel and Tourism (MOTT) and other related industries.</p>	
<p>Expectations of Applicant</p>	<ul style="list-style-type: none"> <li>• Past experience collaborating with local tourism bodies in other jurisdictions?</li> <li>• Arrangements in place with local tourism/attractions bodies?</li> <li>• Impact on gaming win/ancillary spend of collaboration initiatives?</li> <li>• Dollars allocated to tourism collaboration initiatives versus other departmental expenditure?</li> <li>• Has Applicant demonstrated awareness/knowledge of local tourism industry where gaming facility is proposed to be located? Is this knowledge linked to marketing activities?</li> <li>• Are the proposed marketing activities substantive, quantifiable and measureable?</li> </ul>
<p>Overall Comments on Application</p>	<p>Applicant identified a number of initiatives to pursue with local tourism/attractions however; there was a general lack of detail surrounding strategies/implementation (e.g., shared customer database, education/mentorship of smaller, local organizations). No projected quantification of tourism collaboration initiatives impact on gaming revenues provided.</p>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>• MGM identified numerous initiatives geared towards meeting/convention activity at MassMutual (e.g., LGBT meeting/ convention activity), entertainment events at MassMutual/Symphony Hall/CityStage, activities to increase international tourism (e.g. Chinese), and collaboration with tour operators for group markets. However, there is limited description of “how” MGM intends to market to these groups (e.g., Chinese, LGBT).</li> <li>• Plans to collaborate with local, regional and state tourism (e.g., Berkshire Chamber, Hampshire County Regional Tourist Council, Franklin County Chamber), travel operators, local transportation partners.</li> <li>• No mention of local airport (Bradley International Airport) or how it would be used to achieve marketing goals.</li> <li>• A degree of impracticality with respect to how MassPort works and how it may or may not support marketing efforts.</li> </ul>
<p>Existing and past practices supporting commitments</p>	<ul style="list-style-type: none"> <li>• Referenced having an "established track record of supporting events created by tourism agencies and also helping facilitate the creation of new opportunities" (provided past experience with Beau Rivage, Tunica, and Detroit in 3-32-01).</li> <li>• Current member of Greater Springfield CVB (“GSCVB”), and has presented them with the "Where New England Comes to Play" initiative. MGM has provided a cross-marketing agreement with GSCVB which details MGM’s monetary and cross-marketing support.             <ul style="list-style-type: none"> <li>○ \$30k for GSCVB initiatives + \$150k to general promotion of Springfield and region beginning one year pre-opening then annually through term</li> <li>○ Print advertising in MGM in-room hotel magazine</li> <li>○ Daily exposure on MGM’s on-site signage/monitors</li> <li>○ Regular exposure on social media and each type of media the MGM actively markets through</li> <li>○ Dedicated section showcasing GSCVB initiatives in MGM’s property specific newsletter</li> <li>○ Access to complimentary entertainment tickets (for tourism/convention promotions).</li> <li>○ Referral of guests to GSCVB website for available area hotel rooms when MGM is full.</li> <li>○ Reasonable efforts to create retail partnerships with local artisans, designer resources and merchandise companies that showcase</li> </ul> </li> </ul>



	<p>merchandise products reflective of Springfield and Western MA.</p> <ul style="list-style-type: none"> <li>○ Reasonable effort to include products of GSCVB member businesses in the MGM gift store.</li> <li>• Partnership letter from International Gay &amp; Lesbian Travel Association (“IGLTA”) provided. MGM indicates it has fostered strong relationships with guests in the LGBT market and plans to leverage this relationship to attract this market to Springfield.</li> </ul>
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<p><b>3.27 – International Marketing Efforts</b> –Provide plans for international marketing efforts. Reference may be made to the response to question 3-26. <b>(Optional For Category 2 Applicants)</b></p>	
<p>Expectations of Applicant</p>	<ul style="list-style-type: none"> <li>• Target markets aligned with State/regional goals?</li> <li>• Are target markets identified?</li> <li>• International marketing tactics detailed? Historical success with international marketing tactics?</li> <li>• Arrangements in place with local tourism and local attractions (hotels, restaurants, attractions)</li> <li>• Dollars allocated to international marketing versus other departmental expenditure?</li> <li>• Ration of dollar amount spend in international marketing initiatives to projected gaming win?</li> <li>• Past experience in international marketing initiatives with other gaming facilities?</li> </ul>
<p>Overall Comments on Application</p>	<p>Applicant has identified and initiated plans to work with various state entities (MassPort, MOTT) to attract the international market. Past experience with international marketing efforts, while referenced, is not detailed. Applicant failed to identify how area colleges and universities (with significant international attendance and visitation potential) as well as the regional airport could be leveraged to support international marketing.</p>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>• MGM has identified international markets such as China, M-life members in Montreal &amp; Toronto, meetings and conventions (e.g., LGBT), and capitalizing on train service between New York and Springfield to bring international visitors, however, MGM did not provide detail on how it can work with various groups to bring these target markets to the casino.</li> <li>• MGM did not address/acknowledge significant international population in area colleges/universities or potential linkages with visiting family and friends.</li> <li>• MGM did not relate its international marketing capabilities in Las Vegas to Springfield.</li> <li>• MGM has identified MassPort and MOTT. They have met with MassPort and have identified opportunities to attract international visitors (e.g. Chinese), but failed to identify the upcoming non-stop Chinese air service to Boston as an opportunity.</li> </ul>
<p>Existing and past practices supporting commitments</p>	<ul style="list-style-type: none"> <li>• MGM refers to having "many years of experience catering to guests from all over the world" and intention to leverage MGM "brand equity and international marketing reach" to build awareness of MGM Springfield.</li> <li>• MGM has identified MassPort and MOTT. They have met with MassPort and have identified opportunities to attract international visitors (e.g. Chinese). However, MGM has not defined how working with these agencies would achieve its objective.</li> </ul>

<p><b>3.28– Other Amenities</b> – Provide plans for planned attractions and amenities beyond hotel, gaming, restaurants and in-house entertainment to draw customers. <b>(Note- hotel optional For Category 2 Applicants).</b></p>	
<p>Expectations of Applicant</p>	<ul style="list-style-type: none"> <li>• Extent of ancillary development planned? Dollar amount?</li> <li>• Incremental employment generated from other amenities?</li> <li>• Incremental visitation to the host community (e.g., hotel room nights, visitation, attraction attendance or similar measures) as a result of other amenities?</li> <li>• Impact on gaming win from other amenities?</li> <li>• Joint ventures with local businesses?</li> <li>• Extent to which other amenities complement gaming facility?</li> <li>• Previous projects completed with other amenities?</li> </ul>
<p>Overall Comments on Application</p>	<p>Applicant has plans for a variety of other, non-gaming amenities (e.g. Cinema, bowling alley, ice rink), although the extent to which these other amenities will have impact on gaming revenues is not detailed. Further, Applicant has not provided a description or detailed plan on how MGM will attract patrons to the “other amenity” elements of the facility.</p>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>• MGM has identified a number of other amenities including: public art program - partnership with Studio 9, Luxury Cinema, 12-lane bowling alley, outdoor plaza/ice rink.</li> <li>• While there is no indication of the impact the other amenities will have on gaming win, MGM did provide revenue projections for the Cinema/bowling (ranges from \$6.1m to \$7.7m in annual revenue - years 1-5).</li> </ul>
<p>Existing and past practices supporting commitments</p>	<ul style="list-style-type: none"> <li>• Question did not require Applicant to discuss historical experience, however, experience is assumed due to MGM facilities in other jurisdictions (i.e., Las Vegas, Detroit Mississippi).</li> </ul>

<p><b>3.29 – Unique Business and Marketing Strategies</b> – Provide additional plans that demonstrate unique business and marketing strategies to draw new revenues from new customers.</p>	
<p>Expectations of Applicant</p>	<ul style="list-style-type: none"> <li>• Customer database/player card system?</li> <li>• Are loyalty programs (e.g., player card systems that obtain/retain player databases) proactively used in marketing? Are they used in conjunction with local tourism businesses/agencies?</li> <li>• Win generated from player card versus total win?</li> <li>• Impact of ancillary facilities on gaming win?</li> <li>• Impact of marketing spend on gaming win?</li> <li>• Incremental visitation?</li> <li>• Joint ventures with local businesses/tourism bodies?</li> <li>• Pre-opening and grand opening activities arranged?</li> <li>• Use of complimentaries (e.g., food, beverage, entertainment and related giveaways) in marketing the gaming facility with local businesses or independently?</li> </ul>
<p>Overall Comments on Application</p>	<p>While Applicant has identified a number of marketing strategies/initiatives (ranging from leisure tourist to meeting/convention to entertainment), limited detail has been provided on these strategies. MGM plans to heavily target database customers and have identified 430k members living within 100 miles of Springfield.</p>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>• Marketing plan includes leveraging the M life loyalty program and cross-marketing with MGM Resorts’ existing properties and customers residing out-of-state (including Connecticut, New York and Canada), collaborating with local, regional and national meeting and tourism partners, and cross-marketing. Unique strategies include LGBT tourism initiatives, bus programs targeting M-Life members, Air Program (Block booking seats), World Poker tour, Booking and co-promoting events at MassMutual Center, Symphony Hall/CityStage.</li> <li>• MGM project will bring a 250 room four-star hotel to the market.</li> </ul>
<p>Existing and past practices supporting commitments</p>	<ul style="list-style-type: none"> <li>• MGM’s financial projections show that 78% of total slot win and 74% of total table win - ranges from \$318m to \$405m (Years 1-5) will be generated by M Life members.</li> <li>• UGA Market Study projects induced gaming revenue projections (2017E Base Case Scenario) from:             <ul style="list-style-type: none"> <li>• MassMutual Center - \$4.7m</li> <li>• Basketball Hall of Fame- \$2.5m</li> <li>• Traffic Counts - \$13.3m</li> <li>• MGM Hotel - \$23.8m</li> </ul> </li> <li>• HR&amp;A study estimates that 49% of casino visitation (8.1 million total visitors) will be from out of state. 42% day-trippers and 7% overnight visitors. This equates to almost 4 million out-of-state incremental visitors.</li> <li>• Extensive grand opening "multi-day" event activities arranged (2-31-01).</li> <li>• MGM has projected the use of promotional allowances and complimentary items (e.g., Hotel, F&amp;B, external and internal).</li> </ul>

<b>3.31 – Other Community Enhancements</b> – Provide plans outlining community enhancements not already covered by section 3. <i>Economic Development.</i>	
Expectations of Applicant	<ul style="list-style-type: none"> <li>• Demonstrated linkage with Host Community</li> </ul>
Overall Comments on Application	Applicant has committed to a fund and support a number of community enhancements unrelated to the gaming product.
Application Commitments (e.g., targets, processes, plans)	<ul style="list-style-type: none"> <li>• As stipulated in HCA, MGM has proposed a number of community enhancements and financial commitments for such:                             <ul style="list-style-type: none"> <li>• Riverfront Park - \$1m for improvements.</li> <li>• Da Vinci Park - design and improvements and maintenance at MGM cost.</li> <li>• Public Trolley - linking a number of downtown locations (initial capital plus ongoing operating subsidies). MGM indicates that the projected 5 million annual tourists from outside Hampden County would be the largest users of the trolley. (Note: financial model, operating cost burden, rates, and schedules are still being discussed with PVTA).</li> <li>• Franconia Golf Course - \$150k to construct a pavilion.</li> </ul> </li> </ul>
Existing and past practices supporting commitments	<ul style="list-style-type: none"> <li>• Details not provided on community enhancements in other jurisdictions.</li> </ul>

<p><b>3.32– Record of Success</b> – Provide documentation that outlines the Applicant's record of success at other operational sites in other jurisdictions in meeting objectives similar to those discussed in the responses to questions 3-24, 3-25, 3-26, 3-27, and 3-29.</p>	
<p>Expectations of Applicant</p>	<ul style="list-style-type: none"> <li>• Demonstrated record of cross-marketing, international marketing, economic development, and tourism collaboration at other facilities.</li> </ul>
<p>Overall Comments on Application</p>	<p>Applicant identified and detailed numerous examples of collaboration with local/regional tourism, cross-marketing initiatives, economic development and international marketing initiatives.</p>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>• Not Relevant. This question focused on past success.</li> </ul>
<p>Existing and past practices supporting commitments</p>	<ul style="list-style-type: none"> <li>• Numerous examples of past experience detailed for Beau Rivage (e.g., Mississippi Gulf Resort Classic, Biloxi Baseball Stadium), Detroit (e.g., Downtown Detroit Partnership, Player Development, Great Lakes Chili Cook-off) and Tunica (e.g., FedEx Forum, Tunica National Golf, Snowden Grove amphitheater, Memphis Red Bird) where MGM has participated in cross marketing, international marketing, economic development, and tourism collaboration initiatives.</li> </ul>

<p><b>3.33 – Entertainment and Athletic Events</b> – Provide details of the Applicant’s plans for using entertainers and entertainment, including athletic events, to attract patrons to the Applicant's facility.</p>	
<p>Expectations of Applicant</p>	<ul style="list-style-type: none"> <li>• Amount gaming win generated by entertainment?</li> <li>• Incremental visitation?</li> <li>• Amount of ancillary win generated by entertainment?</li> <li>• Past experience using entertainment to drive gaming revenues?</li> </ul>
<p>Overall Comments on Application</p>	<p>Applicant will not have any significant on-site entertainment venues; instead intend to promote identified local facilities (e.g., MassMutual Center, Symphony Hall/CityStage, MPAC).</p>
<p>Application Commitments (e.g., targets, processes, plans)</p>	<ul style="list-style-type: none"> <li>• MGM intends to integrate with local entertainment venues (MassMutual Center, Symphony Hall/CityStage, MPAC, Tanglewood). They will underwrite, co-promote and book a certain number of acts, market to their M Life database and drive visitation to MGM and Springfield (e.g., market packages for hotel, show tickets + other extras).</li> <li>• No revenues are shown on financial statements related to entertainment. Not specified what portion of gaming spend can be attributed to entertainment.</li> <li>• HR&amp;A Study - Total 8.12 million visitors - 2018 (Average Case Scenario). Visitation as a result of "Entertainment/Athletic Events" is not detailed separately in report.</li> </ul>
<p>Existing and past practices supporting commitments</p>	<ul style="list-style-type: none"> <li>• MGM references using "deep entertainment relationships" to bring top-flight acts to Springfield venues."</li> <li>• Have past experience bringing acts to Springfield MassMutual Center and Symphony Hall (e.g., Boyz II Men, the Commodores, Pitbull).</li> <li>• MGM also refers to the "long history of incorporating sporting events into marketing programs" (e.g., major pro-golf tournament in Mississippi, Floyd Mayweather boxing match).</li> <li>• Reference the 2012 Sugar Bowl in New Orleans where Michigan was playing. MGM arranged for travel of 100 of MGM Detroit Michigan’s customers to visit Beau Rivage and attend the Sugar Bowl.</li> </ul>

## **5. Appendix**

### **APPENDIX A1 – LABOR & PAYROLL**

	Full-Time						Part-Time						Total						Union				
	# F/T	F/T Payroll (\$)	F/T Benefits	F/T Payroll/ Benefits	Benefits as % of F/T Payroll	Total Payroll & Benefits/ F/T	# P/T	P/T Payroll (\$)	P/T Benefits	P/T Payroll/ Benefits	Benefits as % of P/T Payroll	Total Payroll & Benefits/ P/T	# Jobs	# FTEs	Total Payroll	Total Benefits	Total Payroll/ Benefits	Benefits as % of Payroll	Total Payroll & Benefits/ FTE	Retention %*	FTEs	Total Payroll/ Benefits	
<b>Year 1</b>																							
Gaming	876	\$26,920,942	\$15,005,843	\$41,926,785	55.7%	\$47,840	112	\$1,291,166	\$334,093	\$1,625,259	25.9%	\$14,494	989	780	\$28,212,108	\$15,339,936	\$43,552,044	54.4%	\$55,851		553	\$23,873,889	
Non-Gaming	1,131	\$28,737,898	\$17,102,009	\$45,839,907	59.5%	\$40,530	535	\$6,719,825	\$1,475,449	\$8,195,274	22.0%	\$15,317	1,666	1,078	\$35,457,722	\$18,577,459	\$54,035,181	52.4%	\$50,133		957	\$44,125,119	
Facilities	43	\$2,168,336	\$814,827	\$2,983,163	37.6%	\$69,376	2	\$75,980	\$10,799	\$86,779	14.2%	\$45,917	45	38	\$2,244,316	\$825,626	\$3,069,942	36.8%	\$80,809		30	\$2,270,068	
Administration	496	\$18,542,351	\$8,817,166	\$27,359,516	47.6%	\$55,164	58	\$1,275,925	\$244,564	\$1,520,489	19.2%	\$26,177	554	454	\$19,818,276	\$9,061,730	\$28,880,005	45.7%	\$63,576		308	\$15,634,765	
<b>Total</b>	<b>2,546</b>	<b>\$76,369,526</b>	<b>\$41,739,845</b>	<b>\$118,109,371</b>	<b>54.7%</b>	<b>\$46,384</b>	<b>707</b>	<b>\$9,362,896</b>	<b>\$2,064,906</b>	<b>\$11,427,802</b>	<b>22.1%</b>	<b>\$16,160</b>	<b>3,254</b>	<b>2,350</b>	<b>\$85,732,422</b>	<b>\$43,804,750</b>	<b>\$129,537,172</b>	<b>51.1%</b>	<b>\$55,125</b>	<b>See Note</b>	<b>1,849</b>	<b>\$85,903,841</b>	
<b>MGM</b>	<b>78.3%</b>			<b>91.2%</b>			<b>21.7%</b>			<b>8.8%</b>		<b>100%</b>									<b>78.7%</b>	<b>66.3%</b>	
<b>Year 5</b>																							
Gaming	876	\$29,426,481	\$16,402,440	\$45,828,921	55.7%	\$52,292	112	\$1,411,336	\$365,187	\$1,776,523	25.9%	\$15,843	989	780	\$30,837,816	\$16,767,628	\$47,605,444	54.4%	\$61,049		553	\$26,095,838	
Non-Gaming	1,131	\$31,412,541	\$18,693,698	\$50,106,239	59.5%	\$44,303	535	\$7,345,241	\$1,612,770	\$8,958,010	22.0%	\$16,742	1,666	1,078	\$38,757,781	\$20,306,467	\$59,064,249	52.4%	\$54,799		957	\$48,231,855	
Facilities	43	\$2,370,143	\$890,663	\$3,260,807	37.6%	\$75,833	2	\$83,051	\$11,804	\$94,856	14.2%	\$50,191	45	38	\$2,453,195	\$902,468	\$3,355,662	36.8%	\$88,330		30	\$2,481,344	
Administration	496	\$20,268,092	\$9,637,781	\$29,905,874	47.6%	\$60,299	58	\$1,394,676	\$267,326	\$1,662,001	19.2%	\$28,614	554	454	\$21,662,768	\$9,905,107	\$31,567,875	45.7%	\$69,493		308	\$17,089,897	
<b>Total</b>	<b>2,546</b>	<b>\$83,477,257</b>	<b>\$45,624,582</b>	<b>\$129,101,840</b>	<b>54.7%</b>	<b>\$50,700</b>	<b>707</b>	<b>\$10,234,303</b>	<b>\$2,257,087</b>	<b>\$12,491,390</b>	<b>22.1%</b>	<b>\$17,664</b>	<b>3,254</b>	<b>2,350</b>	<b>\$93,711,560</b>	<b>\$47,881,670</b>	<b>\$141,593,229</b>	<b>51.1%</b>	<b>\$60,256</b>	<b>See Note</b>	<b>1,849</b>	<b>\$93,898,933</b>	
<b>MGM</b>	<b>78.3%</b>			<b>91.2%</b>			<b>21.7%</b>			<b>8.8%</b>		<b>100%</b>									<b>78.7%</b>	<b>66.3%</b>	

\*Note: MGM anticipates a turnover rate of 5% to 10% annually during the first five years of operation in Springfield. Year 1 is projected to be higher (20%) and then decline in subsequent years.



**APPENDIX A2 – BENEFIT ANALYSIS**

<b>APPENDIX A2 - BENEFIT ANALYSIS</b>			
<b>Projected Year 1</b>	<b>Full Time</b>	<b>Part-Time</b>	<b>Total</b>
Taxes and Required Payments	\$6,028,362	\$801,875	\$6,830,237
Discretionary Benefits			
Medical/Dental/Vision/Life/Disability	\$26,839,644	\$259,027	\$27,098,671
401k	\$2,343,892	\$70,495	\$2,414,386
Employee Meals	\$5,087,953	\$898,261	\$5,986,214
Bonuses	\$0	\$0	\$0
Vacation/Paid time-off (PTO)	\$0	\$0	\$0
Tuition Reimbursement	\$131,309	\$3,214	\$134,523
*Other (Please Describe)	\$1,308,684	\$32,033	\$1,340,718
<b>Subtotal Discretionary Benefits</b>	<b>\$35,711,482</b>	<b>\$1,263,031</b>	<b>\$36,974,513</b>
<b>Total Benefits(Taxes, Required Payments and Discretionary Benefits)</b>	<b>\$41,739,845</b>	<b>\$2,064,906</b>	<b>\$43,804,750</b>
<b>Total Wages/Salaries</b>	<b>\$76,369,526</b>	<b>\$9,362,896</b>	<b>\$85,732,422</b>
<b>Total Wages and Benefits</b>	<b>\$118,109,371</b>	<b>\$11,427,802</b>	<b>\$129,537,172</b>
<b>As % of Total Wages</b>			
Taxes & Required Payments	7.9%	8.6%	8.0%
Discretionary Benefits			
Medical/Dental/Vision/Life/Disability	35.1%	2.8%	31.6%
401k	3.1%	0.8%	2.8%
Employee Meals	6.7%	9.6%	7.0%
Bonuses	0.0%	0.0%	0.0%
Vacation/Paid time-off (PTO)	0.0%	0.0%	0.0%
Tuition Reimbursement	0.2%	0.0%	0.2%
*Other (Please Describe)	1.7%	0.3%	1.6%
<b>Total Discretionary Benefits</b>	<b>46.8%</b>	<b>13.5%</b>	<b>43.1%</b>
<b>Total Benefits(Taxes, Required Payments and Discretionary Benefits)</b>	<b>54.7%</b>	<b>22.1%</b>	<b>51.1%</b>
<i>* Other includes moving, relocation, attendance award, recognition &amp; others</i>			
<i>Note: Total wages/salaries is inclusive of bonuses and paid time-off</i>			

**APPENDIX B – HOST COMMUNITY DEMOGRAPHIC CHARACTERISTICS**

<b>Appendix B</b>				
<b>Host Community Demographic Characteristics</b>				
<b>(with comparison to MGM Detroit)</b>				
Host Community	MGM - Springfield		MGM - Detroit	
	City of Springfield	Hampden County	Detroit City	Detroit Metro
Population	153,278	464,072	721,459	4,304,617
Demographics-Age				
<21	35.2%	29.9%	33.5%	29.3%
21-34	18.8%	16.1%	16.8%	15.5%
35-54	24.5%	27.5%	26.6%	29.4%
55+	21.5%	26.6%	23.0%	25.9%
Demographics- Ethnicity				
White alone	36.4%	67.6%	8.1%	67.8%
Hispanic or Latino alone	39.5%	20.9%	6.9%	3.9%
Black or African American alone	19.4%	7.8%	81.8%	22.6%
Other	<u>4.7%</u>	<u>3.7%</u>	<u>3.2%</u>	<u>5.7%</u>
	100.0%	100.0%	100.0%	100.0%
Unemployment Rate	8.5%	6.5%	14.8%	8.8%
Average Household Income	\$47,711	\$64,999	\$38,181	\$69,951
Median Housing Price	\$152,600	\$201,400	\$59,700	\$135,700
<i>Source: HLT Advisory Inc. Based on U.S. Census Bureau, 2007-2011 American Community Survey</i> <i>Note: Host cities and towns are included in county totals.</i>				

**APPENDIX C – MGM RESORTS – EMPLOYEE DIVERSITY**

<b>Appendix C</b>			
<b>MGM Resorts Employee Diversity</b>			
<b>(Detail on Detroit and Las Vegas/Clark County)</b>			
	Detroit	Clark County	Companywide
African American		8.37%	12.13%
Asian		15.65%	14.92%
Hispanic or Latino		35.93%	32.06%
American Indian		0.42%	0.42%
Hawaiian or Pacific Islander		1.77%	1.63%
Employees of Two or More Races		2.43%	2.49%
<b>Total Minorities</b>	<b>68.48%</b>	<b>64.57%</b>	<b>63.65%</b>
Non-Diverse Employees - Caucasian	31.52%	35.44%	36.35%
Male	46.37%	50.28%	49.70%
Female	53.63%	49.72%	50.30%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<i>Source: HLT Advisory Inc. based on Applicant's submission.</i>			

**APPENDIX D1 – CONSTRUCTION COST OVERVIEW**

<b>Appendix D1 Projected Development Budget</b>	
Springfield/ MGM	
<b>Construction</b>	
Building - Casino	\$65,757,000
Building - Hotel	\$83,032,000
Building - Retail/Entertainment	\$48,072,000
Building - Other	\$40,830,000
Architectural and Engineering	\$22,000,000
Fit-Out - F&B/Retail/Apartment	\$55,469,000
Parking Garage	\$93,132,000
<b>Total Construction</b>	<b>\$408,292,000</b>
<b>FF&amp;E</b>	
Gaming Equipment	\$82,000,000
Other FF&E	\$25,500,000
<b>Total FF&amp;E</b>	<b>\$107,500,000</b>
<b>Other Costs</b>	
License and Application Fee	\$85,000,000
Start-up Capital and Cage Cash	\$25,000,000
Financing Costs	\$58,000,000
Project Contingencies	\$24,425,000
Land	\$50,133,000
Pre-opening Expenses	\$30,000,000
Host Community Payment	\$5,150,000
Operating Supplies	\$31,500,000
<b>Total Other Costs</b>	<b>\$309,208,000</b>
<b>Total Budgeted Cost</b>	<b>\$825,000,000</b>
<i>Source: HLT Advisory Inc. based on Applicant's submission. n/p- Not provided.</i>	



**APPENDIX D2 – OPERATING EXPENSES SUMMARY**

<b>Springfield/MGM Operating Expenses Summary</b>					
	Year 1	Year 2	Year 3	Year 4	Year 5
Cost of Goods Sold (F&B, Entertainment and Retail)	\$22,772,614	\$26,791,311	\$25,432,316	\$28,284,926	\$28,992,049
Operating Expenditures	\$79,777,941	\$83,779,608	\$85,462,336	\$87,335,772	\$89,256,510
Marketing Hard Costs	\$21,069,930	\$21,628,241	\$22,071,100	\$22,622,877	\$23,188,449
<b>Total**</b>	<b>\$123,620,485</b>	<b>\$132,199,160</b>	<b>\$132,965,751</b>	<b>\$138,243,575</b>	<b>\$141,437,008</b>

*\*\*Excludes gaming taxes, free play and comps, and bad debts.*

**APPENDIX E – MARKET FOCUS AND MARKETING ACTIVITIES**

<b>Appendix E</b>	
<b>Market Focus and Marketing Activities</b>	
Marketing Strategies	Springfield/MGM
<b>Marketing Strategies</b>	
In-State	<ul style="list-style-type: none"> <li>• Leveraging M Life loyalty program.</li> <li>• Cross-marketing (other MGM resorts and other venues).</li> <li>• Collaborating with local and regional tourism agencies.</li> <li>• Sponsoring and promoting regional events.</li> <li>• Partnering with local and regional bus operators.</li> </ul>
Out of State (cross marketing)	<ul style="list-style-type: none"> <li>• Marketing initiatives are heavily weighted towards "M Life" database.</li> <li>• Other out-of-state initiatives include: leveraging MGM brand, cross-marketing with existing MGM resorts, collaboration with local tourism, CVBs, MassMutual Center, local entertainment venues and attractions, sponsoring and promoting regional special events, and leveraging transportation.</li> </ul>
Entertainment	<ul style="list-style-type: none"> <li>• MGM intends to drive business to downtown Springfield through partnership with entertainment venues (MassMutual Center, Symphony Hall/CityStage). Events such as: concerts, ice skating, sporting events, festivals, farmers markets, craft fairs, headliner entertainment.</li> </ul>
Sports (cross marketing)	<ul style="list-style-type: none"> <li>• Sports - College Basketball at MassMutual, Springfield Armor, "Express Comps" to Boston professional sports, Museum Quadrangle/Basketball Hall of Fame, "Express Comps" to golf.</li> </ul>
Local Partners (cross marketing)	<ul style="list-style-type: none"> <li>• Entertainment - MassMutual, Symphony Hall/CityStage, MPAC, Six Flags.</li> <li>• Sports - college basketball at MassMutual, Springfield Armor, "Express Comps" to Boston professional sports, Museum Quadrangle/Basketball Hall of Fame, "Express Comps" to outside organizations.</li> <li>• Convention/Meetings - MassMutual Center (joint marketing/sales programs).</li> <li>• Believe they will have to outsource 4,800 room nights to local hotels.</li> </ul>
Food and Beverage	<ul style="list-style-type: none"> <li>• F&amp;B comps are provided to M Life members. MGM will partner with local partners with respect to farmers market and festival events.</li> </ul>
<i>Source: HLT Advisory Inc. based on Applicant's submission.</i>	

<b>Appendix E Marketing Activities</b>	
Loyalty Program	Springfield/MGM
Name	<ul style="list-style-type: none"> <li>M Life.</li> </ul>
Existing Customer Base	<ul style="list-style-type: none"> <li>60+ million worldwide (430k members within 100 miles of Springfield).</li> </ul>
Tier Levels	<ul style="list-style-type: none"> <li>5 levels (Sapphire, Pearl, Gold, Platinum, NOIR).</li> </ul>
Points Redeemable for	<ul style="list-style-type: none"> <li>Free play, discounts on rooms, shows and participating retail shops, presale tickets to events, concerts and fights, discounts on "Express Comps", priority hotel check-in, valet, taxi service, complimentary limo service, guaranteed hotel, show, restaurant reservations, access to exclusive online offers from "M Life".</li> </ul>
GGR from Cardholders	<ul style="list-style-type: none"> <li>~75%</li> </ul>
Return to Customer Cost of Loyalty Program	<ul style="list-style-type: none"> <li>~4%-8% dependent on whether redeemed for free play or express comps.</li> </ul>
<b>Other Marketing Activities</b>	
Direct Mail Program	<ul style="list-style-type: none"> <li>M Life customers in the Midwest, Northeast, Southeast and Eastern Canada along with the 430k members within 100 miles of Springfield.</li> </ul>
Advertising Plan	<ul style="list-style-type: none"> <li>Planned use of a variety of advertising methods to non-M Life customers - digital, print, radio, direct mail, billboards, email, attendance at consumer travel shows.</li> <li>Affiliate marketing (300+ websites), travel trade advertising, mobile apps (SMS, QR Code Program), online media, search engine optimization, social media, collaboration with tourism agencies.</li> </ul>
Source: HLT Advisory Inc. based on Applicant's submission.	

<b>Appendix E</b>	
<b>Marketing Activities (cont'd)</b>	
Springfield/MGM	
Junkets	<ul style="list-style-type: none"> <li>• "Currently, we have not targeted junket operators for MGM Springfield." While MGM made this statement in narrative, they did provide junkets data (see page 16).</li> </ul>
Bus Program	<ul style="list-style-type: none"> <li>• 3k buses, 90% of which consist of day trips.</li> <li>• 130k annual patrons, 80% from out of state.</li> <li>• \$11m in annual gaming revenue.</li> <li>• Target cities include Hartford CT, Syracuse NY, Providence RI, Boston MA, Albany NY, Brattleboro VT, Worcester MA.</li> </ul>
Promotions Strategy	<ul style="list-style-type: none"> <li>• Slot and table games events.</li> <li>• Poker tournaments.</li> <li>• Giveaways.</li> <li>• Exclusive marketing deals with local sports teams, colleges, and entertainment venues.</li> </ul>
Public Relations	<ul style="list-style-type: none"> <li>• Ongoing media coverage, on-site media center, employ PR firm(s) for media relations strategy, collaboration with Greater Springfield Convention and Visitors Bureau, collaborate with local partners (e.g., MassMutual, Basketball Hall of Fame), media fan trips each year, red carpet events.</li> </ul>
Grand Opening	<ul style="list-style-type: none"> <li>• Multi-day itinerary, media outlets from hospitality, travel, trade, entertainment etc., collaborate with Greater Springfield Conventions and Visitors Bureau to serve as media hosts, partner with local attractions to showcase Springfield, press conference, fireworks, red carpet, celebrity appearances.</li> </ul>
<p><i>Source: HLT Advisory Inc. based on Applicant's submission.</i></p>	

**APPENDIX F1 – ECONOMIC IMPACT SUMMARY - CONSTRUCTION**

<b>Appendix F1</b>			
<b>Economic Impact from Construction (one-time)</b>			
	Hampden County	Rest of State	Total
Spending (\$Millions)			
Direct			
Indirect/Induced			
Total			
Jobs (FTE)			
Direct			
Indirect/Induced			
Total			

*Source: HR&A Advisors Inc. study for Applicant submission*



**APPENDIX F2 – ECONOMIC IMPACT SUMMARY – OPERATIONS**

Appendix F2 Economic Impact from Operations (ongoing) Average Case Scenario			
	Hampden County	Rest of State	Total
Spending (\$Millions)			
Direct			
Indirect/Induced			
Total			
Jobs (FTE)			
Direct			
Indirect/Induced			
Total			

*Source: HR&A Advisors Inc. study for Applicant submission*

Appendix F2 Economic Impact from Visitor Spending (ongoing) Average Case Scenario			
	Hampden County	Rest of State	Total
Spending (\$Millions)			
Direct			
Indirect/Induced			
Total			
Jobs (FTE)			
Direct			
Indirect/Induced			
Total			

*Source: HR&A Advisors Inc. study for Applicant submission*