



MASSACHUSETTS GAMING COMMISSION MEETING

November 21, 2013

9:00 am

Boston Convention and Exhibitions Center

415 Summer Street, Room 1151B

Boston, MA



Massachusetts Gaming Commission

84 State Street, 10th Floor, Boston, Massachusetts 02109 | TEL 617.979.8400 | FAX 617.725.0258 | www.massgaming.com



NOTICE OF MEETING and AGENDA

November 21, 2013 Meeting

Pursuant to the Massachusetts Open Meeting Law, G.L. c. 30A, §§ 18-25, notice is hereby given of a meeting of the Massachusetts Gaming Commission. The meeting will take place:

Thursday, November 21, 2013

9:00 a.m.

Boston Convention and Exhibition Center

415 Summer Street, Room 151B

Boston, MA

PUBLIC MEETING - #91

1. Call to order
2. Approval of Minutes
 - a. November 7, 2013
 - b. November 14, 2013
3. Research and Problem Gambling – Mark Vander Linden, Director
 - a. Legislative Report on Research Activities - VOTE
4. Ombudsman Report – John Ziemba
 - a. General Update
 - b. Category 2 Surrounding Community Designations - VOTE
 - c. Fitchburg Involuntary Disbursement - VOTE
5. Legal Division – Catherine Blue, General Counsel
 - a. Notice of Public Hearing
 - b. Small Business Impact Statement - Licensing and Registration Regulations- VOTE
 - c. Impacted Live Entertainment Venues Designations – VOTE
 - d. Sterling Suffolk Discussion
6. Investigations and Enforcement Bureau – Karen Wells, Director
 - a. Investigations Status Report
7. Workforce, Supplier and Diversity Development Report – Jill Griffin, Director
 - a. United Auto Workers Presentation



Massachusetts Gaming Commission

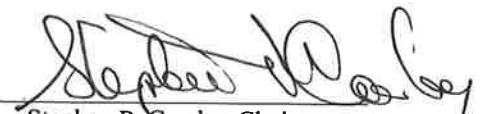
8. Administration – Rick Day, Executive Director
 - a. General Update
 - b. Proposal/Policy for license cost assessment

9. Other business – reserved for matters the Chair did not reasonably anticipate at the time of posting.

I certify that on this date, this Notice was posted as “Gaming Commission Meeting” at www.massgaming.com and emailed to: regs@sec.state.ma.us, melissa.andrade@state.ma.us.

11/18/13
(date)

Date Posted to Website: November 19, 2013 at 9:00 a.m.



Stephen P. Crosby, Chairman



Massachusetts Gaming Commission



2.a

Meeting Minutes

- Date/Time:** November 7, 2013 – 9:30 a.m.
- Place:** Boston Convention and Exhibition Center
415 Summer Street, Room 254B
Boston, Massachusetts
- Present:** Commissioner Stephen P. Crosby, Chairman
Commissioner Gayle Cameron
Commissioner James F. McHugh
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga
- Absent:** None

Clicking on the time posted in the margin will link directly to the appropriate section of the video.

Call to Order

See transcript page 2.

9:33 a.m. Chairman Crosby opened the 88th public meeting.

Approval of Minutes

See transcript page 2-3.

9:33 a.m. Commissioner McHugh stated that the minutes for the October 29 and October 31 public meetings are ready for approval.

Motion made by Commissioner McHugh that the minutes of October 29, 2013 be accepted subject to any mechanical or typographical corrections that may later be found. Motion seconded by Commissioner Stebbins. The motion passed unanimously.

Motion made by Commissioner McHugh that the minutes of October 31, 2013 be accepted subject to any mechanical or typographical corrections that may later be found. Motion seconded by Commissioner Cameron. The motion passed unanimously.

Racing Division

Report by Director Jennifer Durenberger. See transcript pages 3-99.

- 9:35 a.m. Director Durenberger presented updated information on the recent tax withholding law's effect on racing. The Commission discussed its level of involvement in enacting new legislation to mitigate the effects of the tax on racing and gaming in the Commonwealth.
- 10:00 a.m. Director Durenberger presented the 2014 Racing License Applications that the Commission received and provided background information on the review process.
- 10:05 a.m. Director Durenberger presented the application of Sterling Suffolk Racecourse LLC. Charlie Baker and Chip Tuttle from Sterling Suffolk Racecourse LLC presented their racing application and answered questions from the Commission. Director Durenberger recommended awarding a racing license to Sterling Suffolk Racecourse LLC with certain conditions.
- 10:20 a.m. Director Durenberger presented the application of Springfield Gaming and Redevelopment LLC. Tim Wilmott, Eric Schippers, Carl Sottosanti, and Chris McErlean from Springfield Gaming and Redevelopment LLC presented their racing application and answered questions from the Commission. Director Durenberger recommended awarding a racing license to Springfield Gaming and Redevelopment LLC with certain conditions.
- 10:46 a.m. Director Durenberger presented the application of Brockton Racing LLC. Grace Lee, George Carney, Michael Morizio, and Joe Wilson from Brockton Racing LLC presented their racing application and answered questions from the Commission. Director Durenberger provided a recommendation on how to proceed with this application but could not recommend either awarding or denying the license as the Commission does not have sufficient information at this time.
- 11:13 a.m. The Commission took a brief recess.
- 11:27 a.m. Chairman Crosby stated that the Commission will postpone the remaining racing agenda items until later in the meeting.

Workforce Development

Report by Director Jill Griffin. See transcript pages 99-158.

- 11:27 a.m. Director Griffin introduced Brian Lange from Unite Here Local 26. Mr. Lang discussed economic development through job creation and how his organization can assist.
- 12:18 p.m. Director Griffin introduced Massachusetts Gaming Diversity Coalition, consisting of The Center for Women and Enterprise, the Greater New England Minority

Supplier Development Council, the Minority Business Development Agency, Boston Business Center, the Hispanic American Chamber of Commerce, the Mass. Minority Contractors Association, the NAACP New England Area Conference and the Urban League. The coalition discussed how it can help create diversity in the Massachusetts gaming industry.

Ombudsman Report

Report by Ombudsman John Ziemba. See transcript pages 158-252.

- 12:47 p.m. Ombudsman Ziemba introduced the applicant presentations to inform the Commission of the applicants' status in negotiating surrounding community agreements.
- 12:50 p.m. Michael Mathis, Kevin Dandrade, Carol Brennan, Ed Pikula, Tim Brennan, and Chuck Irving, on behalf of Blue Tarp Redevelopment LLC, presented the applicant's status relative to executing surrounding community agreements.
- 1:25 p.m. Robert Allen, Jennifer Gilbert, and Alan Kronberg, on behalf of Crossroads Massachusetts LLC, presented the applicant's status relative to executing surrounding community agreements.
- 1:43 p.m. Chip Tuttle and John Stefanini, on behalf of Sterling Suffolk Racecourse LLC, presented the applicant's status relative to executing surrounding community agreements.
- 1:49 p.m. Steve Tocco and Chris Gordon, on behalf of Wynn MA LLC, presented the applicant's status relative to executing surrounding community agreements.
- 2:09 p.m. Jonathan Silverstein, from Kopelman and Paige and representing surrounding communities in their discussions with gaming applicants, discussed the issue of tight timeframes and requested a 180 day extension to the RFA-2 application deadline for Category 1 applicants. The Commission considered the issue and agreed to deny the request for extension.

Racing Division

Report by Director Jennifer Durenberger. See transcript pages 252-255.

- 2:26 p.m. Director Durenberger presented Sterling Suffolk Racecourse LLC's request to amend its schedule.
- 2:27 p.m. *Motion made by Commissioner McHugh to accept the request of Sterling Suffolk Racecourse to terminate the 2013 racing calendar as of November 2, 2013. Motion seconded by Commissioner Cameron. The motion passed unanimously.*
- 2:28 p.m. The Commission took a recess for lunch.

Research Agenda

Report by Director Mark Vander Linden. See transcript pages 255-276.

3:06 p.m. Director Vander Linden and Rachel Volberg discussed the legislative report on research activities that is due on November 22, 2013. Ms. Volberg introduced the new website for social and economic impacts of gambling in Massachusetts <http://www.umass.edu/seigma/>.

Surrounding Community Agreements

See transcript pages 276-300.

3:33 p.m. Ombudsman Ziembra and General Counsel Blue discussed the timeline for surrounding community agreements and recommended that the Commission grant a variance to the Commission's regulations in order to maintain the current schedule for Category 2 applicants. The Commission will make a formal motion on the matter at the following meeting.

3:53 p.m. Ombudsman Ziembra provided more information on the status of surrounding community agreements and petitions for Category 2 applicants. The Commission will consider the petitions received at the meeting of November 14 and make a determination at the meeting of November 21. The Commission also has one petition for involuntary disbursement, which the Commission will hear at the following meeting.

Legal Division

See transcript pages 301-353.

4:04 p.m. Deputy General Counsel Grossman and Director Acosta presented the updates to the draft licensing regulations.

4:26 p.m. The Commission postponed discussion of the regulations. General Counsel Blue presented a petition from Hopkinton to intervene in the Crossroads Massachusetts LLC suitability hearing and the Commission discussed the petition.

4:36 p.m. *Motion made by Commissioner Stebbins that the Commission deny the Hopkinton petition to intervene. Motion seconded by Commissioner Cameron. The motion passed unanimously.*

4:37 p.m. The Commission returned to discussion of the draft licensing regulations. Deputy General Counsel Grossman recommended that the Commission start the process of promulgating the licensing regulations by posting the regulations for public comment.

5:03 p.m. *Motion made by Commissioner McHugh that the Commission start the regulation promulgation process for the draft licensing regulations and the draft amendment to the hearing regulations by notifying the Local Government Advisory Committee*

and taking such other steps as Counsel may deem appropriate to have a public hearing and have the regulations ultimately adopted. Motion seconded by Commissioner Stebbins. The motion passed unanimously.

5:04 p.m. Commissioner McHugh left the meeting in order to attend a prior commitment.

Administration

See transcript pages 353-381.

5:04 p.m. Executive Director Day provided a brief administrative update.

5:05 p.m. Director Glennon discussed the document management system and licensing system that the Commission will be implementing and provided more information regarding the costs.

5:14 p.m. Director Lennon presented the Commission's projected cash flows and the Commission discussed possible unforeseen costs.

5:30 p.m. Executive Director Day introduced two evaluation questions that the Commission should discuss at the next meeting.

5:32 p.m. Executive Director Day presented a list of changes to the RFA-2 application for Category 1 applicants that Pinck & Co has prepared. The Commission will discuss these changes at the next meeting.

5:35 p.m. Meeting adjourned.

List of Documents and Other Items Used

1. Massachusetts Gaming Commission November 7, 2013 Notice of Meeting and Agenda
2. Massachusetts Gaming Commission October 29, 2013 Meeting Minutes
3. Massachusetts Gaming Commission October 31, 2013 Meeting Minutes
4. Massachusetts Gaming Commission memorandum from Jennifer Durenberger relative to tax reporting and withholding requirements on pari-mutuel wagers and public comments
5. Massachusetts Gaming Commission memorandum from Jennifer Durenberger relative to applications to conduct live horse racing in 2014
6. Request from Suffolk Downs relative to waiving premium rates
7. Massachusetts Gaming Commission documents relative to Racing Division Public Hearings of October 29 and 30, 2013
8. Massachusetts Gaming Commission memorandum from Catherine Blue relative to a summary of the public hearings held October 29-30
9. Massachusetts Gaming Commission memorandum from Jennifer Durenberger relative to recent legislation affecting racing in the Commonwealth
10. Letter from Massachusetts Gaming Diversity Coalition Dated October 18, 2013

11. Massachusetts Gaming Commission memorandum from John Ziemba relative to surrounding community petition determinations
12. Massachusetts Gaming Commission memorandum from Catherine Blue, Todd Grossman, and John Ziemba relative to timeline for surrounding community designation and hearings in the host community for Category 2 gaming license applicants
13. Massachusetts Gaming Commission memorandum from John Glennon relative to software license options for enterprise content management and license management systems
14. Massachusetts Gaming Commission cost summaries for investigations and cash flow projections
15. Massachusetts Gaming Commission Master Schedule
16. Pinck & Co proposed revisions to the RFA-2 application for Category 1 applicants
17. Massachusetts Gaming Commission draft licensing regulations
18. Massachusetts Gaming Commission draft updates to existing regulations
19. SEIGMA report on the research agenda of the Massachusetts Gaming Commission

/s/ Catherine Blue
Catherine Blue
Assistant Secretary



Meeting Minutes

Date/Time: November 14, 2013 – 9:30 a.m.

Place: Boston Convention and Exhibition Center
415 Summer Street, Room 107A
Boston, Massachusetts

Present: Commissioner Stephen P. Crosby, Chairman
Commissioner Gayle Cameron
Commissioner James F. McHugh
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga

Absent: None

Clicking on the time posted in the margin will link directly to the appropriate section of the video.

Call to Order

See transcript page 2.

9:30 a.m. Chairman Crosby opened the 90th public meeting.

Racing Division

Report by Director Jennifer Durenberger. See transcript pages 2-21.

9:32 a.m. Director Durenberger provided an overview of the 2014 Racing License Applications that the Commission reviewed the prior week and is currently voting on.

9:35 a.m. *Motion made by Commissioner McHugh that the Commission award a license to hold or conduct a race meeting for the calendar year of 2014, with the conditions discussed, to Sterling Suffolk Racecourse LLC. Motion seconded by Commissioner Cameron. The motion passed unanimously.*

9:39 a.m. *Motion made by Commissioner Cameron that the Commission award a license to hold or conduct a race meeting for the calendar year of 2014, with the conditions*

discussed, to Springfield Gaming and Redevelopment LLC. Motion seconded by Commissioner McHugh. The motion passed unanimously.

9:40 a.m. *Motion made by Commissioner McHugh that the Commission award a license to hold or conduct a race meeting for one day in the calendar year of 2014, with the conditions discussed, to Brockton Racing LLC. Motion seconded by Commissioner Cameron. The motion passed unanimously.*

9:42 a.m. General Counsel Blue introduced the issue relative to the complaint against Raynham Taunton by the European Wagering Services. George Carney, on behalf of Raynham Park, provided more information on the issue.

9:45 a.m. Director Durenberger presented Plainridge Racecourse's request to cancel live racing days in the calendar year of 2013 and recommended approval.

9:49 a.m. *Motion made by Commissioner Cameron that the Commission cancel the seven live race days as requested by Plainridge Racecourse. Motion seconded by Commissioner McHugh. The motion passed unanimously.*

Surrounding Community Petitions – PPE Casino Resorts

See transcript pages 21-74.

9:50 a.m. Ombudsman Ziembra introduced the communities petitioning to be designated as surrounding communities with respect to the PPE Casino Resorts LLC application for a category 2 license to open a slots parlor in the City of Leominster.

9:54 a.m. Larry Delaney and Don Lowe, on behalf of the Town of Bolton, provided the Town's position on why the Commission should designate the Town of Bolton as a surrounding community.

10:02 a.m. Stanley Weinberg, on behalf of the Town of Sterling, provided the Town's position for why the Commission should designate the Town of Sterling as a surrounding community.

10:07 a.m. William Devereaux, John Barrett, and Matthew Feher, on behalf of the City of Fitchburg, provided the City's position for why the Commission should designate the City of Fitchburg as a surrounding community.

10:12 a.m. Joseph Weinberg, on behalf of the applicant PPE Casino Resorts LLC, provided the applicant's response outlining why the applicant does not support designation of Bolton, Sterling, and Fitchburg as surrounding communities.

10:58 a.m. The Commission took a brief recess.

Surrounding Community Petitions – Raynham Park

See transcript pages 75-100.

- 11:16 a.m. Ombudsman Ziemba introduced the communities petitioning to be designated as surrounding communities with respect to the Raynham Park LLC application for a category 2 license to open a slots parlor in the Town of Raynham.
- 11:17 a.m. Michael Dutton, on behalf of the Town of Bridgewater, provided the Town's position for why the Commission should designate the Town of Bridgewater as a surrounding community.
- 11:26 a.m. Jonathan Silverstein, on behalf of the Town of Lakeville, provided the Town's position for why the Commission should designate the Town of Lakeville as a surrounding community.
- 11:30 a.m. Jeff Ritter, on behalf of the Town of Rehoboth, provided the Town's position for why the Commission should designate the Town of Rehoboth as a surrounding community.
- 11:32 a.m. Grace Lee, Tom Bonner, and Tom Carney, on behalf of the applicant Raynham Park LLC, provided the applicant's response outlining why the applicant does not support designation of Bridgewater, Lakeville, and Rehoboth as surrounding communities.

Other Surrounding Community and Impacted Live Entertainment Venue Issues

See transcript pages 100-160.

- 11:43 a.m. Ombudsman Ziemba introduced the City of Fitchburg's petition for involuntary disbursement from the applicant PPE Casino Resorts LLC.
- 11:44 a.m. John Barrett, Matthew Feher, and William Devereaux, on behalf of the City of Fitchburg, discussed the reasons for their petition and responded to the Commission's questions.
- 12:14 p.m. Joseph Weinberg, on behalf of the applicant PPE Casino Resorts LLC, responded to the City of Fitchburg's petition.
- 12:23 p.m. General Counsel Blue introduced the South Shore Playhouse Associates' petition to be designated as an impacted live entertainment venue because of the effect Raynham Park LLC's proposed slots parlor would have.
- 12:25 p.m. Peter Martin, Troy Siebels, and Vincent Longo, on behalf of Massachusetts Performing Arts Coalition and South Shore Playhouse Associates, presented their reasons for designation of South Shore Playhouse Associates as an impacted live entertainment venue.

- 12:46 p.m. Grace Lee and Tom Bonner, on behalf of Raynham Park LLC, responded to the impacted live entertainment venue petition.
- 12:48 p.m. General Counsel Blue presented the issue relative to surrounding community timing variances that the Commission discussed at the prior meeting.
- 12:50 p.m. *Motion made by Commissioner McHugh that the Commission grant a variance from the provisions of 205 CMR 125.01 to provide that a community which has executed a surrounding community agreement with an applicant is determined to be a surrounding community although the agreement is submitted after the filing of an RFA-2 application. Motion seconded by Commissioner Stebbins. The motion passed unanimously.*
- 12:51 p.m. *Motion made by Commissioner McHugh that the Commission grant a variance from 205 CMR 125.01(2) to provide that the Commission may hold a public hearing required by G.L. c. 23K § 17(c) less than 30 days after the designation of surrounding communities so long as all designated and petitioning surrounding communities have received at least 30 days' notice of the hearing as required by G.L. c. 23K § 17(c) and provided further that the hearing will not close until all surrounding community agreements in the region have been created and the surrounding communities have had an opportunity to be heard. Motion seconded by Commissioner Cameron. The motion passed unanimously.*
- 12:52 p.m. The Commission took a recess for lunch.

Administration

See transcript pages 160-304.

- 2:13 p.m. Executive Director Day presented a memo recommending an update to the contract of Pinck & Co in order to allow Pinck & Co to utilize outside consulting services.
- 2:17 p.m. *Motion made by Commissioner Zuniga that the Commission delegate to Director Day the authority to enter into subcontracting agreements relative to the evaluation of the Category 2 applications. Motion seconded by Commissioner Cameron. The motion passed unanimously.*
- 2:18 p.m. Executive Director Day opened discussions relative to how the Commission will handle two types of information: (1) information publically presented but not in the RFA-2 application and (2) information presented in the RFA-2 application but not considered in the host community agreement. The Commission also discussed the corollary issue of whether to allow improvements to the application.
- 3:40 p.m. The Commission discussed whether to allow temporary facilities and how the costs for building and then demolishing the temporary facility would be accounted for in determining the minimum capital investment.

- 3:46 p.m. Jennifer Pinck presented her recommendations for changing the RFA-2 application for Category 1 applicants. The Commission agreed with the recommendations.
- 4:03 p.m. Executive Director Day presented the master schedule and the Commission discussed the logistics of preparing for a potential slots parlor opening as early as six months after award of the Category 2 license.
- 4:55 p.m. Meeting adjourned.

List of Documents and Other Items Used

1. Massachusetts Gaming Commission November 7, 2013 Notice of Meeting and Agenda
2. Massachusetts Gaming Commission award of license to hold or conduct a racing meeting for the calendar year of 2014 and related materials – Sterling Suffolk Racecourse
3. Massachusetts Gaming Commission award of license to hold or conduct a racing meeting for the calendar year of 2014 and related materials– Springfield Gaming and Redevelopment
4. Massachusetts Gaming Commission award of license to hold or conduct a racing meeting for the calendar year of 2014 and related materials – Brockton Racing
5. Documents relative to the complaint against Raynham Taunton by European Wagering Services
6. Supplement to the Application of Brockton Racing LLC
7. Plainridge Racecourse request to cancel live race days
8. Massachusetts Gaming Commission memorandum relative to the Fitchburg petition for involuntary disbursement
9. Massachusetts Gaming Commission memorandum relative to amending the Pinck & Co contract
10. 205 CMR 122.00
11. Pinck & Co proposed revisions to the RFA-2 application for Category 1 applicants

/s/ Catherine Blue
Catherine Blue
Assistant Secretary

4. c

Fitchburg Correspondence re: Disbursement Grant

**Correspondence
Date**

10/29/13	City of Fitchburg Involuntary Disbursement Petition
10/28/2013	PPE Casino Resorts, LLC Opposition to Fitchburg Involuntary Disbursement Request

Further Background Information

11/5/2013	Letter to Commission from Pannone Lopes rebutting the Cordish Letter dated October 28, 2013
10/23/2013	Letter to Joe Weinberg informing Mr. Weinberg of the filing of Involuntary Disbursement
10/2/2013	Letter to Joe Weinberg from Bruce Tobey - Follow-up on 9/24 letter
10/2/2013	Letter to Joe Weinberg enclosing Letter of Authorization
9/24/2013	Letter to Joe Weinberg from Bruce Tobey requesting Cordish to enter into an mitigation agreement
9/12/2013	Engagement letter to City of Fitchburg

October 29, 2013

Massachusetts Gaming Commission
Attention: John Ziemba, Ombudsman
84 State Street, Suite 720
Boston, MA 02109

Re: City of Fitchburg, Massachusetts – Involuntary Disbursement Application

Dear Mr. Ziemba:

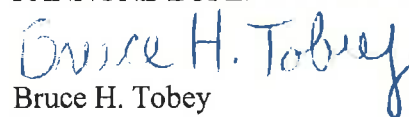
Our firm represents the City of Fitchburg, Massachusetts (“City”) in the matter of the proposed Category 2 gaming facility project located in the city of Leominster for which PPE Casino Resorts MA, LLC (“PPE”) will be seeking a license from the Massachusetts Gaming Commission (“MGC”). The City has completed and executed the enclosed involuntary disbursement application (“Application”) in accordance with 205 CMR 114.03(2)(b). The Town is seeking the Community Disbursement from the MGC in the form of a grant in accordance with M.G.L. c. 44, §53A.

The Community Disbursement amount designated in the Application was previously requested of PPE in letter correspondence dated October 2, 2013. As of the date hereof, the City has not received a response. PPE received a copy of the enclosed Application on October 24, 2013 in accordance with 205 CMR 114.03(2)(b)(1). On October 25, 2013, our firm reached out to PPE in another attempt to seek their endorsement of the Community Disbursement. PPE has not shared a response with us or the City.

Enclosed with the Application are copies of requested documentation supporting the Community Disbursement. Please advise if you should have any questions or require additional information in order to process this request. Thank you very much and we look forward to working with the MGC on this matter.

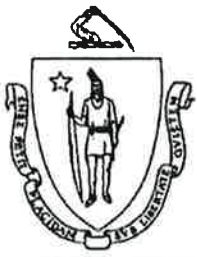
Very truly yours,

PANNONE LOPES DEVEREAUX & WEST LLC



Bruce H. Tobey
Partner

cc: John B. Barrett
Enclosures



MASSACHUSETTS GAMING COMMISSION

PLEASE SUBMIT THIS LETTER AND ATTACHMENTS TO:
MASSACHUSETTS GAMING COMMISSION
ATTENTION: JOHN ZIEMBA, OMBUDSMAN
84 STATE STREET, 10TH FLOOR
BOSTON, MA 02109

APPLICATION FOR COMMUNITY DISBURSEMENT W/O LETTER OF AUTHORIZATION

in accordance with 205 CMR 114.03(2)(b)

TYPE OF REQUEST (choose one from drop down menu): Grant (G.L. c.44, s.58A)

1. City of Fitchburg, Massachusetts
NAME OF MUNICIPALITY
2. Treasurer's Department
MUNICIPAL DEPARTMENT THAT WOULD RECEIVE FUNDS IF GRANTED
3. Michelle Shephard Acting Treasurer/Collector
NAME AND TITLE OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS
4. Fitchburg Municipal Offices, 166 Boulder Drive, Suite 108, Fitchburg, MA 01420
ADDRESS OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS
5. 978-829-1830 MShephard@fitchburgma.gov
PHONE # AND EMAIL ADDRESS OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS
6. Lisa A. Wong Mayor
NAME AND TITLE OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS ON BEHALF OF MUNICIPALITY
7. Fitchburg Municipal Offices, 166 Boulder Drive, Suite 108, Fitchburg, MA 01420
ADDRESS OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS ON BEHALF OF MUNICIPALITY
8. 978-829-1801 mayor@ci.fitchburg.ma.us
PHONE # AND EMAIL ADDRESS OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS
9. PPE Casino Resorts MA, LLC; Category 2 License
NAME OF APPLICANT FOR GAMING LICENSE AND CATEGORY OF LICENSE BEING APPLIED FOR
10. City of Leominster, Massachusetts
NAME OF HOST COMMUNITY FOR APPLICANT FOR GAMING LICENSE

TIMING OF REQUEST

A municipality may apply for community disbursement funds without a signed letter of authorization only at certain times. Please check the box next to the statement that best describes the situation of the city or town seeking funds:

- A. 21 DAYS HAVE PASSED SINCE THE APPLICANT AND THE HOST COMMUNITY EXECUTED A HOST COMMUNITY AGREEMENT.

DATE APPLICANT AND HOST COMMUNITY EXECUTED A HOST COMMUNITY AGREEMENT July 18, 2013

- B. THE APPLICANT IS APPLYING FOR A CATEGORY 1 (FULL CASINO) LICENSE AND THIS APPLICATION FOR FUNDS IS BEING SUBMITTED AFTER OCTOBER 2, 2013 (90 DAYS PRIOR TO DEADLINE FOR SUBMISSION OF RFA-2 APPLICATION BY APPLICANT)

- C. THE APPLICANT IS APPLYING FOR A CATEGORY 2 (SLOTS) LICENSE AND THIS APPLICATION FOR FUNDS IS BEING SUBMITTED AFTER AUGUST 5, 2013 (60 DAYS PRIOR TO DEADLINE FOR SUBMISSION OF RFA-2 APPLICATION BY APPLICANT)

ITEMIZATION OF REQUESTED FUNDS

Please identify below all legal, financial, and other professional services deemed necessary by the community, and for which the community now seeks funds, relative to the cost of determining the impact of the proposed gaming establishment and for the negotiation and execution of a surrounding community agreement. Documentation (e.g.- invoices, proposals, estimates, etc.) adequate for the Commission to evaluate this application in accordance with 205 CMR 114.03(2)(b)(2) must be attached to this application. Please attach additional sheets if necessary.

(CLICK ON BOX TO INSERT TEXT)

1PANNONE LOPES DEVEREAUX & WEST LLC 75 Arlington Street, Suite 500, Boston, Massachusetts
02116 Legal and supporting sub-consultative services \$50,000 Grant

2n/a Type of request

3n/a Type of request

4n/a Type of request

5n/a Type of request

6n/a Type of request

INTERACTION WITH APPLICANT

To be eligible for disbursement of these funds the community must attest that a request for the funds being requested in this application was first made to the applicant directly and denied, and that a copy of this application was served on the applicant prior to being filed with the Commission. Please provide a response to each of the following:

1. Please describe the manner in which the subject funds were requested from the applicant and denied by the applicant including the date(s) on which the request was made, to whom it was made, the manner in which the request was denied (i.e.- whether the denial was in writing, verbal, or by virtue of a lack of response to the request), and the nature of any relevant conversations. Please attach a copy of any relevant written communications.

The City of Fitchburg ("City") requested the disbursement of the funds described herein in letter correspondence addressed to Mr. Joe Weinberg, President of The Cordish Companies ("Cordish"), dated and submitted on October 2, 2013, a copy of which is attached hereto. The letter clearly requested that the enclosed City-executed Letter of Authorization be countersigned by Cordish and returned on or before October 11, 2013. As of the date hereof, no response to that letter has been received by the City.

2. Please attach proof of service of this application on the applicant prior to it being filed with the Commission that reflects the date it was filed, the name and address of the person it was sent to, and the method of service that was used.

JUSTIFICATION

The Commission may approve this application and grant the funds requested if it finds that there is a reasonable likelihood that the community will be designated a surrounding community pursuant to 205 CMR 125.01, that the request is reasonable in scope, and that the risk that the community will not be able to properly determine the impacts of a proposed gaming establishment without the requested funds outweighs the burden of the actual financial cost that will be borne by the applicant. Please provide a response to each of the following:

1. Please explain why the community believes it is reasonably likely that it will be designated a surrounding community. Reference may be made to the factors outlined in 205 CMR 125.01(2)(b), including the proximity of the community to the proposed gaming establishment, any connecting infrastructure, and other similar elements.

The City satisfies the factors set forth in MGL Chapter 23K, Sections 4(33) and 17(a) and 205CMR 125.01(2)(a) and (b), including but not limited to the following:

- 1) Proximity to the Host Community including a shared border;*
- 2) Identical population, demographic and socio-economic features of the Host Community including designation as a "Gateway Community";*
- 3) City's poverty rate is over double that of the Host Community;*

- 4) Location of aged transportation infrastructure that traverses the City to serve the Cordish facility notably including State Routes 2, 2A, 12 and 31 and the John Fitch Highway;
- 5) Potential increases in construction traffic congestion on such public ways;
- 6) Potential impacts on public safety including fire, emergency response and police particularly in connection with mutual aid agreements by and between the City and the Host Community;
- 7) Potential stress on the City's housing stock, particularly in connection with rental housing and the need for adequate building and inspectional services in order to ensure proper code enforcement;
- 8) Increases in social services including those connected to problem gambling, alcohol and drug use and workforce and financial education provided disproportionately by the City including Fitchburg State University and the Montachusett Opportunity Council (MOC); and
- 9) Potential impacts on City schools including bilingual education and class size reduction programs.

2. Please explain why the community believes that it will not be able to properly determine the impacts of the proposed gaming establishment without the requested funds. Include an explanation as to the interaction the community has had with the regional planning agency, if any, and why that process, if any, will not be sufficient; the interaction it has had with the host community and other prospective surrounding communities and why existing studies and reports, if any, will not be satisfactory.


The City does not possess the internal planning, economic development and legal resources necessary to identify all known impacts and to negotiate a Surrounding Community Agreement due to significant budget constraints. This is exacerbated by Cordish's unwillingness to negotiate with the City and the potential for arbitration as a result. The Montachusett Regional Planning Commission has been involved in internal discussions and has provided preliminary information to assist the City and its legal counsel identify known impacts and prepare a petition to be submitted to the MGC in accordance with 205 CMR 125.01. The City has reached out to the host and potential surrounding communities in connection with the Cordish project – the City is not aware of any studies or reports that would assist it in quantifying City impacts as a result of the project. If Cordish has produced any such reports, it has not shared them with the City.

3. Please provide any additional information that the community believes demonstrates that the funds being requested are reasonable in scope. For example, please explain why the costs of the services requested are a reasonable amount.

Please see the responses to Questions 1 and 2 above. This need is heightened due to Cordish's unwillingness to negotiate with the City thereby subjecting the City to the regulatory process including arbitration. The introduction of a state sanctioned gambling facility in this geographic area is a novel event and the City is not vested with the resources, experience and skill to investigate and weigh the potential economic benefits against the economic and social costs associated with this type of gambling entity. Fitchburg is a city with a significant percentage of people in the lower socio-economic strata and its community programs are already taxed to the limit. Preliminary reviews of information indicate that cities and towns located within a 10-mile radius of gambling facilities, with a higher than average poverty level, are more adversely effected by the introduction of these venues. Furthermore, the planned Cordish facility is not a resort-destination casino but a convenience gambling entity. Therefore, it is more likely that the traffic in and out of the facility will occur at a higher rate than that experienced by a resort-style casino. Finally, Cordish has been reluctant to engage in any meaningful dialogue with the City to address these issues and how the negative costs and strain on City programs and public safety will be addressed. The City will be required to retain firms and personnel with the experience and skill to address these important issues and advise municipal leaders.

CERTIFICATION BY MUNICIPALITY

On behalf of the aforementioned municipality I hereby certify under the pains and penalties of perjury that all information contained in this application or attached hereto is accurate to the best of my knowledge and understanding. Further, I represent that I have actual authority to submit this application.



Signature of responsible municipal official

10/22/13

Date

Lisa A. Wong

Name of responsible municipal official

Mayor

Title

PPE CASINO RESORTS MA, LLC
601 E. Pratt Street, 6th Floor
Baltimore, MD 21202

October 28, 2013

Mr. Stephen Crosby
Chairman
Massachusetts Gaming Commission
84 State Street, 10th Floor
Boston, MA 02109

Re: Opposition to Application of the City of Fitchburg for
Disbursement Without a Letter of Authorization

Dear Mr. Crosby:

On October 24, 2013, we received notification from lawyers representing the City of Fitchburg it was filing a request for Community Disbursement Without a Letter of Authorization. By this letter, PPE Casino Resorts MA, LLC, the applicant for a Category 2 casino in Leominster, hereby opposes that request.

The filing by Fitchburg disingenuously and inaccurately states Applicant has been unwilling to negotiate with the City. Evidence of Applicant's good faith with its neighbors is supported by the fact it has already executed agreements with four jurisdictions and has had advanced negotiations with three others. With Fitchburg, Cordish representatives met with Mayor Wong on September 23, 2013, the day before the Leominster referendum. The result of the meeting was the attached outrageous letter from the City's counsel requesting, among other demands:

- Up-Front Impact Fee Payment of \$3.2 million during construction (in comparison, the Host Agreement itself provides for less than 10% of this amount, i.e. \$250,000 payment upon commencement of construction)
- Annual Impact Fee of the greater of 1.5% of Gross Gaming Revenues or \$3.5 million (in comparison the Host Agreement provides for annual payments of a \$100,000 Impact Fee and \$2.7 million Community Benefit Payment, plus real estate taxes)
- Demands that PPE hire 25% of its employees from Fitchburg (even though during the September 23rd meeting, City representatives denigrated the jobs that would be created by Applicant and professed disinterest).

Notwithstanding these extraordinary and bad faith demands, Cordish continued its discussions with the City by e-mail, phone conversations and even a personal conversation with the City's outside counsel immediately after Applicant's presentation to the Commission in

Boston on October 7. Those communications included a request for Mayor Wong or her representatives to come to Maryland so she could investigate on her own the impact of the Company's Maryland Live! gaming facility on the communities surrounding the casino, a request the Mayor rejected.

The Applicant, in the spirit of creating a win-win situation for all neighboring communities, has created a framework agreement that has already been executed by four communities and treats each community in a fair and equitable manner. Fitchburg is the only neighboring community that has refused to negotiate within the framework agreement. The City is also the only community that has treated the gaming legislation as a potential "windfall" as opposed to the legislation's intent of reasonably addressing actual determinable impacts, if any. As a contrasting example, attached is the agreement between Applicant and the Town of Lunenburg, which abuts both Leominster and Fitchburg and is expected to receive the larger share of local traffic from the casino than Fitchburg due to traffic from New Hampshire driving south on Rt. 13. Clearly, Fitchburg has taken the negotiating posture of swinging for the fences to try to alleviate all the City's EXISTING social and economic ills, because it feels it has a free shot at Applicant under the guise of the Expanded Gaming Act, and its lawyers have erroneously sold the City that it will get Cordish to pay all its fees so it won't cost the City anything [see attached news article].

We oppose Fitchburg's request as there is no reasonable likelihood that Fitchburg will be designated a surrounding community pursuant to 205 CMR 125.01. . Fitchburg does not meet any of the tests for a surrounding community set forth in 205 CMR 125.01. The proposed casino is located approximately 6.5 miles from the nearest border with Fitchburg and traffic studies show there will be almost no measurable traffic impacts on Fitchburg's local roads (Routes 12 and 31) – less than 2% of the total casino trips- and no impact at all on Fitchburg infrastructure or public safety services. The major highway access to Applicant's site, I-190, does not transverse through Fitchburg. Leominster public safety officials have confirmed Leominster police, fire and EMT services will be able to address any incidents at the casino and do not expect any "mutual aid" assistance from Fitchburg [see attached letters from the Leominster Police and Fire Departments]. The Applicant has in fact agreed, in its Host Agreement, to build a police substation at the casino for the Leominster police department, which will enhance public safety in the area. This is in addition to the space provided in the casino to the Massachusetts Gaming Commission staff and State Police. Given the distance from the site to any border with Fitchburg, and the City's lack of access directly from I-190, factors such as noise, environmental and/or construction impacts are not practical.

In addition, Applicant's project will place no burden on any utility infrastructure of Fitchburg such as water, sewer, electrical and gas services. These utilities will be provided directly by the City of Leominster and private providers. Applicant will be improving the existing storm water and drainage in the project area. PPE has committed to hire from the local region and therefore, should have no adverse impact on the local housing stock. Typically, there is a very positive impact in local and regional economies from more local residents having jobs and added buying power. In fact, PPE has received the endorsement of the closest housing development to the project site.

Applicant has also received the endorsement of local and regional chambers of commerce, businesses, performing arts venues and attractions and has entered into agreements to participate in regional marketing and cross-marketing programs with same. This is a strong message from the business community that the casino is anticipated to be a strong economic engine for the entire region. Applicant has entered into cooperation agreements with the Massachusetts Casino Careers Training Institute (representing the State's community college system) and Fitchburg State University, which includes agreements to work together on workforce development, internship programs and cross-marketing efforts between university cultural attractions and the casino. **In fact, leaders of the Massachusetts Casino Careers Training Institute have visited with us in Maryland to learn how we have implemented joint ventures with our regional community college and our Maryland Live! casino facility and how our model can be applied in Massachusetts.** The Applicant has also entered into a partnership with the University of Massachusetts Medical Device Development Corporation, funding up to \$1.5 million per year to support new high-tech business development in the north-central region, which includes Fitchburg. **This program is expected to generate 5,000 direct and 15,000 indirect jobs in the region.** Therefore, the impact on public education in the community and the increased opportunities that will be created for students and graduates will be extremely positive and the casino's impact on the regional unemployment rate will be enormous.

Most cities would embrace the type of investment and job creation we are proposing for the region. It is instructive to look at how differently Fitchburg has acted in the case of a recent large scale commercial development within its own borders, the Great Wolf Lodge. While Fitchburg is raising every possible issue it can dream up for the proposed casino development 6.5 miles away from its outside border – unemployment, education, housing, social services, traffic – in the case of Great Wolf Lodge the City did not require a single traffic study, or hold a single public input hearing beyond a 5 minute zoning board meeting, even though the development will generate significantly more traffic and impact on the City than the casino. Where was the concern in the case of Great Wolf Lodge as to whether the City's building department could inspect houses? Where was the analysis as to whether its public safety and traffic infrastructure was sufficient to handle the new development? We support the Great Wolf project and expect to book a substantial number of rooms each year with the hotel; however the hypocrisy of the City's position in the present case should not be overlooked.

Finally, as to social services impacts related to problem gaming, Section 56 and Section 59-2(k) of the Expanded Gaming Act provides for certain fees from the casinos, as well as 5% of gaming tax receipts to be deposited into a Public Health Trust Fund to be used for addressing this important issue. The Massachusetts Gaming Commission has stated it intends to spend in excess of \$15 million per year, **approximately 30% of total existing national expenditures**, to address problem gaming in the Commonwealth. Therefore, it is not anticipated that the cost associated with problem gaming will become the burden of local jurisdictions, nor is there evidence that given the amount of gaming available in the region, and the limited size of the Category 2 facility, that the subject project is anticipated to create any significant number of new problem gaming cases. If anything, the amount of new resources that will be available in the Commonwealth should help address not only new issues, but assist those existing cases of Commonwealth residents suffering from addictions.

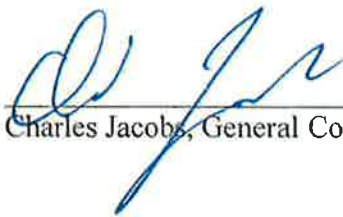
We empathize greatly with the City of Fitchburg's current problems of unemployment, crime and demand for social services, **however, these are pre-existing issues that have no causal relationship to Applicant's proposed casino,** As an example of the City's overreaching, it cites in its Application for Community Disbursement filing one of the potential impacts from the casino as: "potential stress on the City's housing stock, particularly in connection with rental housing and the need for adequate building and inspectional services in order to ensure proper code enforcement." Clearly, if the City is not able to inspect its existing stock of housing for safety and code enforcement, this is not a problem resulting from the casino. The City also contradicts itself by citing its high unemployment rate and demand for jobs, yet concern that people might actually want to live in the City . Indeed, the positive impacts of having the casino in Leominster can only help the City's existing unemployment and social problems, **and in determining whether a jurisdiction qualifies as a "surrounding community", the Commission's regulations call for weighing both the positive impacts and negative impacts, if any.** Applicant has committed to preferential hiring for Leominster and neighboring communities that enter into agreements with Applicant. In addition, the casino, which is expected to spend approximately \$20 million annually on goods and services, is committed to working with local businesses from those communities that enter into agreements with Applicant. In Applicant's discussions with Fitchburg, it offered to include the City's residents and businesses in this program. The Applicant remains committed to a continued dialogue with the City of Fitchburg, and to reaching an agreement in the spirit of cooperation as it has done with other area communities, but vehemently opposes the City's petition for funding from Applicant for the reasons stated herein.

Applicant respectfully requests that the request for disbursement be denied.

Sincerely,

PPE Casino Resorts MA, LLC

By:


Charles Jacobs, General Counsel

cc: John Ziemba, MGC ✓
Lisa A. Wong, Mayor City of Fitchburg
Mathew G. Feher, Esq.
Bruce H. Tobey, Esq.
John B. Barrett, City Solicitor

w/encl.

September 24, 2013

Joe Weinberg, President
The Cordish Companies
601 E. Pratt Street
Baltimore, Maryland 21202

Re: Fitchburg, Massachusetts - Surrounding Community Mitigation

Dear Mr. Weinberg:

I am writing on behalf of the City of Fitchburg ("City"), which Pannone Lopes Devereaux & West LLC represents in the matter of the proposed slot facility project in neighboring Leominster ("Project") for which The Cordish Companies ("Cordish") will be seeking a license from the Massachusetts Gaming Commission ("MGC"). We acknowledge but vigorously reject the positions which you clearly advanced on behalf of Cordish at yesterday's meeting with Mayor Wong and her legal team, which were:

- The Project will have no adverse impacts on the City and the critical public services it provides; and
- Cordish need not enter into any other agreement to provide mitigation payments other than that it has made through its host community agreement with the City of Leominster.

Please let me be equally clear: the Project will have substantial adverse impacts on the City, and Cordish is obligated to make the necessary mitigation payments to accommodate those impacts.

Chapter 23K of the Massachusetts General Laws (together with any rules, regulations, policies and guidance promulgated thereunder, the "Act") makes clear that no gaming applicant is eligible to receive a gaming license unless it provides signed agreements between the applicant and surrounding communities in proximity to the proposed gaming facility ("Agreement") to the MGC. Such Agreement shall (i) require the applicant to make community impact payments to a surrounding community and (ii) stipulate all responsibilities between a surrounding community and the applicant, including stipulations of known impacts from the development and operation of a gaming establishment.

This mandate captures an important reality: in Massachusetts, unlike other states, services are not provided on a highly-centralized basis through large vehicles such as county government; instead, that role of service-provider is assumed by local city and town governments. It is a

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Joe Weinberg, President
The Cordish Companies
September 24, 2013
Page 2

central premise of the Act that the needs of those local governments are to be met before any gaming project receives a license.

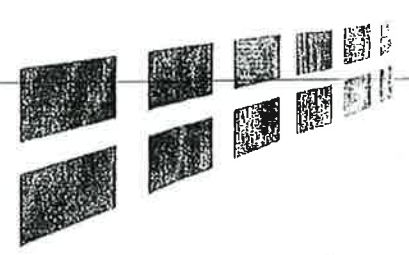
In the limited time available to it, the City has compiled evidence of its entitlement to receive compensation for services it will need to provide to offset known Project impacts. Those services include, but are not limited to, police, fire, emergency medical, education, public health, public works, housing and workforce development services. In addition to the foregoing, the Mayor made it abundantly clear during our meeting that the Project will give rise to social issues which will require the City to provide, at substantial cost, additional social services throughout the region.

Therefore, we request that Cordish negotiate and enter into an Agreement with the City as required by the Act. At a minimum, the City seeks the following as part of the Agreement:

- Term: 5 years - subject to renegotiation prior to license renewal;
- Jobs: Cordish to use best efforts to employ 25% City residents to address its workforce needs, on an ongoing basis;
- Up-Front Impact Fee Payment: \$3,200,000 to be paid in two equal installments during the 2-year construction phase of the Project. This payment will categorically deal with required infrastructure and capital asset upgrades and study the development of social and economic mitigation measures associated with the Project.
- Annual Impact Fee: Greater of \$3,500,000 or 1.5% of gross gaming revenues to sustain core municipal service requirements in light of Project opening;
- Community Improvement Trust Fund: an amount to be negotiated, paid annually; and
- Other requirements: consistent with area agreements.

In accordance with the Act, we fully expect that the Agreement will be included with Cordish's Category 2 license application, which is to be submitted to MGC on or before the deadline of October 4, 2013. Otherwise, please be advised that the City fully intends to pursue any and all rights under the Act including, but not limited to, petitioning the MGC to seek designation as a surrounding community for the purpose of negotiating the Agreement.

Joe Weinberg, President
The Cordish Companies
September 24, 2013
Page 3



We look forward to a useful dialogue in connection with the foregoing. We are available on the following dates in order to continue our discussion: Friday, September 27 at 12pm and Tuesday, October 1 at 3pm. Please advise me of your availability at your earliest convenience.

Very truly yours,

PANNONE LOPES DEVEREAUX & WEST LLC

By: Bruce H. Tobey
Bruce H. Tobey, Partner

cc: The Honorable Lisa A. Wong, Mayor
John B. Barrett, City Solicitor
Matthew G. Feher, Esq.



Leominster Fire Department

Central Fire Station, 19 Church Street
Leominster, Massachusetts 01453
TELEPHONE (978) 534-7541 ~ FAX (978) 537-6567

Robert A. Sideleau, II
Chief

October 25, 2013

Mr. David Cordish
The Cordish Companies
601 East Pratt St., 6th Floor
Baltimore, MD 21202

Dear Mr. Cordish:

I am aware that the proposed slots parlor to be constructed in Leominster consists of a 100,000 square foot building containing 1,250 slot machines and 4 restaurants. This proposed building will be equipped with both a fire sprinkler and fire alarm system.

It is the anticipation of the Leominster Fire Department that this structure will not generate a large volume of fire calls and we anticipate handling them with our on duty resources. I do not expect an increase in mutual aid for fire calls at this location.

The Leominster Fire Department is the ambulance provider for the city, and is currently trying to staff a second ambulance due to call volume. Calls for emergency medical assistance have increased in recent years and I do expect the slots parlor to add to this. It is my feeling and anticipation that revenue received from the host agreement will be used to increase our ambulance coverage. If that is correct, I do not anticipate an increase in mutual aid for medical calls.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert A. Sideleau, II".

Robert A. Sideleau, II
Chief

RAS/eai



**CITY OF
LEOMINSTER
POLICE
DEPARTMENT**

29 Church St.
Leominster, Ma. 01453-3100

ROBERT J HEALEY
Chief of Police

978 534 -7560
fax 978 534 -7558

Joe Weinberg
Cordish Company
Baltimore, MD

October 25, 2013

Re; Mutual Aid Agreement with the City of Fitchburg

Dear Mr. Weinberg,

The Leominster Police Department has entered into and held a mutual aid agreement via M.G.L. Chapter 40 section 8G for many years. Primarily this agreement is used for inter jurisdictional investigations involving undercover drug investigations with the City of Fitchburg and other surrounding city and towns

Notwithstanding the mutual aid agreement, over my 35 years as a Leominster Police Officer, the primary agency we have relied upon for additional resources, has been the Massachusetts State Police. There are far and few times we have had the need to call upon another surrounding community, including the City of Fitchburg to assist us with resources that the Leominster Police Department did not already have at our immediate disposal.

The Leominster Police Department has consistently responded to all emergencies and calls for service in a timely efficient manner. We pride ourselves on having a professional and dedicated department capable of responding 24 hours a day with sufficient resources and manpower.

Sincerely yours,

Robert J. Healey
Chief of Police

FURTHER BACKGROUND INFORMATION

November 5, 2013

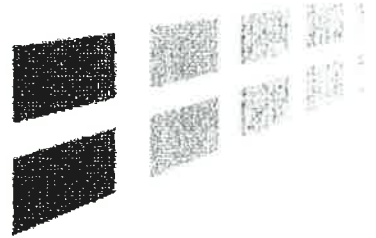
Massachusetts Gaming Commission
Attention: Stephen Crosby, Chairman
84 State Street, 10th Floor
Boston, MA 02109

Re: Cordish Letter dated October 28, 2013 In Opposition to the City of Fitchburg's
("City") Involuntary Disbursement Application

Dear Chairman Crosby:

I write regarding the above-referenced letter from PPE Casino Resorts MA, LLC, an affiliate of The Cordish Companies ("Cordish"). The City emphatically rejects the disingenuous misrepresentations it contains and highlights the following as examples of Cordish's bad faith dealings.

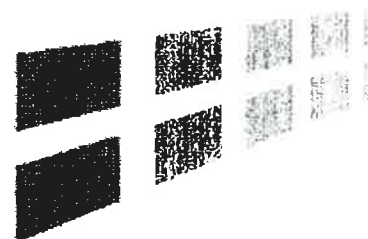
- In its letter, Cordish claims that "Fitchburg is the only neighboring community that has refused to negotiate within the [Cordish] framework agreement." This could be no further from the truth - the City never received an invitation to negotiate within the framework document and never received a copy of it.
- Cordish repeatedly states that the City is seeking compensation to remedy its existing problems. Again, Cordish is misguided - enclosed with this letter is a recent communication with David Cordish that unequivocally states the opposite. It is surprising that Cordish does not seem to recognize the impacts its proposed convenience gaming facility will have on already strained social, public safety and transportation services.
- According to Cordish, the City appears to have rejected its attempts to meet to negotiate. This suggestion is yet another distortion - the City has expressly requested meetings via letter correspondence and direct email communication on multiple occasions, immediately following our initial September 23, 2013 meeting and most recently on October 25, 2013. On each occasion, Cordish's response was that there would be no negative impact on the City. Meanwhile, Cordish recognized negative impacts in four area communities as evidenced by surrounding community agreements entered into by Cordish, including with the Town of Townsend which does not share a border with the Host Community and is approximately thirty minutes away from the proposed gaming facility.



- Cordish references studies it has conducted to assess transportation and other impacts. Never has it shared any such study with the City, and such information was not discussed during our initial meeting at which Cordish's traffic engineer was present.
- The reference to Great Wolf Lodge is yet another demonstration of Cordish's misrepresentations. The City involved the public throughout the siting and permitting of that facility notwithstanding Cordish's statements to the contrary. It was demonstrated to the City that Great Wolf Lodge would actually reduce the amount of traffic, not increase it. Moreover, to compare a hotel and water park to a convenience gambling facility is contrary to the notion that gaming facilities are different from other commercial development, a reality recognized by the Expanded Gaming Act. It should also be noted that Cordish admits that Great Wolfe Lodge will be booked with visitors to its slot facility, a strong admission that the City and its services will be impacted.

While we could continue with a long and comprehensive dissertation that refutes each concept advanced by Cordish in its letter, we would rather take this opportunity to seek progress and, to that end, respectfully renew our request that the Commission provide the City with the resources it needs to protect its interests.

If Cordish persists in the sort of behavior exhibited in their October 28 letter, the Commission may want to seriously question whether Cordish is the sort of organization it wishes to grant the privilege of operating a profitable gaming facility for five years in this Commonwealth. The licensing process should not be one that creates winners and losers, divides and conquers neighbors, or benefits the strong over the weak. Instead, it should promote true partnership to ensure that any gaming sanctioned by the Commonwealth is successful, transparent and adequately mitigated.



Thank you very much for your attention to this matter and we look forward to continue working with the Commission and Cordish to ensure a successful partnership moving forward.

Very truly yours,

PANNONE LOPES DEVEREAUX & WEST LLC

By: Bruce H. Tobey
Bruce H. Tobey, Esq.

By: William P. Devereaux
William P. Devereaux, Esq.

cc: John S. Ziemba, MGC Ombudsman
Joe Weinberg, President, The Cordish Companies
The Honorable Lisa A. Wong, Mayor
John B. Barrett, City Solicitor
Matthew G. Feher, Esq.

Enclosure

Tobey, Bruce

From: Tobey, Bruce
Sent: Friday, October 25, 2013 10:21 AM
To: David Cordish
Subject: RE: Fitchburg, MA

David:

I have two points to make, each punctuated with a question:

1. Of course Cordish did not cause Fitchburg's problems, but the construction of a slot parlor in a neighboring city without a meaningful mitigation agreement (as required by the gaming statute) will certainly exacerbate them in substantive ways. While the City welcomes positive economic development, Cordish does not seem to want to recognize that gambling venues such as the one contemplated here can tax already strained social, public safety and transportation services. The Massachusetts Gaming Commission recognized these factors in mandating that casino developers enter into mitigation agreements with surrounding communities. We believe Fitchburg is a "surrounding community" as defined by both law and common sense, and we stand ready to negotiate a meaningful mitigation agreement that is fair to both Fitchburg's citizens and Cordish. However, if Cordish fails to negotiate a mitigation agreement in good faith that addresses Fitchburg's realistic concerns, then we will be compelled to bring this to the Commission's attention and to pursue all remedies allowed by the statute. Time is short - will you meet with us next week in Massachusetts to negotiate such an agreement?

2. We forwarded to you on October 2, 2013 for Cordish's endorsement the City's Request to MGC for a voluntary disbursement of resources to assist the City in its engagement of this matter and, to date, we have received no reply. Does Cordish intend to endorse that request?

Please reply by the end of the day today.

From: David Cordish [David@cordish.com]
Sent: Wednesday, October 23, 2013 5:59 PM
To: Tobey, Bruce
Subject: Reply

Bruce, still struggling to understand your ems. We do not need to revisit Fitchburg to agree that it is depressed economically. We have been there countless times. Mass Live did not create these problems. Is the City somehow contending that we are the cause of Fitchburg's problems today?

Not only have we been to Fitchburg many many times we have met with the Mayor in her office to discuss and Agreement and working cooperatively. The meeting was unproductive.

No one on your side, and certainly not the Mayor, has visited the surrounding areas to Md Live ever. What the Mayor would learn in such a visit is that there were areas of poverty and other social problems, that closely resemble the problems in Fitchburg, pre our development. Obviously, since we have only been open a little over a year, problems still exist and are visible. On the other hand, meeting w residents, officials and civic groups during a visit would educate on the enormous positive effects our casino has had on pre existing problems. With NO negative affects. The same positives will accrue to Fitchburg's pre existing problems, should we build our proposed casino in Fitchburg.

How can Fitchburg comment knowledge ably on an area never visited. Nor having had direct conversation in person with the affected neighborhoods? My last em made a simple legitimate request. Please send the data you have stated you will share with us Again, I respectfully suggest it can only help us to see what data you are referring to.

Please also let me suggest a visit to one of our other casino communities. Hollywood Fld.

I suggest Hollywood as an alternative to Md. since we cannot seem to interest Fitchburg in Md. Hollywood is a small community similar to Fitchburg. Our casino is built on the site of a trailer park, a mobile home park. A visit will confirm that while we have not cured all pre existing ills in the area, we have had a positive impact on many of them. We have had NO negative impact on our neighboring communities and the people living there will so inform. Such a visit will educate on the before and after.

October 23, 2013

Joe Weinberg, President
The Cordish Companies
601 E. Pratt Street
Baltimore, Maryland 21202

Re: Fitchburg, Massachusetts – Community Disbursements

Dear Mr. Weinberg:

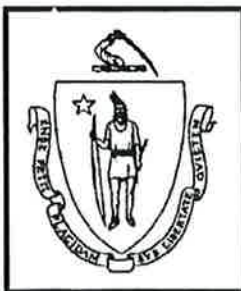
As you know, the City of Fitchburg (“City”) submitted a Letter of Authorization (“LOA”) to your attention on October 2, 2013 so that it can receive disbursements administered by the Massachusetts Gaming Commission in connection with the surrounding community process envisioned by M.G.L. 23K. As of the date hereof, we have not received the countersigned LOA or any further communication in connection therewith notwithstanding the City’s request to submit such on or before October 11, 2013. Therefore, the City will file its Involuntary Disbursement Application, a copy of which is enclosed in accordance with 205 CMR 114.03(2)(b)(1).

Very truly yours,

PANNONE LOPES DEVEREAUX & WEST LLC

By: Bruce H. Tobey
Bruce H. Tobey, Partner

cc: The Honorable Lisa A. Wong, Mayor
John B. Barrett, City Solicitor
John S. Ziemba, MGC Ombudsman
Matthew G. Feher, Esq.



MASSACHUSETTS GAMING COMMISSION

PLEASE SUBMIT THIS LETTER AND ATTACHMENTS TO:
MASSACHUSETTS GAMING COMMISSION
ATTENTION: JOHN ZIEMBA, OMBUDSMAN
84 STATE STREET, 10TH FLOOR
BOSTON, MA 02109

APPLICATION FOR COMMUNITY DISBURSEMENT W/O LETTER OF AUTHORIZATION

in accordance with 205 CMR 114.03(2)(b)

TYPE OF REQUEST (choose one from drop down menu): Grant (G.L. c.44, s.53A)

1. City of Fitchburg, Massachusetts
NAME OF MUNICIPALITY
2. Treasurer's Department
MUNICIPAL DEPARTMENT THAT WOULD RECEIVE FUNDS IF GRANTED
3. Michelle Shephard Acting Treasurer/Collector
NAME AND TITLE OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS
4. Fitchburg Municipal Offices, 166 Boulder Drive, Suite 108, Fitchburg, MA 01420
ADDRESS OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS
5. 978-829-1830 MShephard@fitchburgma.gov
PHONE # AND EMAIL ADDRESS OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS
6. Lisa A. Wong Mayor
NAME AND TITLE OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS ON BEHALF OF MUNICIPALITY
7. Fitchburg Municipal Offices, 166 Boulder Drive, Suite 108, Fitchburg, MA 01420
ADDRESS OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS ON BEHALF OF MUNICIPALITY
8. 978-829-1801 mayor@ci.fitchburg.ma.us
PHONE # AND EMAIL ADDRESS OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS
9. PPE Casino Resorts MA, LLC; Category 2 License
NAME OF APPLICANT FOR GAMING LICENSE AND CATEGORY OF LICENSE BEING APPLIED FOR
10. City of Leominster, Massachusetts
NAME OF HOST COMMUNITY FOR APPLICANT FOR GAMING LICENSE

TIMING OF REQUEST

A municipality may apply for community disbursement funds without a signed letter of authorization only at certain times. Please check the box next to the statement that best describes the situation of the city or town seeking funds:

- A. 21 DAYS HAVE PASSED SINCE THE APPLICANT AND THE HOST COMMUNITY EXECUTED A HOST COMMUNITY AGREEMENT.

DATE APPLICANT AND HOST COMMUNITY EXECUTED A HOST COMMUNITY AGREEMENT July 18, 2013

- B. THE APPLICANT IS APPLYING FOR A CATEGORY 1 (FULL CASINO) LICENSE AND THIS APPLICATION FOR FUNDS IS BEING SUBMITTED AFTER OCTOBER 2, 2013 (90 DAYS PRIOR TO DEADLINE FOR SUBMISSION OF RFA-2 APPLICATION BY APPLICANT)

- C. THE APPLICANT IS APPLYING FOR A CATEGORY 2 (SLOTS) LICENSE AND THIS APPLICATION FOR FUNDS IS BEING SUBMITTED AFTER AUGUST 5, 2013 (60 DAYS PRIOR TO DEADLINE FOR SUBMISSION OF RFA-2 APPLICATION BY APPLICANT)

ITEMIZATION OF REQUESTED FUNDS

Please identify below all legal, financial, and other professional services deemed necessary by the community, and for which the community now seeks funds, relative to the cost of determining the impact of the proposed gaming establishment and for the negotiation and execution of a surrounding community agreement. Documentation (e.g.- invoices, proposals, estimates, etc.) adequate for the Commission to evaluate this application in accordance with 205 CMR 114.03(2)(b)(2) must be attached to this application. Please attach additional sheets if necessary.

(CLICK ON BOX TO INSERT TEXT)

1PANNONE LOPES DEVEREAUX & WEST LLC 75 Arlington Street, Suite 500, Boston, Massachusetts 02116 Legal and supporting sub-consultative services \$50,000 Grant

- 2n/a Type of request
- 3n/a Type of request
- 4n/a Type of request
- 5n/a Type of request
- 6n/a Type of request

INTERACTION WITH APPLICANT

To be eligible for disbursement of these funds the community must attest that a request for the funds being requested in this application was first made to the applicant directly and denied, and that a copy of this application was served on the applicant prior to being filed with the Commission. Please provide a response to each of the following:

1. Please describe the manner in which the subject funds were requested from the applicant and denied by the applicant including the date(s) on which the request was made, to whom it was made, the manner in which the request was denied (i.e.- whether the denial was in writing, verbal, or by virtue of a lack of response to the request), and the nature of any relevant conversations. Please attach a copy of any relevant written communications.

The City of Fitchburg ("City") requested the disbursement of the funds described herein in letter correspondence addressed to Mr. Joe Weinberg, President of The Cordish Companies ("Cordish"), dated and submitted on October 2, 2013, a copy of which is attached hereto. The letter clearly requested that the enclosed City-executed Letter of Authorization be countersigned by Cordish and returned on or before October 11, 2013. As of the date hereof, no response to that letter has been received by the City.

2. Please attach proof of service of this application on the applicant prior to it being filed with the Commission that reflects the date it was filed, the name and address of the person it was sent to, and the method of service that was used.

JUSTIFICATION

The Commission may approve this application and grant the funds requested if it finds that there is a reasonable likelihood that the community will be designated a surrounding community pursuant to 205 CMR 125.01, that the request is reasonable in scope, and that the risk that the community will not be able to properly determine the impacts of a proposed gaming establishment without the requested funds outweighs the burden of the actual financial cost that will be borne by the applicant. Please provide a response to each of the following:

1. Please explain why the community believes it is reasonably likely that it will be designated a surrounding community. Reference may be made to the factors outlined in 205 CMR 125.01(2)(b), including the proximity of the community to the proposed gaming establishment, any connecting infrastructure, and other similar elements.

The City satisfies the factors set forth in MGL Chapter 23K, Sections 4(33) and 17(a) and 205CMR 125.01(2)(a) and (b), including but not limited to the following:

- 1) Proximity to the Host Community including a shared border;*
- 2) Identical population, demographic and socio-economic features of the Host Community including designation as a "Gateway Community";*
- 3) City's poverty rate is over double that of the Host Community;*

- 4) *Location of aged transportation infrastructure that traverses the City to serve the Cordish facility notably including State Routes 2, 2A, 12 and 31 and the John Fitch Highway;*
- 5) *Potential increases in construction traffic congestion on such public ways;*
- 6) *Potential impacts on public safety including fire, emergency response and police particularly in connection with mutual aid agreements by and between the City and the Host Community;*
- 7) *Potential stress on the City's housing stock, particularly in connection with rental housing and the need for adequate building and inspectional services in order to ensure proper code enforcement;*
- 8) *Increases in social services including those connected to problem gambling, alcohol and drug use and workforce and financial education provided disproportionately by the City including Fitchburg State University and the Montachusett Opportunity Council (MOC); and*
- 9) *Potential impacts on City schools including bilingual education and class size reduction programs.*

2. Please explain why the community believes that it will not be able to properly determine the impacts of the proposed gaming establishment without the requested funds. Include an explanation as to the interaction the community has had with the regional planning agency, if any, and why that process, if any, will not be sufficient; the interaction it has had with the host community and other prospective surrounding communities and why existing studies and reports, if any, will not be satisfactory.


The City does not possess the internal planning, economic development and legal resources necessary to identify all known impacts and to negotiate a Surrounding Community Agreement due to significant budget constraints. This is exacerbated by Cordish's unwillingness to negotiate with the City and the potential for arbitration as a result. The Montachusett Regional Planning Commission has been involved in internal discussions and has provided preliminary information to assist the City and its legal counsel identify known impacts and prepare a petition to be submitted to the MGC in accordance with 205 CMR 125.01. The City has reached out to the host and potential surrounding communities in connection with the Cordish project – the City is not aware of any studies or reports that would assist it in quantifying City impacts as a result of the project. If Cordish has produced any such reports, it has not shared them with the City.

3. Please provide any additional information that the community believes demonstrates that the funds being requested are reasonable in scope. For example, please explain why the costs of the services requested are a reasonable amount.

Please see the responses to Questions 1 and 2 above. This need is heightened due to Cordish's unwillingness to negotiate with the City thereby subjecting the City to the regulatory process including arbitration. The introduction of a state sanctioned gambling facility in this geographic area is a novel event and the City is not vested with the resources, experience and skill to investigate and weigh the potential economic benefits against the economic and social costs associated with this type of gambling entity. Fitchburg is a city with a significant percentage of people in the lower socio-economic strata and its community programs are already taxed to the limit. Preliminary reviews of information indicate that cities and towns located within a 10-mile radius of gambling facilities, with a higher than average poverty level, are more adversely effected by the introduction of these venues. Furthermore, the planned Cordish facility is not a resort-destination casino but a convenience gambling entity. Therefore, it is more likely that the traffic in and out of the facility will occur at a higher rate than that experienced by a resort-style casino. Finally, Cordish has been reluctant to engage in any meaningful dialogue with the City to address these issues and how the negative costs and strain on City programs and public safety will be addressed. The City will be required to retain firms and personnel with the experience and skill to address these important issues and advise municipal leaders.

CERTIFICATION BY MUNICIPALITY

On behalf of the aforementioned municipality I hereby certify under the pains and penalties of perjury that all information contained in this application or attached hereto is accurate to the best of my knowledge and understanding. Further, I represent that I have actual authority to submit this application.



Signature of responsible municipal official

10/22/13

Date

Lisa A. Wong

Name of responsible municipal official

Mayor

Title

October 2, 2013

Joe Weinberg, President
The Cordish Companies
601 E. Pratt Street
Baltimore, Maryland 21202

Re: Fitchburg, Massachusetts -- Letter of Authorization

Dear Mr. Weinberg:

So that the City of Fitchburg can receive disbursements administered by the Massachusetts Gaming Commission in connection with the surrounding community process envisioned by M.G.L. 23K, we ask that you execute and return the enclosed Letter of Authorization on or before October 11, 2013.

Thank you very much for your attention to this matter.

Very truly yours,

PANNONE LOPES DEVEREAUX & WEST LLC

By: 
Bruce H. Tobey, Partner

cc: The Honorable Lisa A. Wong, Mayor
John B. Barrett, City Solicitor
John S. Ziemba, MGC Ombudsman
Matthew G. Feher, Esq.



MASSACHUSETTS GAMING COMMISSION

PLEASE SUBMIT THIS LETTER AND ATTACHMENTS TO:
MASSACHUSETTS GAMING COMMISSION
ATTENTION: JOHN ZIEMBA, OMBUDSMAN
84 STATE STREET, SUITE 720
BOSTON, MA 02109

LETTER OF AUTHORIZATION

in accordance with 205 CMR 114.03(2)

TYPE OF REQUEST (choose one from drop down menu): Grant

1. City of Fitchburg, Massachusetts
NAME OF MUNICIPALITY

2. Treasurer's Department
MUNICIPAL DEPARTMENT RECEIVING FUNDS

3. Michelle Shephard Acting Treasurer/Collector
NAME AND TITLE OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS

4. Fitchburg Municipal Offices, 166 Boulder Drive, Suite 108, Fitchburg, MA 01420
ADDRESS OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS

5. 978-829-1830 MShephard@fitchburgma.gov
PHONE # AND EMAIL ADDRESS OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS

6. Lisa A. Wong Mayor
NAME AND TITLE OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS ON BEHALF OF MUNICIPALITY

7. Fitchburg Municipal Offices, 166 Boulder Drive, Suite 108, Fitchburg, MA 01420
ADDRESS OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS ON BEHALF OF MUNICIPALITY

8. 978-829-1801 mayor@ci.fitchburg.ma.us
PHONE # AND EMAIL ADDRESS OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS

9. PPE Casino Resorts MA, LLC
NAME OF APPLICANT FOR GAMING LICENSE

10. Joe Weinberg
NAME OF AUTHORIZED REPRESENTATIVE OF GAMING APPLICANT

11. 410-347-2758 joe@cordish.com
PHONE # AND EMAIL ADDRESS OF REPRESENTATIVE OF GAMING APPLICANT

ITEMIZATION OF APPROVED FUNDS

Please identify below the manner in which the funds have been/are to be used. Documentation (e.g.- invoices, proposals, estimates, etc.) adequate for the Commission to ensure that the funds have been/are to be used for the cost of determining the impact of a proposed gaming establishment and/or for negotiating a community mitigation impact agreement must be attached to this *Letter of Authorization*. Please attach additional sheets if necessary.

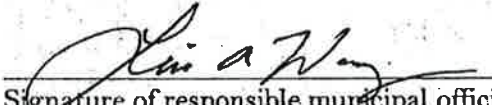
(CLICK ON BOX TO INSERT TEXT)

1 PANNONE LOPES DEVEREAUX & WEST LLC; 75 Arlington Street, Suite 500, Boston, Massachusetts 02116;
Legal and supporting sub-consultative services; \$50,000.00; Grant

CERTIFICATION BY MUNICIPALITY

On behalf of the aforementioned municipality I hereby certify that the funds that are requested in this application have been used/will be used solely for the purposes articulated in this letter of authorization.

(for reimbursements) Further, on behalf of the aforementioned municipality I hereby certify that the funds have been properly appropriated and expended for the designated services.



Signature of responsible municipal official

9/20/13

Date

APPROVAL OF GAMING APPLICANT

On behalf of the aforementioned gaming applicant, I hereby authorize the payment of community disbursement funds to the municipality as outlined in this letter of authorization. The applicant acknowledges that if the total amount of payments authorized exceed the initial \$50,000 portion of the application fee, the applicant shall immediately pay to the Commission all such additional amounts authorized by this letter, or other similar letters.

Signature of authorized representative of applicant

Date

October 2, 2013

Joe Weinberg, President
The Cordish Companies
601 E. Pratt Street
Baltimore, Maryland 21202

Re: Fitchburg, Massachusetts - Surrounding Community Mitigation

Dear Mr. Weinberg:

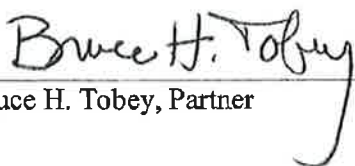
On behalf of the City of Fitchburg ("City"), I am writing to follow-up with you in connection with my September 24, 2013 correspondence. As of close of business yesterday (the second proposed meeting date), we have not received a response to the City's invitation to continue discussions of the impacts associated with the proposed slot facility project in neighboring Leominster for which The Cordish Companies ("Cordish") will be seeking a license from the Massachusetts Gaming Commission ("MGC"). Now that both of the proposed meeting dates have passed, I write in a final attempt to secure a meeting with you on or before the date Cordish submits its license application with MGC.

In the event Cordish continues to ignore the City's request, the City will have no other choice but to pursue any and all rights under M.G.L. c. 23K (together with any rules, regulations, policies and guidance promulgated thereunder) including, but not limited to, petitioning the MGC to seek designation as a surrounding community for the purpose of negotiating a surrounding community agreement.

We look forward to establishing a useful dialogue in connection with this matter.

Very truly yours,

PANNONE LOPES DEVEREAUX & WEST LLC

By: 
Bruce H. Tobey, Partner

cc: The Honorable Lisa A. Wong, Mayor
John B. Barrett, City Solicitor
John S. Ziemba, MGC Ombudsman
Matthew G. Feher, Esq.

{P0398766 v 1}

September 24, 2013

Joe Weinberg, President
The Cordish Companies
601 E. Pratt Street
Baltimore, Maryland 21202

Re: Fitchburg, Massachusetts - Surrounding Community Mitigation

Dear Mr. Weinberg:

I am writing on behalf of the City of Fitchburg ("City"), which Pannone Lopes Devereaux & West LLC represents in the matter of the proposed slot facility project in neighboring Leominster ("Project") for which The Cordish Companies ("Cordish") will be seeking a license from the Massachusetts Gaming Commission ("MGC"). We acknowledge but vigorously reject the positions which you clearly advanced on behalf of Cordish at yesterday's meeting with Mayor Wong and her legal team, which were:

- The Project will have no adverse impacts on the City and the critical public services it provides; and
- Cordish need not enter into any other agreement to provide mitigation payments other than that it has made through its host community agreement with the City of Leominster.

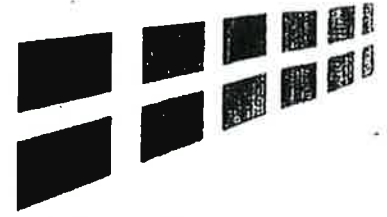
Please let me be equally clear: the Project will have substantial adverse impacts on the City, and Cordish is obligated to make the necessary mitigation payments to accommodate those impacts.

Chapter 23K of the Massachusetts General Laws (together with any rules, regulations, policies and guidance promulgated thereunder, the "Act") makes clear that no gaming applicant is eligible to receive a gaming license unless it provides signed agreements between the applicant and surrounding communities in proximity to the proposed gaming facility ("Agreement") to the MGC. Such Agreement shall (i) require the applicant to make community impact payments to a surrounding community and (ii) stipulate all responsibilities between a surrounding community and the applicant, including stipulations of known impacts from the development and operation of a gaming establishment.

This mandate captures an important reality: in Massachusetts, unlike other states, services are not provided on a highly-centralized basis through large vehicles such as county government; instead, that role of service-provider is assumed by local city and town governments. It is a

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Joe Weinberg, President
The Cordish Companies
September 24, 2013
Page 2



central premise of the Act that the needs of those local governments are to be met before any gaming project receives a license.

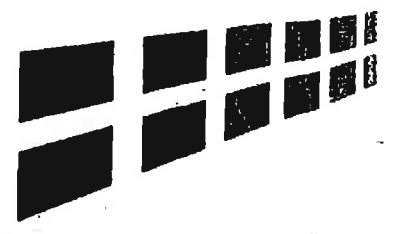
In the limited time available to it, the City has compiled evidence of its entitlement to receive compensation for services it will need to provide to offset known Project impacts. Those services include, but are not limited to, police, fire, emergency medical, education, public health, public works, housing and workforce development services. In addition to the foregoing, the Mayor made it abundantly clear during our meeting that the Project will give rise to social issues which will require the City to provide, at substantial cost, additional social services throughout the region.

Therefore, we request that Cordish negotiate and enter into an Agreement with the City as required by the Act. At a minimum, the City seeks the following as part of the Agreement:

- Term: 5 years - subject to renegotiation prior to license renewal;
- Jobs: Cordish to use best efforts to employ 25% City residents to address its workforce needs, on an ongoing basis;
- Up-Front Impact Fee Payment: \$3,200,000 to be paid in two equal installments during the 2-year construction phase of the Project. This payment will categorically deal with required infrastructure and capital asset upgrades and study the development of social and economic mitigation measures associated with the Project.
- Annual Impact Fee: Greater of \$3,500,000 or 1.5% of gross gaming revenues to sustain core municipal service requirements in light of Project opening;
- Community Improvement Trust Fund: an amount to be negotiated, paid annually; and
- Other requirements: consistent with area agreements.

In accordance with the Act, we fully expect that the Agreement will be included with Cordish's Category 2 license application, which is to be submitted to MGC on or before the deadline of October 4, 2013. Otherwise, please be advised that the City fully intends to pursue any and all rights under the Act including, but not limited to, petitioning the MGC to seek designation as a surrounding community for the purpose of negotiating the Agreement.

Joe Weinberg, President
The Cordish Companies
September 24, 2013
Page 3



We look forward to a useful dialogue in connection with the foregoing. We are available on the following dates in order to continue our discussion: Friday, September 27 at 12pm and Tuesday, October 1 at 3pm. Please advise me of your availability at your earliest convenience.

Very truly yours,

PANNONE LOPES DEVEREAUX & WEST LLC

By: Bruce Tobey
Bruce H. Tobey, Partner

cc: The Honorable Lisa A. Wong, Mayor
John B. Barrett, City Solicitor
Matthew G. Feher, Esq.

September 12, 2013

PRIVILEGED AND CONFIDENTIAL
ATTORNEY-CLIENT COMMUNICATION

John B. Barrett, Esq.
Fitchburg City Solicitor
City Hall Offices
166 Boulder Drive - Law Department
Fitchburg, Massachusetts 01420

Re: Legal Services for the City of Fitchburg for Surrounding Community Casino
Mitigation Matters

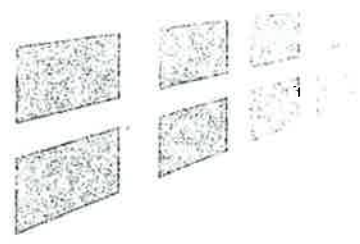
Dear Mr. Barrett:

Thank you for retaining PANNONE LOPES DEVEREAUX & WEST LLC ("PLDW") to represent the City of Fitchburg, Massachusetts (the "City") in connection with the development of the proposed PPE Casino Resorts slot facility project, including negotiation of surrounding community mitigation agreements. This letter will confirm our representation. Enclosed are PLDW's Standard Terms of Engagement which outline the firm's policies and obligations, as well as your rights and responsibilities in connection with this attorney-client relationship. Please contact me at the number listed above to discuss further if you have any questions concerning the policies or scope of this engagement.

During the course of this relationship I will serve as the supervising partner with respect to the services to be provided in this engagement and will be assisted by other partners, associates and legal assistants as appropriate on a case by case basis. I will be the contact to the City and supervise all lawyers and paralegals performing the work.

All services provided with respect to this engagement will be billed on a current basis with monthly invoices sent to you that will contain full detail as to the specific effort, hourly rates and reimbursable expenses incurred by PLDW on your behalf. We propose to charge the City a blended hourly rate for assigned attorneys of \$245.00 per hour, which we will hold for the duration of this engagement. PLDW acknowledges that payment of its fees is strictly subject to retaining compensation from either the Massachusetts Gaming Commission or through the mitigation agreement. The City will not be directly responsible for such fees under any circumstance.

John B. Barrett, City Solicitor
City of Fitchburg, Massachusetts
September 12, 2013
Page 2



If the terms described above and in the attached Standard Terms of Engagement are satisfactory, please so indicate by signing and returning the enclosed copy of this letter in the enclosed self-addressed, stamped envelope provided for your convenience. Please be assured that although the Standard Terms of Engagement appear formal, they are intended to make certain that we have fully disclosed the terms of our engagement prior to commencing legal work on your behalf.

On behalf of the firm, I sincerely thank you for this opportunity and look forward to working with the City on this important public interest project.

Sincerely,

PANNONE LOPES DEVEREAUX & WEST LLC

Teno A. West
Partner

Enclosures

ACKNOWLEDGED AND AGREED TO
this 12th day of September, 2013

City Solicitor



CITY OF FITCHBURG
MASSACHUSETTS
OFFICE OF THE MAYOR

LISA A. WONG
MAYOR

NATHAN LaROSE
ASSISTANT to the MAYOR

IRENE HERNANDEZ
ADMINISTRATIVE ASSISTANT

November 19, 2013

Massachusetts Gaming Commission
Attention: Stephen Crosby, Chairman
84 State Street, 10th Floor
Boston, MA 02109

Re: November 14 Public Hearing in connection with the City of Fitchburg's ("City") Petition and Involuntary Disbursement Application

Dear Chairman Crosby:

I regret that I was not able to attend the November 14th public hearing of the Massachusetts Gaming Commission ("Commission") and am writing to provide you with my comments and observations in connection with the City's Surrounding Community Designation Petition and Involuntary Disbursement Application. I also wish to acknowledge the Commission's good work to ensure a fair and transparent gaming licensing process in the Commonwealth.

First and foremost, I want to dispel the notion that PPE Casino Resorts MA, LLC/The Cordish Companies ("Cordish") is to blame for the City's difficult economic conditions. To be clear, the City never made such a statement and does not agree with any suggestion to that end. What the City has sought to stress is that, given the socio-economic status of some of its citizens and the fact that it is a regional center for public transportation, public health and social service programs, the City is likely to be as adversely impacted by the negative effects of the proposed slot parlor as the Host Community of Leominster.

As you acknowledged at the hearing, the City has a high level of poverty in comparison to other surrounding communities and therefore we believe our citizens will be disproportionately affected by the slot parlor. The City does not have the resources to commission traffic or impact studies or to hire special counsel. Unfortunately, Cordish has opposed our involuntary disbursement application, denying the City access to funds via the Expanded Gaming Act. This is inconsistent with the intent of the Act, which was designated to provide financial support for hard-pressed Massachusetts communities trying to come to terms with the challenges of gaming venues.

The City cannot truly assess and mitigate the serious concerns it has identified, including traffic and social services delivery, without a Community Disbursement from the Massachusetts Gaming Commission. I am confident that the Commission will approve the City's Involuntary Disbursement Application to provide these critical resources to allow the City to determine the impacts and to make our case, as the Act intended, thereby enabling us to effectively negotiate a Surrounding Community Agreement.

The licensing process should promote true partnership to ensure that any gaming sanctioned by the Commonwealth is successful, transparent and profitable to the Commonwealth and its cities and towns as well as to the licensed gaming entity. To that end, the City stands ready and willing to partner with the Commission and Cordish and respectfully requests your full support of our Petition.

Sincerely,

Lisa A. Wong

Cc: John S. Ziemba, MGC Ombudsman
Cc: Joe Weinberg, President, The Cordish Companies



NOTICE OF PUBLIC HEARING

Notice is hereby provided that in accordance with G.L. c.30A, §2 the Massachusetts Gaming Commission (“Commission”) will convene a public hearing for purposes of gathering comments, ideas, and information relative to proposed amendments and the addition of new sections to 205 CMR. The proposals were developed pursuant to G.L. c.23K, §5(a) as part of the process of promulgating regulations governing the operation of gaming establishments in the Commonwealth. The proposals include the following amendments and new sections:

- 101.00:** amendments deleting certain licensing hearing related rules that are being relocated to 134.00;
- 102.02:** amendment adding a definition for the term *restricted area*;
- 112.00:** amendments clarifying an applicant’s obligation to supplement information provided in the course of the application process and to cooperate with related investigations; and
- 134.00:** new section outlining the process and standards governing the licensing of key gaming employees, gaming employees, and gaming vendors as well as the registration of gaming service employees, non-gaming vendors, and labor organizations and corresponding disciplinary measures.

Scheduled hearing date and time: December 13, 2013 at 9:30 a.m.
Hearing location(s): Boston Convention and Exhibition Center, 415 Summer Street, Boston, MA – Room 152.

A complete copy of the draft regulations referenced above may be downloaded by visiting www.massgaming.com by clicking on the ‘Requests for Public Comments’ link within the ‘News & Events’ tab. Anybody wishing to offer comment on any of the draft regulations may appear at the public hearing at the designated date and time or submit written comments. Those who wish to submit written comments on the draft regulations may do so by sending an email to mgcccomments@state.ma.us with ‘draft regulations comment’ in the subject line. Please be certain to identify in your comments the section number of the regulation for which you are commenting.



Massachusetts Gaming Commission



SMALL BUSINESS IMPACT STATEMENT

The Massachusetts Gaming Commission (“Commission”) hereby files this small business impact statement in accordance with G.L. c.30A, §2 relative to the proposed new regulations (205 CMR 134.00) and corresponding changes to the existing regulations (205 CMR 101.00, 102.00, and 112.00) notice of which was this day filed with the Secretary of the Commonwealth. These proposals were developed as part of the process of promulgating regulations governing the operation of gaming establishments in the Commonwealth. These specific draft regulations set out the process and standards governing the licensing of key gaming employees, gaming employees, and gaming vendors as well as the registration of gaming service employees, non-gaming vendors, and labor organizations. The proposed licensing and registration process is largely directed by the statutory requirements set forth in G.L. c.23K, §12, 16, 30, 31, and 32. To the extent they relate to the licensing or registration of vendors, the interests of small businesses may be implicated.

In accordance with G.L. c.23K, §31(a), “[n]o person shall conduct a business with a gaming licensee unless such person has been licensed or registered with the commission.” To that end, the proposed regulations outline the specific process, as provided by G.L. c.23K, §31, for the licensure of gaming vendors and registration of non-gaming vendors to a gaming establishment. The regulations, apply to any person or entity that conducts business with a gaming establishment regardless whether the good or service being provided relates directly to gaming. Given the breadth of goods and services that will be required for the operation of a gaming establishment it is difficult to project the number of small businesses that will be subject to the proposed regulations with any precision. Assuming, however, the issuance of one Category 2 (slots only) gaming license and three Category 1 (full resort casino) gaming licenses, it is estimated that approximately 500 vendor licenses and registrations will be issued, including gaming and non-gaming vendors. Of the 500 total, approximately 400 will be to small businesses.

Other than the filing of the required application materials, petitioning for an appeal of a decision, or addressing a complaint filed against the licensee or registrant as described in the draft language there are no projected reporting or recordkeeping requirements associated with these proposed regulations. The regulations do provide for an application fee for both licensure and registration of vendors.

By its nature, licensing and registration regulations must be prescriptive.

There are no regulations contained in 205 CMR that duplicate or conflict with the proposed regulations. Further, the Commission is unaware of any regulations of another agency or department of the Commonwealth which may duplicate or conflict with the proposed regulations. However, in order to ensure an efficient and uniform process, the Commission intends to coordinate the implementation of the vendor licensing and registration programs with any existing requirements or processes overseen by the Operational Services Division and/or any other similar Commonwealth entities.



Massachusetts Gaming Commission

G.L. c.23K was enacted to create a new industry in the Commonwealth and to promote local small businesses and the tourism industry, including the development of new and existing small business and tourism amenities such as lodging, dining, retail and cultural and social facilities. The proposed regulations are designed to effectuate those intentions and to help encourage the formation of new businesses in the Commonwealth.

Massachusetts Gaming Commission
By:

Todd M. Grossman
Deputy General Counsel

DATED: November 22, 2013



Massachusetts Gaming Commission

84 State Street, 10th Floor, Boston, Massachusetts 02109 | TEL 617.979.8400 | FAX 617.725.0258 | www.massgaming.com

5.c

From: Troy Siebels
Sent: Tuesday, October 08, 2013 10:43 AM
To: Stephen P. Crosby (steve.crosby@state.ma.us); (john.s.ziembra@state.ma.us)
Cc: Troy Siebels; Peter J. Martin (pmartin@bowditch.com)
Subject: Mass Performing Arts Centers - petition to be designated as impacted

Dear Chairman Crosby,

As I noted in my recent letter to you, our group of theatres has been working to reach out to all gaming license applicants, both for the resort casino and the slot parlor licenses, to negotiate and sign mitigation agreements as contemplated in the Expanded Gaming Act and in MGC's Phase 2 regulations.

We have successfully negotiated and signed an agreement with Penn National Gaming relative to their proposed development at Plainridge Racecourse. We have also reached out multiple times to Raynham Park LLC and to Cordish Companies; by telephone, mail and registered mail; but have not received a response.

It is our hope to sign letters of agreement with Raynham Park LLC and with Cordish; acknowledging that each applicant does not currently plan to present live entertainment at a level that would be detrimental to our existing theatres, and agreeing that if they decide in the future to do so, that we will come together again at that point to further the discussion.

We understand that under Phase 2 regulations, we have 10 days following the filing of applications to petition the Massachusetts Gaming Commission to recognize one or more of our theatres as "impacted" as defined in the Expanded Gaming Act, affording us the opportunity to negotiate agreements with those applicants. Accordingly, please consider this communication our petition to the MGC as follows:

1. We ask that the Massachusetts Gaming Commission recognize The Hanover Theatre, located at 2 Southbridge Street, Worcester, as an Impacted Live Entertainment Venue with regard to Cordish Companies' proposed slot parlor development in Leominster, Mass. The proposed slot parlor would be located approximately 21 miles from The Hanover Theatre; well within the 50-mile radius many live entertainment presenters use to guarantee exclusivity from performers, much less the 100-mile radius commonly enforced by casino presenters. Cordish Companies has announced that its development will include a live music venue, and while we are not certain that such a venue would be negatively impactful on the theatre, we have been unable to reach Cordish to learn more about their plans in order to determine that. The Expanded Gaming Act permits each casino developer to construct and operate a live entertainment venue of up to 999 seats or over 3,500 seats. If Cordish were to construct a 999 seat venue and program it with touring music events similar to those currently presented at The Hanover Theatre, the casino's disproportionate buying power could easily result in the theatre losing most or all of those acts to the casino. This would be devastating to The Hanover, which presented 27 concert events during its last season, including such artists as Paul Anka, B.B. King, Heart, Boz Scaggs and Amy Grant.
2. We ask that the Massachusetts Gaming Commission recognize South Shore Music Circus, located in Cohasset, Massachusetts, as an Impacted Live Entertainment Venue with regard to Raynham Park LLC's proposed slot parlor development in Raynham, Mass. The proposed slot parlor would be located approximately 36 miles from South Shore Music Circus. Again, this is

well within the 50-mile radius many live entertainment presenters use, much less the 100-mile radius more common among casino presenters. Unlike the other non-profit and municipally-owned performing arts centers in the Commonwealth, South Shore Music Circus and its sister venue, Cape Cod Melody Tent, present music events exclusively, and are therefore at an even greater potential risk from casino music venues. We have reached out to Raynham Park LLC multiple times but have not received a response. We feel that because of the great potential impact, it is critical for us to better understand their plans with regard to live entertainment.

Chairman Crosby, please let me know if there is other information the Commission would like to see from us in order to consider this request; or if you would prefer that we submit it in another format. We are grateful to you for your attention to our concerns and look forward to fruitful and friendly discussions with these two gaming license applicants.

Respectfully Yours,
Troy Siebels
President, Massachusetts Performing Arts Coalition

Troy Siebels, Executive Director

The
HANOVER THEATRE
for the Performing Arts

2 Southbridge St - Worcester, MA 01608
Direct Line: 508.471.1760
Fax: 508.890.2320

5.c

Reilly, Janice (MGC)

To: Crosby, Steve (MGC)
Subject: RE: Massachusetts Gaming Commission public hearing, November 21, 2013

From: Martin, Peter J. [mailto:PMARTIN@bowditch.com]
Sent: Wednesday, November 20, 2013 4:49 PM
To: Crosby, Steve (MGC)
Cc: 'Vincent Longo'; 'Troy Siebels (troy@thehanovertheatre.org)'
Subject: Massachusetts Gaming Commission public hearing, November 21, 2013

Dear Chairman Crosby:

I represent Massachusetts Performing Arts Coalition, which has submitted a petition for the designation of one of its members, South Shore Playhouse Associates, as an Impacted Live Entertainment Venue (ILEV). As was described to the Commission at its public hearing on November 14, 2013, MPAC and SSPA have been trying to negotiate an agreement with Raynham Park LLC and anticipated finalizing an agreement with Raynham Park LLC by the time of tomorrow's public hearing. Unfortunately I have to report that the parties have been unable to reach such an agreement.

I sent a draft ILEV agreement to Raynham Park's attorney on November 12 and followed up with him on November 18 but had no substantive response from him until this afternoon shortly after 1:00 pm, at which point additional changes were proposed to the agreement. I have consulted with MPAC and SSPA but we have not had enough time to finalize a response to the proposed changes. Consequently, Mr. Longo is prepared to attend tomorrow's public hearing at which he will formally ask that SSPA's Cohasset facility be designated by the Commission as an ILEV, thereby triggering the 30-day period within which it is hoped the parties can negotiate and finalize an ILEV agreement. Please note that this request is a concession from the position taken at the November 14 public hearing at which we asked that both the Cohasset and Hyannis facilities operated by SSPA be designated as ILEV's.

I remain hopeful that the parties can finalize an ILEV agreement, but my client has not been given enough time given Raynham Park's dilatory responses to our repeated requests to negotiate the ILEV agreement.

Peter J. Martin, Esq.
Bowditch & Dewey, LLP
311 Main Street, P.O. Box 15156
Worcester, MA 01615-0156
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MASSACHUSETTS GAMING COMMISSION

MEMORANDUM

To: Chairman Crosby; Commissioners Cameron, McHugh, Stebbins and Zuniga
From: Catherine Blue
CC:
Date: November 21, 2013
Re: Sterling Suffolk Update Letter dated November 13, 2013

On November 13, 2013, the Commission received a letter (copy attached) from Sterling Suffolk (“applicant”) updating the Commission on its proposed application. The Commission has requested that staff review the letter and list questions/issues raised by the information in the letter. The Commission will ask the applicant to address these issues at the public meeting on November 21.

Questions

1. Please indicate the status of the host community agreement with Revere and the applicant’s position on how the existing host community agreement can be amended to accommodate the proposed project. Also address the issue of the referendum that was held and how it supports the proposed project and host or surrounding community agreements.
2. Please address the question of what constitutes the “gaming establishment” as defined in c. 23K §2 as applied to the proposed project and the existing race track.
3. Please explain how the race track or 2014 racing meeting may be affected by the proposed location of the project solely in Revere. What are the plans for the track after the 2014 meet? Please discuss the application of 23K 19 to the proposed project.



Massachusetts Gaming Commission



November 13, 2013

Delivery By Hand

Stephen Crosby, Chairman
Massachusetts Gaming Commission
84 State Street, Suite 720
Boston, MA 02109

Dear Chairman Crosby and Commissioners:

On behalf of Sterling Suffolk Racecourse, LLC, I wanted to give you an update as we explore alternatives for developing a destination resort casino on our property in light of our split electoral results and as we work to meet your December 31 deadline to file an application for a gaming license in Region A.

Throughout this process, we have worked to achieve a high level of community engagement and an open and inclusive dialogue with our neighbors. As such, we are excited about Revere's positive land use vote and that municipality's enthusiastic embrace of our vision for development that creates good jobs and economic benefits for local residents. The portion of our property in Revere, 52 acres, is larger than the sites of other applicants in urban environments in the Commonwealth and is more than enough area for us to accommodate a world-class gaming resort.

We are disappointed that we were not successful in our ballot question in East Boston and clearly plan to honor that community's vote on land use for the Boston portion of our property. Based on that ballot question, we cannot move forward with our prior plan that sited a gaming facility in Boston. Our Host Community Agreement with Boston was invalidated by the vote. We thank the City of Boston for its hard work and cooperation as we pursued development there and have expressed our sincere interest in negotiating a Surrounding Community Agreement as we work through an alternative development option only in the City of Revere.

We have been working with city officials in Revere for the last several days on plans to move forward on the Revere parcel. We hope to bring those plans to fruition by the end of this month. Thankfully, because so much work has already been done on our prior proposal, including all the relevant traffic, economic and environmental impacts studies, we have a strong basis from which to move forward.

Please allow me to update you on a number of related initiatives.

Telephone: 617-567-3900

EAST66274821.1 11/13/13
325 McClellan Highway, East Boston, Massachusetts 02128

Made in Massachusetts



Gaming Partner

Since terminating our management agreement with Caesars Entertainment, we have received strong interest in potential partnerships from a number of top-class gaming companies, including several that have completed or have nearly completed your RFA-1 suitability review. We are aiming to enter into an agreement with a new gaming partner before the end of this month. That agreement will require them to be deemed suitable by you and acceptable to our Host Community.

Plan for the Revere Parcel

We have already begun a robust planning process with our team of architects, engineers and environmental consultants and the City of Revere. Our goal is to present preliminary plans to Revere residents and to the public by the end of this month.

Our Host Community Agreement with Revere anticipated development on the Revere side of our property and, under that circumstance, can be amended by mutual consent. We have begun these discussions with Revere, including significant additional payments to the City given the potential location of a hotel, restaurants and gaming facility within its borders. Furthermore, Revere zoning currently permits gaming on the property.

MEPA Process

As you know, we received a Secretary's Certificate on our DEIR on October 18, 2013, stating that the DEIR adequately and properly complied with MEPA and requiring us to submit a Final Environmental Impact Report. We believe that the impacts of our modified project will mirror the impacts of the prior proposal, and in several aspects the changes will likely reduce its impacts. As our project evolves to a Revere only proposal, we will update our filings accordingly, including filing a Notice of Project Change pursuant to the MEPA regulations in due course. To the extent any revisions to our environmental impact studies are warranted, these revisions will be detailed in our future MEPA filings and will also be described in our RFA-2 application.

RFA-2 Process

Even with the changes we are making to the project, we remain confident that we are on pace to finalize all of the required agreements and studies, and submit our application for a gaming license by December 31.

Telephone: 617-567-3900

EAST\66274821.1 11/13/13
325 McClellan Highway, East Boston, Massachusetts 02128

Made in Massachusetts 



Thoroughbred Racing

As you know, we have maintained a strong commitment, including substantial financial investment over the last six years, to continuing the tradition of thoroughbred racing in the Commonwealth and to maintaining our current workforce and to preserving the jobs, economic activity, agribusiness and working open space that racing generates. We plan to work with you, our Host Community and the City of Boston to explore possible plans should an expanded gaming facility be located on the property, or, as an alternative to such plans, to commence a master-planning process on the future development of the site.

We will keep you posted on our progress and hope to have a new gaming partner and an updated development plan by the end of the month.

Sincerely,

William J. Mulrow,
Chairman

CC: Revere Mayor Dan Rizzo
Boston Mayor Thomas M. Menino
Chelsea City Manager Jay Ash
Winthrop Town Manager James M. McKenna

Telephone: 617-567-3900

EAST66274821.1 11/13/08 325 McClellan Highway, East Boston, Massachusetts 02128

Made in Massachusetts



PART I ADMINISTRATION OF THE GOVERNMENT
(Chapters 1 through 182)

TITLE II EXECUTIVE AND ADMINISTRATIVE OFFICERS OF THE
COMMONWEALTH

CHAPTER 23K THE MASSACHUSETTS GAMING COMMISSION

Section 2 Definitions

[Text of section added by 2011, 194, Sec. 16 effective November 22, 2011.]

Section 2. As used in this chapter the following words shall, unless the context clearly requires otherwise, have the following meanings:--

"Affiliate", a person who directly or indirectly controls, or is controlled by, or is under common control with, a specified person.

"Applicant", a person who has applied for a license to engage in activity regulated under this chapter.

"Application", a written request for a finding of suitability to receive a license or engage in an activity which is regulated by this chapter.

"Bureau", the investigations and enforcement bureau in the commission.

"Business", a corporation, sole proprietorship, partnership, limited liability company or any other organization formed for the purpose of carrying on a commercial enterprise.

"Category 1 license", a license issued by the commission that permits the licensee to operate a gaming establishment with table games and slot machines.

"Category 2 license", a license issued by the commission that permits the licensee to operate a gaming establishment with no table games and not more than 1,250 slot machines.

"Capital expenditure", money spent by a gaming licensee to upgrade or maintain depreciable and tangible long-term physical assets that are capitalized on the gaming licensee's books under generally accepted accounting principles and excluding expenditures or charges for the usual and customary maintenance and repair of any fixed asset.

"Cashless wagering system", a method of wagering and accounting in which the validity and value of a wagering account, promotional account, wagering instrument or wagering credit,

not including a slot machine printed voucher, are determined, monitored and retained for an individual by an electronic system operated and maintained by a gaming licensee which maintains a record of each transaction involving the wagering account, promotional account, wagering instrument or wagering credit, exclusive of the game or gaming device on which wagers are being made, including electronic systems which facilitate electronic transfers of money directly to or from a game or gaming device.

"Chair", the chair of the commission.

"Cheat", to alter the selection of criteria which determines the results of a game or the amount or frequency of payment in a game.

"Cheating and swindling device" or "cheating and swindling game", (i) a coin, token or slug other than a lawful coin or legal tender of the United States or a coin not of the same denomination as the coin intended to be used by the gaming establishment while playing or using a slot machine in a gaming establishment, except that a "cheating and swindling device" shall not include a token or similar object which is approved by the commission; (ii) a bogus or counterfeit chip, coin or die; a marked card; a computerized, electronic, electrical, mechanical or magnetic device; a tool, drill, wire, key or other device designed, constructed or programmed specifically for: (A) use in obtaining an advantage in a game; (B) opening, entering or affecting the operation of a gaming device; or (C) removing from a slot machine, other gaming device or drop box any money or other contents; (iii) a tool, drill, wire, coin or token attached to a string or wire, or an electronic or magnetic device to facilitate the alignment of a winning combination; or (iv) a gaming device that has been manufactured, serviced, marked, plugged or tampered with, or placed in a condition or operated in a manner to: (1) deceive, or attempt to deceive, the public; or (2) alter, or attempt to alter, the normal random selection of characteristics, the normal chance of the game or the result of the game at a gaming establishment.

"Close associate", a person who holds a relevant financial interest in, or is entitled to exercise power in, the business of an applicant or licensee and, by virtue of that interest or power, is able to exercise a significant influence over the management or operation of a gaming establishment or business licensed under this chapter.

"Commission", the Massachusetts gaming commission established in section 3.

"Commissioner", a member of the commission.

"Complimentary service or item", a service or item provided at no cost or at a reduced cost to a patron of a gaming establishment.

"Conservator", a person appointed by the commission to temporarily manage the operation of a gaming establishment.

"Credit card", a card, code or other device with which a person may defer payment of debt, incur debt and defer its payment, or purchase property or services and defer payment therefor, but not a card, code or other device used to activate a preexisting agreement between a person and a financial institution to extend credit when the person's account at the financial institution is overdrawn or to maintain a specified minimum balance in the person's account at the financial institution.

"Credit instrument", a writing which evidences a gaming debt owed to a person who holds a gaming license at the time the debt is created, including any writing taken in consolidation, redemption or payment of a previous credit instrument.

"Division", the division of gaming enforcement in the office of the attorney general.

"Executive director", the executive director of the Massachusetts gaming commission.

"Gambling", the playing of a game by a patron of a gaming establishment.

"Game", a banking or percentage game played with cards, dice, tiles, dominoes or an electronic, electrical or mechanical device or machine played for money, property, checks, credit or any other representative of value which has been approved by the commission.

"Gaming", dealing, operating, carrying on, conducting, maintaining or exposing any game for pay.

"Gaming area", the portion of the premises of a gaming establishment in which or on which gaming is conducted.

"Gaming device" or "gaming equipment", an electronic, electrical or mechanical contrivance or machine used in connection with gaming or a game.

"Gaming employee", an employee of a gaming establishment who: (i) is directly connected to the operation or maintenance of a slot machine or game taking place in a gaming establishment; (ii) provides security in a gaming establishment; (iii) has access to a restricted area of a gaming establishment; (iv) is connected with the operation of a gaming establishment; or (v) is so designated by the commission.

"Gaming establishment", the premises approved under a gaming license which includes a gaming area and any other nongaming structure related to the gaming area and may include, but shall not be limited to, hotels, restaurants or other amenities.

"Gaming license", a license issued by the commission that permits the licensee to operate a gaming establishment.

"Gaming licensee", a person or entity who holds a gaming license under this chapter.

"Gaming position", a designated seat or standing position where a patron of a gaming establishment can play a game.

"Gaming service employee", an employee of a gaming establishment who is not classified as a gaming employee or a key gaming employee, but is required to register with the commission.

"Gaming vendor", a person who offers goods or services to a gaming applicant or gaming licensee on a regular or continuing basis which directly relates to gaming including, but not limited to, gaming equipment and simulcast wagering equipment manufacturers, suppliers and repairers.

"Gaming vendor license", a license issued by the commission that permits the licensee to act as a vendor to a gaming establishment.

"Governing body", in a city having a Plan D or Plan E charter the city manager and city council and in any other city the mayor and the city council and in towns the board of selectmen.

"Gross revenue" or "gross gaming revenue", the total of all sums actually received by a gaming licensee from gaming operations less the total of all sums paid out as winnings to patrons; provided, however, that the total of all sums paid out as winnings to patrons shall not include the cash equivalent value of any merchandise or thing of value included in a jackpot or payout; and provided further, that "Gross revenue" shall not include any amount received by a gaming licensee from simulcast wagering or from credit extended or collected by the gaming licensee for purposes other than gaming; provided further, that the issuance to or wagering by patrons of a gaming establishment of any promotional gaming credit shall not be taxable for the purposes of determining gross revenue.

"Holding company", a corporation, association, firm, partnership, trust or other form of business organization, other than a natural person, which, directly or indirectly, owns, has the

power or right to control, or has the power to vote any significant part of the outstanding voting securities of a corporation or any other form of business organization which holds or applies for a gaming license; provided, however, that a "holding company", in addition to any other reasonable use of the term, shall indirectly have, hold or own any such power, right or security if it does so through an interest in a subsidiary or any successive subsidiaries, notwithstanding how many such subsidiaries may intervene between the holding company and the gaming licensee or applicant.

"Host community", a municipality in which a gaming establishment is located or in which an applicant has proposed locating a gaming establishment.

"Impacted live entertainment venue", a not-for-profit or municipally-owned performance venue designed in whole or in part for the presentation of live concerts, comedy or theatrical performances, which the commission determines experiences, or is likely to experience, a negative impact from the development or operation of a gaming establishment.

"Institutional investor", any of the following entities having a 5 per cent or greater ownership interest in a gaming establishment or gaming licensee: a corporation, bank, insurance company, pension fund or pension fund trust, retirement fund, including funds administered by a public agency, employees' profit-sharing fund or employees' profit-sharing trust, an association engaged, as a substantial part of its business or operation, in purchasing or holding securities, or any trust in respect of which a bank is a trustee or co-trustee, investment company registered under the federal Investment Company Act of 1940, collective investment trust organized by banks under part 9 of the Rules of the Comptroller of Currency, closed end investment trust, chartered or licensed life insurance company or property and casualty insurance company, investment advisor registered under the federal Investment Advisers Act of 1940, and such other persons as the commission may reasonably determine to qualify as an institutional investor for with the purposes of this chapter.

"Intermediary company", a corporation, association, firm, partnership, trust or other form of business organization, other than a natural person, which is a holding company with respect to a corporation or other form of business organization which holds or applies for a gaming license, and is a subsidiary with respect to a holding company.

"Junket", an arrangement intended to induce a person to come to a gaming establishment to gamble, where the person is selected or approved for participation on the basis of the person's ability to satisfy a financial qualification obligation related to the person's ability or willingness to gamble or on any other basis related to the person's propensity to gamble and pursuant to which and as consideration for which, any of the cost of transportation, food, lodging, and entertainment for the person is directly or indirectly paid by a gaming licensee or an affiliate of the gaming licensee.

"Junket enterprise", a person, other than a gaming licensee or an applicant for a gaming license, who employs or otherwise engages the services of a junket representative in connection with a junket to a licensed gaming establishment, regardless of whether or not those activities occur within the commonwealth.

"Junket representative", a person who negotiates the terms of, or engages in the referral, procurement or selection of persons who may participate in, a junket to a gaming establishment, regardless of whether or not those activities occur within the commonwealth.

"Key gaming employee", an employee of a gaming establishment who is: (i) in a supervisory capacity; (ii) empowered to make discretionary decisions which regulate gaming establishment operations; or (iii) so designated by the commission.

"License", a license required under this chapter.

"List of excluded persons", the list of excluded persons maintained by the commission under section 45.

"Lottery", the state lottery established in section 24 of chapter 10.

"Major policymaking position", the executive or administrative head of the commission and any person whose salary equals or exceeds that of a state employee classified in step 1 of job group XXV of the general salary schedule in section 46 of chapter 30 and who reports directly to the commission or the administrative head of any bureau or other major administrative unit within the commission and persons exercising similar authority.

"Non-gaming vendor", a supplier or vendor including, but not limited to, a construction company, vending machine provider, linen supplier, garbage handler, maintenance company, limousine service company, food purveyor or supplier of alcoholic beverages, which provides goods or services to a gaming establishment or gaming licensee, but which is not directly related to games.

"Operation certificate", a certificate of compliance issued by the commission to the operator of a gaming establishment.

"Person", an individual, corporation, association, operation, firm, partnership, trust or other form of business association.

"Promotional gaming credit", a slot machine or table game credit or other item issued by a gaming licensee to a patron to enable the placement of a wager at a slot machine or table game.

"Qualification" or "qualified", the process of licensure set forth by the commission to determine that all persons who have a professional interest in a gaming license, or gaming vendor license, or the business of a gaming licensee or gaming vendor, meet the same standards of suitability to operate or conduct business with a gaming establishment.

"Rewards card", a card issued to a patron of a gaming establishment that tracks the amount of money or time spent gaming in order to determine the value of provisions or complimentary services to the patrons at a gaming establishment.

"Slot machine", a mechanical, electrical or other device, contrivance or machine which, upon insertion of a coin, token or similar object therein, or upon payment of any consideration whatsoever, is available to play or operate, the play or operation of which, whether by reason of the skill of the operator or application of the element of chance, or both, may deliver or entitle the individual playing or operating the machine to receive cash, or tokens to be exchanged for cash, or to receive merchandise or any other thing of value, whether the payoff is made automatically from the machine or in any other manner, except that the cash equivalent value of any merchandise or other thing of value shall not be included in determining the payout percentage of a slot machine.

"State police", the department of state police established in chapter 22C.

"Subsidiary", a corporation, a significant part of whose outstanding equity securities are owned, subject to a power or right of control, or held with power to vote, by a holding company or an intermediary company, or a significant interest in a firm, association, partnership, trust or other form of business organization, other than a natural person, which is owned, subject to a power or right of control, or held with power to vote, by a holding company or an intermediary company.

"Surrounding communities", municipalities in proximity to a host community which the commission determines experience or are likely to experience impacts from the development or operation of a gaming establishment, including municipalities from which the transportation infrastructure provides ready access to an existing or proposed gaming establishment.

"Table game", a game, other than a slot machine, which is authorized by the commission to be played in a gaming establishment.

"Transfer", the sale or other method, either directly or indirectly, of disposing of or parting with property or an interest therein, or the possession thereof, or of fixing a lien upon property or upon an interest therein, absolutely or conditionally, voluntarily or involuntarily, by or without judicial proceedings, as a conveyance, sale, payment, pledge, mortgage, lien, encumbrance, gift, security or otherwise; provided, however, that the retention of a security interest in property delivered to a corporation shall be deemed a transfer suffered by such corporation.

"Wager", a sum of money or representative of value that is risked on an occurrence for which the outcome is uncertain.



PART I ADMINISTRATION OF THE GOVERNMENT
(Chapters 1 through 182)

TITLE II EXECUTIVE AND ADMINISTRATIVE OFFICERS OF THE
COMMONWEALTH

CHAPTER 23K THE MASSACHUSETTS GAMING COMMISSION

Section 15 Criteria for eligibility to receive gaming license

[Text of section added by 2011, 194, Sec. 16 effective November 22, 2011.]

Section 15. No applicant shall be eligible to receive a gaming license unless the applicant meets the following criteria and clearly states as part of an application that the applicant shall:

(1) agree to be a licensed state lottery sales agent under chapter 10 to sell or operate the lottery, multi-jurisdictional and keno games; demonstrate that the lottery and keno games shall be readily accessible to the guests of the gaming establishment and agree that, as a condition of its license to operate a gaming establishment, it will not create, promote, operate or sell games that are similar to or in direct competition, as determined by the commission, with games offered by the state lottery commission, including the lottery instant games or its lotto style games such as keno or its multi-jurisdictional games;

(2) in accordance with the design plans submitted with the licensee's application to the commission, invest not less than the required capital under this chapter into the gaming establishment;

(3) own or acquire, within 60 days after a license has been awarded, the land where the gaming establishment is proposed to be constructed; provided, however, that ownership of the land shall include a tenancy for a term of years under a lease that extends not less than 60 years beyond the term of the gaming license issued under this chapter;

(4) meet the licensee deposit requirement;

(5) demonstrate that it is able to pay and shall commit to paying the gaming licensing fee;

(6) demonstrate to the commission how the applicant proposes to address lottery mitigation, compulsive gambling problems, workforce development and community development and host and surrounding community impact and mitigation issues as set forth in the memoranda of understanding required under this chapter;

(7) identify the infrastructure costs of the host and surrounding communities incurred in direct relation to the construction and operation of a gaming establishment and commit to a community mitigation plan for those communities;

(8) provide to the commission a signed agreement between the host community and the applicant setting forth the conditions to have a gaming establishment located within the host community; provided, however, that the agreement shall include a community impact fee for the host community and all stipulations of responsibilities between the host community and the applicant, including stipulations of known impacts from the development and operation of a gaming establishment;

(9) provide to the commission signed agreements between the surrounding communities and the applicant setting forth the conditions to have a gaming establishment located in proximity to the surrounding communities and documentation of public outreach to those surrounding communities; provided, however, that the agreement shall include a community impact fee for each surrounding community and all stipulations of responsibilities between each surrounding community and the applicant, including stipulations of known impacts from the development and operation of a gaming establishment;

(10) provide to the commission signed agreements between the impacted live entertainment venues and the applicant setting forth the conditions to have a gaming establishment located in proximity to the impacted live entertainment venues; provided, however, that the agreement shall include, but not be limited to, terms relating to cross marketing, coordination of performance schedules, promotions and ticket prices;

(11) pay to the commission a nonrefundable application fee of \$400,000 to defray the costs associated with the processing of the application and investigation of the applicant; provided, however, that if the costs of the investigation exceed the initial application fee, the applicant shall pay the additional amount to the commission within 30 days after notification of insufficient fees or the application shall be rejected; and provided further, that not less than \$50,000 of the application fee shall be used to reimburse the host and surrounding municipalities for the cost of determining the impact of a proposed gaming establishment and for negotiating community mitigation impact agreements;

(12) comply with state and local building codes and local ordinances and bylaws, including sections 61 to 62H, inclusive, of chapter 30;

(13) have received a certified and binding vote on a ballot question at an election in the host community in favor of such license; provided, however that a request for an election shall take place after the signing of an agreement between the host community and the applicant;

provided further, that upon receipt of a request for an election, the governing body of the municipality shall call for the election to be held not less than 60 days but not more than 90 days from the date that the request was received; provided further, that the signed agreement between the host community and the applicant shall be made public with a concise summary, approved by the city solicitor or town counsel, in a periodical of general circulation and on the official website of the municipality not later than 7 days after the agreement was signed by the parties; provided further, that the agreement and summary shall remain on the website until the election has been certified; provided further, that the municipality that holds an election shall be reimbursed for its expenses related to the election by the applicant within 30 days after the election; provided further, that the commission shall deny an application for a gaming license if the applicant has not fully reimbursed the community; provided further, that, for the purposes of this clause, unless a city opts out of this provision by a vote of the local governing body, if the gaming establishment is proposed to be located in a city with a population of at least 125,000 residents as enumerated by the most recent enumerated federal census, "host community" shall mean the ward in which the gaming establishment is to be located for the purpose of receiving a certified and binding vote on a ballot question at an election; provided further, that, upon the signing of an agreement between the host community and the applicant and upon the request of the applicant, the city or town clerk shall set a date certain for an election on the ballot question in the host community; provided further, that at such election, the question submitted to the voters shall be worded as follows: "Shall the (city/town) of _____ permit the operation of a gaming establishment licensed by the Massachusetts Gaming Commission to be located at _____ [description of site] _____? YES _____ NO _____"; provided further, that the ballot question shall be accompanied by a concise summary, as determined by the city solicitor or town counsel; provided further, that if a majority of the votes cast in a host community in answer to the ballot question is in the affirmative, the host community shall be taken to have voted in favor of the applicant's license; provided further, that, if the ballot question is voted in the negative, the applicant shall not submit a new request to the governing body within 180 days of the last election; and provided further, that a new request shall be accompanied by an agreement between the applicant and host community signed after the previous election; provided further, that if a proposed gaming establishment is situated in 2 or more cities or towns, the applicant shall execute an agreement with each host community, or a joint agreement with both communities, and receive a certified and binding vote on a ballot question at an election held in each host community in favor of such a license;

(14) provide a community impact fee to the host community;

(15) formulate for commission approval and abide by a marketing program by which the applicant shall identify specific goals, expressed as an overall program goal applicable to the total dollar amount of contracts, for utilization of: (i) minority business enterprises, women

business enterprises and veteran business enterprises to participate as contractors in the design of the gaming establishment; (ii) minority business enterprises, women business enterprises and veteran business enterprises to participate as contractors in the construction of the gaming establishment; and (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; and

(16) formulate for commission approval and abide by an affirmative action program of equal opportunity whereby the applicant establishes 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. In furtherance of specific goals for the utilization of minorities, women and veterans on construction jobs, the licensee shall send to each labor union or representative of workers with which the applicant has a collective bargaining agreement or other contract or understanding, a notice advising the labor union or workers' representative of the applicant's commitments.



PART I ADMINISTRATION OF THE GOVERNMENT
(Chapters 1 through 182)

TITLE II EXECUTIVE AND ADMINISTRATIVE OFFICERS OF THE
COMMONWEALTH

CHAPTER 23K THE MASSACHUSETTS GAMING COMMISSION

Section 19 Issuance of category 1 licenses

[Text of section added by 2011, 194, Sec. 16 effective November 22, 2011.]

Section 19. (a) The commission may issue not more than 3 category 1 licenses based on the applications and bids submitted to the commission. Not more than 1 license shall be awarded per region. Regions shall be established as follows:

- (1) region A: suffolk, middlesex, essex, norfolk and worcester counties;
- (2) region B: hampshire, hampden, franklin and berkshire counties; and
- (3) region C: bristol, plymouth, nantucket, dukes and barnstable counties.

Gaming licenses shall only be issued to applicants who are qualified under the criteria set forth in this chapter, as determined by the commission. Within any region, if the commission is not convinced that there is an applicant that has both met the eligibility criteria and provided convincing evidence that the applicant will provide value to the region in which the gaming establishment is proposed to be located and to the commonwealth, no gaming license shall be awarded in that region.

(b) A category 1 license issued by the commission in any region shall be valid for an initial period of 15 years; provided, however, that no other gaming license shall be issued by the commission in any region during that 15-year period. The commission shall establish procedures for the renewal of a category 1 license, including a renewal fee, and submit to the clerks of the senate and house of representatives any legislative recommendations that may be necessary to implement those procedures, not less than 180 days before the expiration of the first license granted pursuant to this chapter.

(c) No gaming licensee shall transfer a gaming license or any direct or indirect interest in the gaming license or a gaming establishment without the majority approval of the commission. A person seeking to acquire a gaming license through a transfer shall qualify for licensure under this chapter. The commission shall reject a gaming license transfer or a transfer of interest in the gaming establishment to an unsuitable person and may reject a proposed

transfer that, in the opinion of the commission, would be disadvantageous to the interests of the commonwealth.

(d) The commission shall take into consideration the physical distance in selecting the locations of the gaming establishments as they relate to each other and how they maximize benefits to the commonwealth; provided, however, that in determining which gaming applicant shall receive a gaming license in each region, the commission shall also consider the support or opposition to each gaming applicant from the public in the host and surrounding communities as demonstrated by public comment provided by the gaming applicant or directly to the commission pursuant to section 15 and through oral and written testimony received during the public hearing conducted pursuant to section 17.

(e) If a category 1 license is awarded to an applicant with a live racing license under chapter 128A as of July 1, 2011, a condition of the gaming license shall be to maintain and complete the annual live racing season under said chapter 128A. Upon failure to conduct live racing, the commission shall suspend the category 1 license.

(f) If a category 1 license is awarded to an applicant with a simulcasting license under chapter 128C as of July 1, 2011, a condition of the gaming license shall be to maintain the simulcasting license under said chapter 128C. Upon failure to conduct simulcast wagering, the commission shall suspend the category 1 license.

(g) For the purposes of subsections (e) and (f), an applicant for a gaming license shall be considered to be the holder of a license under chapter 128A or chapter 128C if the applicant: (i) owns 50.1 or more per cent of the common stock of the company which obtained a license under said chapter 128A or 128C; and (ii) is a person who owns more than 5 per cent of the common stock of the applicant company, directly or indirectly, or is an institutional investor in the gaming license.



PART I ADMINISTRATION OF THE GOVERNMENT
(Chapters 1 through 182)

TITLE II EXECUTIVE AND ADMINISTRATIVE OFFICERS OF THE
COMMONWEALTH

CHAPTER 23K THE MASSACHUSETTS GAMING COMMISSION

Section 24 Applicants holding live racing license under chapter 128A; number of live racing days;
annual purse agreements

[Text of section added by 2011, 194, Sec. 16 effective November 22, 2011.]

Section 24. (a) An applicant for a gaming license who holds a live racing license under chapter 128A shall maintain an existing racing facility on the premises; provided, however, that the gaming licensee shall increase the number of live racing days to a minimum of 125 days according to the following schedule: (i) in the first calendar year of operation, a gaming licensee shall hold 105 racing days; (ii) in the second calendar year of operation, a gaming licensee shall hold 115 racing days; and (iii) in the third and subsequent calendar years of operation, a gaming licensee shall hold 125 racing days;

(b) A gaming licensee may increase the number of live racing days if the gaming licensee is holding a minimum of 125 racing days within 3 years of receiving a gaming license. If a gaming licensee does not conduct live racing for the minimum number of days set forth in subsection (a), the commission shall suspend the gaming license.

(c) After 3 years of operation of the gaming establishment and in consultation with the parties to the purse agreement, the commission may adjust the amount of required racing days at a gaming establishment based on fields, demand and racing performance.

(d) A gaming licensee with a live racetrack shall have an annual purse agreement in effect by December 31 of each year for the following year's racing; provided, however, that if the parties to a purse agreement at a gaming establishment cannot in good faith negotiate an agreement by December 31, the purse agreement shall be arbitrated by the commission.



COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS SENATE
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SENATOR
ANTHONY PETRUCCELLI
FIRST SUFFOLK AND MIDDLESEX DISTRICT

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CHAIR, JOINT COMMITTEE ON
FINANCIAL SERVICES
VICE CHAIR, JOINT COMMITTEE
ON CONSUMER PROTECTION AND
PROFESSIONAL LICENSURE
JOINT COMMITTEE ON HEALTH CARE
FINANCING
SENATE COMMITTEE
ON WAYS AND MEANS
JOINT COMMITTEE
ON WAYS AND MEANS

November 20, 2013

Stephen Crosby, Chairman
Massachusetts Gaming Commission
84 State Street, Suite 720
Boston, MA 02109

Dear Chairman Crosby and Commissioners:

On behalf of my constituents of the First Suffolk and Middlesex District, I write today to express my increasing concern over recent efforts by Sterling Suffolk Racecourse, LLC ("Sterling Suffolk") to proceed with the resort casino development originally proposed for the 161-acre land parcel at Suffolk Downs in East Boston (the "Project"). In a letter to the Commission, dated November 13, 2013, Sterling Suffolk expressed their intentions to move forward with the Project despite the unsuccessful ballot question in East Boston. Indeed, Sterling Suffolk has proposed to modify the Project's development plan so that it fits entirely within the 52-acre Revere parcel at Suffolk Downs. To do so, in my opinion, undermines the spirit and intent of the Commonwealth's Expanded Gaming Act of 2011 (the "Gaming Act").

When the State Legislature crafted and passed the Gaming Act, my colleagues and I carefully drafted provisions pertaining to host community agreements and the conduct of an election. M.G.L. c.23K, §15 specifically requires an applicant, as a prerequisite to filing an RFA-2 application ("Phase 2"), to receive a certified and binding vote on a ballot question at an election in the host community. (See also 205 CMR 124.00.) Also, where a proposed gaming establishment is situated in more than one community, as is the case with the Project:

The applicant shall execute an agreement with each host community, or a joint agreement with both communities, and receive a certified and binding vote on a

ballot question at an election held in each host community in favor of such a license. M.G.L. c.23K, § 15(13).

Taken together, the intent of these provisions is clear. ***Only favorable referendum results in both host communities allow the applicant to proceed to Phase 2.*** That did not happen with Sterling Suffolk's Project. Because one host community voted in the negative, the Project proposed for Suffolk Downs is dead. If Sterling Suffolk wishes to proceed with an alternative development plan on the Revere parcel, then under the terms of the Gaming Act:

[They] shall not submit a new request to the governing body within 180 days of the last election; and provided further, that a new request shall be accompanied by an agreement between the applicant and host community signed after the previous election. M.G.L. c.23K, § 15(13).

However, in their November 13th letter to the Commission, Sterling Suffolk asserted that, regardless of the November 5th election results, Revere's host community agreement remains in effect and need only be modified to reflect a shift to Suffolk Down's Revere parcel. Sterling Suffolk does not interpret the referendums to have been votes about the Project (and host community agreements) itself; rather they view the referendums as votes on whether Suffolk Down could be developed for a casino at all.

While it is true that Revere and East Boston voted on land use, it is also unquestionable that the host community agreements were essential to the voting process. All ballots required, and did in fact contain, "a fair, concise summary of the host community agreement." 205 CMR 124.05. My colleagues and I in the Legislature recognized that it was imperative to ensure that Massachusetts residents in an impacted community have adequate notice of, and be well-informed about, any casino proposal prior to voting. Accordingly, the Gaming Act specifically requires a host community agreement to be made public, and that host and surrounding communities have ample opportunity to weigh the potential impacts on local businesses, traffic, jobs, as well as public safety.

Furthermore, it is false to argue that an alternative development plan on the Revere parcel is anything but a new proposal, which would require a new host community agreement and referendum under the provisions of M.G.L. c.23K, § 15(13). Any proposed project development on the Revere parcel would undoubtedly look very different from that which voters reviewed prior to November 5th. Buildings and parking lots would need to be relocated, not to mention the racetrack and stables. Such changes materially alter the Project as it was initially proposed. In effect, this undermines the Gaming Act's requirements for transparency and notice that ensure members of the impacted communities, including myself, have adequate time to weigh the merits of a proposal.

I understand why Sterling Suffolk wishes to pursue an alternative development plan on the Revere parcel. As an organization, they've invested a great deal of time, effort, and money to see the Suffolk Downs Project to fruition. I, too, was disappointed that the Project failed to receive the two affirmative referendum results needed to proceed to Phase 2. I believed, and still believe, that a casino has great potential to rejuvenate communities within my District.

Nevertheless, the Commission cannot allow a gaming applicant to circumvent the process required by the Gaming Act merely because the results were disappointing.

I appreciate the opportunity to state my position to the Commission, and request the Commission's clarification on the status of Sterling Suffolk's application. If you have any questions, please feel free to contact me at my office.

Sincerely,

A handwritten signature in blue ink that reads "Anthony Petrucelli". The signature is written in a cursive style with a period at the end.

ANTHONY PETRUCCELLI

State Senator

First Suffolk and Middlesex District

MICHAEL F. FLAHERTY
BOSTON CITY COUNCILOR-ELECT
P.O. Box 122
South Boston, MA 02127

November 15, 2013

Stephen Crosby, Chairman
And Members of the Massachusetts Gaming Commission
84 State Street, 10th Floor
Boston, MA 02109

Dear Chairman Crosby and Commissioners:

As you are of course aware, voters in East Boston last week resoundingly rejected the ballot question seeking approval of a gaming establishment licensed by the Massachusetts Gaming Commission to be located at Suffolk Downs in East Boston. An affirmative vote by the host community of East Boston was a prerequisite to Suffolk Downs being awarded a gaming license by the Commission.

Because voters in Revere, where fifty-three acres of the Suffolk Downs site is located, voted to approve a casino in that city, the owners of Suffolk Downs and officials in Revere are actively exploring the option of creating a Revere-only plan for a new casino at Suffolk Downs. Such a plan, if it materializes, should be rejected by the Gaming Commission and I urge the Commission to deny such an application if it is submitted.

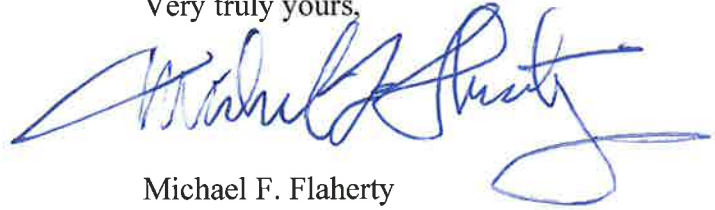
My objections have nothing to do with the City of Revere. I respect Revere's and Mayor Rizzo's right to pursue a Revere-only option for a Suffolk Downs casino, since voters in that city approved the host community referendum. But the great majority of the 160-acre Suffolk Downs site lies within the City of Boston. The suggestion that permitting gaming operations only on the fifty-three acres of the site situated in Revere would fulfill the spirit and intent of the Gaming Act is preposterous. East Boston sent a loud and clear message that it wants neither to host a casino nor to suffer the impacts a clear and convincing majority of voters there believes would result from a Suffolk Downs casino—regardless of on which site of the border the casino would be located. Make no mistake about it: a Suffolk Downs casino, in any shape or form, would be a Boston casino and, disproportionately, an East Boston casino. And East Boston residents have made very clear by their vote that they do not want a casino operating in their midst.

From the beginning of the process, I acknowledge that I was supportive of the concept of a Suffolk Downs casino because of the potential benefits, in the form of construction and permanent jobs, infrastructure improvements, direct revenue benefits to Boston from gaming activity, and an "upfront payment" to fund East Boston community improvement projects. But I have also always maintained that my official position on the issue of a Suffolk Downs casino would be reflective of the will of the residents of East Boston expressed through the license referendum. When I take office as a Boston City Councilor at Large in January, I fully intend to

honor my commitment to the residents of East Boston and will do everything I can to block a casino at Suffolk Downs.

You and your fellow Gaming Commissioners have been immensely respectful of host and surrounding communities during the ongoing approval process for the coveted three regional gaming licenses. I hope you will remain consistent and acknowledge that, in light of the East Boston vote, Suffolk Downs should not be the location for a casino, and I urge you to reject any application for a license to be exercised on the border of a community, such as East Boston, where a casino is clearly not wanted.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Michael Flaherty", with a large, stylized flourish at the end.

Michael F. Flaherty
Boston City Councilor-Elect

5.d

MICHELLE WU
for **BOSTON**
CITY COUNCILOR AT-LARGE

www.MichelleForBoston.com

Sent via Email

Massachusetts Gaming Commission
84 State Street, 10th Floor
Boston, MA 02109

The Wu Committee
P.O. Box 180231
Boston, MA 02118

November 20, 2013

Dear Commissioners,

On November 5, 2013, East Boston voters went to the polls and rejected a proposed casino at Suffolk Downs by a clear majority. I am writing to urge the Massachusetts Gaming Commission to uphold the democratic result of that ballot question, and to honor predictability and democratic accountability in the gaming licensing process overall by refusing to allow a revised, Revere-only Suffolk Downs proposal to proceed.

Massachusetts Gaming law requires projects located in multiple municipalities to receive approval from each host community. The law states:

If a proposed gaming establishment is situated in 2 or more cities or towns, the applicant shall execute an agreement with each host community, or a joint agreement with both communities, and receive a certified and binding vote on a ballot question at an election held in each host community in favor of such a license. [\[M.G.L. c. 23K §15\(13\)\]](#)

East Boston's rejection of the ballot question invalidates a Suffolk Downs casino application involving the land parcel in East Boston and Revere. This is the same proposal that was described in Revere's ballot question, which identified the project as "a resort-style casino at the Suffolk Downs racetrack property, located partially in the City [of Revere] and partially in East Boston...If approved by the voters of Revere and Boston, Suffolk Downs would need to win a casino license from the Massachusetts Gaming Commission and [obtain various other permits]"(emphasis added). Thus, Revere's voters were voting on a proposal identified as being located in both cities and linked to approval in East Boston, such that East Boston's "No" vote should terminate the proposal for a Suffolk Downs development.

Furthermore, **state gaming law affirms voters' right to be fully informed** about the proposed projects which will affect their communities by setting forth a **licensing process that requires time and public access to information.** [M.G.L. c. 23K §15\(13\)](#) requires not only "a certified and binding vote on a ballot question at an election in the host community in favor of the license," but also: 1) that the vote be held "no less than 60 days but not more than 90 days" after the host community agreement is signed, and 2) that the text of the host community agreement as well as an approved summary be made publicly available in a local newspaper and on the municipality's website no later than 7 days after the agreement is signed, to remain accessible online at least through the election. The 60-90 day window gives voters enough time to access, understand, and mobilize around the proposed benefits and costs of each project. The publishing requirement ensures that voters have access to become fully informed about the details. A revised, Revere-only casino proposal would require a new host community agreement, a new 60-90 day window

for voters to access information, and a new affirmative ballot question vote – a timeframe that is impossible to meet before the December 31, 2013 deadline for Regions A & B Category 1 RFA-2 applications. **I ask the Commission to publicly acknowledge that a Revere-only proposal does not match the ballot question that Revere voters approved, and there is not enough time remaining before the year-end deadline to schedule and obtain a fully-informed public vote on a new, Revere-only development according to the process set forth by state law.**

Although proponents of a Revere-only casino development cite the reopener clause in the host community agreement summary to claim that a second public vote on a revised proposal is not necessary, **the reopener provision neither fits the current situation, nor grants freedom to make material changes to the public proposal after a denial in East Boston.** Reopener clauses were discussed at several Gaming Commission public meetings. As Commissioner Grossman stated at the Commission's May 16, 2013 public meeting, there is an "interest in preserving the meaningful nature of the host community election. And to the extent that we allow a host community agreement to be amended in any way and at any time, you could certainly erode the whole meaning behind requiring the election" ([Transcript](#) lines 8-14). **Reopener provisions are allowed in 205 CMR §127.02 to allow flexibility for unanticipated circumstances or "significant or material adverse impact", not to give casino developers free license to circumvent the public process and an informed vote.**

The official summary of Revere's host community agreement describes several triggers to reopen negotiations, which do not include nullification by East Boston. The triggers are:

- State or municipal agencies require changes to the transportation improvements.
- Suffolk Downs expands the casino beyond the Suffolk Downs racetrack property or to the Revere side of the property.
- Regulations of the Gaming Commission require that additional terms must be added to the HCA.
- The Gaming Commission does not make compliance with the HCA a binding condition of Suffolk Downs' casino license.
- Non-material terms or typographical errors need to be amended.

The current proposal to move the development entirely to Revere is not an expansion as contemplated in the second trigger. The full version of Revere's host community agreement does not name nullification by East Boston as a trigger to reopen negotiations.

Voters in East Boston decisively voted "No" to a casino at Suffolk Downs. Because of that, voters in Revere approved a proposal that is no longer viable. I respectfully urge the Gaming Commission to honor the process set forth by law and the voice of voters who would be directly impacted, by confirming that the Suffolk Downs proposal cannot proceed as a Revere-only revision. I believe we would be better served by respecting East Boston's vote and focusing on the last remaining viable proposal in Eastern Massachusetts and on the impacts that the Everett proposal would have on surrounding communities, including the city of Boston.

Sincerely,



Michelle Wu

Boston City Councilor At-Large-Elect

5.d



Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES
STATE HOUSE, BOSTON, MA 02133-1054

KATHI-ANNE REINSTEIN
STATE REPRESENTATIVE
REPRESENTING THE PEOPLE OF THE
16TH SUFFOLK DISTRICT
REVERE • CHELSEA • SAUGUS

SECOND ASSISTANT MAJORITY LEADER
ASSISTANT MAJORITY WHIP

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Kathi.Reinstein@MAhouse.gov

November 20, 2013

Stephen Crosby, Chairman
Massachusetts Gaming Commission
84 State Street, Suite 720
Boston, MA 02109

Dear Chairman Crosby:

I am writing as Revere's State Representative, to fully support my city's overwhelming decision to develop a gaming establishment at Suffolk Downs. I highly respect the Massachusetts Gaming Commission's open minded attitude toward a Revere proposal and I assure you there are good reasons to continue listening.

On November 5th, Revere's ballot question asked voters if they would "permit a gaming establishment at the Suffolk Downs property off of Winthrop Avenue in Revere" and included a Host Community Agreement summary stating the Agreement would be re-opened if the casino was developed on the Revere side of the Suffolk Downs property. Revere voted yes to pass this referendum by a significant percentage, with higher voter turnout and by a more decisive margin than neighboring opposition in East Boston.

Since November 5th, there has been some uncertainty about a Revere sited development. I feel encouraged by the progress Revere has made and confident about what is in place now. Revere has an affirmative referendum in hand, an approved and amendable Host Community Agreement, and an applicant in Suffolk Downs already deemed suitable by the Gaming Commission. Revere's 52 acres at Suffolk Downs allows enough room to redraw a proposal that would still be one of the largest sites for a resort casino.

It seems at the moment the viability of a Revere development is dependent on interpretation of the law. I have served in the legislature for 15 years. As someone who was involved in crafting the gaming legislation, I am confident that this possible development is viable.

I appreciate the difficult task you have at hand and wish you luck as this process continues. I commend you for your diligence and transparency. I look forward to working with you going forward. Should you have any questions or concerns, I am always available to you.

Sincerely,

Kathi-Anne Reinstein
State Representative - 16th Suffolk District
Second Assistant Majority Leader



Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES
STATE HOUSE, BOSTON, MA 02133-1054

CARLO BASILE
REPRESENTATIVE

1ST SUFFOLK DISTRICT
EAST BOSTON

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Chair
Veterans and Federal Affairs

November 20, 2013

Mr. Stephen Crosby, Chairman
Massachusetts Gaming Commission
84 State Street, Suite 720
Boston, MA 02109

Dear Chairman Crosby and Members of the Commission:

I write to you on behalf of my constituents in the First Suffolk District regarding the proposed development of a casino at Suffolk Downs, which straddles the communities of East Boston and Revere. While I was originally a supporter of the casino, on November 5th, 2013 the people of East Boston resoundingly defeated the proposed development. The Legislature created a democratic process by which host communities would have referendum votes on proposed casino developments. In the case of Suffolk Downs, this process was followed and only Revere voted in favor. Building a casino on the Revere parcel of the Suffolk Downs property would circumvent the process which we established, undermining Commonwealth's Expanded Gaming Act of 2011.

The law is clear in that if a development straddles two host communities, both need to vote in the affirmative for the project to be approved and proceed to Phase 2 of the application process. Since this did not happen, the project cannot continue, and according to the law, Suffolk Downs must draft a new host community agreement with the City of Revere and hold a new referendum vote. To proceed with a Revere only project, which would undoubtedly be different in size and scope, would go against the intent of what we as a Legislature enacted in the 2011 Expanded Gaming Act.

In closing, I appreciate the opportunity to express my position to the Commission and hope to see this issue clarified in a timely fashion. If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'CARLO BASILE', with a stylized flourish at the end.

CARLO BASILE
State Representative
First Suffolk District



The Office of
SALVATORE LaMATTINA
Boston City Councilor - District One

November 20, 2013

Stephen Crosby, Chairman
Massachusetts Gaming Commission
84 State Street, Suite 720
Boston, MA 02109

Dear Chairman Crosby and Commissioners:

As the City Councilor for District 1, which includes East Boston, I write to you on behalf of my constituents regarding the proposed development of a casino at Suffolk Downs. Initially, I advocated for a casino in East Boston/Revere because of the mitigation package and benefits that proposal would have created for East Boston residents. However, through this process, I stressed to my constituents that the opportunity of a casino and its benefits and challenges should be evaluated and weighed by the residents and a vote either way was the appropriate vehicle to decide this complex and impassioned issue.

I am now concerned that the current effort to create a new proposal with a casino at the same site, but situated in Revere and abutting East Boston, circumvents the process set forth by the Massachusetts Gaming Commission and materially alters the project as it was proposed.

The residents of East Boston voted on November 5, 2013 and clearly indicated that they do not want a casino at Suffolk Downs. I wholeheartedly respect the decision of the East Boston voters and ask that you do so as well, rejecting a Revere-only revision of the Suffolk Downs casino proposal.

Sincerely,

Salvatore LaMattina
Boston City Councilor, District One

7.a

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Legal Department Fax (313) 926-5240

Solidarity House

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INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA - UAW

BOB KING, *PRESIDENT*

DENNIS D. WILLIAMS, *SECRETARY-TREASURER*

VICE-PRESIDENTS: JOE ASHTON • CINDY ESTRADA • GENERAL HOLIEFIELD • JIMMY SETTLES

Associate General Counsel

Assistant General Counsel

Michael Nicholson
General Counsel
Niraj R. Ganatra
Deputy General Counsel

Ava Barbour
Carlos F. Bermudez
William J. Karges
Michael F. Saggau

Blair K. Simmons
Jeffrey D. Sodko
Stephen A. Yokich

James A. Britton
Stuart Shoup

October 28, 2013

Ted Feng
UAW Region 9A
111 South Road
Farmington, CT 06032-2560

Dear Mr. Feng:

A neutrality agreement expresses the parties' agreement that an employer will recognize the union and engage in collective bargaining after a union shows that a majority of the employees in the bargaining unit wish to be represented by a union. It also spells out how the parties to it will remain neutral. Further, this type of agreement is a benefit to both the union and the employer because it provides for an orderly manner in which workers can exercise their rights to select a union that prohibits any form of work stoppage. A neutrality agreement plays an integral role in the success of an organizing drive and these agreements are one of the most efficient ways to organize employees.

There are several necessary components to a good neutrality agreement. Each is discussed below.

Purpose Section – The purpose or first section includes legally required language such as expression of the parties' belief in an employee's right to choose to be represented by a union and the understanding that the employer will recognize the union *if* a majority of its employees chooses to be represented by one.

Neutrality Section – This section spells out the parties specific requirements regarding their obligation to remain neutral. The specifics in this section can vary greatly. Below are the basic requirements found in most agreements.

- a. List – Having a list of employees and their work and home contact information at the earliest possible moment in an organizing drive is extremely valuable to an organizer. An employer benefits by having the contacts with the organizers be short and direct. The list must be in electronic format so a union can manipulate it. The union must be able to request updated lists to keep track of new hires. Remember union representation is determined by a showing that a majority of

the employees in the bargaining unit chose union representation so keeping track of additions and subtractions to and from the unit is critical.

- b. Neutrality – This section specifies the promises of each party as to neutrality. At minimum, an employer should agree to be neutral in its conduct and words, express that position to the employees, and allow some form of access. Experience shows that drives that include joint meetings on company time greatly reduce the length of an organizing drive. An employer should also agree not to lock out employees during this time and a union should agree not to engage in any activities such as strike, picketing or handbilling. If this or any other section of the agreement is violated, the agreement describes the dispute resolution process. To avoid long delays in organizing, that process should result in final and binding expedited arbitration.
- c. Card Check – This section spells out the specifics of how a card count will be conducted. It also acknowledges the employer's agreement to recognize and bargain with the union in the event of a majority showing (majority of cards). This is the heart of the agreement and is enforced by the dispute resolution process.
- d. Interest Arbitration – Once a union achieves majority support and is recognized by the employer this section discusses the next steps. Remembering that the union's position as exclusive bargaining representative is protected from six months to one year after recognition, language that provides a bargaining procedure and strict timelines is essential. Providing a mechanism such as interest arbitration which allows parties to take unresolved issues to an arbitrator makes initial bargaining more efficient and prevents stalling. Most agreements allow some type of presentation to an arbitrator or a panel of arbitrators with the agreement dictating the timeline to decision. The language also streamlines the arbitration decisional process by mandating the arbitrator to choose from either the employer's proposal or the union's proposal.
- e. Miscellaneous Terms – The agreement provides a number of necessary miscellaneous terms such as making sure the agreement can be enforced against a company that might purchase the employer during the process, the length of the agreement and any words that might need to be defined.

I hope this explains the value of a clear and concise neutrality agreement.

Sincerely,



Blair Katherine Simmons
Associate General Counsel

**PRESENTATION TO THE MASSACHUSETTS GAMING COMMISSION BY
REPRESENTATIVES OF THE UNITED AUTO WORKERS (UAW) ON
THE IMPORTANCE OF LABOR HARMONY AGREEMENTS
November 21, 2013**

Speakers' statements

Julie Kushner, Regional Director, UAW Region 9A
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Ernestine Dawkins, table games dealer at the Tropicana casino in Atlantic City; 30 years
dealer experience; President of UAW Local 8888
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Jim Lawry, poker dealer at Horseshoe Cleveland; 11 years dealer experience; member of
the bargaining committee
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Denise Gladue, table games dealer for 17 years at Foxwoods Resort Casino. Financial
Secretary of UAW Local 2121
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Accompanying document

Letter from UAW Associate General Counsel Blair K. Simmons

**STATEMENT OF JULIE KUSHNER, DIRECTOR, UAW REGION 9A,
TO THE MASSACHUSETTS GAMING COMMISSION ON
THE IMPORTANCE OF LABOR HARMONY AGREEMENTS**

November 21, 2013

I'm Julie Kushner. I'm the Regional Director of Region 9A of the United Auto Workers (UAW). Our region includes New England, eastern New York State, including New York City and Long Island, and Puerto Rico. I want to speak today about how the Commission can insure that casino jobs are good jobs with good wages and benefits by letting workers exercise their right to organize for union representation in a workplace free of intimidation and fear of retaliation and to have a fair process for contract negotiations.

In the gaming industry, we represent workers at gaming facilities in Connecticut, Rhode Island, Atlantic City, Ohio, Detroit, and Indiana. We represent about 2,000 dealers at Foxwoods and all of the workers at Newport Grand Slots in Rhode Island.

During the legislative process to expand gaming in Massachusetts, we had many conversations with elected officials. While anxious to add revenue for the state, most legislators were even more interested in adding good, safe jobs with solid middle-class wages and benefits. That was certainly our interest and the interest of the entire labor movement as well. But good jobs won't just happen when the doors open. Good jobs happen when workers have the bargaining power that comes with union representation to secure decent pay and safe working conditions. Good jobs happen – and the Commonwealth's economy gets a boost – when workers involved in the construction phase *and* workers hired into the permanent operation of the casino have access to good union jobs. The legislature recognized this by setting standards that intended to give the workers who will build and work in gaming establishments the right to freely choose union representation.

The legislature's intent is clear in the statutory requirement that applicants for licenses provide "detailed plans for assuring labor harmony during all phases of the... operation of the gaming establishment." In recognition of this requirement, the Commission's application requires a detailed, written response addressed to this standard.

What is labor harmony and why is it important?

Labor harmony agreements ensure that there is an uninterrupted revenue stream for the Commonwealth and the casino owners. This is important to the employers for obvious reasons. It's important to the Commonwealth because they need to know that they can depend on this source of revenue when making budgets and budget allocations.

The intention of the statute was that developers would secure labor harmony by reaching agreements with unions. The unions would agree that if the casino workers chose representation, disputes would be resolved quickly and through arbitration, rather than strikes. In exchange, the employer would agree:

- to remain neutral – in other words, employers won't campaign against the workers when they are forming their union,
- to generally provide the union with access to the workers at the workplace,
- to provide employee contact information to the union in a timely manner,
- to meet with the union and the workers and express their intention to remain neutral,
- to agree to a process to recognize the union upon proof that a majority of workers in an agreed upon bargaining unit have signed union authorization cards, and
- to agree to submit to a final and binding expedited arbitration process to resolve any disagreements that could arise both in the organizing phase and first contract negotiations.

The only way to insure labor harmony, good jobs and uninterrupted revenues is to insist that the developers, as part of their application process for this very valuable commodity, put their commitment to secure labor harmony into a legally binding document before the license is awarded.

Labor harmony is important because unions do make a difference. Periodic studies by the U.S. Bureau of Labor Statistics show, even in today's economy, workers in unions consistently earn significantly higher wages and receive better benefits – on average 27% higher.

Without labor harmony agreements, most employers engage in the tactics of fear, intimidation and obstruction to scare workers and to demonize unions. This isn't speculation. In an environment without neutrality/labor harmony agreements, employers often resist unionization. In our experience, typical employer tactics include:

- Taking disciplinary action, including termination, against workers who speak out in support of unionization;
- One-sided management captive audience meetings intended to spread misinformation about unions and unionization and implied threats of losing benefits;
- Threats by management that bargaining will “start from scratch” or “you start with a blank piece of paper”, making unionization a futile effort;
- Stopping union activists from talking or distributing information to their co-workers in the workplace about unionization with threats of discipline; and,
- At the same time employers deny union representatives access to the workplace, they scare workers about the possibility a union rep will come to their home.

Labor Harmony agreements create ground rules for a level playing field, so that workers have the opportunity to decide – without facing threats and intimidation from their employer – whether or not they want to be represented by a union and to ensure that management will honor the choice of its workers if they do choose to be represented by a union.

What should be included in the “detailed plans” that are required by statute?

At minimum, the applicants should submit signed neutrality and card check agreements with unions that cover 100% of the non-supervisory workforce. (100% of the building trades should be protected by a different mechanism, signed Project Labor Agreements.)

It's not uncommon for an employer to have a union contract in one location and fight vigorously against unionization at another work site. Therefore, it's not enough for applicants to state that they have union contracts in other jurisdictions or that they have met with some local unions. Their applications should not be considered satisfactory until they produce executed agreements covering their future workforce in the Commonwealth. There should be transparency about this process – both the Commission and the public should be able to review these documents.

Moreover, these should be comprehensive agreements that include the full set of worker protections. It is essential that there is a speedy process for unionization and that there is an effective mechanism to enforce these agreements. With my written testimony, I am submitting a checklist of the standards we would expect in a Labor Harmony agreement, and a letter from legal counsel that puts forward the essentials to enforce a fair process for workers to form a union.

Many, if not all, of the developer applicants are quite familiar with the provisions of neutrality and card check agreements. Meeting with union representatives and producing the signed agreements is an expression of their commitment to labor harmony as required by the statute.

One critical responsibility of the Mass Gaming Commission is to make sure that labor harmony is real. This is the first important step in ensuring that there are good jobs at good wages. As it requires in other areas for evaluation purposes, the Commission should require comprehensive signed neutrality and card check agreements that cover 100% of the non-supervisory workforce. Without union representation in the operation of the facility, expanded gaming will not fulfill the intent of the legislature and the promise of the statute for good jobs, good benefits and good working conditions.

Thank you for your attention to these most serious issues.

###

**STATEMENT OF ERNESTINE DAWKINS, TABLE GAMES DEALER,
TO THE MASSACHUSETTS GAMING COMMISSION**

November 21, 2013

My name is Ernestine Dawkins. I've been a table games dealer in Atlantic City for 30 years; the last 25 years, I have worked at the Tropicana casino. I am a member of UAW Local 8888, and was just elected President in September. I was on the organizing committee when we formed our union and on the bargaining committee that negotiated our first contract.

It took the Tropicana dealers almost 20 years to establish our union. The dealers made two unsuccessful attempts to unionize, beginning in the 1990s and finally won our union in 2007. Each time, the casino used harsh tactics to mislead and scare the dealers.

- We were forced to attend mandatory classes, where we were shown videos and told the union just wanted our dues and would destroy the business.
- Management made promises (which they didn't keep).
- Dealers who supported the union were disciplined and sometimes fired.
- Many dealers are immigrants, who were especially afraid. The casino tried to pit the different nationalities against one another.

Since the start of 2007, it took us about a half a year to collect enough cards to have an election, because many dealers were too fearful to even be seen talking to a union supporter. When we finally had enough cards for an election, we won in a landslide.

After the election, management used delay, intimidation and hard bargaining tactics to try to wear us down and break the union:

- They rejected proposals just to incorporate the existing company practices into a contract and demanded givebacks on things we had had for years.
- They picked on union leaders, like myself—they would write us up, mess with our schedules, changing our start times, and assigning us to games we didn't know how to deal.
- They unilaterally changed working conditions, and forced the union to file charges and go through NLRB hearings to get the old conditions restored.

We responded with tactics to disrupt the business, like slow-downs on the games. We held a rally that shut down the city for a day.

It was extremely tough. After three long years, we won a contract with job security and pay increases. I am very grateful we have a union. I can't tell you what a difference it would have made to us if we had had a labor harmony agreement with the casino that included neutrality/card-check agreement with first contract arbitration.

###

**STATEMENT OF JIM LAWRY, POKER DEALER,
TO THE MASSACHUSETTS GAMING COMMISSION**

November 21, 2013

My name is Jim Lawry. I've been a poker dealer for 11 years, and my wife is a table games dealer. I was a dealer at Mandalay Bay in Las Vegas for nine years. I'm from Cleveland, so when I heard that the Horseshoe Cleveland casino was opening in 2012, my family and I moved back to Cleveland so I could be near my parents. I started at Horseshoe Cleveland on the day it opened, May 16, 2012.

Even though the casino just opened, I was concerned about a few things at Horseshoe that weren't good for the workers.

- We didn't have set schedules and wouldn't know from week to week what shift we would be working. This really hurts the workers' quality of life.
- We didn't have fatigue mats which could lead to back, knee and leg problems from standing on concrete floors all day.
- And our pay was very low.

So I educated myself about how a union could help and got other dealers interested too. Our organizing drive started in June 2012 and we won recognition two months later on August 18th. The unions had negotiated a labor harmony agreement already and it worked really well.

- We were able to set up tables in the employee cafeteria and give out information so workers could learn about unions without being afraid.
- There are so many cameras in a casino that workers worry about who's watching them; but with labor harmony, you don't worry about supervisors seeing you talk to a union person.
- We got lists of current employees from management with contact information and job classifications so we could get in touch with them.
- The company's HR department put up a three page statement on the bulletin boards explaining labor harmony: that management wouldn't talk negatively about the union, and workers should get the information they needed without fear.
- At another casino, the Horseshoe Cincinnati which I helped organize, the General Manager spoke to groups of workers about the casino's good relationship with unions and how the workers should feel free to discuss having a union. This was very powerful in showing management's commitment to labor harmony.

The organizing campaign went very smoothly. Workers really felt they could get information and decide on a union based on what was best for them - without being afraid of being punished by management. I love working at Horseshoe Cleveland and want to see them succeed. The labor harmony agreement has helped keep that good feeling among all of the workers.

We started negotiating our first contract in December 2012 and should have it wrapped up by January.

###

**STATEMENT OF DENISE GLADUE, GAMING DEALER,
TO THE MASSACHUSETTS GAMING COMMISSION**

November 21, 2013

My name is Denise Gladue. I'm a dual rate dealer at Foxwoods Resort Casino. I'm currently on leave from my dealing job because I was elected by my co-workers to serve full-time as the Financial Secretary of UAW Local 2121. I have been at Foxwoods for 19 years – 17 as a dealer. My daughter, Amber, is also a Foxwoods dealer.

I came here today to share my experience of how having collective bargaining rights is a key to good jobs with good wages, benefits and working conditions.

I was hired to work at Foxwoods in 1994. After a long campaign, our union was recognized. Ultimately, I believe that Foxwoods saw that it would be more beneficial to the company and its tribal owners, the Mashantucket Pequots, to have labor harmony. As a result, the tribe passed a labor law statute that included an arbitration process for resolving outstanding issues in contract negotiations.

Having collective bargaining rights at Foxwoods has made a difference in so many ways. First of all, our membership gets to elect their bargaining team of dealers. We have the opportunity to communicate with management what we see as our priorities for improving our work lives. Since forming our union, we have gotten pay increases every year. With tips, our dealers average over \$20/hour. Ten percent of our members are dual rate dealers who average about \$25/hour. In fact, just recently, workers had a vote to decide on how to pool our tips. This was an expression of workplace democracy because we have a union and collective bargaining rights.

While we understand that the ebb and flow of business requires some part-time workers, our contracts have guaranteed that most dealer jobs are full-time and fully benefited, including comprehensive health insurance for us and our families. In the latest contract, we worked together with Foxwoods management to create an innovative "health enhancement program" which is going to help us keep insurance costs down by helping our members to stay healthy. The program provides free health counseling and eliminates co-pays for treatment for an extensive list of chronic health conditions. Dealers who participate avoid higher premiums and get an incentive payment.

We also have a joint labor-management health and safety committee, which will be getting advanced ergonomics training from our union so that we can help prevent on-the-job injuries. We have a progressive medical leave policy that is far more generous than what is required by law. We have paid sick and vacation time. We have other protections in our contract, like a grievance procedure and layoff protections.

Having a union contract has made all the difference in the world to us and even to management. We're happy to be working constructively with them now to make Foxwoods a good place to work and to make it a successful business enterprise.

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MASSACHUSETTS GAMING COMMISSION

MEMORANDUM

To: Chairman Crosby and Commissioners Cameron, McHugh, Stebbins and Zuniga
From: Rick Day, Executive Director and Derek Lennon, CFAO
Date: November 21, 2013
Re: Proposal for Licensee Cost Assessment

Background

On November 7, 2013, the Commissioners asked for a proposal for assessing the annual operating costs of the agency on licensees. This memorandum is intended to summarize Section 56 of MGL Ch. 23K which allows the Massachusetts Gaming Commission (the commission) to assess its annual operating costs on licensees, the current regulation for licensing fees (205 CMR 121.00), and discuss the draft policy/regulation for implementing Section 56 of MGL Ch. 23K.

MGL Ch. 23K Section 56

Section 56 of MGL Ch. 23K allows the commission to annually charge licensees fees and assessments necessary to maintain regulatory control over gaming establishments. It allows the commission to charge the following fees and assessments:

- \$600/slot machine approved by the commission for use by a gaming licensee at a gaming establishment (Section 56(a));
- Fees for any investigation into a violation of Ch. 23K or any regulation promulgated as a result of Ch. 23K, to be paid by the licensee (Section 56(b));
- An annual assessment of the difference of the total cost of operations less the revenue generated from the slot fees and the investigations fees, in proportion to the number of gaming positions at each gaming establishment (Section 56(c)); and
- \$5M assessed to licensees in proportion to the number of gaming positions at each gaming establishment to be deposited into the Public Health Trust Fund for programs dedicated to addressing problems associated with compulsive gambling or other addiction services (Section 56(e)).



Massachusetts Gaming Commission

205 CMR 121.00

205 CMR 121.00 requires licensees to pay the commission within 30 days of award of a license the statutorily required \$85M fee for Category 1 licenses and the \$25M fee for a Category 2 license. In addition it allows the commission to impose the following initial assessments due within 30 days of award of license as a condition of licensing:

- \$600/slot machine referenced in the application for license and approved by the commission;
- An assessment to cover the costs of the commission necessary to maintain control over gaming establishments in proportion to the number of gaming positions projected for the gaming establishment, and the commission may adjust the assessment at any time after payment is made to reflect a licensee's actual share; and
- An assessment to each licensee for its share of the statutorily required \$5M deposit into the Public Health Trust Fund based on the licensee's proportional share of projected gaming positions, and the commission may adjust the assessment at any time after the payment is made to reflect a licensee's actual share.

This CMR allows the commission to assess initial costs for operations onto licensees. The method for determining the assessments would be to take the commission's current fiscal year budget/cost projections, subtract the current revenue projections, including the \$600/slot machine referenced in awarded licenses, and determine if there is a deficit. If there is a deficit, the deficit will be divided among awarded licenses based on their share of the total projected gaming positions. There are two possible scenarios below:

Scenario 1:

The commission has a projected FY14 budget of \$20.6M, and revenues are only anticipated to be \$16.6M. The commission only awards one license in FY14. The sole licensee will be responsible for paying for covering the \$4M difference between expenses and revenues.

Scenario 2:

The commission has a projected FY14 budget of \$20.6M, and revenues are only anticipated to be \$16.6M. The commission only awards three licenses in FY14. The first license awarded will be responsible for paying the initial \$4M difference between expenses and revenues, and then will receive either a refund, or a credit towards the subsequent fiscal year's assessment based on their proportional share of projected gaming positions as additional licenses are awarded.

Proposed Policy/Regulation for Annual Assessment

The proposed policy/regulation implements Section 56 of MGL Ch. 23K. It proposes that the commission develop and approve an annual budget each calendar year for the subsequent fiscal year. It allows the commission to bill applicants for the following:



Massachusetts Gaming Commission

- On or about July 1, \$600/slot machine included and approved in the application until the gaming establishment opens and then once it opens for each approved slot machine;
- After the approval of the annual budget and before June 1st of each year, an annual assessment to cover the costs of the commission to maintain regulatory control over gaming establishments in proportion to the to the total projected number of positions until a gaming establishment opens, and then once it opens in proportion to the actual number of gaming positions; and
- Assess each licensee's annual share of the \$5M deposit to the Public Health Trust Fund in proportion to its projected gaming positions until the gaming establishment opens, and then once it opens in proportion to the actual number of gaming positions.

The proposed policy/regulation also allows the commission to review its current budget/cost projections to revenue, on a quarterly basis and either bill licensees for additional costs, or if there is a projected surplus the commission may either refund licensees their proportional share of the surplus or use the surplus to offset the subsequent fiscal year's assessments.

Summary

205 CMR 121.00 only allows for the initial assessment of the commission's operating costs. Category 1 Licenses are awarded for a 15 year period. Category 2 licenses are awarded for a 5 year period. The proposed policy/regulation is not duplicative, but rather implements the annual assessment process as allowed by Section 56 of MGL Ch. 23K. The proposed policy/regulation would be utilized in conjunction with 205 CMR 121.00 to ensure no licensee is double billed in a given fiscal year. The annual assessment could be developed as an MGC policy based on MGL Ch. 23K Section 56, or it could be addressed as a regulation. Attached to this memo are the following:

- MGL Ch. 23K Section 56
- 205 CMR 121.00
- Proposed Policy/Regulation for Annual Assessments



Massachusetts Gaming Commission

Section 56: Fees and annual assessment of costs not otherwise covered by fees or other sources of funding

[Text of section added by 2011, 194, Sec. 16 effective November 22, 2011.]

Section 56. (a) In addition to any other tax or fee imposed by this chapter, there shall be imposed an annual license fee of \$600 for each slot machine approved by the commission for use by a gaming licensee at a gaming establishment; provided, however, that not sooner than 5 years after award of an original gaming license, the commission may annually adjust the fee for inflation. The fee shall be imposed as of July 1 of each year for all approved slot machines on that date and shall be assessed on a pro rata basis for any slot machine approved for use thereafter.

(b) The commission shall establish fees for any investigation into a violation of this chapter or regulation promulgated hereunder by a gaming licensee to be paid by the gaming licensee including, but not limited to, billable hours by commission staff involved in the investigation and the costs of services, equipment or other expenses that are incurred by the commission during the investigation.

(c) Any remaining costs of the commission necessary to maintain regulatory control over gaming establishments that are not covered by: (i) the fees set forth in subsections (a) and (b); (ii) any other fees assessed under this chapter; or (iii) any other designated sources of funding, shall be assessed annually on gaming licensees under this chapter in proportion to the number of gaming positions at each gaming establishment. Each gaming licensee shall pay the amount assessed against it within 30 days after the date of the notice of assessment from the commission.

(d) If the fees collected in subsections (a) and (b) exceed the cost required to maintain regulatory control, the surplus funds shall be credited in proportional shares against each gaming licensee's next assessment.

(e) In addition to the fees collected under this section and any additional costs of the commission, the commission shall assess an annual fee of not less than \$5,000,000 in proportional shares against each gaming licensee in proportion to the number of gaming positions at each gaming establishment for the costs of service and public health programs dedicated to addressing problems associated with compulsive gambling or other addiction services. Such assessed fees shall be deposited into the Public Health Trust Fund established in section 58.

(f) All fees and assessments collected under this section, except those collected under subsection (e), shall be deposited into the Gaming Control Fund established in section 57.

205 CMR: MASSACHUSETTS GAMING COMMISSION

205 CMR 121.00: LICENSING FEE

Section

121.01: Licensing Fee

121.02: Payment of the Fee

121.01: Licensing Fee

- (1) Within 30 days after the award of a Category 1 license by the commission, the licensee shall pay a non-refundable license fee of \$85,000,000 to the Commission.
- (2) Within 30 days after the award of a Category 2 license by the commission, the licensee shall pay a non-refundable license fee of \$25,000,000 to the commission.
- (3) Within 30 days after the award of a Category 1 or Category 2 license by the commission, the licensee shall remit:
 - (a) a license fee, as provided by M.G.L. c. 23K, § 56(a), of \$600 for each slot machine referenced in 205 CMR 119.01(45) and approved by the commission for use by a gaming licensee at a gaming establishment; and
 - (b) a license fee, as provided by M.G.L. c. 23K, § 56(c), to be determined by the commission upon issuance of the license, to cover costs of the commission necessary to maintain control over gaming establishments, in proportion to the number of gaming positions projected for the gaming establishment; provided, however, that such assessment may be adjusted by the commission at any time after payment is made where required to reflect a licensee's actual share, and accordingly, the license may be required to remit additional funds or a credit may be issued towards the payment the following year; and
 - (c) a license fee, as provided by M.G.L. c. 23K, § 56(e), to be determined by the commission upon issuance of the license, reflecting the applicant's share of \$5,000,000 to be deposited into the Public Health Trust Fund in proportion to the number of gaming positions projected for the gaming establishment; provided, however, that such assessment may be adjusted by the commission at any time after payment is made where required to reflect a licensee's actual share, and accordingly, the license may be required to remit additional funds or a credit may be issued towards the payment the following year.

121.02: Payment of the Fee

- (1) All fees shall be submitted in the form of a certified check or secure electronic funds transfer payable to the "Massachusetts Gaming Commission."
- (2) In the event that a licensee fails to pay the fee as provided in 205 CMR 121.01, the commission may take any remedial action it deems necessary up to and including revocation of the gaming license.

REGULATORY AUTHORITY

205 CMR 121.00: M.G.L. c. 23K, §§ 4(26); 4(37); 5; 10(d); 11(b); and 56.

Annual Fees and Assessments for Operations

- (1) . Annually the commission shall impose fees and assessments upon category 1 and category 2 licensees as provided by MGL Ch 23K, Section 56 necessary to cover the costs of the commission to maintain regulatory control over gaming establishments. The commission shall develop and approve an annual budget in April of each calendar year for the subsequent fiscal year. The commission's fiscal year shall be from July 1st to June 30th. The budget shall include all known costs for the subsequent year.
 - (a) As provided by MGL Ch. 23K, Section 56(a), the commission shall bill each licensee, on or about July 1, for each slot machine referenced in 205 CMR 119.01(45) and approved by the commission for use at a gaming establishment, or once a gaming establishment is open for business, for each slot machine approved as of July 1 of each year and shall be assessed on a pro rata basis for any slot machine approved for use thereafter. Within 30 days of receipt of the aforementioned bill, the licensee shall remit payment to the commission.
 - (b) As provided by MGL Ch. 23K Section 56(c), the commission shall assess and bill each licensee after the approval of the annual budget and before June 1 of each year, to cover the costs of the commission to maintain regulatory control over gaming establishments in the subsequent fiscal year, in proportion to the number of gaming positions projected for each gaming establishment or once the gaming establishment is open for business in proportion to the number of gaming positions at each gaming establishment. Within 30 days of receipt of the aforementioned bill, the licensee shall remit payment to the commission.
 - (c) As provided by MGL Ch. 23K Section 56(e), the commission shall assess and bill each licensee an annual fee reflecting the licensee's share of \$5,000,000 to be deposited into the Public Health Trust Fund. Each licensee's share shall be in proportion to the number of gaming positions projected for each gaming establishment or once the gaming establishment is open for business the share shall be in proportion to the number of gaming positions at each gaming establishment as of July 1 of each year. Within 30 days of receipt of the aforementioned bill, the licensee shall remit payment to the commission.
 - (d) All fees and assessments generated and collected under this section, except those collected under subsection (c), shall be deposited into the Gaming Control Fund established in MGL, Ch. 23K, Section 57

This section shall be used in conjunction with 205 CMR 121.00, and nothing in this section shall cause a licensee to be double billed for their proportional share of annual fiscal year operating costs of the commission as provided by MGL Ch. 23K, Section 56

- (2) On a quarterly basis the commission shall review its approved budget, actual expenses, and projected costs and compare that to the fees and assessments it is authorized to generate and retain through Sections (1) (a) and (b), 205 CMR 121.01 (3) (a) and (b) to the extent it is applicable, and MGL Ch 23K section 56(b). If as of January 1 of each year the commission expects that the expenses for the current fiscal year are projected to exceed the revenues, the commission is authorized to assess and bill the licensees for the difference utilizing the formula in Section (1)(b). Within 30 days of receipt of the aforementioned bill, the licensee shall remit payment to the commission.

- (3) At the close of each fiscal year (including the state accounts payable period), the commission shall reconcile its expenditures with its revenues. No commitment or expense shall ever cause the Gaming Control Fund to end the fiscal year with a negative cash balance. In the event there are revenues that exceed the expenses for a given fiscal year, the commission may choose to either return the revenues to the applicants in proportional share to the assessments levied under section 1(b) of that fiscal year, or it may be used to offset the licensee's assessments in the subsequent fiscal year.

Payment of Annual Fees and Assessments

- (1) All Fees and assessments shall be submitted in the form a certified check or secure electronic funds transfer payable to the "Massachusetts Gaming Commission."

- (2) In the event that a licensee fails to pay the fee as provided in Section s 1(a)-(c), the commission may take any remedial action(s) it deems necessary up to and including revocation of the gaming license.