



MASSACHUSETTS GAMING COMMISSION MEETING

August 6, 2015

10:30 a.m.

Hynes Convention Center

900 Boylston Street, Room 207

Boston, MA



Massachusetts Gaming Commission

101 Federal Street, 23rd Floor, Boston, Massachusetts 02110 | TEL 617.979.8400 | FAX 617.725.0258 | www.massgaming.com



NOTICE OF MEETING and AGENDA

August 6, 2015

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, August 6, 2015

10:30 a.m.

Hynes Convention Center

900 Boylston Street – Room 207

Boston, MA

PUBLIC MEETING - #160

1. Call to order
2. Approval of Minutes
 - a. July 23, 2015
 - b. July 29, 2015
3. Ombudsman – John Ziemba
 - a. Wynn Second Supplemental Final Environmental Impact Report Filing Update – Robert DeSalvio, Jacqui Krumm and Chris Gordon, Wynn Everett
 - b. MGM Historical Building Memorandum of Agreement – **VOTE**
 - c. MGM Schedule – **Possible VOTE**
 - d. Region C Update – Neil Bluhm, Rush Street Gaming, LLC and Mayor Bill Carpenter – City of Brockton
 - e. Somerville Mitigation Fund Request – **VOTE**
4. Legal Division – Catherine Blue, General Counsel
 - a. Final Review and Adoption of Regulation 205 CMR 129 which address the Transfer of a Gaming License; Final Adoption and Approval of Amended Small Business Impact Statement for Regulation 205 CMR 129 – T. Grossman, Deputy General Counsel – **VOTE**
 - b. Final Review and Adoption of Regulation 205 CMR 139: which addresses Licensee Disclosure and Reporting; Final Adoption and Approval of Amended Small Business Impact Statement for Regulation 205 CMR 139 – T. Grossman, Deputy General Counsel - **VOTE**
 - c. MGM Section 61 Findings Process Update
 - d. Secondary Vendor License Approval Delegation – L. Lillios, Chief Enforcement Counsel
 - e. Temporary Licenses – L. Lillios, Chief Enforcement Counsel
5. Racing Division – Alex Lightbown, Interim Director
 - a. Suffolk Downs Racing Application – C. Blue, General Counsel – **VOTE**
 - b. 2016 Racing Season Discussion
6. Workforce, Supplier and Diversity Development – Jill Griffin, Director
 - a. Definition of a Veteran – Commissioner Stebbins
 - b. Access and Opportunity Committee Update

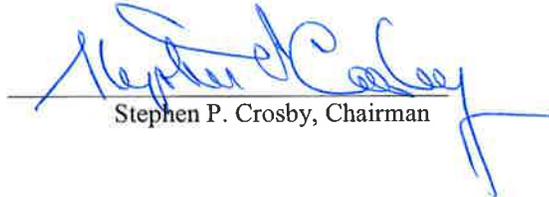


Massachusetts Gaming Commission

7. 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.

8/4/15
(Date)


Stephen P. Crosby, Chairman

Date Posted to Website: August 4, 2015 at 10:30 a.m.



Massachusetts Gaming Commission

101 Federal Street, 23rd Floor, Boston, Massachusetts 02110 | TEL 617.979.8400 | FAX 617.725.0258 | www.massgaming.com



Meeting Minutes

Date/Time: July 23, 2015 – 10:30 a.m.

Place: Hynes Convention Center
900 Boylston Street – Room 103
Boston, Massachusetts

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

**Time entries are linked to
corresponding section in
Commission meeting video**

Call to Order

See transcript page 2

[10:30 a.m.](#) Chairman Crosby called to order the 158th Commission Meeting.

Approval of the Minutes

See transcript pages 2-3

[10:30 a.m.](#) *Commissioner McHugh moved for the approval of the July 9, 2015 minutes with reservation of power to change mechanical and typographical errors. Chairman Crosby noted that the language should be checked at entry 11:26 a.m. Motion seconded by Commissioner Cameron. Motion passed unanimously.*

Racing Division

See transcript pages 3-77

[10:31 a.m.](#) Dr. Alexandra Lightbown, Interim Director of Racing, provided an update on the Suffolk Downs racing application which included a recommendation to approve the three day meet with conditions.

- [10:46 a.m.](#) Chip Tuttle, Chief Operating Officer for Suffolk Downs, provided clarification on purse account allocation and information on his conversation with the Stronach Group and their interest to lease facility.
- [10:56 a.m.](#) Trainer Bill Lagorio provided information on his conversations with the Stronach Group.
- [11:22 a.m.](#) Commissioner Cameron suggested that the Stronach Group option should be further investigated and the license application tabled for two weeks.
- [11:27 a.m.](#) General Counsel Catherine Blue provided clarification on the criteria in statute 128A.
- [11:42 a.m.](#) *Commissioner Cameron moved that the Commission table the Suffolk Downs racing application for two weeks. Motion seconded by Commissioner Zuniga. Commissioner McHugh stated that he did not think anything of utility would happen in two weeks. Commissioner Stebbins asked for clarification on the two week delay. Commissioner Cameron stated that it is an opportunity to explore a lease option with a viable company. (Mr. Tuttle noted that a two week delay would require Suffolk Downs to amend their dates.) Commissioner McHugh voted no. All other Commissioners voted yes. The motion passed four to one.*
- [11:45 a.m.](#) The Commissioners took a short recess.
- [12:08 p.m.](#) The meeting resumed.
- [12:09 p.m.](#) Dr. Lightbown, Interim Director of Racing, provided an overview of new racing regulations in 205 CMR 2.00: General Rules; and amendments to 205 CMR 3.00: Harness Horse Racing, and 205 CMR 4.00: Horse Racing. The regulations will be in line with the RCI format and rules. Commissioner Zuniga suggested there should be a review of the hearing and appeal process.
- [12:12 p.m.](#) *Commissioner Stebbins moved that the Commission begin the formal public process and publish revised racing regulations for 205 CMR 2, 3 and 4. Motion seconded by Commissioner Zuniga. Motion passed unanimously.*

Investigation and Enforcement Division

See transcript pages 78-95

- [12:13 p.m.](#) IEB Director Karen Wells reported on a letter received from KG New Bedford, LLC stating that they are abandoning the Cannon Street project and withdrawing their application as they are unable to create a viable financing package for the project.
- [12:14 p.m.](#) Commissioner McHugh noted that the application fee is non-refundable and that KG Urban should not be allowed to return unless they start from

scratch. Commissioners discussed hypotheticals pertaining to KG Urban and Region C.

[12:27 p.m.](#) *Commissioner Stebbins moved that the Commission accept the letter dated July 22 by KG New Bedford, LLC notifying the Commission that they are abandoning the Cannon Street project and withdrawing their Phase 1 application for the Region C license. Motion seconded by Commissioner Cameron. The motion passed unanimously.*

[12:31 p.m.](#) IEB Director Wells provided an update on temporary key gaming employee licenses issued to Andrew Plante, Director of Security, and David DiOrio, Slot Operations Assistant Shift Manager, at the Plainville Gaming and Redevelopment facility.

[12:32 p.m.](#) The Commission recessed for lunch.

[1:18 p.m.](#) The meeting resumed.

Administration

See transcript pages 95-113

[1:19 p.m.](#) Executive Director Rick Day provided an administrative update which included plan to move forward with an agency wide after action review and implementation of the MassVault email system.

[1:21 p.m.](#) Jack Rauen, from Penn National, provided an update on the Plainridge Park Casino Quarterly Report as of June 30, 2015 which included project schedule and construction highlights.

Legal Division

See transcript pages 113-138

[1:38 p.m.](#) Deputy General Counsel Todd Grossman presented an update on 205 CMR 139 – Continuing Disclosure and Reporting Obligations of Gaming Licensees. He noted changes were made as a result of comments received and concern from gaming licensees about public disclosure of some information.

[2:07 p.m.](#) *Commissioner Zuniga moved that the Commission approve the regulations 205 CMR 139 for the continuing disclosure and reporting obligations of gaming licensees and promulgate them officially as revised here today. The motion was amended to include that the Commission approve the Amended Small Business Impact Statement for regulations 205 CMR 139 as presented in the packet. Motion seconded by Commissioner Stebbins. Motion passed unanimously.*

[2:09 p.m.](#) The Commission took a short recess.

[2:17 p.m.](#) The meeting resumed.

Research and Responsible Gaming

See transcript pages 138-217

- [2:17 p.m.](#) Director Mark Vander Linden provided an update on the Play Management System (budget setting tools) and highlighted activities completed to date and those activities that are on task to be completed. Director Vander Linden noted that he expects the Play Management System to be implemented at Plainridge Park Casino in September-October 2015.
- [2:31 p.m.](#) Director Vander Linden and Director of Communications Elaine Driscoll provided an update on the GameSense public outreach and awareness activities to date which included adoption of a gaming brand, developing multilingual brochures, billboards, radio and TV ads, and hosting focus groups which provided helpful feedback.
- [2:40 p.m.](#) A GameSense marketing video, created by Digital Communications Coordinator Mike Sangalang, was shown.
- [2:44 p.m.](#) Director of Communications Driscoll noted that approximately \$130,000 was spent on the first ad buy for Plainville and surrounding communities. She reported that MORE Advertising did a great job on the GameSense website, which has about 7,000 page views to date. She also reported that Facebook ads have a reach of approximately 115,000 and it's made almost 600,000 impressions.
- [2:54 p.m.](#) Marlene Warner, from the Massachusetts Council on Compulsive Gambling, provided an update on the GameSense Information Center at Plainridge Park Casino which included the hiring of four GameSense Advisors, a robust training program in June, establishing relationships with the casino staff, making the information space inviting for patrons, and evaluations.
- [3:01 p.m.](#) GameSense Advisors Eddie DeValle and Megan Daniels provided information on their professional backgrounds, examples of their interactions with patrons, and activities used to educate patrons. Ms. Daniels also noted that they have received positive feedback from patrons about the Voluntary Self Exclusion program.
- [3:35 p.m.](#) Director Vander Linden provided information about the national campaign on Responsible Gaming Education Awareness Week from August 3-7. Marlene Warner noted that their goal will be to target and outreach to casino employees.
- [3:41 p.m.](#) Director Vander Linden acknowledged Steve Keel, from the Massachusetts Department of Public Health, and noted that Steve will be retiring next month. Director Vander Linden and the Commissioners thanked Steve for his partnership and offered congratulations.

Other Business Not Reasonably Anticipated

See transcript pages 218-219

3:43 p.m. Commissioner Stebbins acknowledged Barry Haught from the UAW and noted that Barry will be transiting to a new job and wished him well.

3:43 p.m. *Having no further business, a motion to adjourn was made and passed unanimously.*

List of Documents and Other Items Used

1. Massachusetts Gaming Commission July 23, 2015 Notice of Meeting and Agenda
2. Massachusetts Gaming Commission July 9, 2015 Draft Meeting Minutes
3. Massachusetts Gaming Commission Memorandum dated July 21, 2015 regarding Suffolk Downs – August 8, September 5, and October 3, 2015 with attachments
4. Letter from KG New Bedford, LLC to Chairman Crosby, dated July 22, 2015 regarding withdrawal of Region C Application
5. Letter from IEB Director Karen Wells to Attorney Kevin Conroy, dated July 16, 2015 regarding KG New Bedford Application Issue
6. Massachusetts Gaming Commission Memorandum dated July 23, 2015 regarding Temporary Key Gaming Employee Licenses Issued
7. Penn National Plainridge Park Casino Quarterly Report as of June 30, 2015
8. Massachusetts Gaming Commission Memorandum dated July 23, 2015 regarding Status Update on Play Management
9. 205 CMR 139: Continuing Disclosure and Reporting Obligations of Gaming Licensees – DRAFT (with comments attached)
10. 205 CMR 139: Continuing Disclosure and Reporting Obligations of Gaming Licensees - Amended Small Business Impact Statement
11. 205 CMR 2.00: General Rules - DRAFT
12. 205 CMR 3.00: Harness Horse Racing - DRAFT
13. 205 CMR 4.00: Horse Racing - DRAFT

/s/ Catherine Blue

Catherine Blue
Assistant Secretary



Meeting Minutes

Date/Time: July 29, 2015 – 3:00 p.m.

Place: Massachusetts Gaming Commission
101 Federal Street, 23rd Floor
Boston, Massachusetts

Present: Chairman Stephen P. Crosby
Commissioner Gayle Cameron (Via Telephone)
Commissioner James F. McHugh
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga

**Time entries are linked to
corresponding section in
Commission meeting video**

Call to Order

See transcript pages 2-3

[3:02 p.m.](#) Chairman Crosby called to order the 159th Commission Meeting. Chairman Crosby noted that Commissioner Gayle Cameron will be participating in the meeting remotely due to her geographic location. Commissioner Cameron participated in the meeting via telephone and a voice check was conducted to confirm all participants could hear each other.

Consideration of Rick Day Separation Agreement

See transcript pages 4-17

[3:04 p.m.](#) Chairman Crosby highlighted key items in the Separation Agreement which included: Rick Day's last day of employment will be September 11, 2015, the Commission will enter into a consulting contract with Mr. Day for six months, the contract includes a scope of work, and it gives the Commission the right to terminate the contract should Mr. Day take subsequent employment.

[3:07 p.m.](#) Commissioner McHugh noted the benefit of having a consulting agreement with Rick Day.

- [3:08 p.m.](#) Commissioner Cameron noted that Rick Day's gaming expertise and insight will help the Commission move forward within the next six months.
- [3:08 p.m.](#) Commissioner Zuniga noted that the Separation Agreement is flexible and has a good framework to respond to any priorities that arise.
- [3:09 p.m.](#) Executive Director Rick Day stated that he appreciated the opportunity to support the Commission.
- [3:09 p.m.](#) *Commissioner Zuniga moved that the Commission approve the Separation Agreement presented in the packet. Motion seconded by Commissioner Stebbins. Commissioner McHugh acknowledged Rick Day's accomplishments with the opening of the Plainridge Park Casino. Commissioner Zuniga amended the motion to also include approval of the Consulting Agreement which is in the packet. Motion seconded by Commissioner Stebbins. Roll Call Vote: Commissioner Stebbins – Aye, Commissioner Cameron – Aye, Commissioner Zuniga – Aye, Commissioner McHugh – Aye, and Chairman Crosby – Aye. Motion passed unanimously.*
- [3:12 p.m.](#) Chairman Crosby noted that IEB Director Karen Wells will become the Interim Director.
- [3:18 p.m.](#) Chairman Crosby noted that Rick Day will remain the Executive Director until September 11, 2015 and will delegate certain functions to Catherine Blue for next week and Karen Wells thereafter as necessary.

Other Business Not Reasonably Anticipated

See transcript page 17

- [3:19 p.m.](#) *Having no further business, a motion to adjourn was made by Commissioner Stebbins. Motion seconded by Commissioner Zuniga. Roll Call Vote: Commissioner Stebbins – Yes, Commissioner Zuniga – Aye, Commissioner Cameron – Aye, Commissioner McHugh – Aye, Chairman Crosby – Aye. Motion passed unanimously.*

List of Documents and Other Items Used

1. Massachusetts Gaming Commission July 29, 2015 Notice of Meeting and Agenda
2. Letter from Chairman Stephen Crosby to Executive Director Richard Day, dated July 27, 2015 regarding Separation from Employment from Massachusetts Gaming Commission with attachments

/s/ Catherine Blue
Catherine Blue
Assistant Secretary

Wynn.
EVERETT

Wynn Everett

SSFEIR

Background

The Commonwealth of Massachusetts IR requirements

- **EENF** (Expanded Environmental Notification Form) - **Filed May 30, 2013**
- **DEIR** (Draft Environmental Impact Report) - **Filed December 16, 2013**
- **FEIR** (Final Environmental Impact Report) - **Filed June 30, 2014**
- **SFEIR** (Supplemental Environmental Impact Report) - **Filed February 17, 2015**
- **SSFEIR** (Second Supplemental Environmental Impact Report) - **Filed July 15, 2015**

Background

SSFEIR is the 5th filing over a two-year period

Over 10,000 pages of detailed analysis

275 comment letters from agencies, elected officials, municipalities, organizations and individuals including:

- Cities of Everett, Malden, Medford, Melrose, Revere, Somerville and Boston
- Massachusetts Department of Transportation (MassDOT)
- Massachusetts Department of Environmental Protection (DEP)
- Massachusetts Port Authority (MassPort)
- Massachusetts Department of Conservation and Recreation (DCR)
- Massachusetts Water Resources Authority (MWRA)
- Massachusetts Office of Coastal Zone Management (CZM)
- Metropolitan Area Planning Council (MAPC)
- Division of Marine Fisheries (DMF) SFEIR SSFEIR

Responded to over 1,500 comments

Scope Of SSFEIR – Secretary’s Certificate (4/3/15)

1. **Land acquisition from MBTA** and the impact on operations at MBTA facility

2. **Orange Line** operating subsidies

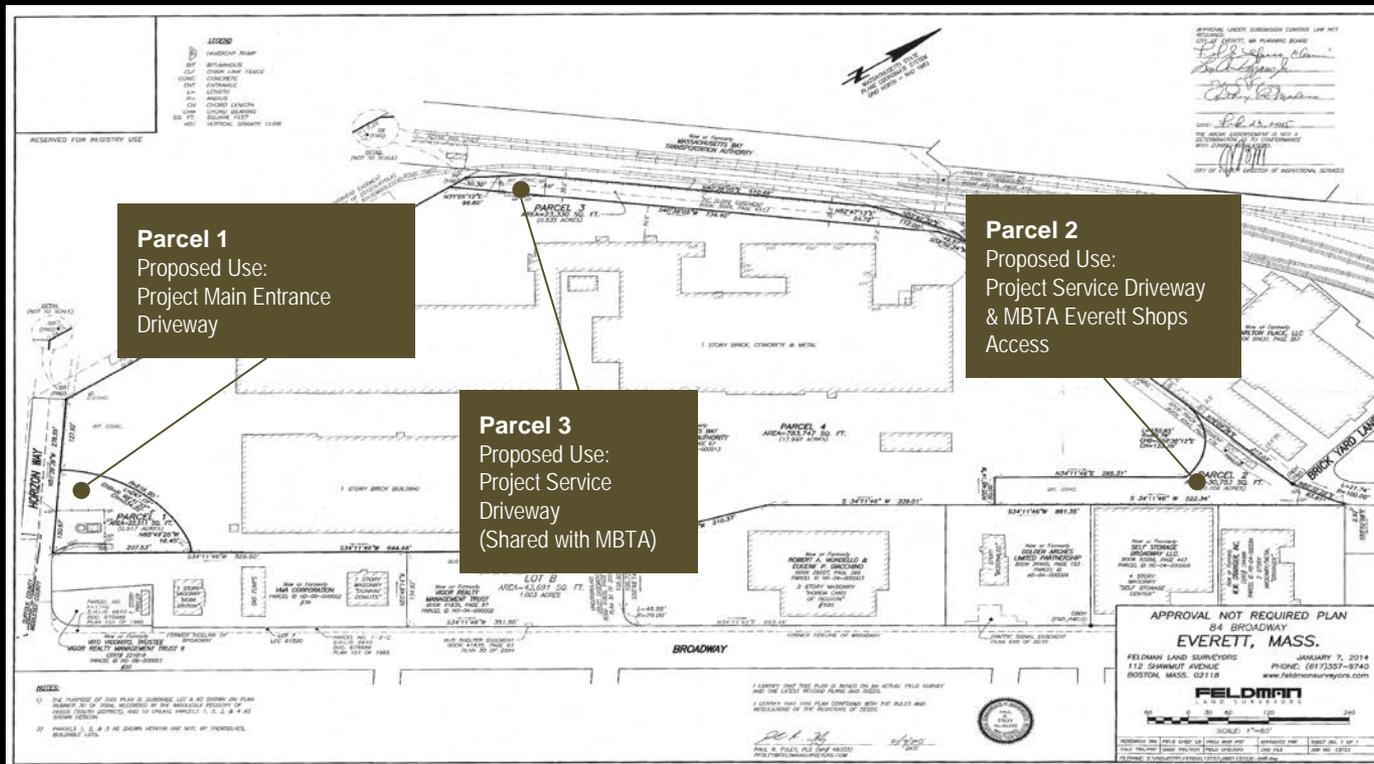
3. **Planning process for long-term improvements** to the Rutherford Avenue corridor

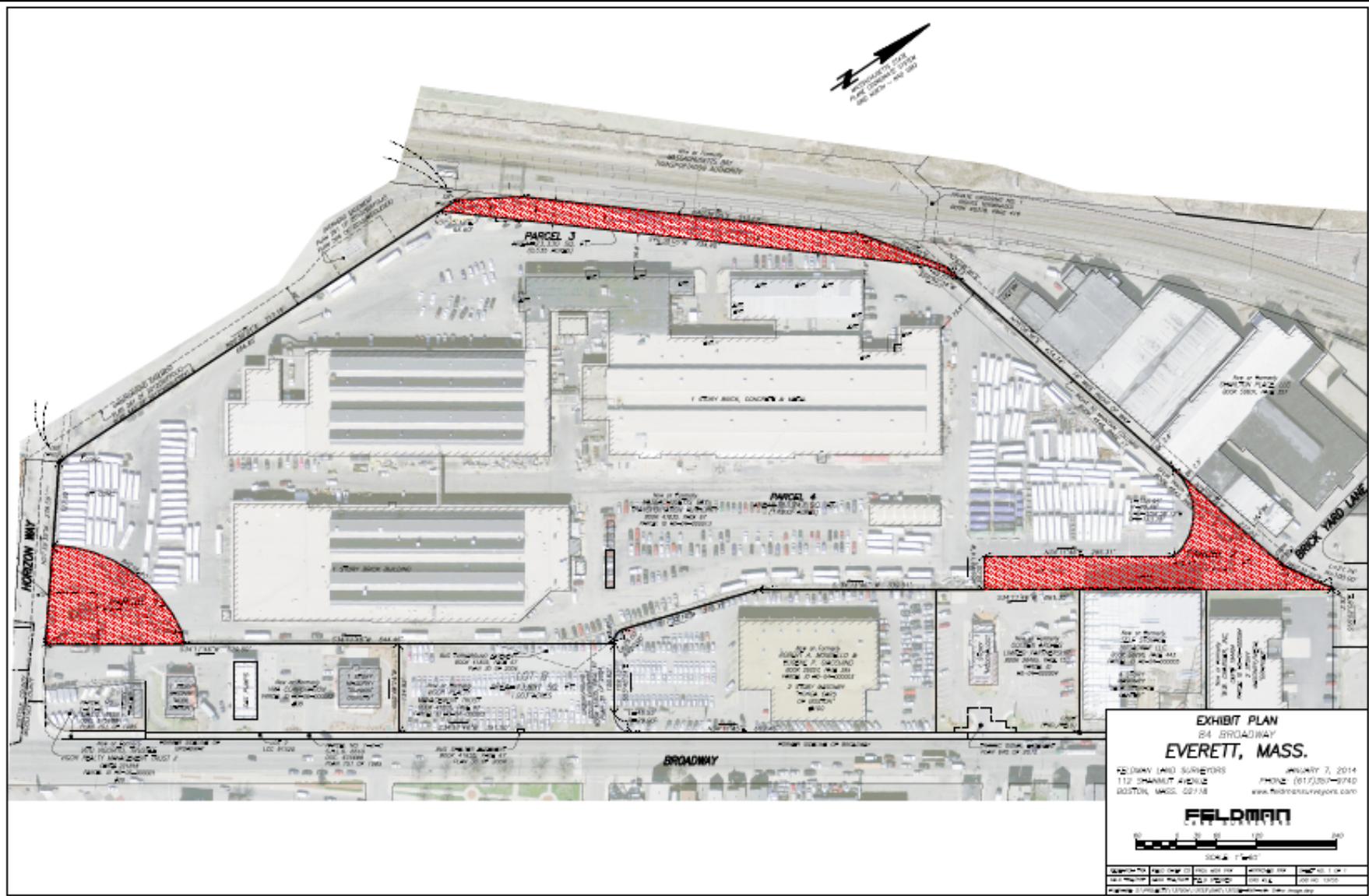
4. **Updated Section 61** findings

5. **Response to the comments** received on the SFEIR

1. Land Acquisition From MBTA And The Impact On Operations At The MBTA Facility

Acquisition by Wynn of three small parcels totaling 1.758 acres





1. Land Acquisition From MBTA And The Impact On Operations At The MBTA Facility

History of the process from beginning in February 2013

Variations:

- **Entire Property**
- Acquisition of **one-quarter of the total** property and construction of new storage facility
- **Relocation** of the gate house
- **Transfer of privately held land** adjacent to the MBTA Everett Shops

Impacts and mitigation - no land could be sold which would inhibit any of the operations within the MBTA Shops

- **Analysis of impacts to** infrastructure and operations
- **Reconstruction of MBTA** loading dock
- **Relocation of the MBTA's** main gatehouse

1. Land Acquisition From MBTA And The Impact On Operations At The MBTA Facility

Public bidding process (September 2014) resulting in acquisition

8/20/2014 DPRE Central Register Real Property Submitt Confirmation

State Publications and Regulations

William Francis Galvin, Secretary of the Commonwealth

Home | Search | Index | Feedback | Contact

The following Real Property submission was successfully received.

Planned date of publish is 9/3/2014

Awarding Agency

Agency Name and Address: Massachusetts Bay Transportation Authority (MBTA), by its designated representative Massachusetts Realty Group, 20 Park Plaza, Suite 1120, Boston, MA 02116

Project Number:

Proposal Deadline Date: 10/03/2014 Time: 11:00 AM

Contact Information

Name: Thomas Cox
Phone: (617) 316-1670 Fax:
Email Address: tc Cox@grecco.com
Notify email address listed when final publish date assigned.

Contact Information

Transaction Term: Acquisition: Not Chosen Disposition: Sale

Project: The MBTA has received an offer to purchase certain property located off of Lower Broadway, Everett, Massachusetts (consisting of 3 parcels of land with an aggregate area of approximately 2.0 acres) for cash consideration of \$6,000,000 and additional consideration of the construction of access drive and traffic signalization improvements benefiting the MBTA's adjacent land. Any person wishing to exceed the offer that has been received shall submit a sealed proposal to Massachusetts Realty Group, the MBTA's designated representative, in accordance with requirements set forth in a Notice of Proposal and Request for Response (RFR).

Estimated Value, Source of Valuation: A qualifying higher proposal is one that raises the total consideration (combined cash and non-cash consideration) to be received by the MBTA in connection with the sale.

http://www.sec.state.ma.us/hqpr/publications/DPRECentralRegisterRealPropertySubmittConfirmation.asp?ID=14197

The Everett Independent Wednesday, September 3, 2014 Phone: 477-9674 FAX: 761-483-1492

Kathy Caple booksigning at Parlin Library

FROM THE MAYOR'S OFFICE

SENIOR SOCIAL SET FOR SEPTEMBER

NEWS ON THE MOVE

COUNCIL ON AGING ANNOUNCES SEPTEMBER SENIOR MEETING

CITY TO HOLD 4/11 CANDLELIGHT MARCH

Wynn Foundation

First Baptist Church

PREACHING THE GOSPEL OF JESUS CHRIST

THINK OF IT AS AN OWNER'S MANUAL FOR YOUR MONEY.

BECOME INSPIRED

FREE

John's Laundry

LEGAL NOTICES

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY

Request for Proposal, Sale of Land Off of Lower Broadway, Everett, Massachusetts

ALL THE NEWS, EXACTLY WHEN YOU WANT IT

Don't store your beat or motorcycle - SELL IT!

Boston Herald Classifieds 617-473-6343

1. Land Acquisition From MBTA And The Impact On Operations At The MBTA Facility

Compliance **with applicable law**

Escrow Agreement

No pre-construction or construction activities on property until escrow is dissolved

2. Orange Line Operating Subsidies

Summary of **Orange Line impacts**

- **Detailed analysis of potential project ridership** demonstrates that Orange Line capacity will be sufficient to accommodate anticipated 2023 ridership with minor modifications/subsidy

Proposed methodology for annual operating subsidy

- **Implement “roadway”** mitigation approach
- **Fund additional train capacity** where the level of service is projected to be below policy level due to project
- **Mitigation Cost is \$382,200** less revenue of \$110,500 = \$271,700

2. Orange Line Operating Subsidies

Incentive for late-night ridership

- **To promote train** ridership
- Support **TDM measures**
- **Funding of additional train sets in 9 – 11 p.m.** window to reduce time between trains
- **\$109,200/year**

TOTAL SUBSIDY: \$380,900/year (to inflate each year)
\$7,355,455 over term of license

2. Orange Line Operating Subsidies

Transit station improvements

**Malden Center
Station**

Wellington Station

**Sullivan Square
Station**

3. Planning Process For Long-term Improvements To The Rutherford Avenue Corridor

Planning Process for Long-Term Improvements

- **Process** Design
- **Leadership** Coalition
- **Compatibility of Wynn** mitigation with both versions of long-term improvements
- **June 1, 2015** Secretary of Transportation meeting
- **Future** commitment

3. Wynn's Proposed Mitigation For Sullivan Square

Wynn Proposed Mitigation for Sullivan Square

- **Use of Synchro** and Vissim modeling
- **Capacity Analysis** and Queue Methodologies
- **Updated** Traffic Volumes
- **A.M. Peak** Hour Analysis

CONCLUSION: Proposed mitigation for Sullivan Square improves traffic operations and mitigates project traffic

4. Updated Section 61 Findings

Draft Section 61 Findings for the following state agencies:

- **Massachusetts** Gaming Commission
- **Massachusetts** Department of Transportation Highway Division
- **Massachusetts** Department of Transportation, Rail and Transit Division/MBTA
- **Massachusetts** Department of Conservation and Recreation
- **Massachusetts** Water Resources Authority
- **Massachusetts** Department of Environmental Protection

4. Updated Section 61 Findings

Wynn has agreed to make approximately \$850 million in community payments over 15 years including:

Community Mitigation Payments:

\$210 million

\$85 million to Surrounding Communities and the City of Boston

\$125 million to City of Everett

Road Infrastructure Improvements:

\$56-\$76 million, with the vast majority allocated to the City of Boston

Transportation Demand Management Programs:

\$206 million (Orange Line subsidy, water shuttle service and employee and customer shuttle)

PILOT Payments:

\$358 million to City of Everett

5. Response To The Comments Received On The SFEIR

Over 75 Comment Letters received

Responded to over 300 comments from agencies, elected officials, municipalities, organizations and individuals

Design Refinement

Building elevation and garage adjustments

- **Raised elevation of building** and eliminated one full level of below-grade parking
- **Adjustments to building transitions** to open space areas and the Harborwalk

Reduction of on-site parking

- **Parking reduced** from 3,400 to 2,930 spaces
- **More than sufficient** for projected demand of 2,360 spaces

-
- BENEFITS:**
- Reduction in earthworks and trucking of soil materials off-site
 - Continued support of planned TDM measures
 - Further accommodate potential sea level change

Next Steps

SSFEIR submitted on July 15, 2015

Published in the Environmental Monitor on July 22, 2015

Comment Period ends on August 21, 2015

Secretary's Certificate due on August 28, 2015

Wynn.
EVERETT

Memorandum of Agreement
Among the
Massachusetts Gaming Commission,
Blue Tarp reDevelopment,
and the
Massachusetts Historical Commission
Regarding the
MGM Springfield Project
Springfield, Massachusetts



August 6, 2015

Summary

- 1 Renovation of State Register Properties and Other Historical Properties**
- 2 Partial Preservation of State Register Properties & Other Historic Properties**
- 3 Relocation and Renovation of State Register Properties**
- 4 Salvage and Reuse of Architectural Elements**
- 5 Design Review**
- 6 Photographic Documentation**
- 7 Interpretive Signage**
- 8 Historic Preservation Trust Fund**
- 9 Covenant & Future Changes**
- 10 Signatures & Concurring Parties**

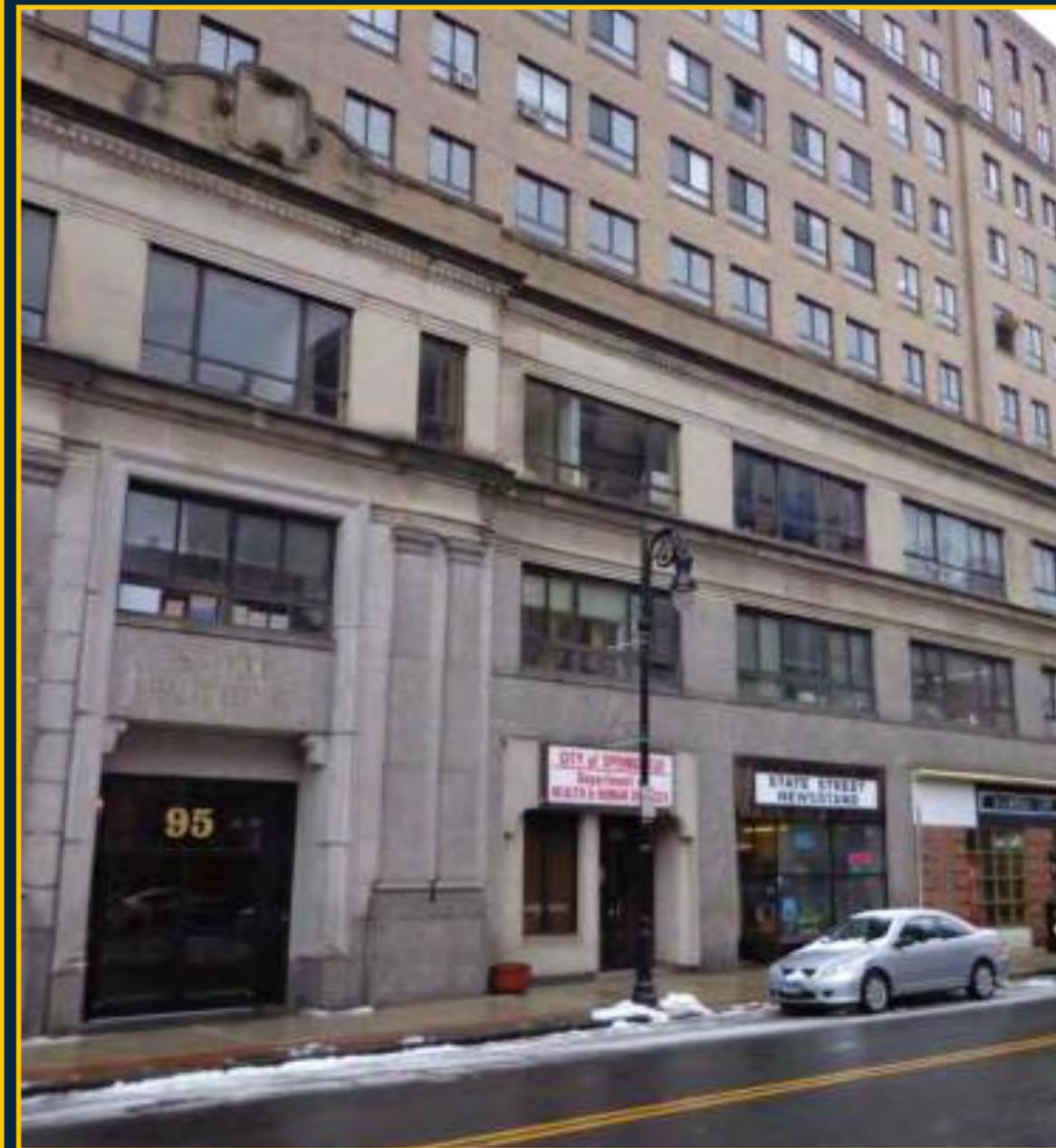
1 Renovation of State Register Properties & Other Historical Properties

Massachusetts Mutual Life Insurance Company Building, 101 State/1200 Main



Retained as offices

95 State Street



Renovated for offices and Casino Podium space

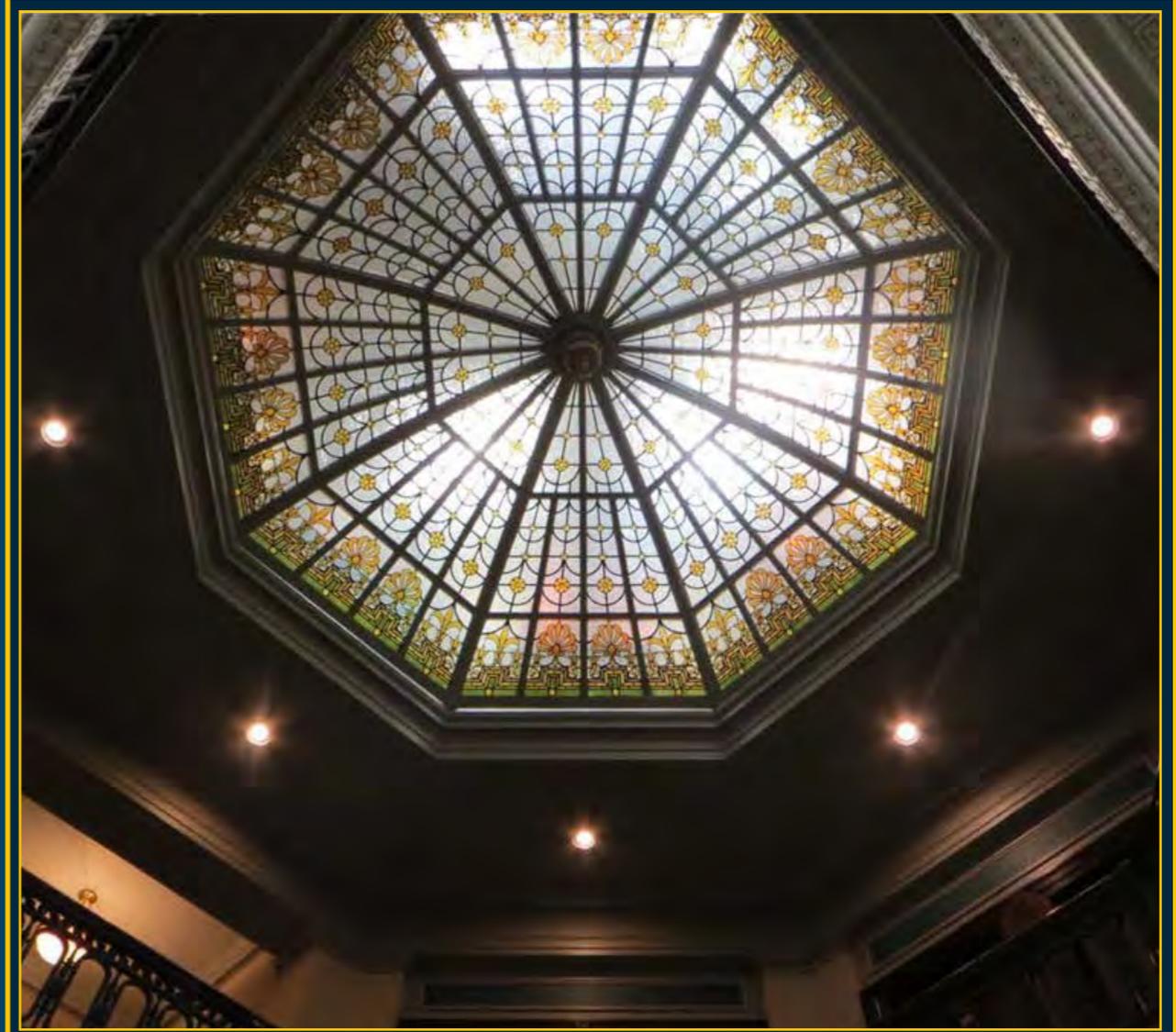
2

Partial Preservation of State Register Properties & Other Historic Properties

A. United Electric Company Building, 73 State Street



The State Street (front) north façade, a portion of the adjoining east and west (side) elevations, entry canopy and related stairs and ground floor exterior architectural elements will be retained



Retention of select interior elements, including the stained glass dome with decorative railing, and select marble wainscoting elements will be carefully removed, stored, and reused within the Project at the banquet facility lobby.

2

Partial Preservation of State Register Properties & Other Historic Properties

B. State Armory, 29 Howard Street



Existing Conditions

The State Armory 1895 head house will be retained.
The 1915 head house addition will be removed.



Preservation Proposal

The space frame proposed for the public open air amenity space to be constructed to the south (rear) of the State Armory head house will visually replicate the truss design of the original drill shed.

2

Partial Preservation of State Register Properties & Other Historic Properties

C. Union House/Chandler Hotel, 1132-1142 Main Street



Existing Conditions

The Main Street (front) west facade and a minimum of six feet of the Bliss Street (side) north elevation will be retained.



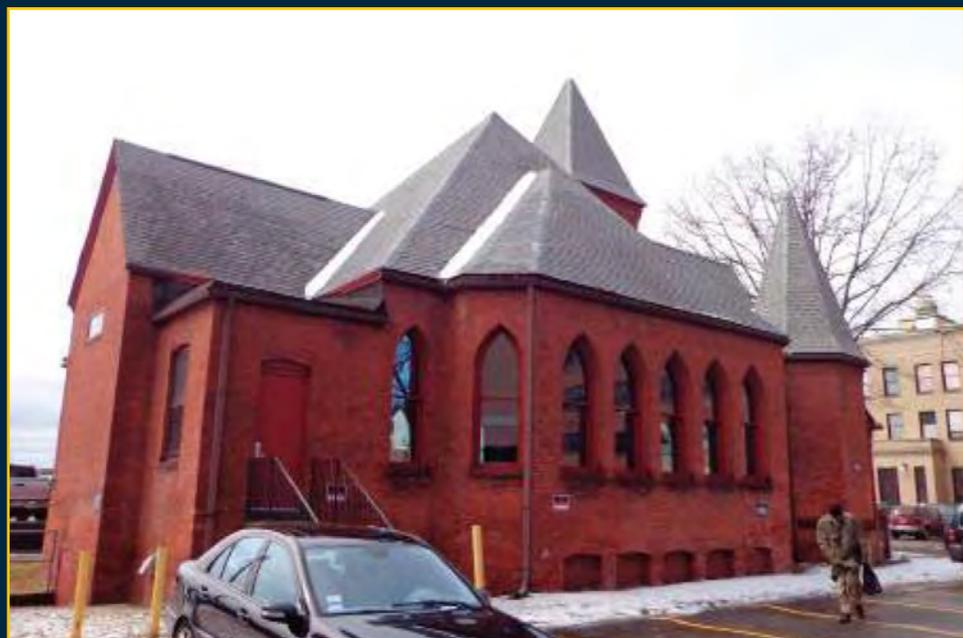
Preservation Proposal

The second floor window openings will be restored to their original configuration including masonry head conditions. Ground floor storefronts will be reminiscent of period storefronts.

3

Relocation and Renovation of State Register Properties

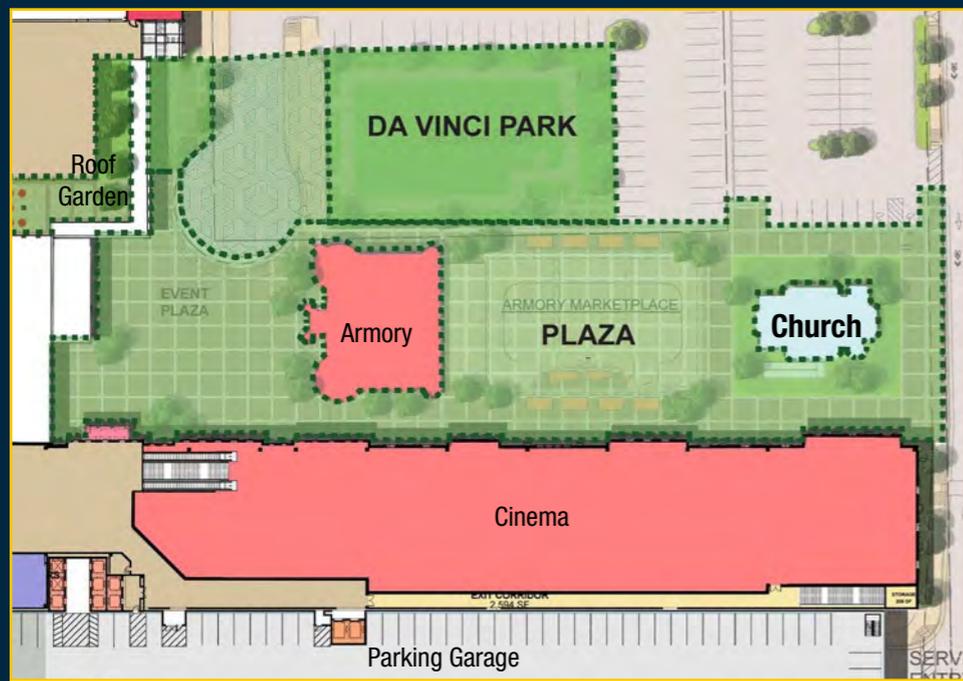
French Congregational Church, 33-37 Bliss Street



Existing Conditions



Existing Conditions



Proposed Plan

4 Salvage and Reuse of Architectural Elements



A. United Electric Company Building - State Street North façade & exterior elements will be retained



B. 59 Howard Street Primary School - Interior wood components have been salvaged for reuse



C. YWCA - Select elements inspire/will be salvaged and reinstalled on the new façade



D. All Other Structures within the Project site - surveyed for potential salvage materials

5 Design Review

The proponent shall submit scaled proposed project plans for the Project to the SHC at the 50% and 95% design phases for the ongoing review and comment by the SHC.

6 Photographic Documentation

Prior to any demolition activities, the Proponent shall ensure that the buildings are documented according to archival documentation requirements with archival set submitted to SHC.

7 Interpretive Signage

MGC and Proponent will consult with SHC to develop the contents, designs, specifications, and locations of interpretive signage that will provide information about the history of the buildings historically on the development site and surrounding neighborhood.

8 Historic Preservation Trust Fund

The Proponent and MGC will each make a one-time contribution of three hundred and fifty thousand dollars (\$350,000) (the “Contribution”) to a Springfield Historic Preservation Trust Fund (the “Fund”) to be held by DevelopSpringfield and administered by a Board of Trustees (the “Trustees”) to be comprised of six trustees as follows:

- (a) One trustee to be designated by the Springfield Preservation Trust
- (b) One trustee to be designated by DevelopSpringfield
- (c) One trustee to be designated by the Springfield Redevelopment Authority
- (d) One trustee to be designated by the Springfield Historical Commission
- (e) One trustee to be designated by the Historic Preservation Planner from the Pioneer Valley Planning Commission.
- (f) One trustee to be designated by Preservation Massachusetts.

8 Historic Preservation Trust Fund

- The Fund shall be used to aid with the rehabilitation, restoration, or preservation of State Register listed historic resources within one-half mile of the Project site within the City of Springfield as determined within the discretion of the Trustees.
- The Fund may not be used for any demolition of a historic resource.
- Once the Proponent and MGC make the Contribution, they shall have no further responsibility or obligation with respect to the Fund.
- The Fund shall be established in a manner that would allow for the deposit of any potential additional donations that may be made to the Fund in the future.

9 Covenant & Project Changes

- Proponent will ensure a covenant is recorded for specific character-defining exterior historical and architectural features limited to only the Main Street (east) and State Street (north) elevations of the Massachusetts Mutual Life Insurance Company Building at 1200 Main Street/101 State Street.
- The side/rear (south and west) elevations are not included in the covenant.
- The covenant will be recorded in the Hampden Registry of Deeds, and will be adapted to the specific character-defining historical and architectural details of the Main Street and State Street elevations.
- Prior to making any alterations contrary to the covenant referenced in Section 9 above to the Massachusetts Mutual Life Insurance Company Building, listed in the State Register of Historic Places, the Proponent shall notify the signatories in writing and shall consult pursuant to 950 CMR 71.00.

10 Signatures & Concurring Parties

Signatories:

- Massachusetts Gaming Commission
- Massachusetts Historical Commission
- Blue Tarp reDevelopment

Concurring Parties:

- Springfield Historical Commission
- City of Springfield
- Springfield Preservation Trust



MEMORANDUM OF AGREEMENT
AMONG THE
MASSACHUSETTS GAMING COMMISSION,
BLUE TARP REDEVELOPMENT,
AND THE
MASSACHUSETTS HISTORICAL COMMISSION
REGARDING THE
MGM SPRINGFIELD PROJECT
SPRINGFIELD, MASSACHUSETTS

WHEREAS, Blue Tarp reDevelopment LLC (the “Proponent”) proposes the MGM Springfield Project, a mixed-use redevelopment comprising casino, hotel, retail, restaurant, residential, and cinema uses to be located on a previously developed urban site in the City of Springfield, Massachusetts (the “Project”); and

WHEREAS, the Project site encompasses four properties listed on the State and National Registers of Historic Places [French Congregational Church, State Armory, United Electric Company Building, WCA Boarding House] and three properties listed on the State Register of Historic Places with formal Determinations of Eligibility [Edisonia Theater Block, Massachusetts Mutual Life Insurance Company Building, Young Women’s Christian Association], collectively referred to as “State Register Properties”; and

WHEREAS, the Project site encompasses two properties included in the Inventory of Historic and Archaeological Assets of the Commonwealth [Howard Street Primary School, Union House/Chandler Hotel] and three properties identified by the Springfield Historical Commission (SHC) as being of historic interest [Apartment Building at 35 Howard Street (not extant), Office Building at 79 State Street, Office Building at 95 State Street], collectively referred to “Another Historic Property”; and

WHEREAS, the Project is expected to result in the partial renovation of State Register Properties [State Armory and Massachusetts Mutual Life Insurance Company Building] and Other Historic Properties [95 State Street] within the Project Site; and

WHEREAS, the Project is expected to result in the relocation of a State Register Property [French Congregational Church] within the Project Site; and

WHEREAS, the Project is expected to result in the partial or full demolition of State Register Properties and Other Historic Properties within the Project Site including partial demolition of the State Armory, United Electric Company Building, Young Women’s Christian Association, and Union House/Chandler Hotel, and full demolition of the WCA Boarding House, Howard Street Primary School, Edisonia Theater Block, and 79 State Street; and

WHEREAS, Massachusetts Historical Commission (MHC) has determined that the Project including demolition of part or all of State Register Properties constitutes adverse effects through destruction or alteration of all or part of the buildings, pursuant to M.G.L., Chapter 9, Sections 26-27C and 950 CMR 71.00 et seq., and that consultation in accordance with said regulations is required for the Project; and

WHEREAS, Massachusetts Environmental Policy Act (MEPA) review of the Final Environmental Impact Report (FEIR) resulted in a MEPA Certificate finding that the FEIR adequately and properly complies with MEPA and its implementing regulations (301 CMR 11.00), with outstanding issues to be addressed during State permitting and acknowledges MHC and Massachusetts Gaming Commission (MGC) anticipate entering into a Memorandum of Agreement (MOA) that outlines measure to avoid, minimize, or mitigate adverse project impacts to State Register Properties; and

WHEREAS, MGC, Proponent, and MHC have consulted regarding the potential adverse effects of the Project to the State Register Properties, have examined alternatives, and have concluded that there are no prudent and feasible measures or alternatives which would eliminate the need for the demolition or partial demolition of State Register Properties, but that measures are proposed in the Stipulations of this MOA to be implemented and completed to mitigate the adverse effects of such demolition; and

WHEREAS, MHC has determined to accept the adverse effects of the Project on the State Register Properties in accordance with satisfactory implementation of the terms and stipulations of this MOA; and

WHEREAS, the SHC, City of Springfield, and the Springfield Preservation Trust (“SPT”) have been invited to participate in the consultation and to concur to this MOA; and

WHEREAS, capitalized terms used but not defined in this MOA shall be deemed to have the meanings assigned to them in 950 CMR 70.00 to 71.00 et. seq., or if not therein defined, their ordinary meaning.

NOW, THEREFORE, MGC, Proponent, and MHC agree and SHC, City of Springfield and SPT concur that the Project shall be undertaken and implemented in accordance with the following stipulations to mitigate the effects of the Project on the State Register Properties and Other Historic Properties.

STIPULATIONS

MGC shall ensure that the following measures are implemented by the Proponent:

1. RENOVATION OF STATE REGISTER PROPERTIES AND OTHER HISTORIC PROPERTIES

One State Register Property [Massachusetts Mutual Life Insurance Company Building] and one Other Historic Property [95 State Street] will be retained and renovated.

2. PARTIAL PRESERVATION OF STATE REGISTER PROPERTIES AND OTHER HISTORIC PROPERTIES

Two State Register Properties [State Armory and United Electric Company Building] and one Other Historic Property [Union House/Chandler Hotel] will be partially preserved.

- a. United Electric Company Building, 73 State Street – The State Street (front) north façade, a portion of the adjoining east and west (side) elevations, entry canopy, and related stairs and ground floor exterior architectural elements will be retained. Retention of select interior elements, including the stained glass dome with decorative railing, and select marble wainscoting elements of the ground floor lobby will be carefully removed, stored, and reused within the Project at the banquet facility lobby. Elements that cannot be successfully removed for reuse will be replicated to the greatest extent possible, and may include the may include pilasters, capitals, and other decorative plaster elements. See Attachment A: MGM Springfield, 73 State Street Dome Salvage, June 30, 2015.

- b. State Armory – The State Amory 1895 head house will be retained. The 1915 head house addition will be removed. The space frame proposed for the public open air amenity space to be constructed to the south (rear) of the State Armory head house will visually replicate the truss design of the original drill shed. Plans for the renovation of the State Armory 1895 head house will be submitted to the SHC for review and comment.
- c. Union House/Chandler Hotel – The Main Street (front) west facade and a minimum of six feet of the Bliss Street (side) north elevation will be retained. As project plans advance, retention of more of the Bliss Street elevation in situ on the interior of the Project will be explored. The second floor window openings at the Main Street elevation will be restored to their original configuration including masonry head conditions. Windows at the second, third, and fourth floors at the Main Street and Bliss Street elevations will be replaced with six-over-six windows matching the original dimensions and configuration, based upon extant windows within the building. Ground floor storefronts will be replaced with new storefronts reminiscent of period storefronts. If retaining original features and materials is not feasible based upon the building’s condition, a new Main Street façade and Bliss Street elevation of like materials and design will be integrated into the development at this location.

3 RELOCATION AND RENOVATION OF STATE REGISTER PROPERTIES

One State Register Property [French Congregational Church] will be relocated and renovated. Plans for the relocation of the building will be prepared in accordance with National Park Service guidance (*Moving Historic Buildings*. John Obed Curtis. International Association of Structural Movers. 1975, reprinted 1991). Renovation plans for the exterior will be submitted to the SHC for review and comment.

4. SALVAGE AND REUSE OF ARCHITECTURAL ELEMENTS

Architectural elements from buildings proposed to be demolished or partially demolished may be salvaged and reused in the Project or offered to a third party architectural salvage company. Elements proposed to be salvaged are identified in Attachment B: Springfield Buildings and Interiors Consolidated Salvage Program,” as follows:

- a. United Electric Company Building, 73 State Street – As noted above, the State Street (front) north façade, four feet of the adjoining east (side) elevation and sixteen feet of the adjoining west (side) elevation, entry canopy and related stairs and ground floor exterior architectural elements will be retained. Retention of select interior elements, including the stained glass dome with decorative railing and select marble wainscoting elements of the ground floor lobby will be carefully removed, stored, and reused within the Project at the banquet facility lobby. Elements that cannot be successfully removed for reuse will be replicated within the escalator lobby to the greatest extent possible, and may include pilasters, capitals, and other decorative plaster elements. The “MGM Springfield 73 State Street Dome Salvage” (June 2015) outlines the step-by-step procedure for removal of the dome and associated elements).
- b. Howard Street Primary School – Interior wood components (panel wood doors and period chairs) have been salvaged for reuse in the Project.
- c. Young Women’s Christian Association – The design of the west elevation of the event plaza will be inspired by the YWCA Bliss Street (front) south façade, with modifications as presented to the MHC and SHC. Select architectural elements from the YWCA façade will

be salvaged and reinstalled on the new façade, including terra cotta components (quoins, lintels). Elements that cannot be successfully removed for reuse will be reproduced to match the existing to the greatest extent possible. Plans for the proposed façade will be submitted to the SHC.

- d. All other structures within the Project site that are proposed for partial demolition or demolition have been surveyed for potential salvage materials and are identified in the “MGM Springfield Buildings and Interiors Consolidated Salvage Program.”

5. DESIGN REVIEW

The design of the Project will be sensitive to the adjacent historic resources. The proponent shall submit scaled proposed project plans for the Project to the SHC at the 50% and 95% design phases for the ongoing review and comment by the SHC; and shall take into consideration SHC’s comments to the extent feasible in the development of project plans and specifications for the following design phase.

6. PHOTOGRAPHIC DOCUMENTATION

Prior to any demolition activities, the Proponent shall ensure that the buildings are documented according to the following archival documentation requirements.

The Proponent shall produce photographic recordation of the seven State Register Properties and four extant Other Historic Properties. The photographs shall be keyed by number to a photograph description sheet and building sketch plans. The photographs shall include views of the overall exterior elevations, interior spaces, and representative views of architectural details, including but not limited to, windows, doors, stairways, and light fixtures. The poor condition of some the buildings mandates that interior photography shall be undertaken in those buildings that are deemed safe to enter by the Proponent. At least three (3) context views showing the buildings in relationship to their current setting shall be included. Photographic documentation will consist of digital photographs captured and printed according to the *MHC Photographic Documentation Technical Requirements for Digital Images*, attached to this MOA as Attachment C and incorporated herein by reference. Photographic documentation shall be keyed to a site map and a photograph identification list that specifies the name and the MHC inventory number of the buildings and structures that appear in each photographic image. One (1) original, archival set of this documentation shall be submitted to SHC for transfer to the Lyman & Merrie Wood Museum of Springfield History.

7. INTERPRETIVE SIGNAGE

MGC and Proponent will consult with SHC to develop the contents, designs, specifications, and locations of interpretive signage that will provide information about the history of the buildings historically on the development site and surrounding neighborhood. A draft of the interpretive signage program and text and images to be included in the display will be provided to SHC for review and comment. Interpretive signage shall be located within the new development and on the exterior of the new development.

8. HISTORIC PRESERVATION TRUST FUND

The Proponent and MGC will each make a one-time contribution of three hundred and fifty thousand dollars (\$350,000) (the “Contribution”) to a Springfield Historic Preservation Trust Fund (the “Fund”) to be held by DevelopSpringfield and administered by a Board of Trustees (the “Trustees”) to be comprised of six trustees as follows: (a) one trustee to be designated by the Springfield Preservation Trust; (b) one trustee to be designated by DevelopSpringfield; (c) one trustee to be designated by the Springfield Redevelopment Authority; (d) one trustee to be designated by the Springfield Historical Commission; (e) one trustee to be designated by the Historic Preservation Planner from the Pioneer Valley Planning Commission; and (f) one trustee to be designated by Preservation Massachusetts. The Fund shall be used to aid with the rehabilitation, restoration, or preservation of State Register listed historic resources within one-half mile of the Project site within the City of Springfield as determined within the discretion of the Trustees. The Fund may not be used for any demolition of a historic resource. Once the Proponent and MGC make the Contribution, they shall have no further responsibility or obligation with respect to the Fund. The Fund shall be established in a manner that would allow for the deposit of any potential additional donations that may be made to the Fund in the future.

9. COVENANT

Proponent will ensure a covenant is recorded for specific character-defining exterior historical and architectural features limited to only the Main Street (east) and State Street (north) elevations of the Massachusetts Mutual Life Insurance Company Building. The side/rear (south and west) elevations are not included in the covenant. The covenant will be recorded in the Hampden Registry of Deeds, and will be adapted to the specific character-defining historical and architectural details of the Main Street and State Street elevations. Draft language for the covenant will be submitted to SHC for review and comment prior to recording.

QUALIFICATIONS

All work carried out pursuant to this agreement shall be conducted by or under the direct supervision of an individual or individuals who meet, at minimum, the *Secretary of the Interior’s Professional Qualifications Standards* (48 Fed. Reg. 190, September 29, 1983).

PROJECT CHANGES

Prior to making any alterations contrary to the covenant referenced in Section 9 above to the Massachusetts Mutual Life Insurance Company Building, listed in the State Register of Historic Places, the Proponent shall notify the signatories in writing and shall consult pursuant to 950 CMR 71.00.

MOA AMENDMENT

Any of the signatories to this MOA may propose that this MOA be amended, whereupon the signatories to this MOA will consult to consider such amendment. The signatories shall invite the SHC to concur to the amendment. The amendment will be effective on the date the amendment, signed by all of the signatories, and is filed with the MHC.

EFFECTS OF AGREEMENT

Execution of this MOA by the signatories listed below, the filing of original signature pages with the MHC, and the implementation and completion of its terms and stipulations, shall be full and sufficient evidence that MGC and the Proponent have consulted with MHC and satisfied the requirements of M.G.L. Chapter 9, Section 26-27C and implementing regulations at 950 CMR 71.00 and MEPA at 301 CMR 11.

COUNTERPART EXECUTION

This MOA and any amendment may be executed in any number of counterparts, each of which shall be deemed an original for all purposes.

This MOA is hereby executed by the duly authorized representatives of the following parties:

SIGNATORIES

MASSACHUSETTS GAMING COMMISSION

By: _____ Date: _____
Name: XXX
Title: XXX

MASSACHUSETTS HISTORICAL COMMISSION

By: _____ Date: _____
Name: Brona Simon
Title: Executive Director

BLUE TARP REDEVELOPMENT

By: _____ Date: _____
Name: XXX
Title: XXX

CONCURRING PARTIES:

SPRINGFIELD HISTORICAL COMMISSION

By: _____ Date: _____
Name: Ralph Slate
Title: Chairman

CITY OF SPRINGFIELD

By: _____ Date: _____
Name: Domenic J. Sarno
Title: Mayor

DRAFT 8-3-15

SPRINGFIELD PRESERVATION TRUST

By: _____

Date _____

Name:

Title:

DRAFT 8-3-15

ATTACHMENT A

**MGM SPRINGFIELD
73 STATE STREET DOME SALVAGE
JUNE 30, 2015**

DRAFT 8-3-15

ATTACHMENT B
MGM SPRINGFIELD
BUILDINGS AND INTERIORS CONSOLIDATED SALVAGE PROGRAM

ATTCHMENT C

MHC PHOTOGRAPHIC DOCUMENTATION

TECHNICAL REQUIREMENTS FOR DIGITAL IMAGES

General Requirements

In all cases, digital images must be submitted with the following elements:

- The original digital data file captured by the digital camera.
- A print of the image – see below for printer/ink/paper requirements.
- A photo submission form and photo log.

Digital Files

- The original, uncompressed digital file must accompany digital prints. That is, submit the digital file in the form originally captured by the digital camera—unedited and not manipulated in any way by image-processing software.
- If your camera takes Tiff format images, submit files in uncompressed Tiff format. If your camera only takes jpeg images, set the camera to its highest quality and submit the original file as described above.
- Minimum image dimensions: 1600x1200 pixels at 300 ppi or larger, 8-bit or larger color format.
- Take black and white images using the black and white setting of your digital camera. If your digital camera doesn't take black and white images—submit color images only. Black and white image files should be stored as RGB files, not as grayscale.
- Submit files on a labeled CD-R DVD. Do not use a CD-RW.
- Label CD-Rs with a Sharpie-type pen in the label area of the disk, not on the data side.
- Do not affix an adhesive label to the disk.
- Submit CDs in a plastic jewel case—not in a plastic sleeve or paper envelope.
- The file name for each electronic image saved on the CD-R must correspond with the photo log included in the documentation package and the information labeled on the back of each photograph, and it should also reference the state, county, and city or town in which the property is located. For example, the image files for the Samuel Harrison House in Pittsfield, Berkshire County, Massachusetts, would be saved as “MA_Pittsfield (Berkshire County)_Harrison1.tif,” “MA_Pittsfield (Berkshire County)_Harrison2.tif,” and so forth.
- Some image-processing software allows the editing of image file metadata; MHC strongly recommends that the following information be included in image file metadata: photographer name, copyright info, and a brief description of the image.

Digital Prints

- Prints must be 4x6 inches or larger.
- Prints may be black and white or color.
- If submitting black and white prints, the print must have been taken originally in black and white and *not* created by converting a color image to grayscale using an image processing software program (such as Photoshop).
- **Do not mount prints.**
- Label prints on the back with a soft pencil. Be sure to include the location, including county and city or town name.

- To ensure archival longevity, prints must be made using a photo-quality printer using appropriate brand name paper and inks. *Printers, paper, and ink must all be from the same manufacturer and must be from the approved list below.* For example, prints made on an Epson printer must be on Epson paper with Epson brand inks. The archival stability of third-party papers and inks cannot be guaranteed and is therefore unacceptable.

Paper and Ink Requirements

NOTE: *Printers, paper and ink must all be from the same manufacturer.* However, any model printer of the designated manufacturer that accepts the following papers and inks may be used.

	Inks	Paper
	Epson UltraChrome pigmented inks and Epson Ultra Chrome K3 pigmented inks	Epson Premium Glossy Paper
	Epson PictureMate inks	Epson PictureMate Photo Paper – Glossy Epson Ultra Premium Glossy Photo Paper Epson Premium Glossy Photo Paper
	Epson Claria Hi-Definition Inks	Epson Ultra Premium Glossy Photo Paper Epson Premium Glossy Photo Paper
	Hewlett-Packard (HP) 84/85 dye-based inkset	HP Premium Plus Photo and Proofing Gloss HP Premium Plus High Gloss Photo Paper HP Premium Photo Paper, Gloss HP Premium Photo Paper, Soft Gloss
	HP 59 gray photo cartridge	HP Premium Plus and HP Premium Photo Papers (high gloss, glossy)
	HP100 gray photo cartridge	HP Premium Plus and HP Premium Photo Papers (high gloss, glossy)
	HP Vivera inks (95 and 97 tri-color cartridges)	HP Premium Plus and HP Premium Photo Papers (high gloss, glossy)
	HP Vivera inks (95 and 97 tri-color cartridges)	HP Premium Plus and HP Premium Photo Papers (high gloss, glossy)
	HP Vivera Pigment inks (<i>announced 2006</i>)	HP Advanced Photo Paper (glossy)
	Lexmark Evercolor Photo Color #31 and Lexmark #33 and #35 Color Print Ink Cartridges	Lexmark Premium Photo Paper High Gloss
	Kodak No. 10 pigmented ink cartridges	Kodak Ultra Premium, High Gloss Kodak Premium Gloss

Massachusetts Historical Commission Photo Submission Form

Please submit one form for each group of digital images

About your digital files:

Camera Used (make, model): _____

Resolution of original image capture (camera setting including resolution and file format):

File name(s) (attach additional sheets if necessary) check here to refer to attached photo log:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

About your prints:

Printer make and model: _____

Paper: brand & type (i.e., Epson Premium Glossy Photo)

Ink: _____

Signature: (By signing below you agree that the information provided here is true and accurate.)

Signature: _____

Date: _____

JED M. NOSAL
direct dial: (617) 856-8272
fax: (617) 289-0708
jnosal@brownrudnick.com

One
Financial
Center
Boston
Massachusetts
02111
tel 617.856.8200
fax 617.856.8201

August 03, 2015

Brona Simon
State Preservation Officer
Executive Director
Massachusetts Historical Commission
200 Morrissey Boulevard
Boston, MA 02125

RE: MGM Springfield Casino Project, Hotel, Apartments/Armory Square Retail & Cinema, Main Union, State & Howard Streets, Springfield, MA: MHC# RC53951, EEA# 15033

Dear Director Simon:

Thank you for the Massachusetts Historical Commission's ("Commission") July 24, 2015 finding that there are no prudent and feasible alternatives to avoid the adverse effects of the MGM Springfield Casino project ("Project") on historic properties and for forwarding the comments on the Draft Memorandum of Agreement ("MOA") dated June 30, 2015. Enclosed please find a revised draft MOA incorporating the Commission's comments with the following three proposed changes to the draft MOA:

1. **Design Review.** MGM Springfield has changed the percentages of completion for the design phases at which point the scaled proposed project plans shall be submitted to the Springfield Historic Commission for ongoing review and comment from 60% and 90% to 50% and 95% respectively. These changes align this obligation to MGM Springfield's obligation to submit the project plans to the City of Springfield under Springfield's Host Community Agreement (*See Host Community Agreement by and between City of Springfield, Massachusetts and Blue Tarp reDevelopment LLC, Paragraph 3*).
2. **Historic Preservation Trust Fund.** MGM Springfield has changed the trustee language regarding the Historic Preservation Planner from the Pioneer Valley Planning Commission ("PVPC") to allow for the PVPC Historic Preservation Planner to *designate* an appointee. This change will make the trustee appointment language similar to the other organizations and allow for either the PVPC Historic Preservation Planner to serve as trustee or as a designee.
3. **Project Changes.** MGM Springfield has redrafted this section so that the restriction on project changes to the Massachusetts Mutual Life Insurance Company Building at 1200 Main Street/101 State Street ("Mass Mutual Building") incorporates and recognizes the deed covenant required by Section 9 of the MOA. The revised language clarifies that the Project Change section applies to alterations to the Mass Mutual Building that are contrary to the covenant.

The MOA is scheduled to be reviewed and voted on by the Massachusetts Gaming Commission at its August 6, 2015 Public Meeting. Please let us know if you or the MHC staff have any concerns regarding the proposed revisions to the MHC comments to the MOA.

Thank you for your attention to this matter over the last several months. We appreciate the MHC's input and look forward to finalizing the Agreement.

Sincerely,

BROWN RUDNICK LLP



Jed M. Nosal

cc: John Ziemba, Massachusetts Gaming Commission
Ed Pikula, City of Springfield/Springfield Historical Commission
Robert McCarroll, Springfield Preservation Trust
Elizabeth Sherva, Massachusetts Historical Commission
Deirdre Buckley, Massachusetts Environmental Policy Act

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MEMORANDUM OF AGREEMENT
AMONG THE
MASSACHUSETTS GAMING COMMISSION,
BLUE TARP REDEVELOPMENT,
AND THE
MASSACHUSETTS HISTORICAL COMMISSION
REGARDING THE
MGM SPRINGFIELD PROJECT
SPRINGFIELD, MASSACHUSETTS

WHEREAS, Blue Tarp reDevelopment LLC (the “Proponent”) proposes the MGM Springfield Project, a mixed-use redevelopment comprising casino, hotel, retail, restaurant, residential, and cinema uses to be located on a previously developed urban site in the City of Springfield, Massachusetts (the “Project”); and

WHEREAS, the Project site encompasses four properties listed on the State and National Registers of Historic Places [French Congregational Church, State Armory, United Electric Company Building, WCA Boarding House] and three properties listed on the State Register of Historic Places with formal Determinations of Eligibility [Edisonia Theater Block, Massachusetts Mutual Life Insurance Company Building, Young Women’s Christian Association], collectively referred to as “State Register Properties”; and

WHEREAS, the Project site encompasses two properties included in the Inventory of Historic and Archaeological Assets of the Commonwealth [Howard Street Primary School, Union House/Chandler Hotel] and three properties identified by the Springfield Historical Commission (SHC) as being of historic interest [Apartment Building at 35 Howard Street (not extant), Office Building at 79 State Street, Office Building at 95 State Street], collectively referred to “~~Other Historic Properties~~ [Another Historic Property](#)”; and

WHEREAS, the Project is expected to result in the ~~preservation and~~ [partial](#) renovation of State Register Properties [State Armory and Massachusetts Mutual Life Insurance Company Building] and Other Historic Properties [95 State Street] within the Project Site; and

WHEREAS, the Project is expected to result in the relocation of a State Register Property [French Congregational Church] within the Project Site; and

WHEREAS, the Project is expected to result in the partial or full demolition of State Register Properties and Other Historic Properties within the Project Site including partial demolition of the State Armory, United Electric Company Building, Young Women’s Christian Association, and Union House/Chandler Hotel, and full demolition of the WCA Boarding House, Howard Street Primary School, Edisonia Theater Block, and 79 State Street; and

WHEREAS, Massachusetts Historical Commission (MHC) has determined that the Project including demolition of part or all of State Register Properties constitutes adverse effects through destruction or alteration of all or part of the buildings, pursuant to M.G.L, Chapter 9, Sections 26-27C and 950 CMR 71.00 et seq., and that consultation in accordance with said regulations is required for the Project; and

WHEREAS, Massachusetts Environmental Policy Act (MEPA) review of the Final Environmental Impact Report (FEIR) resulted in a MEPA Certificate finding that the FEIR adequately and properly complies with MEPA and its implementing regulations (301 CMR 11.00), with outstanding issues to be addressed during State permitting and acknowledges MHC and Massachusetts Gaming Commission (MGC) anticipate entering into a Memorandum of Agreement (MOA) that outlines measure to avoid, minimize, or mitigate adverse project impacts to State Register Properties; and

WHEREAS, MGC, Proponent, and MHC have consulted regarding the potential adverse effects of the Project to the State Register Properties, have examined alternatives, and have concluded that there are no prudent and feasible measures or alternatives which would eliminate the need for the demolition or partial demolition of State Register Properties, but that measures are proposed in the Stipulations of this MOA to be implemented and completed to mitigate the adverse effects of such demolition; and

WHEREAS, MHC has determined to accept the adverse effects of the Project on the State Register Properties in accordance with satisfactory implementation of the terms and stipulations of this MOA; and

WHEREAS, the SHC, [City of Springfield, and the Springfield Preservation Trust \("SPT"\)](#) ~~has~~ have been invited to participate in the consultation and to concur to this MOA; and

WHEREAS, capitalized terms used but not defined in this MOA shall be deemed to have the meanings assigned to them in 950 CMR 70.00 to 71.00 et. seq., or if not therein defined, their ordinary meaning.

NOW, THEREFORE, MGC, Proponent, and MHC agree and SHC, [City of Springfield and SPT](#) concurs that the Project shall be undertaken and implemented in accordance with the following stipulations to mitigate the effects of the Project on the State Register Properties and Other Historic Properties.

STIPULATIONS

MGC shall ensure that the following measures are implemented by the Proponent:

1. ~~PRESERVATION~~ RENOVATION OF STATE REGISTER PROPERTIES AND OTHER HISTORIC PROPERTIES

One State Register Property [Massachusetts Mutual Life Insurance Company Building] and one Other Historic Property [95 State Street] will be retained and renovated.

2. PARTIAL PRESERVATION OF STATE REGISTER PROPERTIES AND OTHER HISTORIC PROPERTIES

Two State Register Properties [State Armory and United Electric Company Building] and one Other Historic Property [Union House/Chandler Hotel] will be partially preserved.

- a. United Electric Company Building, 73 State Street – The State Street (front) north façade, a portion of the adjoining east and west (side) elevations, entry canopy, and related stairs and ground floor exterior architectural elements will be retained. Retention of select interior elements, including the stained glass dome with decorative railing, and select marble wainscoting elements of the ground floor lobby will be carefully removed, stored, and reused within the Project at the banquet facility lobby. Elements that cannot be successfully removed for reuse will be replicated to the greatest extent possible, and may include the may

include pilasters, capitals, and other decorative plaster elements. [See Attachment A: MGM Springfield, 73 State Street Dome Salvage, June 30, 2015.](#)

- b. State Armory – The State Amory 1895 head house will be retained. The 1915 head house addition will be removed. The space frame proposed for the public open air amenity space to be constructed to the south (rear) of the State Armory head house will ~~acknowledge the truss work~~ [visually replicate the truss design](#) of the original drill shed. Plans for the renovation of the State Armory 1895 head house will be submitted to the SHC [for review and comment](#).
- c. Union House/Chandler Hotel – The Main Street (front) west facade and a minimum of six feet of the Bliss Street (side) north elevation will be retained. As project plans advance, retention of more of the Bliss Street elevation in situ on the interior of the Project will be explored. The second floor window openings at the Main Street elevation will be restored to their original configuration including masonry head conditions. Windows at the second, third, and fourth floors at the Main Street and Bliss Street elevations will be replaced with six-over-six windows matching the original dimensions and configuration, based upon extant windows within the building. Ground floor storefronts will be replaced with new storefronts reminiscent of period storefronts. If retaining original features and materials is not feasible based upon the building’s condition, a new Main Street façade and Bliss Street elevation of like materials and design will be integrated into the development at this location.

3 RELOCATION AND RENOVATION OF STATE REGISTER PROPERTIES

One State Register Property [French Congregational Church] will be relocated and renovated. Plans for the relocation of the building will be prepared in accordance with National Park Service guidance (*Moving Historic Buildings*. John Obed Curtis. International Association of Structural Movers. 1975, reprinted 1991). ~~The relocated building will face south toward Union Street. Renovation plans will be submitted to the SHC~~ [Renovation plans for the exterior will be submitted to the SHC for review and comment.](#)

4. SALVAGE AND REUSE OF ARCHITECTURAL ELEMENTS

Architectural elements from buildings proposed to be demolished or partially demolished may be salvaged and reused in the Project [or offered to a third party architectural salvage company](#). Elements proposed to be salvaged are identified in [Attachment B: the “MGM Springfield Buildings and Interiors Consolidated Salvage Program,”](#) as follows:

- a. United Electric Company Building, 73 State Street – As noted above, the State Street (front) north façade, four feet of the adjoining east (side) elevation and sixteen feet of the adjoining west (side) elevation, entry canopy and related stairs and ground floor exterior architectural elements will be retained. Retention of select interior elements, including the stained glass dome with decorative railing and select marble wainscoting elements of the ground floor lobby will be carefully removed, stored, and reused within the Project at the banquet facility lobby. Elements that cannot be successfully removed for reuse will be replicated within the escalator lobby to the greatest extent possible, and may include pilasters, capitals, and other decorative plaster elements. The “MGM Springfield 73 State Street Dome Salvage” (June 2015) outlines the step-by-step procedure for removal of the dome and associated elements).
- b. Howard Street Primary School – Interior wood components (panel wood doors and period chairs) have been salvaged for reuse in the Project.

- c. Young Women’s Christian Association – The design of the west elevation of the event plaza will be inspired by the YWCA Bliss Street (front) south façade, with modifications as presented to the MHC and SHC. Select architectural elements from the YWCA façade will be salvaged and reinstalled on the new façade, including terra cotta components (quoins, lintels). Elements that cannot be successfully removed for reuse will be reproduced to match the existing to the greatest extent possible. Plans for the proposed façade will be submitted to the SHC.
- d. All other structures within the Project site that are proposed for partial demolition or demolition have been surveyed for potential salvage materials and are identified in the “MGM Springfield Buildings and Interiors Consolidated Salvage Program.”

5. DESIGN REVIEW

The design of the Project will be sensitive to the adjacent historic resources. ~~Updated plans will be shared with the SHC, as set forth in this MOA, when they are developed.~~ The proponent shall submit scaled proposed project plans for the Project to the SHC at the 50% and 95% design phases for the ongoing review and comment by the SHC; and shall take into consideration SHC’s comments to the extent feasible in the development of project plans and specifications for the following design phase.

6. PHOTOGRAPHIC DOCUMENTATION

Prior to any demolition activities, the Proponent shall ensure that the buildings are documented according to the following archival documentation requirements.

The Proponent shall produce photographic recordation of the seven State Register Properties and four extant Other Historic Properties. The photographs shall be keyed by number to a photograph description sheet and building sketch plans. The photographs shall include views of the overall exterior elevations, interior spaces, and representative views of architectural details, including but not limited to, windows, doors, stairways, and light fixtures. The poor condition of some the buildings mandates that interior photography shall be undertaken in those buildings that are deemed safe to enter by the Proponent. At least three (3) context views showing the buildings in relationship to their current setting shall be included. Photographic documentation will consist of digital photographs captured and printed according to the *MHC Photographic Documentation Technical Requirements for Digital Images*, attached to this MOA as Attachment ~~C~~C and incorporated herein by reference. Photographic documentation shall be keyed to a site map and a photograph identification list that specifies the name and the MHC inventory number of the buildings and structures that appear in each photographic image. One (1) original, archival set of this documentation shall be submitted to SHC for transfer to the Lyman & Merrie Wood Museum of Springfield History.

7. INTERPRETIVE SIGNAGE

MGC and Proponent will consult with SHC to develop the contents, designs, specifications, and locations of interpretive signage that will provide information about the history of ~~Springfield’s South End neighborhood~~the buildings historically on the development site and surrounding neighborhood. A draft of the interpretive signage program and text and images to be included in the display will be provided ~~for review~~to SHC for review and comment. Interpretive signage shall be located within the new development and on the exterior of the new development.

8. HISTORIC PRESERVATION TRUST FUND

The Proponent and MGC will each make a one-time contribution of three hundred and fifty thousand dollars (\$350,000) (the "Contribution") to a Springfield ~~historic-Historic preservation-Preservation trust-Trust fund-Fund~~ (the "Fund") to be held by DevelopSpringfield and administered by a Board of Trustees (the "Trustees") to be comprised of ~~three-six~~ trustees as follows: (a) one trustee to be designated by the Springfield Preservation Trust; (b) one trustee to be designated by DevelopSpringfield; ~~and~~ (c) one trustee to be designated by the Springfield Redevelopment Authority; ~~(d) one trustee to be designated by the Springfield Historical Commission;~~ (e) one trustee to be designated by the Historic Preservation Planner from the Pioneer Valley Planning Commission; ~~and (f) one trustee to be designated by Preservation Massachusetts.~~ The Fund shall be used to aid with the rehabilitation, restoration, ~~promotion,~~ or preservation of State Register listed historic resources within one-half mile of the Project site within the City of Springfield as determined within the discretion of the Trustees. ~~The Fund may not be used for any demolition of a historic resource.~~ Once the Proponent and MGC makes the Contribution, ~~it-they~~ shall have no further responsibility or obligation with respect to the Fund. ~~The Fund shall be established in a manner that would allow for the deposit of any potential additional donations that may be made to the Fund in the future.~~

9. PRESERVATION RESTRICTION COVENANT

Proponent will ensure a ~~preservation-restriction~~covenant is recorded for specific character-defining exterior historical and architectural features limited to only the Main Street (east) and State Street (north) elevations of the Massachusetts Mutual Life Insurance Company Building ~~at 1200 Main Street/101 State Street~~. The side/rear (south and west) elevations are not included in the ~~covenant~~preservation-restriction. The ~~covenant~~Preservation Restriction will be recorded in the Hampden Registry of Deeds, ~~following the standard format utilized by MHC~~ and will be adapted to the specific character-defining historical and architectural details of the Main Street and State Street elevations. ~~Draft language for the covenant will be submitted to SHC for review and comment prior to recording.~~

QUALIFICATIONS

All work carried out pursuant to this agreement shall be conducted by or under the direct supervision of an individual or individuals who meet, at minimum, the *Secretary of the Interior's Professional Qualifications Standards* (48 Fed. Reg. 190, September 29, 1983).

PROJECT CHANGES

~~If in the future, the Proponent plans to demolish in whole or in part~~ Prior to making any alterations contrary to the covenant referenced in Section 9 above to ~~the~~ Massachusetts Mutual Life Insurance Company Building, listed in the State Register of Historic Places, ~~the~~ Proponent shall notify the signatories in writing and shall consult pursuant to 950 CMR 71.00.

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MOA AMENDMENT

Any of the signatories to this MOA may propose that this MOA be amended, whereupon the signatories to this MOA will consult to consider such amendment. The signatories shall invite the SHC to concur to the amendment. The amendment will be effective on the date the amendment, signed by all of the signatories, and is filed with the MHC.

DRAFT 8-3-15

EFFECTS OF AGREEMENT

Execution of this MOA by the signatories listed below, the filing of original signature pages with the MHC, and the implementation and completion of its terms and stipulations, shall be full and sufficient evidence that MGC and the Proponent have consulted with MHC and satisfied the requirements of M.G.L. Chapter 9, Section 26-27C and implementing regulations at 950 CMR 71.00 and MEPA at 301 CMR 11.~~03(10)~~.

COUNTERPART EXECUTION

This MOA and any amendment may be executed in any number of counterparts, each of which shall be deemed an original for all purposes.

DRAFT 8-3-15

This MOA is hereby executed by the duly authorized representatives of the following parties:

SIGNATORIES

MASSACHUSETTS GAMING COMMISSION

By: _____ Date: _____
Name: XXX
Title: XXX

MASSACHUSETTS HISTORICAL COMMISSION

By: _____ Date: _____
Name: Brona Simon
Title: Executive Director ~~and State Archaeologist~~

BLUE TARP REDEVELOPMENT

By: _____ Date: _____
Name: XXX
Title: XXX

CONCURRING ~~PARTY~~ PARTIES:

SPRINGFIELD HISTORICAL COMMISSION

By: _____ Date: _____
Name: Ralph Slate
Title: Chairman

CITY OF SPRINGFIELD

By: _____ Date: _____
Name: Domenic J. Sarno
Title: Mayor

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DRAFT 8-3-15

SPRINGFIELD PRESERVATION TRUST

By: _____ Date _____

Name:

Title:

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DRAFT 8-3-15

ATTACHMENT ~~1~~A

~~MGM SPRINGFIELD PROJECT~~

~~MEMORANDUM OF AGREEMENT ATTACHMENT 1~~

~~MHC PHOTOGRAPHIC DOCUMENTATION TECHNICAL REQUIREMENTS FOR DIGITAL IMAGES~~

MGM SPRINGFIELD

73 STATE STREET DOME SALVAGE

JUNE 30, 2015

DRAFT 8-3-15

ATTACHMENT B
MGM SPRINGFIELD
BUILDINGS AND INTERIORS CONSOLIDATED SALVAGE PROGRAM

~~APPENDIX A~~ ATTACHMENT C

MHC PHOTOGRAPHIC DOCUMENTATION
TECHNICAL REQUIREMENTS FOR DIGITAL IMAGES

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General Requirements

In all cases, digital images must be submitted with the following elements:

- The original digital data file captured by the digital camera.
- A print of the image – see below for printer/ink/paper requirements.
- A photo submission form and photo log.

Digital Files

- The original, uncompressed digital file must accompany digital prints. That is, submit the digital file in the form originally captured by the digital camera—unedited and not manipulated in any way by image-processing software.
- If your camera takes Tiff format images, submit files in uncompressed Tiff format. If your camera only takes jpeg images, set the camera to its highest quality and submit the original file as described above.
- Minimum image dimensions: 1600x1200 pixels at 300 ppi or larger, 8-bit or larger color format.
- Take black and white images using the black and white setting of your digital camera. If your digital camera doesn't take black and white images—submit color images only. Black and white image files should be stored as RGB files, not as grayscale.
- Submit files on a labeled CD-R DVD. Do not use a CD-RW.
- Label CD-Rs with a Sharpie-type pen in the label area of the disk, not on the data side.
- Do not affix an adhesive label to the disk.
- Submit CDs in a plastic jewel case—not in a plastic sleeve or paper envelope.
- The file name for each electronic image saved on the CD-R must correspond with the photo log included in the documentation package and the information labeled on the back of each photograph, and it should also reference the state, county, and city or town in which the property is located. For example, the image files for the Samuel Harrison House in Pittsfield, Berkshire County, Massachusetts, would be saved as “MA_Pittsfield (Berkshire County)_Harrison1.tif,” “MA_Pittsfield (Berkshire County)_Harrison2.tif,” and so forth.
- Some image-processing software allows the editing of image file metadata; MHC strongly recommends that the following information be included in image file metadata: photographer name, copyright info, and a brief description of the image.

Digital Prints

- Prints must be 4x6 inches or larger.
- Prints may be black and white or color.
- If submitting black and white prints, the print must have been taken originally in black and white and *not* created by converting a color image to grayscale using an image processing software program (such as Photoshop).
- **Do not mount prints.**
- Label prints on the back with a soft pencil. Be sure to include the location, including county and city or town name.

- To ensure archival longevity, prints must be made using a photo-quality printer using appropriate brand name paper and inks. *Printers, paper, and ink must all be from the same manufacturer and must be from the approved list below.* For example, prints made on an Epson printer must be on Epson paper with Epson brand inks. The archival stability of third-party papers and inks cannot be guaranteed and is therefore unacceptable.

Paper and Ink Requirements

The following paper and ink combinations these are approved by the MHC. If you would like to submit images on different printer/paper/ink combinations, proof of the archival stability of the combination must be provided and is subject to approval by MHC. As additional printers, papers, and inks are approved by MHC, they will be added to this list. (For more information on archival stability of image printing papers and inks visit <http://www.wilhelm-research.com/>)

NOTE: Printers, paper and ink must all be from the same manufacturer. However, any model printer of the designated manufacturer that accepts the following papers and inks may be used.

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<u>Printer</u>	<u>Inks</u>	<u>Paper</u>
<u>Epson Printers</u>	Epson UltraChrome pigmented inks <u>and Epson Ultra Chrome K3 pigmented inks</u>	Epson Premium Glossy Paper Epson Premium Semigloss Photo Paper Epson Premium Luster Photo Paper Epson Premium Semimatte Photo Paper Epson UltraSmooth Fine Art paper Somerset Velvet for Epson Epson Velvet Fine Art paper Epson Textured Fine Art Paper Epson Enhanced Matte paper
	Epson PictureMate inks <u>Epson Claria Hi-Definition Inks</u>	Epson PictureMate Photo Paper – <u>Glossy</u> <u>Epson Ultra Premium Glossy Photo Paper</u> <u>Epson Premium Glossy Photo Paper</u> <u>Epson Ultra Premium Glossy Photo Paper</u> <u>Epson Premium Glossy Photo Paper</u>
<u>Hewlett Packard Printers</u>	Hewlett-Packard (HP) 84/85 dye-based inkset	HP Premium Plus Photo and Proofing Gloss HP Premium Plus High Gloss Photo Paper HP Premium Plus Soft Gloss Photo Paper HP Premium Photo Paper, Gloss HP Premium Photo Paper, Soft Gloss
	<u>Hewlett Packard P</u> 59 gray photo cartridge	HP Premium Plus and HP Premium Photo Papers (high gloss, glossy, and soft gloss)
	<u>Hewlett Packard P</u> 100 gray photo cartridge	HP Premium Plus and HP Premium Photo Papers (high gloss, glossy, and soft gloss)
	<u>Hewlett Packard P</u> Vivera inks (95 and 97 tri-color cartridges)	HP Premium Plus and HP Premium Photo Papers (high gloss, glossy, and soft gloss)
	<u>HP Vivera inks (95 and 97 tri-color cartridges)</u>	<u>HP Premium Plus and HP Premium Photo Papers (high gloss, glossy)</u>
	<u>HP Vivera Pigment inks (announced 2006)</u>	<u>HP Advanced Photo Paper (glossy)</u>

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DRAFT 8-3-15

	<u>Lexmark Evercolor Photo Color #31 and Lexmark #33 and #35 Color Print Ink Cartridges</u>	<u>Lexmark Premium Photo Paper High Gloss</u>
	<u>Kodak No. 10 pigmented ink cartridges</u>	<u>Kodak Ultra Premium, High Gloss</u> <u>Kodak Premium Gloss</u>

DRAFT 8-3-15

Massachusetts Historical Commission Photo Submission Form

Please submit one form for each group of digital images

About your digital files:

Camera Used (make, model): _____

Resolution of original image capture (camera setting including resolution and file format):

File name(s) (attach additional sheets if necessary) check here to refer to attached photo log:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

About your prints:

Printer make and model: _____

Paper: brand & type (i.e., Epson Premium Glossy Photo)

Ink: _____

Signature: (By signing below you agree that the information provided here is true and accurate.)

Signature: _____ Date: _____

|

DRAFT 8-3-15

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The Commonwealth of Massachusetts
William Francis Galvin, Secretary of the Commonwealth
Massachusetts Historical Commission

July 24, 2015

John Ziemba
Ombudsman
Massachusetts Gaming Commission
101 Federal Street, 23rd Floor
Boston, MA 02110

RE: MGM Springfield Casino Project, Hotel, Apartments/Armory Square Retail & Cinema, Main, Union, State, Howard, & Bliss Streets, Springfield, MA; MHC# RC.53951, EEA# 15033

Dear Mr. Ziemba:

Thank you for indicating that the Massachusetts Gaming Commission has agreed to deposit \$350,000 into the proposed Historic Preservation Trust Fund, matching Blue Tarp reDevelopment's \$350,000 contribution to the Fund.

As a result of the consultation meetings and evaluation of project alternatives, it has been determined that there are no prudent and feasible alternatives to avoid the adverse effects of the MGM Springfield Casino project on historic properties. The Massachusetts Historical Commission (MHC) hereby accepts the adverse effects of the proposed project with mitigation measures (950 CMR 71.07(3)(d)).

The staff of the MHC have reviewed the draft Memorandum of Agreement (MOA) dated June 30, 2015 and have the following comments:

- The fourth WHEREAS clause
Remove the words "preservation and" and replace them with "partial".
Change "Other Historic Properties" to "another historic property".
- The eighth WHEREAS clause
Remove from the last sentence "adverse project impacts" and replace with "adverse effects".
- The eleventh WHEREAS clause
Change the Whereas clause to read as follows:
"WHEREAS, the SHC, City of Springfield, and the Springfield Preservation Trust (SPT) have been invited to participate in the consultation and to concur with this MOA; and"
- NOW, THEREFORE clause
After SHC, please add ", City of Springfield, and SPT concur"
- Stipulation 1
Rename stipulation 1 to "Renovation of State Register Properties and Other Historic Properties."
Add the words "and renovated" after the word "retained."

- Stipulation 2
 - Section a
Add to the end of the paragraph, "See Attachment A: MGM Springfield, 73 State Street Dome Salvage, June 30, 2015."
 - Section b
In the third sentence, remove "acknowledge the truss work" and replace with "visually replicate the truss design". At the end of the last sentence after the words "to the SHC" please add the words "for review and comment."
- Stipulation 3
Change the last sentence to read as follows:
"Renovation plans for the exterior will be submitted to the SHC for review and comment."
- Stipulation 4
Add to the end of the first sentence, "or offered to a third party architectural salvage company."
Change the second sentence to read as follows:
"Elements proposed to be salvaged are identified in Attachment B: Springfield Buildings and Interiors Consolidated Salvage Program."
- Stipulation 5
Please delete the second sentence and replace it with the following:
"The proponent shall submit scaled proposed project plans for the Project to the SHC at the 60% and 90% design phases for ongoing review and comment by the SHC; and shall take into consideration SHC's comments to the extent feasible in the development of project plans and specifications for the following design phase."
- Stipulation 6
Replace "Attachment 1" with "Attachment C".
- Stipulation 7
Delete "Springfield's South End neighborhood" and insert "the buildings historically on the development site and surrounding neighborhood."
Change the second sentence to read:
"A draft of the interpretive signage program and text and images to be included in the display will be provided to SHC for review and comment."
Add the following sentence to the end of the paragraph:
"Interpretive signage shall be located within the new development and on the exterior of the new development."
- Stipulation 8
Change the title of Stipulation 8 to read,
"Historic Preservation Trust Fund"

Change stipulation 8 to read as follows:

"The Proponent and MGC will each make a one-time contribution of three hundred and fifty thousand (\$350,000) (the "Contribution") to a Springfield Historic Preservation Trust Fund (the "Fund") to be held by DevelopSpringfield and administered by a Board of Trustees (the "Trustees") to be comprised of six trustees as follows: (a) one trustee to be designated by the Springfield Preservation Trust; (b) one trustee

to be designated by DevelopSpringfield; (c) one trustee to be designated by the Springfield Redevelopment Authority; (d) one trustee to be designated by the Springfield Historical Commission; (e) one trustee to be the Historic Preservation Planner from the Pioneer Valley Planning Commission; and (f) one trustee to be designated by Preservation Massachusetts. The Fund shall be used to aid with the rehabilitation, restoration, or preservation of State Register listed historic resources within one-half mile of the Project site within the City of Springfield as determined within the discretion of the Trustees. The Fund may not be used for any demolition of a historic resource. Once the Proponent and MGC make the Contribution, they shall have no further responsibility or obligation with respect to the Fund. The Fund shall be established in a manner that would allow for the deposit of any potential additional donations that may be made to the Fund in the future."

- **Stipulation 9**

The MHC does not allow preservation restriction on facades: see M.G.L. Chapter 184 sections 31-33. Replace all instances of the words "preservation restriction" within this stipulation with the word "covenant".

In the third sentence, remove ", following the standard format utilized by MHC".

Add the following sentence to the end of the paragraph:

"Draft language for the covenant will be submitted to SHC for review and comment prior to recording."

- **Project Changes**

Insert a section named "Project Changes" between "Qualifications" and "MOA Amendment."

Insert the following paragraph under Project Changes:

"If in the future, the Proponent plans to demolish in whole or in part the Massachusetts Mutual Life Insurance Company Building, listed in the State Register of Historic Places, the proponent shall notify the signatories in writing and shall consult pursuant to 950 CMR 71.00."

- **Effects of Agreement**

Change MEPA citation from "MEPA at 301 CMR 11.03(10)" to "MEPA at 301 CMR 11".

- **Signatories**

Delete "and State Archaeologist" from Brona Simon's title, since there are no archaeological issues related to this project.

Change "Concurring Party" to "Concurring Parties"

Add the following Concurring Parties:

The City of Springfield, Domenic J. Sarno, Mayor
Springfield Preservation Trust, Name, Title

- **Attachments**

The attachments now are as follows:

Attachment A: MGM Springfield, 73 State Street Dome Salvage, June 30, 2015

Attachment B: MGM Springfield Buildings and Interiors Consolidated Salvage Program

Attachment C: MHC Photographic Documentation Technical Requirements for Digital Images

Please make changes to the attachment cover pages to correctly reflect the attachment lettering listed above.

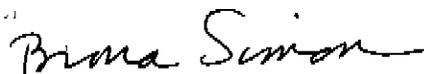
Attachment C: MHC Photographic Documentation Technical Requirements for Digital Images

Please remove the paragraph under "Paper and Ink Requirements" and insert the enclosed replacement language.

The MHC looks forward to reviewing a revised draft MOA that is responsive to these comments.

These comments are offered to assist in compliance with M.G.L. Chapter 9, sections 26-27C (950 CMR 71.00) and MEPA (301 CMR 11). Please do not hesitate to contact Elizabeth Sherva or me if you have any questions.

Sincerely,



Brona Simon
State Historic Preservation Officer
Executive Director
Massachusetts Historical Commission

Enclosure

xc: Brian Packar, MGM Springfield
Hunter Clayton, MGM Resorts International
Blue Tarp reDevelopment LLC ("MGM Springfield")
Stephen Crosby, Massachusetts Gaming Commission
John Wadsworth, Brown Rudnick
Scott Hanson, City of Springfield
Springfield Redevelopment Authority
MassDEP Western Regional Office
MassDOT District 2 Office
Massachusetts Department of Housing & Community Development
Ralph Slate, Springfield Historical Commission
Robert McCarroll, Springfield Preservation Trust
Deirdre Buckley, Massachusetts Environmental Policy Act Office
Maureen Cavanaugh, Epsilon Associates
Laura Rome, Epsilon Associates
Preservation Massachusetts
Carol Almeida, FHWA
Jaime Loichinger, ACHP
William J. Devlin
James A. Boone



Massachusetts Gaming Commission Request for Approval of Construction Schedule August 6, 2015



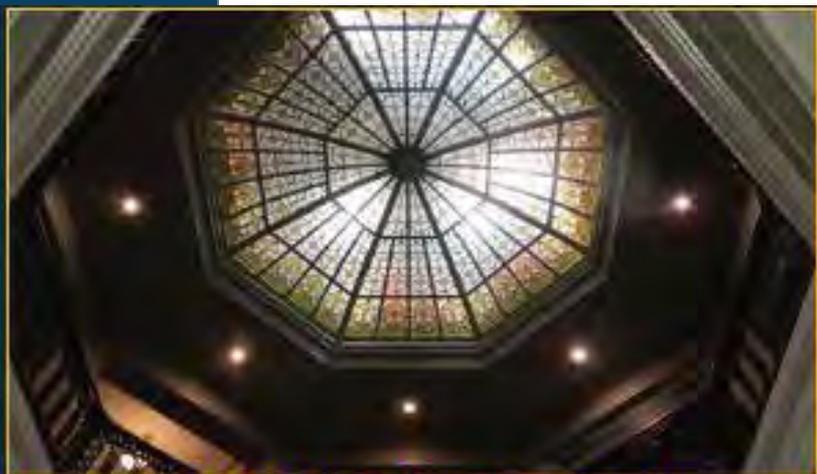
BELLAGIO® ARIA® VEGAS® MGM GRAND® THE SIGNATURE AT MGM GRAND® MANDALAY BAY® DELANO® LAS VEGAS® THE MIRAGE® MONTE CARLO® NEW YORK, NEW YORK®
LUXOR® EXCALIBUR® CIRCUS CIRCUS® LAS VEGAS® CIRCUS CIRCUS® RENO, NEVADA® SILVER LEGACY® RENO, NEVADA® BEAU RIVAGE® BILOXI, MISSISSIPPI®
GOLD STRIKE® TUNICA, MISSISSIPPI® MGM GRAND® DETROIT, MICHIGAN® MGM® NATIONAL HARBOR, MARYLAND® MGM® SPRINGFIELD, MASSACHUSETTS®
BORGATA® ATLANTIC CITY, NEW JERSEY® GRAND VICTORIA® ELGIN, ILLINOIS® MGM MACAU® CHINA® MGM GRAND® SANYA, CHINA® MGM® COTAL, CHINA®



Project Update: Renderings



Increased Historic Preservation Initiatives



73 State Street Dome preserved



YWCA Facade Emulated



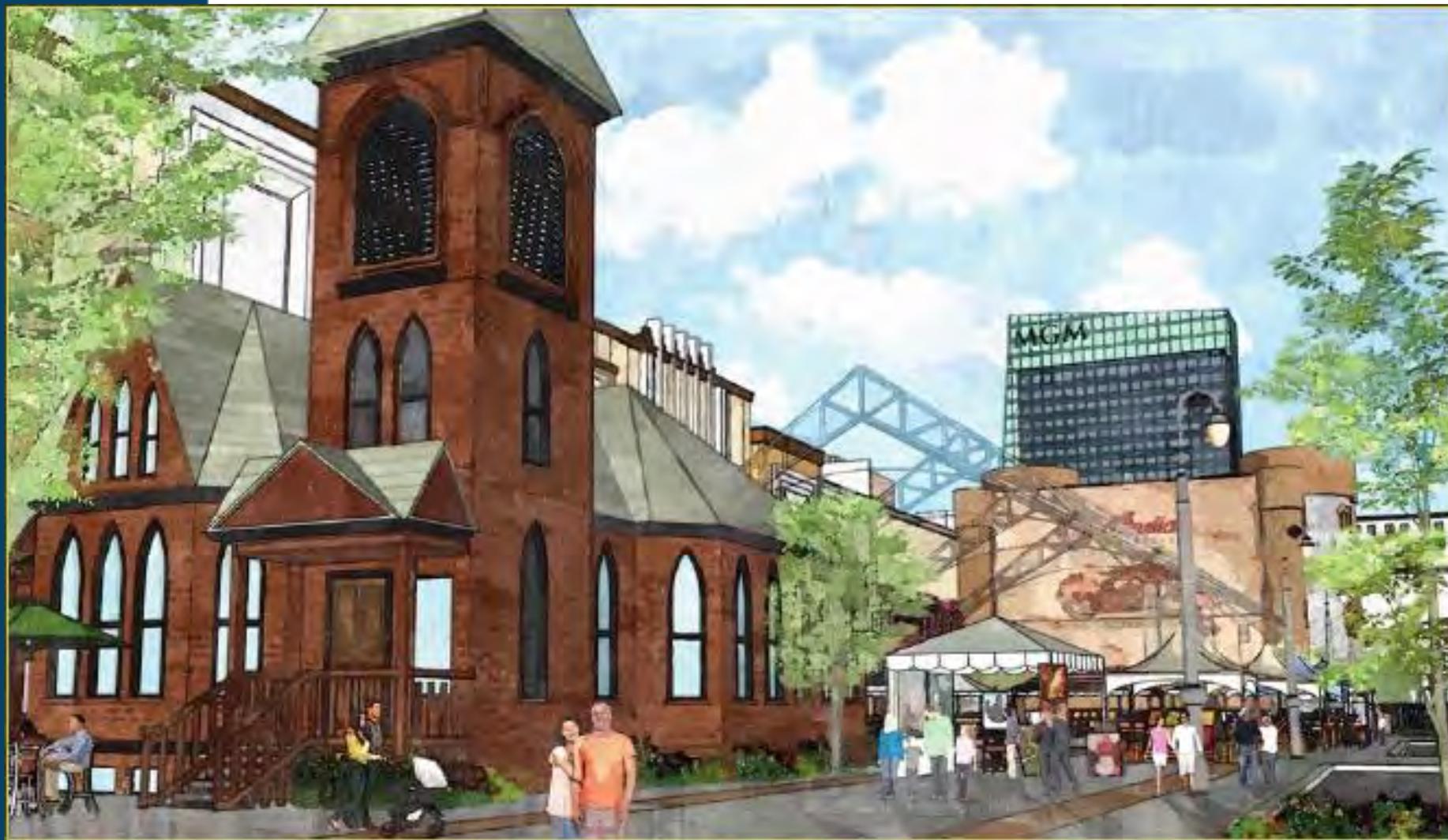
Church Retained by Armory Entertainment Block



101 State Facade protected along State & Main St.



Outdoor Market and Entertainment Plaza





95 State Street Coffee Shop





Improved Green Space On Pool Deck





Outdoor Employee Dining Room Area





Dedicated Residential Roof Deck





Project Schedule





Final Project Schedule

MGM Springfield seeks approval of:

(i) its Final Project Schedule as presented on June 25, 2015;

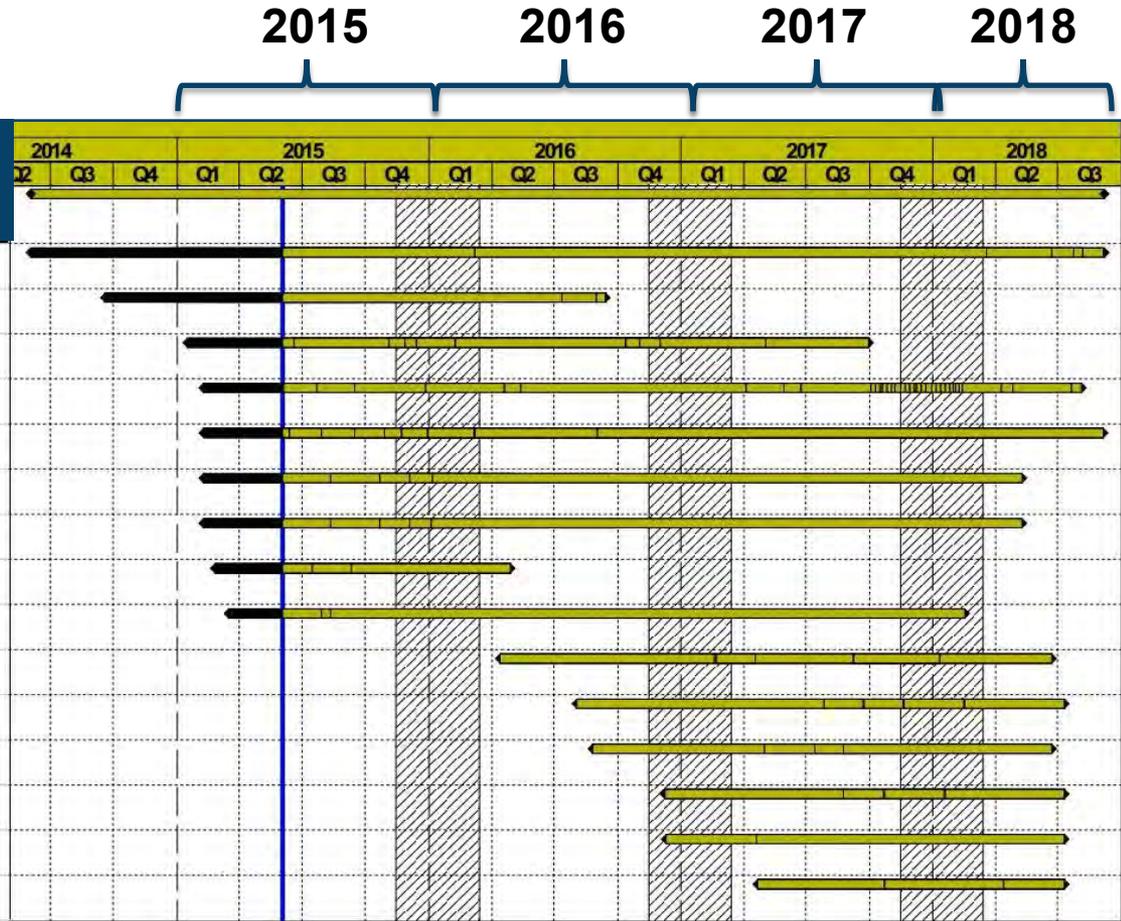
(ii) a date for commencement of the final stage of construction pursuant to G.L. c. 23K, § 10(a) of February 1, 2018 to coincide with the commencement of the construction of the retail buildout of the gaming establishment; and

(iii) a date on which the gaming licensee shall be approved to open for business pursuant to G.L. c. 23K, § 10(c) to be thirty (30) days following a construction completion date of either August 6, 2018 or the date on which the I-91 Viaduct Project achieves Full and Beneficial Use (as defined in MassDOT project documents), whichever occurs later.



MGM Springfield Level 1 Project Schedule

MGM Springfield 9/2018 Opening





Casinos Are Significantly Impacted by Traffic Access and Troubled Openings



HOST COMMUNITY AGREEMENT
BY AND BETWEEN
CITY OF SPRINGFIELD, MASSACHUSETTS
AND
BLUE TARP REDEVELOPMENT, LLC

(g) Any impacts to major modes of transportation to the Project Site, whether private or public, which adversely and materially impact access to the Project Site, including but not limited to, sustained and material closure of airports or sustained and material closure of highways servicing the Project Site.



Recent Examples of Troubled Openings

- East Chicago/Indiana Casinos
- Horseshoe Baltimore
- Baha Mar Casino & Hotel



East Chicago/Indiana Casinos

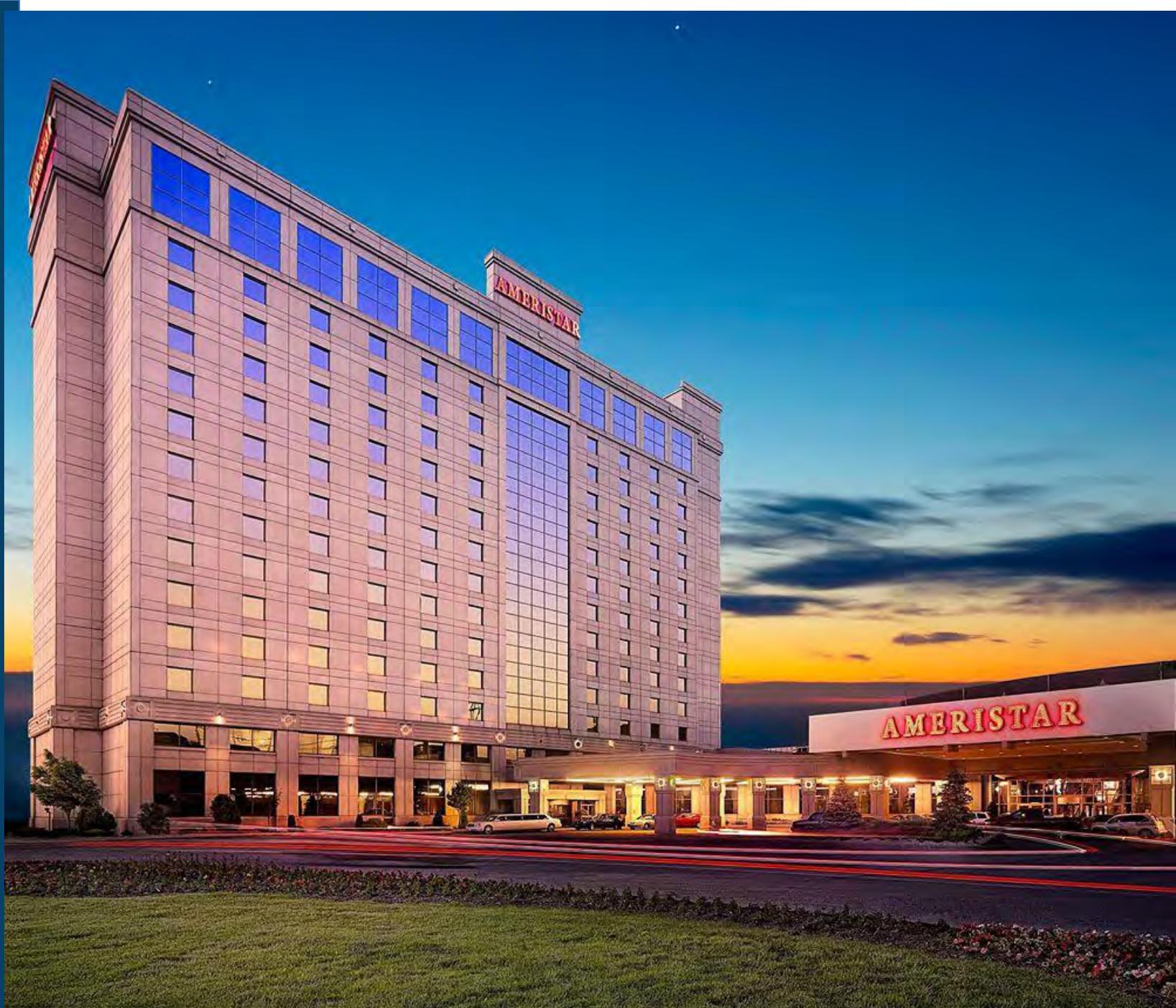


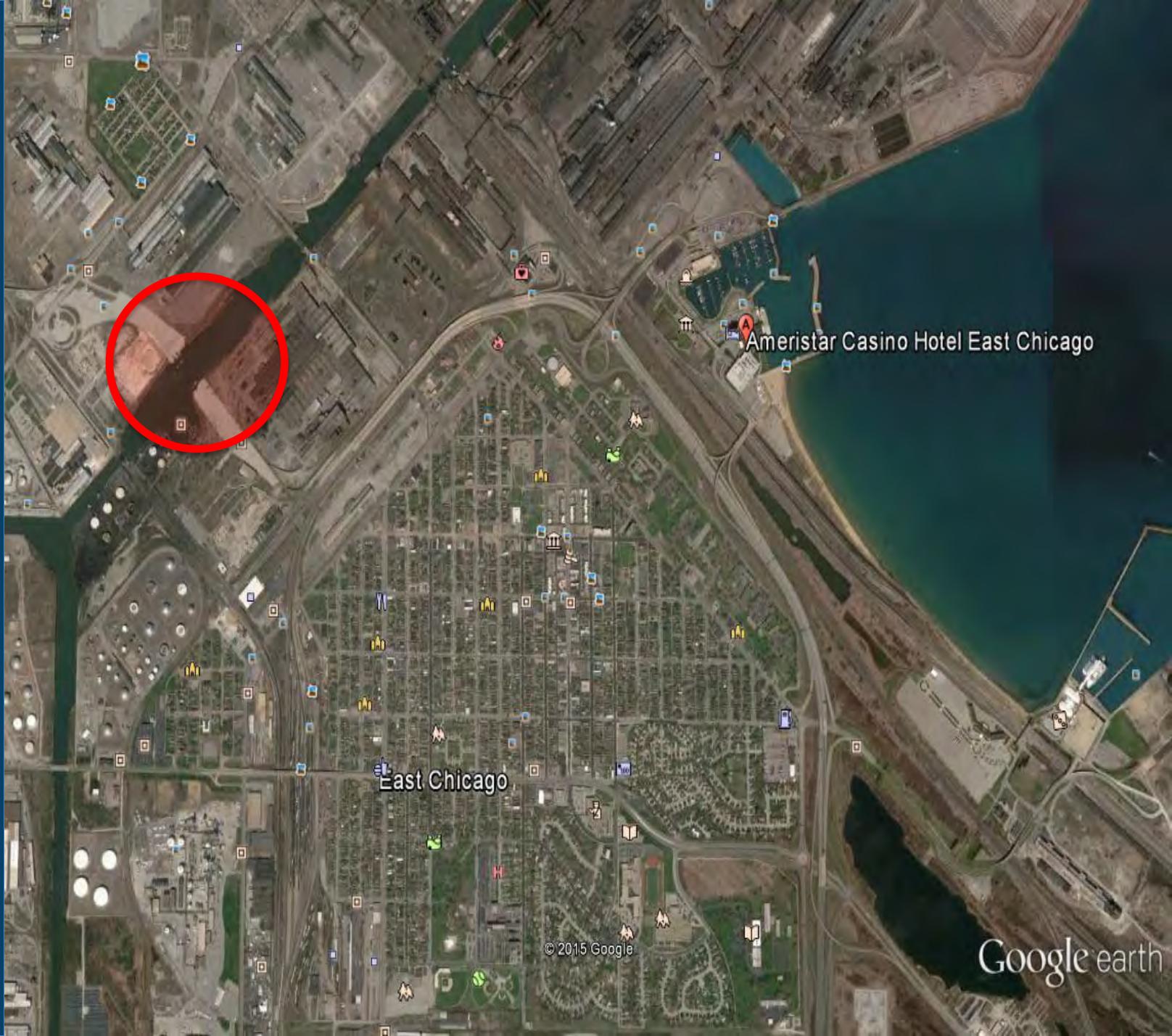




**25-minute drive from downtown Chicago
to Lake County, Indiana Casinos**

Image Landsat
© 2015 Google
Image NOAA





Ameristar Casino Hotel East Chicago

East Chicago

© 2015 Google

Google earth



Cline Avenue Bridge

- 1.7-mile stretch of Indiana State Road 912 connecting Chicago to Indiana casinos
- Cline Avenue Bridge carried 35,000 car trips per day
- In 2009, the elevated portion of the bridge was deemed unsafe due to deteriorating infrastructure
- \$150 million cost to rebuild was deemed too high, so the bridge permanently closed



7/18/2010 1:45:00 PM

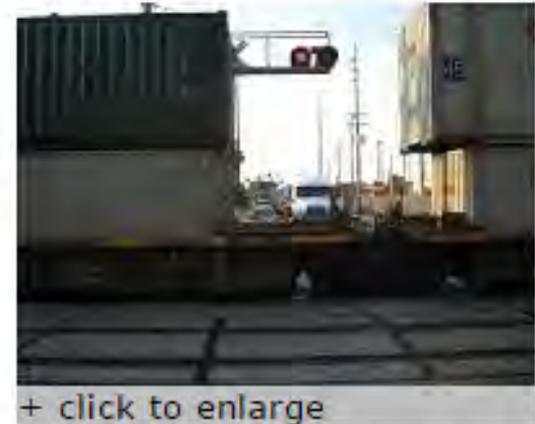
Cline closure puts some East Chicago intersections near breaking point

Keith Benman, Times of Northwest Indiana

Traffic in East Chicago has seen dramatic shifts since the closure of the Cline Avenue bridge, with some intersections near the breaking point at rush hour, according to a recently released study.

The Indiana Department of Transportation released the report this past week, lifting the veil on much of the reasoning behind its controversial April decision not to rebuild the bridge over the Indiana Harbor and Ship Canal.

The study estimates the cost of building a new Cline Avenue bridge at between \$150 million to \$160 million. Some local officials have said it would cost "north of" that figure, but INDOT would not release a figure when it announced its "non-bridge" option in April.



+ click to enlarge

Trucks and cars line up on the other side of a stopped train just northeast of the intersection of Dickey Road and Michigan Avenue on Friday morning. The number of vehicles per day using Dickey Road has soared from 3,610 before the Cline Avenue bridge closure to 17,224 recently.



MGM
SPRINGFIELD

INDIANA ECONOMIC DIGEST

Daily News on Business and Economic Events throughout Indiana

1/9/2010 2:49:00 PM

Cline Avenue bridge closing has slowed casino traffic, analyst says

Post-Tribune

By Karen Caffarini, Post-Tribune Correspondent

Last year on a whole was disappointing for the state's casino industry, and 2010 doesn't look much better, given the partial Cline Avenue closure and the anticipated continuing sluggish economy.

Analyst Ed Feigenbaum said Friday that December was the worst month revenue-wise for the five Lake Michigan boats in six years, and the worst month ever for Majestic Star II, formerly Trump Casino in Gary.

Specifically, the five Lake Michigan casinos' wins declined by \$3.5 million in December. "This was not a good month and there were no real weather problems," Feigenbaum said.

Larry Buck, general manager and senior vice president of Majestic Star Casinos in Gary, said he does not look at each boat separately, but combined, and he was not aware of Majestic Star II's record low month.

Buck said the biggest problem facing the two casinos is the perception that the casinos are inaccessible.

He said revenue from the casinos' regular customers are down only 4 percent, while those from non-regular customers are down 33 percent.



MGM
SPRINGFIELD

INDIANA ECONOMIC DIGEST

Daily News on Business and Economic Events throughout Indiana

8/4/2010 6:45:00 PM

Ameristar Casinos profit takes hit on Cline Avenue bridge closure

Keith Benman, Times of Northwest Indiana

Ameristar Casinos swung to a loss in the second quarter on a \$56 million non-cash impairment charge tied to its East Chicago casino.

The closing of the Cline Avenue bridge has had a larger-than-anticipated adverse impact on Ameristar East Chicago's financial performance, and that impact will continue for some time, Ameristar CEO Gordon Kanofsky told Wall Street analysts on a 10 a.m. conference call Wednesday.

"We can't instantly have a bridge appear, the way oil can magically disappear from the Gulf," Kanofsky told analysts, alluding to a government report that morning that 75 percent of the BP oil spill had disappeared from the Gulf of Mexico.

Ameristar Casinos suffered a first-quarter loss of \$24.9 million, or 43 cents per share, compared to a gain in net income of \$14.3 million, or 25 cents per share, in the first quarter of 2009.

Without the impairment charges, the company would have realized a gain of \$31.1 million for the quarter.

Ameristar Casinos stock was trading at \$15.39 per share, down 12 cents, at around noon Wednesday on the Nasdaq stock exchange.

The non-cash impairment charge on Ameristar East Chicago eliminates the remaining net book value of goodwill associated with the acquisition of the East Chicago property and reduces the carrying value of the property's gaming license to \$12.6 million.



AMERISTAR

CONTACT:

Tom Steinbauer
Senior Vice President, Chief Financial Officer
Ameristar Casinos, Inc.
(702) 567-7000

AMERISTAR CASINOS REPORTS THIRD QUARTER 2010 RESULTS

- ★ **Third Quarter Consolidated Net Revenues Hold Steady Year Over Year at \$299.6 Million**
- ★ **Strong Consolidated Adjusted EBITDA of \$81.2 Million and Adjusted EBITDA Margin of 27.1% Despite Low Table Games Hold at Several Properties**
- ★ **Ameristar Black Hawk Adjusted EBITDA Grew 38.3% (\$3.8 Million) Year Over Year, Benefiting from the New Hotel and Other Amenities**
- ★ **Continued Strengthening of Balance Sheet with \$59 Million in Third Quarter Debt Repayments for a Total of \$123 Million in Year-to-Date Repayments**

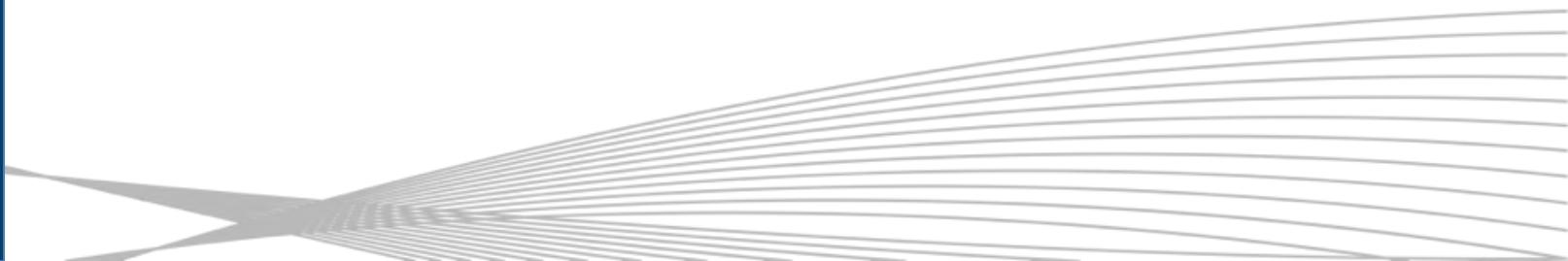
Third Quarter 2010 Results

The following factors impacted the comparison between the third quarters of 2010 and 2009:

- *East Chicago bridge closure.* The closure of the Cline Avenue bridge has made access less convenient for many of the property's guests. The closure resulted in decreases of \$4.6 million (7.7%) and \$2.5 million (24.3%) in the property's net revenues and Adjusted EBITDA, respectively, as compared to the prior-year third quarter. This is a substantial improvement from the second quarter of 2010, in which the property had year-over-year declines of \$17.5 million (25.6%) in net revenues and \$9.2 million (62.6%) in Adjusted EBITDA.



Horseshoe Baltimore



BaltimoreBrew

Horseshoe Casino revenues in May at lowest level since opening

Apparent beneficiary of Horseshoe's distress is Maryland Live, whose revenues soared last month

Mark Reutter | June 5, 2015 at 11:07 am | [Story Link](#) | 18



“Last summer, when Horseshoe was opening, city officials...were predicting that the new casino...would grab a large portion of business from Maryland Live. That proved illusory.

From the start of operations, Horseshoe’s revenues have been 35 – 40% below original projections.”

“The state agency did not identify a cause for the revenue decline, but anecdotal evidence suggests that the April 27 riot in West Baltimore has cast a shadow over local gaming, at least for the short run.”



Baha Mar Casino & Hotel



The world's glamorous, new playground.





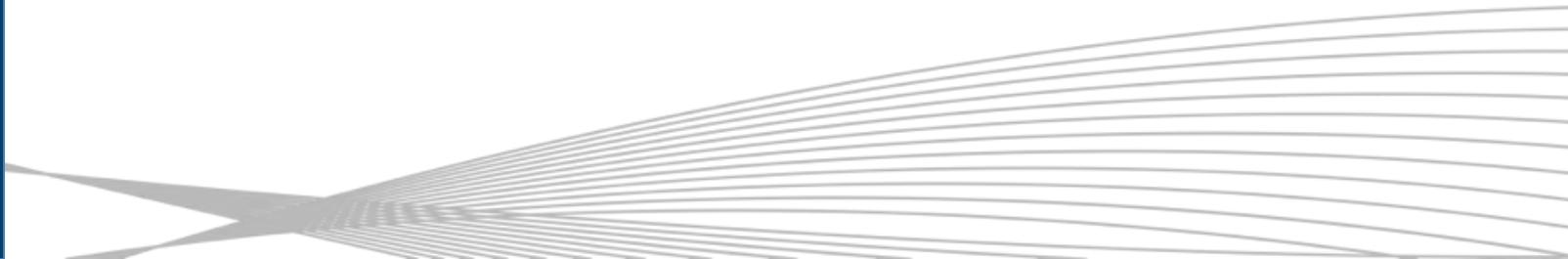
- HOME >
- NEWS
- GUESTS
- BAHA MAR CITIZENS (STAFF)
- VENDORS / SUPPLIERS
- COMMUNITY
- FILINGS
- CONTACT

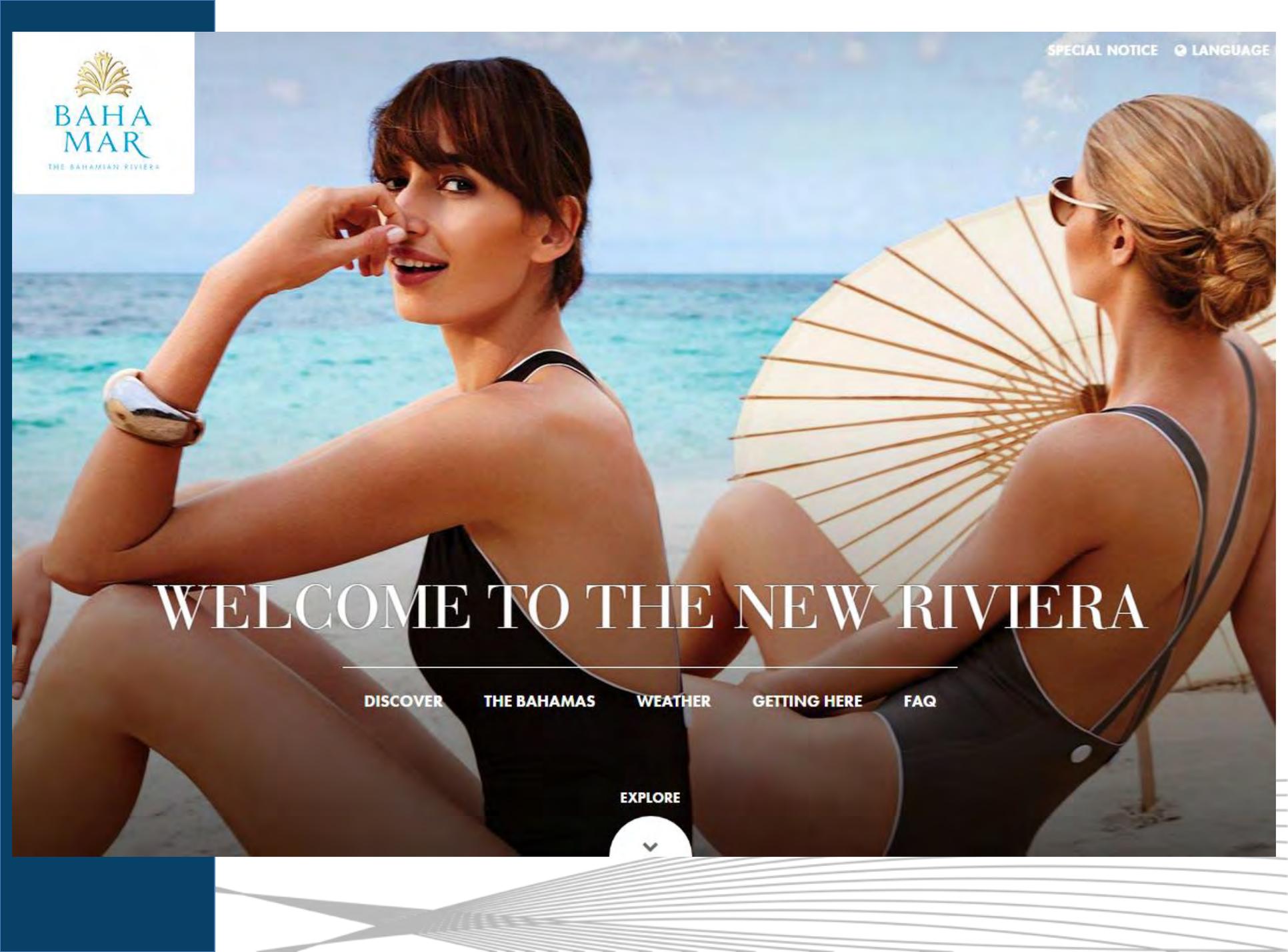
On June 29, 2015, Baha Mar Ltd., the developer of the Baha Mar resort, announced that, in order to complete construction and open Baha Mar as soon as practicable, Baha Mar Ltd., and entities associated with it, are voluntarily undertaking the process of Chapter 11 under the U.S. Bankruptcy Code.

The Baha Mar Board of Directors has determined that due to the financial consequences of the repeated delays by the general contractor, and the resulting loss of revenue, the Chapter 11 process is the best path to provide the time to put in place a viable capital structure and working relationships to complete construction and successfully open Baha Mar. The voluntary Chapter 11 filing has been made in the U.S. Bankruptcy Court for the District of Delaware.

We are committed to doing all we realistically can to move Baha Mar forward to be completed and opened successfully. We are confident that once opened, Baha Mar will be a world-class destination resort that will attract guests from around the world and serve as a key economic sparkplug in The Bahamas.

We have provided resources on this website for our stakeholders and will update this as we move through the process.





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BUSINESS

GENERAL

What is Baha Mar? 

How soon can I book? 

Baha Mar is now accepting reservations on our website www.bahamar.com and via our Reservations Center at 1.844.800.BAHA.

<https://www.bahamar.com/faq>

What hotel brands are located at the resort? 

What kinds of guests visit your properties? 

What is the best way to receive information about Baha Mar? 

The world's glamorous, new playground.



Baha Mar Lays Off 190 Hotel Workers

“Some 190 Bahamian workers are without a job just weeks before Christmas after they were terminated from the Crystal Palace hotel by Baha Mar yesterday.” (11/7/2014)



Terminated workers from the Crystal Palace hotel wait outside the Office of the Prime Minister on Cable Beach last night.

Baha Mar resort in Bahamas files for U.S. bankruptcy

JUNE 29 | BY TOM HALS



The developer of the \$3.5 billion Baha Mar resort in the Bahamas filed for [bankruptcy](#) in the United States on Monday and blamed its Chinese general contractor for missing its completion deadline, costing critical revenue.

The resort, which has delayed its opening that was scheduled for last year, features several hotels, gambling, convention space, a golf course and more than 40 restaurants and bars.

The bankruptcy filing will allow Baha Mar Ltd to borrow up to \$80 million, with approval by the U.S. Bankruptcy Court in Wilmington, Delaware.

"The general contractor repeatedly has missed construction deadlines," said a statement from Sarkis Izmirlian, the developer's chairman and chief executive officer. "Unable to open, the resort has been left without a sufficient source of revenue to continue our existing business."

In court documents, the company included board minutes that showed the directors discussed "possibly imminent proceedings" against China State Construction Engineering Corp Ltd, the parent of the general contractor China Construction America Inc or CCA.

The largest creditor of Baha Mar was CCA Bahamas Ltd, which was owed \$72 million for construction work, according to court documents. CCA Bahamas Ltd could not be contacted for a comment.

The massive complex was being developed a few miles from the 171-acre Atlantis resort that was developed by South African hotelier Sol Kerzner. A Brookfield Asset Management fund took control of Atlantis in a 2012 debt restructuring. (Reporting by Tom Hals in Wilmington, Delaware; Editing by [David Gregorio](#))

“Unable to open, the resort has been left without a sufficient source of revenue to continue our existing business.”



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Bahamar is it ever going to open?

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Paradise Island forums Search



phunzie Vancouver, B.C.

posts: 1,342 reviews: 20

Bahamar is it ever going to open?

May 08, 2015, 8:33 PM

I just checked their website. Are they now not opening until September? I thought it was suppose to be this month. Does anyone have any info. I was hoping to see it in October but starting to

question if it will be open then.

Atlantis must be thanking their lucky stars. I feel bad for all the on hold jobs.

Reply

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Paradise Island Harbour Resort All Inclusive 281 Reviews Show Prices
Paradise Island, New Providence Island
Comfort Suites Paradise Island 1,873 Reviews Show Prices
Paradise Island, New Providence Island
Atlantis - Harborside Resort 1,211 Reviews Show Prices
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Atlantis Coral Towers, Autograph Collection 1,764 Reviews Show Prices
Paradise Island, New Providence Island
Atlantis Royal Towers, Autograph Collection 3,858 Reviews Show Prices
Paradise Island, New Providence Island

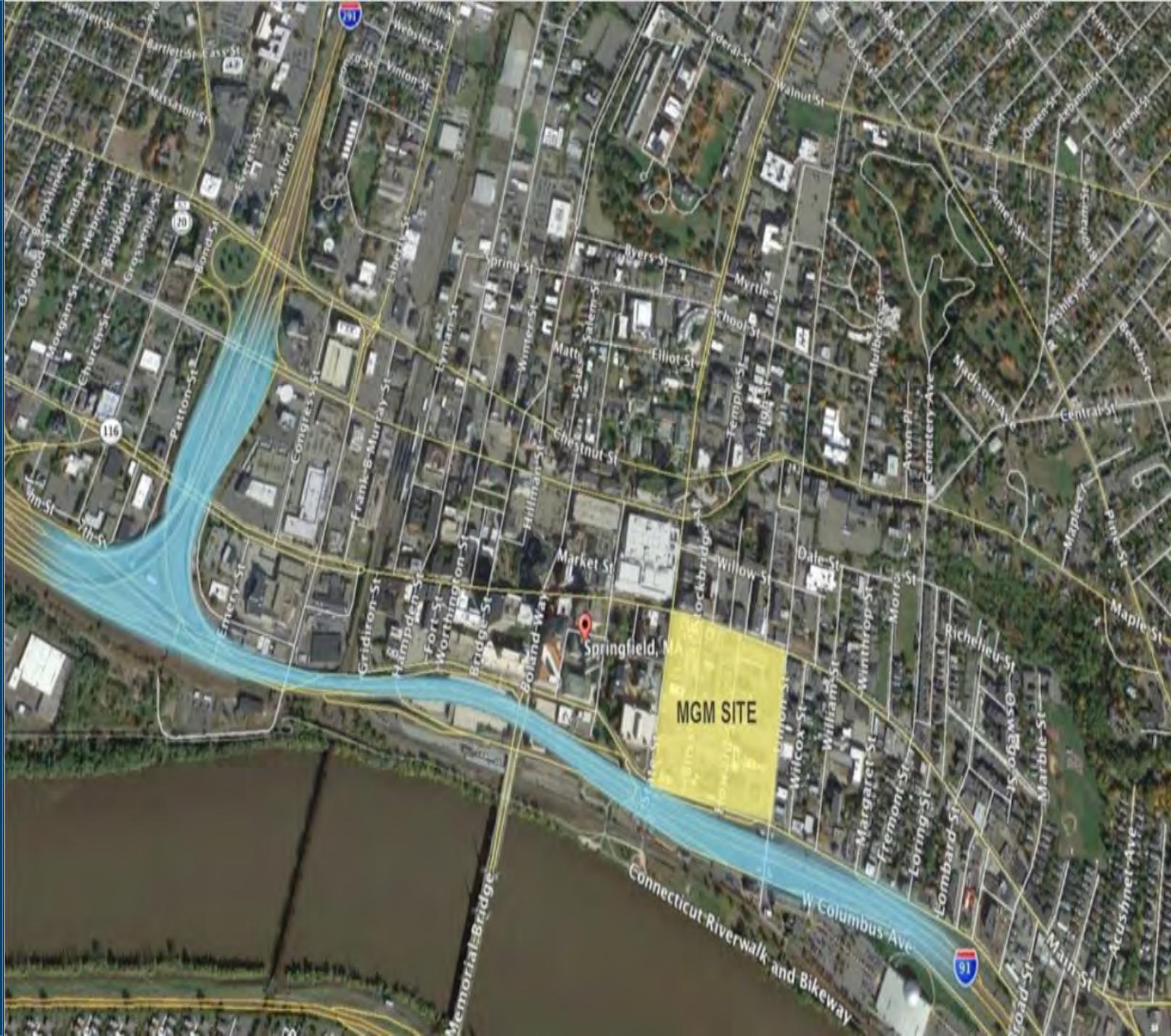


The Importance of the Viaduct Project Timeline to MGM's Timeline





MGM
SPRINGFIELD





MGM has continued to emphasize the importance of the Viaduct Project timeline to MGM's timeline.

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CHAIRMAN CROSBY: This -- you know, you're obviously much more attune to this than we but if given that the target date for the DOT project is May of '17 and you're planning to open on or around May of '17, I have a little heartburn that there is no slip time in there. I mean, I wouldn't want to stake my life on that May '17 success date.

MR. DANDRY: Actually, they had put spring '17 as far as the MassDOT schedule. But based on what we have seen and talked about, I expect it to be very early spring. So, we should have a few months of a buffer there.

One thing I mentioned earlier in the presentation is that consistent with other ABC projects that MassDOT is doing, they are extremely likely to put great incentives in place in the contract to stay on schedule or finish early.

-- exchange between Steve Crosby and Kevin Dandrade (MGC Hearing, 8/21/14)

1 building department, we need to get

2 certificates of occupancy. Hunter sent us a
3 note saying don't commit to this thing on the
4 schedule. We just want you to know this is a
5 date that we think we're going to pull our
6 certificates of occupancy.

7 It could be pushed out a little bit.
8 For example, if the viaduct is 30 days late we
9 may stutter step and be 30 days late with them
10 because we need to have those two projects
11 lined up perfectly.

-- *Chuck Irving briefing MGC (MGC Hearing, 9/25/14)*

11 MR. IRVING: I think as long as they
12 stay on the schedule that Michael O'Dowd the
13 head of the project has put on, we're going to
14 be fine. Michael's got his arms around on the
15 project. What would change our dates would be
16 awarding of the project.

17 Because right now Michael is
18 scheduled to finish his project really the same
19 month we are in September 2017. We're worried
20 that exit ramps may not be opened when we're
21 finished if they're not done on time. And we
22 can't open this giant facility without exit
23 ramps.

-- *Chuck Irving briefing MGC (MGC Hearing, 11/20/14)*



6 | major business area of the city. DOT informed
7 | the other day, that their schedule is now
8 | 2018, July. This is something that we all
9 | need to take -- pay a lot of attention to
10 | because it affects the exit ramps that abut
11 | the site. And the idea of opening the casino
12 | without exit ramps is a concern. John and I
13 | attended a meeting with DOT last week, and
14 | they assured us that that will not happen,
15 | which was good.

* * *

10 | works. As you know, MGM's visitors will spike
11 | the first month that we open. And so, the
12 | last thing we want to do is have a bad
13 | headline that goes with this opening.

14 | I can tell you that DOT is working
15 | hard with us on this. They fully acknowledge
16 | this issue, and they've been good to work
17 | with. But I think the results of that model
18 | that we put together, that we'll probably
19 | report to you within four to six weeks, will
20 | tell us whether we can open on that 2017 date
21 | or not.

-- *Chuck Irving briefing MGC (MGC Hearing, 3/15/15)*



Likewise, the MGC has continued to recognize the unexpected and serious impact of the Viaduct delays to MGM's Project.

3 we were thinking about. You know, that was
4 not what we were anticipating, and that's not
5 going to be as good for anybody. It's not
6 going to be as good for MGM. It's not going
7 to be as good for the city. It's not going to
8 be as good for the people who are trying to
9 get to the facility. It's not be as going to
10 be as good for the neighborhoods.

11 COMMISSIONER ZUNIGA: For the state.

12 CHAIRMAN CROSBY: For anybody. You

13 know so -- for the state who's trying to
14 maximize revenue. So, you know, again, I'm
15 sort of like Commissioner McHugh, I don't know
16 anything about this, but I don't think she
17 should accept anything as a given yet. I
18 think we ought to take all these things as
19 open issues and look at it -- look for
20 workarounds, look at it from the bottom up,
21 look from the top down. Think of every
22 possible way we can to ameliorate this
23 problem.

24 COMMISSIONER ZUNIGA: Right. Right.

*-- Commissioners
Crosby and Zuniga
(MGC Hearing,
3/15/2015)*



Looking Forward: I-91 Viaduct

- J.F. White will lead the I-91 viaduct rehabilitation project in Springfield, a structure originally built in the late 1960s.
 - **Original timeline has already been extended.** Timeline extension from 2016, to 2017, and now to 2018 under an accelerated schedule, or 2019 on a non-accelerated schedule
 - **Project plans call for complete ramp closures adjacent to MGM Springfield site.** Specifically, until Full Beneficial Use:
 - Reduction of travel lanes to two in each direction
 - Closure of Exits 6 and 7 on I-91 S
 - Closure of on-ramps to I-91 N from State and Union
 - **Contractual Deadline for Full Beneficial Use is August 6, 2018.** Contractor's aspirational target to take advantage of early completion incentives is December 14, 2017.



The failure of the Viaduct Project to achieve substantial completion by Summer 2017 will impact a successful opening of the MGM Project.

- Based on MGM's traffic analysis, it anticipates a substantial increase in traffic volumes on Columbus Avenues (E and W) between Plainfield St (US Route 20) and Main St as a result of the Viaduct detour routes. Specifically:
 - Multiple intersections along the corridors are anticipated to operate at degraded levels of service (LOS) of E or F, including, but not limited to:
 - West Columbus Avenue / Boland Way
 - West Columbus Avenue / State Street (anticipated to operate at LOS F)
 - West Columbus Avenue / Union Street
 - East Columbus Avenue / Boland Way
 - East Columbus Avenue / State Street
 - East Columbus Avenue / Union Street
 - Queues on the W Columbus Ave southbound approach to State St are anticipated to extend approx. 100+ feet beyond the upstream intersection with Boland Way, causing additional delay at Boland.
- **Once the Viaduct Project achieves substantial completion, these intersections are expected to operate at LOS B or C during opening conditions.**



Opening MGM Springfield under these traffic conditions is commercially unreasonable.

- **Initial site selection was heavily influenced by proximity to freeway.** MGM Springfield's Project Site was selected because of proximity to multiple highway ramps that provide quick and easy access and egress for the site.
- **The closure of multiple Viaduct ramps will impact approximately 70% of MGM's patrons under MGM Springfield's opening conditions,** which represent peak visitation levels. Closures would require MGM's patrons to utilize long and circuitous detour routes to travel between I-91 North, I-291 North and the MGM site.
- **An additional 11% of MGM's patrons would travel along designated detour routes** that would see substantial increases in traffic volumes due to these detours, increasing the delay experienced by these patrons.



Opening the project under these traffic conditions may lead to a significant loss of goodwill for MGM, the City of Springfield and the Gaming Commission.

- **Severe traffic congestion and resulting delays would result in a negative experience for MGM's patrons.** The anticipated traffic congestion and substantial delays would result in a negative experience for MGM's patrons inconsistent with the general standards for quality and customer service established and maintained at MGM's properties.
- **Loss of goodwill.** The attendant negative impact on residents and businesses in the City and surrounding communities would likewise result in significant loss of goodwill for MGM, the City and the Gaming Commission due to factors outside of the control of all of these parties.

Longfellow Bridge construction extended until late 2018

Disruptive traffic restrictions on the Longfellow Bridge will be extended by two years until about December 2018 because of complications associated with preserving the historic nature of the century-old structure, according to state transportation officials.

Under the new timeline, commuters will have to endure at least two additional years of traffic jams and interruptions of MBTA service on the vital link that connects Cambridge and Boston over the Charles River.

The delay, which the agency has not yet publicly announced, stretches to five years a project that had been originally estimated at three. Verseckes said the department will soon schedule meetings to notify the public about the new timeline.

The delay could eventually increase the initial \$255 million cost estimate to rebuild the span, but MassDOT has yet to estimate any cost overruns. If the costs do rise, officials say they could ask the contractor, JF White-Skanska-Consigli, to foot the bill.



JONATHAN WIGGS/GLOBE STAFF

- Boston Globe, 7/29/2015



Pre-Opening Requires Certainty on Opening Date



Risks to Construction Process

Construction and design teams require a known and certain opening date to efficiently procure/plan and implement the following:

- Design drawings and contracts
- Contract documents for trade and general contractors
- Procure long lead items (e.g., curtain wall, MEP equipment, steel)/Procure construction materials
- Procure/plan manpower labor and workforce hours
- Execute contracts with fixed pricing and scope that is agreed upon between owner and contractors

Construction and design teams must:

- Limit scope uncertainty/Finalize contractual documents required to begin work
- Convert owner risk into binding agreements with hard deadlines

Unacceptable conditions:

- Idling manpower and general conditions costs
- Offsite storage of materials that should have been installed in the building
- Start/stop cycles of construction work related to lack of regulatory approvals
- Renegotiation of trade subcontract awards
- Continued re-sequencing of work

Unknown risk factors in proposed schedule:

- Execution of historic MOA – 7 months longer than initially anticipated
- Manpower availability
- Site plan review process
- Section 61 findings



Risks to Third Parties

- Third parties
 - Tenants
 - Executives and employees
 - Convention guests
 - Entertainers
 - Hotel room reservations
- Marketing/Ad campaign launch

Risks to City Planners

- City/regional planning
 - Public safety equipment purchases
 - Fire/Police Academy staffing
 - Other city planning considerations
- MGC planning/staffing
 - Employee licensing
 - Vendor licensing

Risks to Vendors and Trainees

- Vendor preparedness
 - Specialty equipment orders (e.g., industrial dry cleaning machine)
 - Livery (limo/shuttle purchases)
- Training/MCCTI
 - Risk of students paying for training a year before a job is actually available



Risks of an Empty Building

- Damages/costs to MGM for an empty building:
 - Millions of dollars in fixed costs to operate an empty building
 - Millions of dollars more in stranded capital not producing revenue



Local Letters of Support for MGM Decision





CITY OF SPRINGFIELD LETTER OF SUPPORT

Press Release, Contact: Jim Leydon, Communications Director *[EXCERPTS]*

Springfield Submits Letter of Support for Amended MGM Springfield Project Schedule to Massachusetts Gaming Commission

June 25, 2015 –Springfield, MA– The City of Springfield has notified the Massachusetts Gaming Commission (“MGC”) of its position with regard to MGM Springfield’s proposed schedule for construction and opening of the MGC Category 1 licensed facility approved by Springfield voters as well as voters in a statewide referendum. MGM Springfield has requested that the MGC approve a schedule whereby construction is completed in August 2018, and an opening is set for September 2018....

...The City and MGM continue to discuss various project design changes. In part, project design changes are subject to finalization of certain project design matters by the Massachusetts Historical Commission (“MHC”).

In response, Mayor Sarno stated: “The City wishes to cooperate with the MGC and MGM Springfield to assure that the opening of the MGM Springfield development is successful for MGM Springfield, the City, and the Commonwealth of Massachusetts. I am satisfied that the City’s internal staff and its consultants have worked diligently to assure that the project continues to move forward with the best interests of the public in mind.”

The City’s Chief Development Officer, Kevin Kennedy stated: “While the reconstruction of the I-91 viaduct has been in the planning stages for quite some time, the detailed schedule has only recently been finalized. The full beneficial use of a reconstructed viaduct is important to economic activity in the region, and it is important that the MGM Springfield development schedule is coordinated with the MassDOT schedule for road reconstruction.”

City Solicitor Ed Pikula stated: “The Host Agreement provides for the flexibility to make adjustments as needed, and our discussions have resulted in a proposal that will be recommended for approval by the Mayor and City Council once all plans have been reviewed by the State and City.

“The full beneficial use of a reconstructed viaduct is important to economic activity in the region, and it is important that the MGM Springfield development schedule is coordinated with the MassDOT schedule for road reconstruction.”



SPRINGFIELD CHAMBER OF COMMERCE SUPPORT



AFFILIATED CHAMBERS OF COMMERCE OF GREATER SPRINGFIELD, INC.

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July 8, 2015

Mr. John Ziembra, Ombudsman
Massachusetts Gaming Commission
101 Federal Street, 23rd Floor
Boston, Massachusetts 02110

Dear John,

As you know, the Affiliated Chambers of Commerce of Greater Springfield (ACCGS) has been very involved throughout the entire process of the granting of a gaming license in Springfield, eventually granted to MGM Springfield. The Springfield Chamber of Commerce, one of the affiliate chambers, is written into the host city agreement between MGM Springfield and the City of Springfield in helping find qualified businesses in the city and the region to be vendors to MGM Springfield. Additionally, I serve on the Massachusetts Gaming Commissions (MGC) vendor advisory committee as a representative of the Massachusetts Association of Chamber of Commerce Executives (MACCE).

I mention all of this to just say I am well aware of most issues involved in getting a gaming facility up and running.

This letter is in support of the issue currently in front of the MGC and that is the granting of an extension to MGM Springfield as to the completion and opening of that facility. The major reason for this support, is another major project this chamber is involved in and that is the rehabilitation, and virtually the rebuilding, of the I-91 viaduct that runs through the city and serves as the front door of MGM Springfield.

Throughout discussions of this project, including a public forum a few weeks ago with the state and the contractor chosen, it has been clear that entrance ramps on and off of I-91 in both directions in the proximity of the MGM Springfield project will be closed for the duration of the rehabilitation work projected to be 30 – 36 months. Work on the road is scheduled to begin in mid to late October of this year.

Quite frankly John, we have not given up hope that both of these projects can be done quicker, but given the realities of the I-91 project as it now stands and from many meetings with the state, it seems unlikely that the work will be complete and those essential ramps reopened before the late summer of 2018 and that is why we are supporting the request of MGM/ Springfield for a delay in their opening.

While we are excited to have those 3000 much needed jobs filled and people working, and the visitors to our area come in for this attraction and all else we have to offer, we also need the MGM Springfield project to be sustainable for many decades to come and we believe a proper, uninterrupted opening is essential to that happening.

Thank you for your consideration of this request and as always, if you have any questions please do not hesitate to contact me.

Sincerely,

Jeffrey S. Ciuffreda, President
Affiliated Chambers of Commerce of Greater Springfield

“We...need the MGM Springfield project to be sustainable for many decades to come and we believe a proper, uninterrupted opening is essential to that happening.”



SPRINGFIELD UNITED WAY LETTER OF SUPPORT

July 8, 2015

John Ombudsman
Massachusetts Gaming Commission
101 Federal Street, 23rd Floor
Boston, MA 02110

Gentlemen:

As you are aware, MGM Springfield has a pending request to the Massachusetts Gaming Commission to approve its revised construction schedule which ties their construction completion and opening date to the Substantial Completion Date of the Viaduct Rehabilitation Project, currently to the Fall of 2018.

Substantial Completion has been defined by MassDOT and the highway contractor as the date by which the relevant interchange ramps will be reopened to the public. United Way of Pioneer Valley is fully supportive of this project based upon the importance of this infrastructure to this project and all of the stakeholders in our area.

While we are disappointed with the delay, we believe it is the right decision for not only our long term business, customers, and employees, but also for the residents and businesses of Springfield and the surrounding communities, who will be experiencing disruptions to their commute times based upon this very important work.

United Way of Pioneer Valley supports MGM's decision to revise their construction schedule.

Sincerely,

Dora D. Robinson
President & CEO

“We believe [the delay] is the right decision for not only our long term business, customers, and employees, but also for the residents and businesses of Springfield, who will be experiencing disruptions to their commute times...”



GREATER SPRINGFIELD CVB LETTER OF SUPPORT



July 8, 2015

Mr. John Ziemba, Ombudsman
MA Gaming Commission
101 Federal Street, 23rd Floor
Boston, MA 02110

Dear Mr. Ziemba:

I am writing today on behalf of the Greater Springfield Convention and Visitors Bureau, the designated Regional Tourist Council for Hampden County.

My purpose is to express our support for MGM Springfield's request of the Massachusetts Gaming Commission for approval of a revised construction schedule, which will allow the new casino to open upon completion of the I-91 Viaduct Rehabilitation Project in the fall of 2018.

We eagerly await the completion of this exciting new visitor attraction in Western MA. At the same time we are mindful of the overall guest experience we provide; both new and returning visitors to our region deserve the best possible experience. And so, we feel that opening the doors of the new MGM Springfield when the highway construction project is complete - and access is optimized - makes the most sense. We want guests to be delighted with their time spent in our region, and having ease of access to all our attractions is vitally important to delivering such satisfaction.

We respectfully ask that you grant MGM Springfield's request for a fall 2018 opening.

Please don't hesitate to contact me directly at [413-755-1372](tel:413-755-1372) if you have any questions or need additional information.

Sincerely,

Mary Kay Wydra
President

CC: Michael Hurwitz, GSCVB Chairman
Michael Mathis, MGM Springfield President

“We feel that opening the doors of the new MGM Springfield when the highway construction project is complete – and access is optimized – makes the most sense. We want guests to be delighted with their time spent in our region, and having ease of access to all our attractions is vitally important to delivering such satisfaction.”



SMALL BUSINESS AND NEIGHBOR SUPPORT (Red Rose Pizza TV interview)

<http://www.westernmassnews.com/story/29290371/mgm-may-delay-casino-opening-until-2018>

PLAY VIDEO CLIP

“I think it only makes sense to open a casino at the same time the viaduct is finished. It just makes sense, it goes hand in hand.”



Massachusetts Gaming Commission Request for Approval of Construction Schedule August 6, 2015



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SORTED BY SOURCE DOCUMENT								2015												2016												2017												2018												2019									
ORD	SOURCE DOCUMENT	SOURCE DOCUMENT DATE	TAB	PROJECTED START / NTP	I-91 PROJECTED MS-3 EARLY	I-91 PROJECTED MS-3 LATE	PROJECTED SUBSTANTIAL COMPLETION	PROJECTED DURATION TO SC (MOs)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL		
1	MGM LICENSE TO OPERATE	11/7/2014	3	10/1/2014			12/31/2016	27	[Green]																																																								
2	MGM FEIR	12/31/2014	4	2/1/2015		1/1/2017	9/30/2017	32	PHASE 1 = 5 MOS					PHASE 2 = 9 MONTHS					PHASE 3 = 9 MONTHS					G	PHASE 4 = 9 MONTHS																																								
2	MGM FEIR	12/31/2014	4	4/1/2015			8/30/2017	29	[Pink]																																																								
	I-91 ORIGINAL BID DOCS								[Pink]																																																								
3	I-91 ADDENDA NO. 2	2/20/2015	5	4/30/2015	1/20/2018	1/15/2019	7/27/2019	51	[Pink]																																																								
5	I-91 ADDENDA NO. 6	3/13/2015	5	5/14/2015	1/31/2018	7/30/2018	10/30/2018	42	[Pink]																																																								
6	I-91 ADDENDA NO. 8	3/27/2015	5	5/14/2015	1/31/2018	7/30/2018	10/30/2018	42	[Pink]																																																								
7	I-91 ADDENDA NO. 11	4/10/2015	5	5/21/2015	2/7/2018	8/6/2018	11/5/2018	42	[Pink]																																																								
11	I-91 WHITE - SCHIAVONE-AS SUBMITTED BASELINE	7/2/2015	8	5/21/2015	12/14/2017	8/6/2018	11/5/2018	42	[Pink]																																																								
4	MGM ORIGINAL BASELINE	2/26/2015	6	9/19/2014	1/22/2015	9/13/2016	10/20/2017	38	P	[Green]																																			G																				
8	MGM ORIGINAL BASELINE WITH INITIAL PERMIT HIT	7/1/2015	6	9/19/2014	8/17/2015		2/23/2018	42	[Green]																																				P	P	P	P																	
9	MGM ORIGINAL BASELINE WITH INITIAL & ADDITIONAL PERMIT HIT	7/1/2015	6	9/19/2014	8/17/2015		6/30/2018	46	[Green]																																				P	P	P	P	P+	P+	P+	P+													
10	MGM REVISED BASELINE	7/1/2015	7	9/19/2014	8/17/2015	4/27/2017	9/5/2018	48	[Green]																																				P	P	P	P	G	P	P	P	P	P+	P+	P+	P+	ADDITIONAL TIME FOR I-91							

SORTED CHRONOLOGICALLY								2015												2016												2017												2018												2019									
ORD	SOURCE DOCUMENT	SOURCE DOCUMENT DATE	TAB	PROJECTED START / NTP	I-91 PROJECTED MS-3 EARLY	I-91 PROJECTED MS-3 LATE	PROJECTED SUBSTANTIAL COMPLETION	PROJECTED DURATION TO SC (MOs)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL		
1	MGM LICENSE TO OPERATE	11/7/2014	3	10/1/2014			12/31/2016	27	[Green]																																																								
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2	MGM FEIR	12/31/2014	4	4/1/2015			8/30/2017	29	[Pink]																																																								
3	I-91 ADDENDA NO. 2	2/20/2015	5	4/30/2015	1/20/2018	1/15/2019	7/27/2019	51	[Pink]																																																								
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5	I-91 ADDENDA NO. 6	3/13/2015	5	5/14/2015	1/31/2018	7/30/2018	10/30/2018	42	[Pink]																																																								
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9	MGM ORIGINAL BASELINE WITH INITIAL & ADDITIONAL PERMIT HIT	7/1/2015	6	9/19/2014	8/17/2015		6/30/2018	46	[Green]																																				P	P	P	P	P+	P+	P+	P+													
10	MGM REVISED BASELINE	7/1/2015	7	9/19/2014	8/17/2015	4/27/2017	9/5/2018	48	[Green]																																				P	P	P	P	G	P	P	P	P	P+	P+	P+	P+	ADDITIONAL TIME FOR I-91							
11	I-91 WHITE - SCHIAVONE-AS SUBMITTED BASELINE	7/2/2015	8	5/21/2015	12/14/2017	8/6/2018	11/5/2018	42	[Pink]																																																								

LEGEND	[Green]	MGM SPRINGFIELD CASINO SCHEDULE
	[Pink]	WHITE - SCHIAVONE I-91 VIADUCT SCHEDULE
	G	GARAGE PARKING AVAILABLE FOR CASINO CONSTRUCTION WORKERS
	P	CRITICAL PERMITS / INITIAL PERMIT IMPACTS
	P+	ADDITIONAL IMPACTS



MEMO

DRAFT FOR DISCUSSION PURPOSES ONLY

Date: August 5th, 2015

To: Commissioner Enrique Zuniga, Massachusetts Gaming Commission

From: Rob Scarpelli/Lyle Hall/Katia Muro

Re: Impact of the Interstate-91 Viaduct Rehabilitation Project on the Springfield/MGM Casino (the "Casino")

You have asked for our comments on the potential impact of the Interstate-91 Viaduct Rehabilitation Project (the "I-91 Project") on the opening of the Springfield Casino. The request is made in light of MGM's desire to delay construction so that the Casino would not open until after completion of the I-91 Project. This memo addresses potential traffic impacts and related visitation and revenue issues.

1. CONTEXT

In July 2014, MGM was awarded a licence to develop and operate a Category 1 casino in Springfield. The ground-breaking ceremony took place at the end of March 2015 with the Casino slated to open in the fall of 2017 (roughly a 30-month construction period).

MGM has recently raised the prospect of delaying the start of Casino construction so that the Casino opening would follow completion of the I-91 Project. MGM is concerned that access/egress issues created by the I-91 Project could have a negative impact on the successful launch/opening of the Casino. Preliminary Massachusetts Department of Transportation estimates suggest that the I-91 Project would be completed sometime between December 2017 and August 2018. MGM is proposing a September 2018 opening date for the Casino.

2. THE I-91 VIADUCT REHABILITATION PROJECT

The I-91 project involves replacing the bridge deck of the existing viaduct from the vicinity of the I-291 interchange ramps to south of State Street.

The I-91 Project will create several traffic issues including lane reductions as well as closure of several access ramps, including:

- Lanes will be reduced from three to two travel lanes during the construction period on both directions. Note: a segment of I-91 just north of the I-291 consists of only two travel lanes. During construction, this segment of the I-91 will be reduced to one travel lane;
- Southbound Off-Ramp: Exit 7 – north of Memorial Bridge/Downtown Springfield;

- Southbound Off-Ramp: Exit 6 – Union Street;
- Northbound On-Ramp: Exit 7 State Street; and
- Northbound On-Ramp: Exit 6 Union Street.



Motorists travelling southbound from points north of the I-291 interchange will be most affected given closure of the off ramps.

3. IMPACT ON VISITORS TO THE CASINO VIA I-91

Interstate 91 will serve as one of several primary access and egress roads to and from the proposed Casino. According to MGM's traffic study, southbound Exits 6 and 7 will serve as primary access points for patrons from the north. These two exits will be closed during I-91 rehabilitation. Northbound Exits 5 and 6 serve as primary access points for patrons from the south. Exits 5 and 6 are outside the I-91 project limits and are not planned to be subject to closures during I-91 construction.

MGM's RFA-2 submission included information on the distribution of trips to and from the site by major routes and customer's place of origin. As part of the RFA-2 assessment, HLT analyzed potential Casino trip distribution data based by approximate drive-times. This analysis looked at travel times of up to 30 minutes, between 30 and 60 minutes and over 60 minutes. (In the detailed RFA-2 market analysis the >60 minute travel time was looked at in more detail, but such refinement is not necessary for the I-91 Project analysis).

I-91 Southbound

A summary of estimated visitor/trip distribution to the Casino by drive time is presented in the following table.

Entering Trip Distribution - Gravity Model: Springfield/MGM Casino								
I-90 Southbound Traffic to Site								
	Exit 7	Exit 7 via I-90	Exit 6	Exit 6 via I-90	I-291 via I-90 Exit 6	Subtotal I-91 Southbound	All Other Routes	Total Traffic
As % of Total Trips								
Within 30-Minutes	5.70%	0.02%	2.63%	0.01%	3.15%	11.51%	44.08%	55.59%
30 to 60-Minutes	2.45%	0.19%	1.13%	0.09%	2.29%	6.15%	19.87%	26.02%
Beyond 60-Minutes	5.83%	2.69%	0.20%	0.09%	4.59%	13.40%	5.02%	18.42%
Total Trips to Site	13.98%	2.90%	3.96%	0.19%	10.04%	31.06%	68.97%	100.03%
As % of Total Trips by Area								
Within 30-Minutes	10.25%	0.04%	4.73%	0.02%	5.67%	20.70%	79.30%	100.00%
30 to 60-Minutes	9.42%	0.72%	4.35%	0.33%	8.82%	23.65%	76.35%	100.00%
Beyond 60-Minutes	31.66%	14.60%	1.06%	0.49%	24.92%	72.73%	27.27%	100.00%
Total Trips to Site	13.98%	2.90%	3.95%	0.19%	10.03%	31.05%	68.95%	100.00%

Source: HLT Advisory Inc. based on information from MGMs Submission, Appendix B-11: Trip Distribution Gravity Model

Based on this trip distribution data, approximately 30% of all trips will access the Casino via I-91 southbound using Exits 6 or 7. Given the distribution of trips to the Casino site by drive-time, the following can be concluded:

- Casino visitors living closer to the Casino account for a higher proportion of all trips. For example, areas within approximately 30 minutes are expected to account for about 56% of all trips, areas within 30 to 60 minutes for another 26%, while areas beyond 60 minutes for the remaining 18% of the trips.
- I-91 is expected to be a primary access route to the Casino from areas located beyond 60 minutes. For example, about 73% of all trips generated from areas beyond 60 minutes are expected to access the Casino site via I-91 southbound.

These same customers will be affected when returning to their point of origin as the on-ramps at State and Union streets will be closed necessitating an alternative access route (see table below).

Exiting Trip Distribution - Gravity Model: Springfield/MGM Casino							
I-90 Northbound Traffic from Site							
	On-Ramp at Union St.	On-Ramp North of State St.	I-291 from I- 91 On-Ramp at Union St.	I-291 from I- 91 On-Ramp North of State St.	Subtotal I-91 Northbound	All Other Routes	Total Traffic
As % of Total Trips							
Within 30-Minutes	1.8%	7.0%	0.5%	2.9%	12.18%	43.4%	55.6%
30 to 60-Minutes	0.8%	3.0%	0.4%	2.1%	6.26%	19.5%	25.7%
Beyond 60-Minutes	1.8%	7.2%	0.8%	4.2%	13.94%	4.2%	18.1%
Total Trips to Site	4.3%	17.2%	1.7%	9.2%	32.38%	67.0%	99.4%
As % of Total Trips by Area							
Within 30-Minutes	3.2%	12.6%	0.9%	5.2%	21.9%	78.1%	100.0%
30 to 60-Minutes	2.9%	11.7%	1.5%	8.2%	24.3%	75.7%	100.0%
Beyond 60-Minutes	9.9%	39.6%	4.2%	23.2%	77.0%	23.0%	100.0%
Total Trips to Site	4.3%	17.3%	1.7%	9.3%	32.6%	67.4%	100.0%

Source: HLT Advisory Inc. based on information from MGMs Submission, Appendix B-11: Trip Distribution Gravity Models

A detailed breakdown of these calculations is provided in Schedule 1 (visitors entering the Casino) and Schedule 2 (visitors exiting the Casino) attached to this memo.

I-91 Northbound

In addition, another 30% of all trips are expected to access the casino via I-91 northbound using Exits 6 and 5 - both exits are located south of the I-91 project limits and will not be subject to closures during the I-91 project construction period. I-91 northbound traffic to the casino could however be impacted due to traffic congestion resulting from travel lane reductions just north of Exits 5 and 6. We assumed that this increased in traffic congestion would not have a significant impact on casino visitation.

Entering Trip Distribution - Gravity Model: Springfield/MGM Casino					
I-90 Northbound Traffic to Site					
	Exit 6	Exit 5	Subtotal I-91 Northbound	All Other Routes	Total Traffic
<i>As % of Total Trips</i>					
Within 30-Minutes	10.40%	2.60%	13.00%	42.59%	55.59%
30 to 60-Minutes	12.75%	3.19%	15.94%	10.08%	26.02%
Beyond 60-Minutes	0.96%	0.24%	1.20%	17.22%	18.42%
Total Trips to Site	24.11%	6.03%	30.14%	69.89%	100.03%
<i>As % of Total Trips by Area</i>					
Within 30-Minutes	18.70%	4.68%	23.38%	76.62%	100.00%
30 to 60-Minutes	49.00%	12.25%	61.25%	38.75%	100.00%
Beyond 60-Minutes	5.22%	1.31%	6.53%	93.47%	100.00%
Total Trips to Site	24.10%	6.03%	30.13%	69.87%	100.00%
Source: HLT Advisory Inc. based on information from MGMs Submission, Appendix B-11: Trip Distribution Gravity Model.					

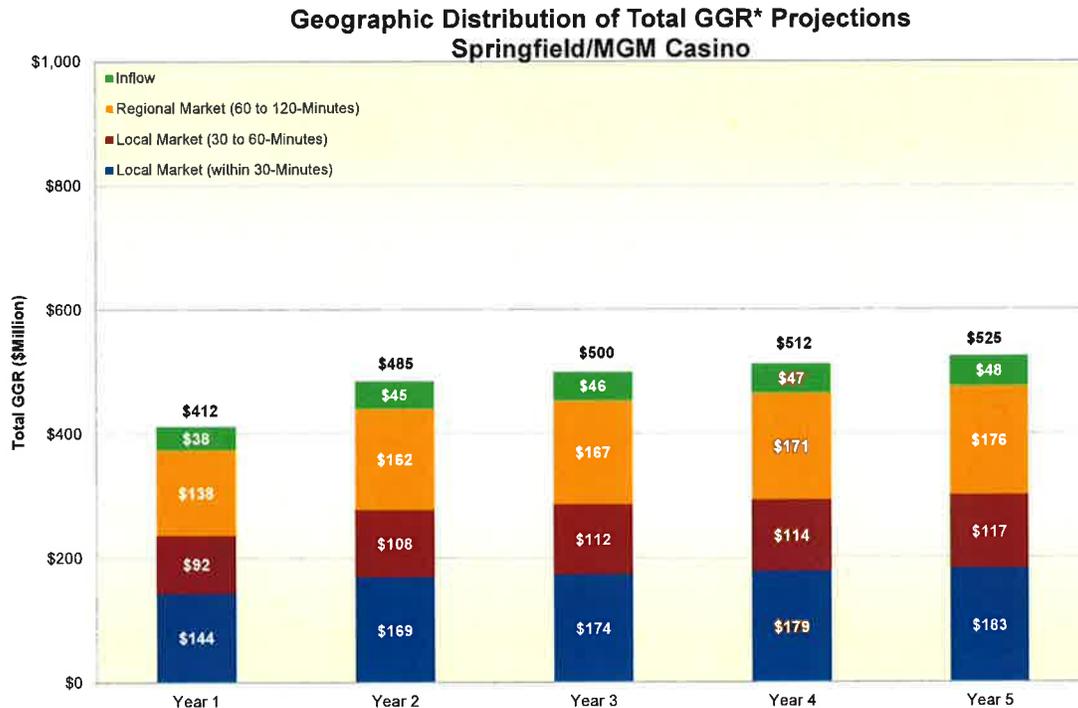
4. CASINO REVENUES BY VISITOR ORIGIN

The financial projections submitted by MGM in the RFA-2 application estimated Casino gaming revenue of \$412 million during the first full year operation, increasing to \$500 million by Year 3 (stabilized year of operations) and to \$525 million by Year 5. Although MGM based their projections on a market assessment conducted by Union Gaming (included in the RFA-2 submission), the projections actually submitted by MGM were more conservative than those projected by Union Gaming (\$506 million in Year 1 growing to \$574 million in the stabilized year).

The Union Gaming report estimated gaming revenue by travel time (i.e., up to 30 minutes, between 30 and 60 minutes and over 60 minutes). For the purpose of identifying potential impact of the I-91 Project on Casino revenue, we used the percentage of revenue Union Gaming ascribed to each drive time band and applied this to the MGM revenue estimates for the first five years of operation.

Revenues from visitors within the 30-minute travel time band account for about 35% of total revenue, while those in the 30- to 60-minutes band generate 22% and over 60 minutes some 34%. Inflow visitors (those visiting the Casino while in Springfield for another purpose such as attending events at the MassMutual Centre, Hall of Fame, etc.) comprise the remaining 9%.

The estimated revenue allocation by travel time bands are illustrated in the chart below.



Source: HLT Advisory Inc. based on information from MGM's Submission
 * Gaming Revenues or GGR is net of free play. Geographic Distribution of GGR based on the market assessment prepared by Union Gaming.
 Note: MGM's financial projections are more conservative than the market assessment estimates prepared by Union Gaming Analytics.

5. POTENTIAL IMPACT OF I-91 PROJECT ON CASINO REVENUE

To calculate the potential impact of the I-91 Project on Casino revenue, HLT have assumed that all visitors accessing the casino site via I-91 southbound (Exit 6 and 7) will opt not to visit the casino given I-91 construction-related traffic issues. Specifically,

- Visitors from within the 30-minute travel time band are expected to generate \$144 million (about 35% of gaming revenue in Year 1). Of these, some 20.7% are expected to travel via I-91 southbound. Assuming all 20.7% elect not to visit the casino, gaming revenue is expected to decline by 20.7% or \$29.8 million.
- Visitors from areas between 30 and 60-minutes are expected to generate \$92.0 million (or about 22% of gaming revenue in year one). Of these visitors, 23.6% are expected to travel via I-91 southbound. Assuming all 23.6% elect not to visit the casino, gaming revenue is expected to decline by 23.6% or \$21.8 million. and
- Visitors from areas beyond 60-minutes are expected to generate \$138.1 million (or about 33.5% of gaming revenue in year one). Of these visitors, 72.7% are expected to travel via I-91 southbound. Assuming all 72.7% elect not to visit the casino, gaming revenue is expected to decline by 72.7% or \$100.4 million.

- In addition, all other gaming revenue (i.e., inflow) is being assumed to decline by 30% due to I-91 construction-related traffic issues (about 30% of total casino visitors/trips is estimated to use I-91 southbound to access the casino).

The following table summarizes the potential revenue decline, by travel band, for Year 1 of casino operations.

Impact of I-91 Project on Springfield/MGM Casino (Year 1 GGR)					
Gaming Revenues by Areas	MGM's Financial Projection		Impact in Year 1 GGR due to I-91 Project		
	% Dist.*	Year 1	% Decline**	Year 1	\$ Decline
Market Area					
Local Market (within 30-Minutes)	34.9%	\$144.0	-20.7%	\$114.2	-\$29.8
Local Market (30 to 60-Minutes)	22.3%	\$92.1	-23.6%	\$70.3	-\$21.8
Regional Market (60 to 120-Minutes)	33.5%	\$138.1	-72.7%	\$37.7	-\$100.4
Total from Market Area	90.8%	\$374.2	-40.6%	\$222.1	-\$152.0
Total Other GGR (Inflow)***	9.2%	\$38.1	-30.0%	\$26.7	-\$11.4
Total GGR	100.0%	\$412.2	-39.6%	\$248.8	-\$163.4

Source: HLT Advisory Inc. based on information from Union Gaming Analytics, MGM Resorts International, Springfield Market Study - Appendix Update, November 2013, MGM's Submission, Appendix B-11: Trip Distribution Gravity Models and HLT estimates.
 * % Distribution of Year 1 GGR based on information from Union Gaming market assessment.
 ** % decline in GGR from the I-91 Project estimated based on the % of trips to the casino site via I-91 (using Exits 6 & 7) - MGM's trip distribution data.
 *** Induced GGR sources are assumed to decline by 30% due to the I-91 Project. This decline is equal to the % of total trips accessing the Springfield/MGM Casino via I-91 (Exits 6 & 7)

Based on these revenue decline assumptions, the total potential gaming revenue loss could be \$163.4 million, not including any ancillary or on-site revenues (e.g., hotel rooms, food and beverage) or offsite spending. This revenue impact should be considered as the "worst case" scenario since it is based on two critical assumptions:

- The I-91 Project construction activity will occur throughout the entire first year of Casino operation; and
- All the visitors that would access the Casino via I-91 southbound (Exits 6 and 7) will opt not come to the Casino while the I-91 project is under way.

This "worst case" scenario could be significantly mitigated if:

- the City of Springfield, MassDot and the casino develop, implement and communicate proper traffic mitigation plans;
- the I-91 project is completed ahead of schedule (i.e., construction does not last the full Year 1 of casino operations); and
- visitors find alternate routes or travel to the casino when traffic is not at its peak.



Schedule 1

Entering Trip Distribution - Gravity Model: Springfield/MGM Casino I-90 Southbound Traffic to Site								
	Exit 7	Exit 7 via I-90	Exit 6	Exit 6 via I-90	I-291 via I-90 Exit 6	Subtotal I-91 Southbound	All Other Routes	Total Traffic
Areas Within 30-Minutes								
City of Springfield, MA	0.00%	0.00%	0.00%	0.00%	1.03%	1.03%	10.46%	11.49%
Hampden County, MA	2.78%	0.00%	1.28%	0.00%	1.16%	5.22%	18.10%	23.32%
Hampshire County, MA	2.92%	0.02%	1.35%	0.01%	0.96%	5.26%	1.47%	6.73%
Hartford County, CT	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	14.05%	14.05%
Subtotal 0-30 Minutes	5.70%	0.02%	2.63%	0.01%	3.15%	11.51%	44.08%	55.59%
As % of Total Trips Generated from within 30-Minutes	10.3%	0.0%	4.7%	0.0%	5.7%	20.7%	79.3%	100.0%
Areas Within 30-60 Minutes								
Franklin County, MA	0.70%	0.04%	0.32%	0.02%	0.12%	1.21%	0.14%	1.35%
Berkshire County, MA	1.13%	0.00%	0.52%	0.00%	0.00%	1.65%	0.67%	2.32%
Worcester, MA	0.29%	0.14%	0.13%	0.07%	2.13%	2.76%	1.67%	4.43%
Tolland County, CT	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.09%	3.09%
Other Connecticut Counties	0.33%	0.00%	0.16%	0.00%	0.05%	0.54%	14.30%	14.83%
Subtotal 30-60 Minutes	2.45%	0.19%	1.13%	0.09%	2.29%	6.15%	19.87%	26.02%
As % of Total Trips Generated from within 60-30 Minutes	9.4%	0.7%	4.4%	0.3%	8.8%	23.6%	76.4%	100.0%
Areas Beyond 60-Minutes								
Other Massachusetts	0.09%	0.04%	0.08%	0.04%	2.96%	3.21%	2.11%	5.32%
Rhode Island	0.00%	0.00%	0.02%	0.01%	0.24%	0.28%	0.52%	0.80%
New Hampshire	0.69%	0.32%	0.09%	0.04%	1.39%	2.53%	0.98%	3.51%
New York	0.52%	0.24%	0.00%	0.00%	0.00%	0.76%	0.05%	0.80%
Vermont	4.54%	2.09%	0.00%	0.00%	0.00%	6.63%	1.36%	7.99%
Subtotal Beyond 60-Minutes	5.83%	2.69%	0.20%	0.09%	4.59%	13.40%	5.02%	18.42%
As % of Total Trips Generated from Beyond 60-Minutes	31.7%	14.6%	1.1%	0.5%	24.9%	72.7%	27.3%	100.0%
Total Trip Distribution	13.98%	2.90%	3.96%	0.19%	10.04%	31.06%	68.97%	100.03%

Source: HLT Advisory Inc. based on information from MGM's Submission, Appendix B-11, Trip Distribution Gravity Model.

Schedule 2

Exiting Trip Distribution - Gravity Model: Springfield/MGM Casino							
I-90 Northbound Traffic from Site							
	On-Ramp at Union St.	On-Ramp North of State St.	I-291 from I- 91 On-Ramp at Union St.	I-291 from I- 91 On-Ramp North of State St.	Subtotal I-91 Northbound	All Other Routes	Total Traffic
<i>Areas Within 30-Minutes</i>							
City of Springfield, MA	0.00%	0.00%	0.17%	0.95%	1.12%	10.37%	11.49%
Hampden County, MA	0.85%	3.42%	0.19%	1.06%	5.53%	17.79%	23.32%
Hampshire County, MA	0.90%	3.59%	0.16%	0.88%	5.53%	1.17%	6.70%
Hartford County, CT	0.00%	0.00%	0.00%	0.00%	0.00%	14.05%	14.05%
Subtotal 0-30 Minutes	1.75%	7.01%	0.53%	2.89%	12.18%	43.38%	55.56%
<i>As % of Total Trips Generated from within 30-Minutes</i>	3.2%	12.6%	0.9%	5.2%	21.9%	78.1%	100.0%
<i>Areas Within 30-60 Minutes</i>							
Franklin County, MA	0.22%	0.86%	0.02%	0.11%	1.21%	0.07%	1.28%
Berkshire County, MA	0.35%	1.39%	0.00%	0.00%	1.74%	0.58%	2.32%
Worcester, MA	0.09%	0.36%	0.36%	1.95%	2.75%	1.46%	4.21%
Tolland County, CT	0.00%	0.00%	0.00%	0.00%	0.00%	3.09%	3.09%
Other Connecticut Counties	0.10%	0.41%	0.01%	0.04%	0.56%	14.27%	14.83%
Subtotal 30-60 Minutes	0.76%	3.02%	0.38%	2.10%	6.26%	19.47%	25.73%
<i>As % of Total Trips Generated from within 60-30 Minutes</i>	2.9%	11.7%	1.5%	8.2%	24.3%	75.7%	100.0%
<i>Areas Beyond 60-Minutes</i>							
Other Massachusetts	0.03%	0.11%	0.49%	2.71%	3.34%	1.85%	5.19%
Rhode Island	0.00%	0.00%	0.04%	0.22%	0.26%	0.50%	0.76%
New Hampshire	0.21%	0.85%	0.23%	1.28%	2.57%	0.81%	3.37%
New York	0.16%	0.64%	0.00%	0.00%	0.80%	0.00%	0.80%
Vermont	1.39%	5.58%	0.00%	0.00%	6.98%	1.01%	7.99%
Subtotal 60-90 Minutes	1.79%	7.18%	0.77%	4.21%	13.94%	4.17%	18.11%
<i>As % of Total Trips Generated from Beyond 60-Minutes</i>	9.9%	39.6%	4.2%	23.2%	77.0%	23.0%	100.0%
Total Trip Distribution	4.30%	17.21%	1.68%	9.20%	32.38%	67.02%	99.40%

Source: HLT Advisory Inc. based on information from MGM's Submission, Appendix B-11: Trip Distribution Gravity Models.

John Ziemba, Ombudsman
Massachusetts Gaming Commission
101 Federal Street, 23rd Floor
Boston, MA 02110

Dear Mr. Ziemba:

I am writing in my capacity as a Selectman in the Town of Ludlow with regard to proposed opening date of MGM Springfield and the Interstate 91 Viaduct Rehabilitation Project. Potential traffic impacts to the residents of Ludlow, whether inside or outside of town, are of utmost importance to the community. I was dismayed to learn of the recent public disclosure from the Department of Transportation (DOT) that the viaduct project is already six months behind schedule. Given this delay, and in an effort not to compound the traffic impacts on residents by a required MGM opening date in the midst of the Viaduct project's myriad local road diversions, lane closures, and ramp closures, I request that the MGC approve MGM Springfield's proposed construction schedule, which includes a projected opening date in the Fall of 2018.

The investment in local businesses and new jobs created by MGM Springfield are important to the future of our regional economy, but the consequences of requiring MGM to open its doors in the middle of the Viaduct Rehabilitation Project would cause significant hardship for the residents and business owners in the community.

Since the neither the MGC nor local communities can compel the DOT to finish the Viaduct Rehabilitation Project on time, it is in the best interest of the residents and communities of Western Massachusetts to set an opening date aligning with the completion of that project. This option will help impacted local communities avoid the worst of the traffic issues and other potential disruptions. I hope the MGC recognizes the importance of this timeline and urge the Commission to approve MGM's proposed schedule.

Sincerely,

Aaron Saunders
Selectman



TO: Commissioners

FROM: Catherine Blue
John Ziemba

DATE: August 5, 2015

RE: Region C – Licensing Process

Brief History

On April 18, 2013, after months of hearings involving the Wampanoag Tribe, impacted communities, and other interested parties, the Massachusetts Gaming Commission adopted a plan to open Region C to commercial applications. The Commission decided that the determination to issue a commercial license will take into account the totality of economic circumstances including Tribal status as they exist at the time of the licensing decision.

In order to promote competition for a gaming license in Region C, the Commission, upon request of potential applicants and communities, extended application deadlines and amended some of its policies for Region C. These changes included allowing more applicants to be eligible in the region and allowing developers to count additional categories of expenses to meet the state's minimum capital investment of \$500 million for a gaming facility in Region C.

On April 2, 2015, the Commission reevaluated the economic and tribal circumstances in Region C and determined to proceed with Region C.

At that meeting, Guy Michael and Robert Carroll, representing Michael & Carroll, presented an overview of the tribal circumstances in Region C, the Bureau of Indian Affairs and land in trust applications, relevant court cases and recommendation to proceed with commercial application in Region C.

Chairman Crosby reported on the letter from the Commission to the U.S. Department of Interior. Chairman Crosby also reported on his conversation with Assistant Secretary Kevin Washburn which revealed that no determination has been made on the Mashpee Wampanoag Tribe application, a determination date could not be estimated at this time and the application remains a high priority.



Massachusetts Gaming Commission

101 Federal Street, 23rd Floor, Boston, Massachusetts 02110 | TEL 617.979.8400 | FAX 617.725.0258 | www.massgaming.com

Commissioner Zuniga presented an overview on findings from consultant HLT which concluded there are no changes in the Region C market from their initial assessment –the economics remain similar and there is a market for gaming in Region C.

On July 23, 2015, the Commission accepted the withdrawal of KG Urban, leaving Massachusetts Gaming & Entertainment (“MG&E”) as the sole applicant for a Region C license. The Commission also asked staff to discuss the status of MG&E’s application with MG&E and any issues or concerns it may have. As a result of those discussions, MG&E will address the Commission to provide the status update and to provide the Commission with its thoughts on Region C. MG&E will be joined by Mayor Carpenter from Brockton.

Continuation of the Region C Licensing Process

There are several reasons why the Commission should continue its Region C licensing process.

1. Region B provides precedent. With only one remaining applicant, the Region C licensing process is similar to the Region B licensing process after Mohegan Sun’s host community referendum in Palmer was not successful, leaving MGM as the only applicant. The Commission continued its thorough evaluation of the MGM application, culminating in the determination that MGM would receive the Region B license.

Under this process, the applicant will make a presentation about its application shortly after the September 30th application deadline. In addition, the Commission will host at least one host community hearing and will also hear from surrounding communities at a surrounding community hearing. The Commission will review comments submitted by interested parties and will assemble evaluation teams to evaluate the application.

2. Although there is now only one applicant, many of the details of the MG&E proposal were made available while there was still competition in the region. In addition to the information about this \$650 million development made available before and during the host community referendum, MG&E also submitted details on its project as part of its MEPA filing, an environmental notification form (ENF). In that filing, MG&E noted that its project would include:

- ◆ 258,000-square-foot gaming establishment with approximately 3,000 gaming positions;
- ◆ 254,000-square foot, 100-foot tall, resort-hotel providing 300 rooms with fitness center, spa, pool and event and entertainment space;
- ◆ restaurants and retail space; and
- ◆ approximately 3,000 parking spaces provided in on-site surface lots and a four-story parking garage.

MG&E received its ENF certificate on July 10, 2015.

3. Although MG&E is now the only applicant in Region C, it understands that it will be evaluated in the context of the proposals that have been successful to date. MG&E reported that it has evaluated these other applications.
4. As the Commission has stated many times since it first determined to open competition in Region C, the Commission will only issue a license if it is beneficial to the Commonwealth after evaluating the totality of economic circumstances including Tribal status as they exist at the time of the licensing decision.
5. The Commission has the ability to make adjustments to its licensing process as circumstances warrant. For example, in the past the Commission has given communities and applicants significant time after the application deadline to enable them to reach surrounding community agreements.
6. Any license issued will include conditions specific to this applicant. These conditions will be further reviewed and amended, as warranted, following the conclusion of the project's MEPA review.



Mass Gaming & Entertainment



August 6, 2015

OVERVIEW

I. Rush Street Gaming

II. Region C

III. RFA II Update

BACKGROUND

- **Rush Street Gaming**

- Built and operates casinos in Des Plaines (Chicago), Philadelphia and Pittsburgh that exceed \$1 billion in annual gaming revenue
- All projects were on time and on budget
- All Rush Street casinos have been voted “Best Places to Work” in their markets by independent surveys of our approximately 4,300 Team Members
- Selected in December 2014 to build and operate the only casino resort in the New York Capital Region

Note: References to Rush Street Gaming include certain affiliated entities

PROVEN FINANCING TRACK RECORD

- 10 transactions executed in the capital markets since the end of 2007
- Over \$3.0 billion in debt capital
- Work with leading bank institutions

Bank of America



CREDIT SUISSE



- In process of securing a senior bank loan for the construction of our latest project in New York

GETTING IT DONE IN THE TOUGHEST MARKETS

CASE STUDY: RIVERS CASINO

PITTSBURGH, PA

- Original developer lost financing in 2008 causing construction to stop
- Rush Street Gaming rescued and completed project
- \$904 million in gaming taxes paid to the state¹
- 1,700 high-quality jobs
- Currently planning a hotel development

Pittsburgh Post-Gazette®

Bluhm Praised for Rescuing Casino Project

“In hindsight, we really look back now and see how important it was that Neil Bluhm and his team stepped forward because of the collapse of the financial markets around the world, particularly in the United States.”

– Allegheny County Executive Dan Onorato

CASE STUDY: SUGARHOUSE CASINO

PHILADELPHIA, PA

- Two Philadelphia licenses awarded in late 2007; only SugarHouse built
- \$515 million in gaming taxes paid to the state¹
- 1,200 high-quality jobs
- \$165 million expansion currently underway

¹ Source: Pennsylvania Gaming Control Board from opening through June 2015

RIVERS CASINO IN DES PLAINES, IL



SUGARHOUSE CASINO IN PHILADELPHIA, PA



RIVERS CASINO IN PITTSBURGH, PA



NEW CASINO RESORT IN SCHENECTADY, NY

- Selected in highly competitive process in December 2014 to build and operate the only casino resort in the New York Capital Region



FALLSVIEW CASINO RESORT IN ONTARIO, CANADA



Fallsview Casino Resort was developed and is managed by Fallsview Management Company (FMC), of which Neil Bluhm and Greg Carlin are co-founders and board members. Neil Bluhm is Chairman of FMC.

AWARD-WINNING CASINOS



- **Rivers Casino – Des Plaines, IL**
 - Best Casino for three years running (*Chicago Reader*)
 - One of Chicago's Top 20 Workplaces for three years running (*Chicago Tribune*)
- **SugarHouse Casino – Philadelphia, PA**
 - Top Three for Best Places to Work for four years running (*Philadelphia Business Journal*)
 - One of Philadelphia's Top 20 Workplaces for three years running (*Philadelphia Inquirer* and *Daily News*)
- **Rivers Casino – Pittsburgh, PA**
 - Best Overall Gaming Resort in Pennsylvania for five years running (*Casino Player Magazine*)
 - Best Overall Casino in Pennsylvania for three out of four years (*Strictly Slots*)
 - One of Pittsburgh's Best Places to Work in 2014 (*Pittsburgh Business Times*)
- **Fallsview Casino Resort – Ontario, Canada**
 - Ontario's Favorite Casino for six consecutive years (*Toronto Sun*)
 - CAA Four-Diamond Award — Fallsview Hotel, Ponte Vecchio & 21 Club (AAA/CAA Diamond Awards)
 - Environmental Leadership Award (Niagara Business Achievement Awards)

A GREAT COMMUNITY PARTNER

- Des Plaines was the first casino in the world certified LEED Gold
- Strong ties to community job training organizations
 - 35% of SugarHouse workforce was unemployed prior to casino opening
- Partnerships with local community colleges
- Commitment to diversity hiring
 - Over 40% of team members are female
 - Nearly 45% of team members are minority
 - VP and up is 45% female and 32% minority
- Good partner for local businesses including using local vendors and engaging in joint marketing efforts
- Donate millions annually to local charities and contribute thousands of team member hours



OVERVIEW

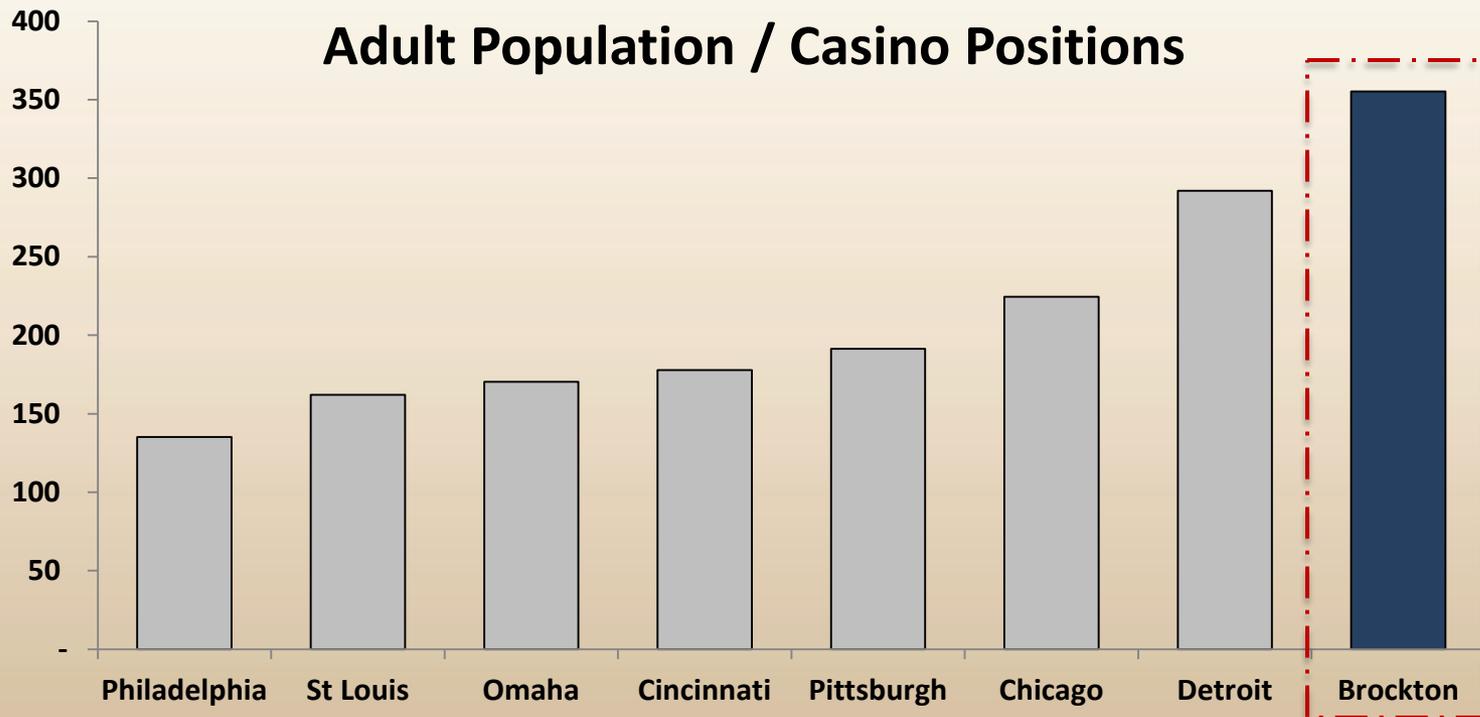
I. Rush Street Gaming

II. Region C

III. RFA II Update

UNDERPENETRATED MARKET

- Many of the markets in which we operate have large MSA's and competition
- Brockton has more adults per position than any of the markets below
- Brockton market assumes the following casinos: MG&E/Brockton, Wynn/Everett, Penn/Plainridge, Twin River and Newport Grand

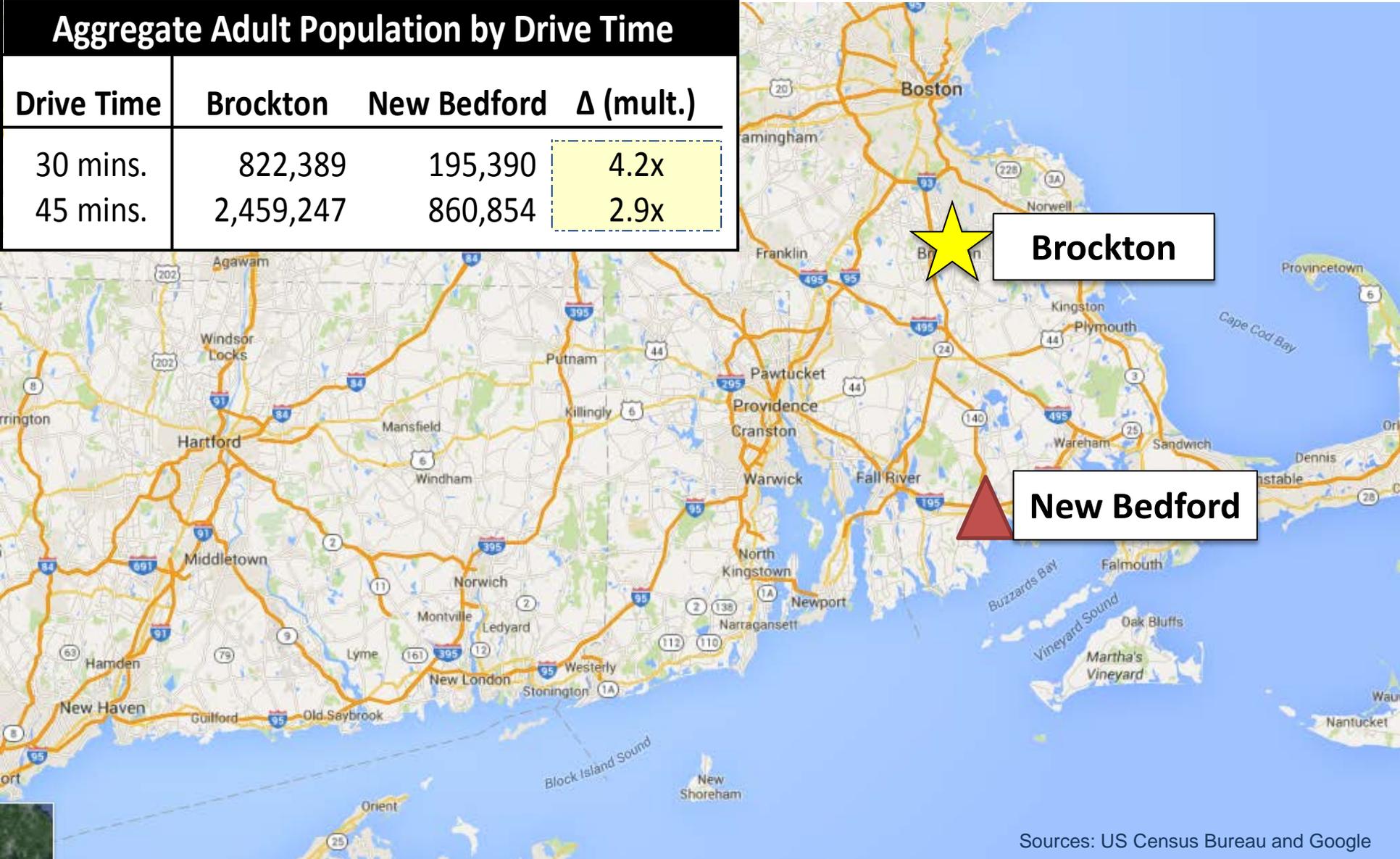


Sources: US Census Bureau, Casino City's GamingDirectory.com and Illinois gaming board monthly reports
Note: Population and positions are measured by 60 mile radius. In Chicago, positions include the VLT's in taverns

POPULATION MATTERS

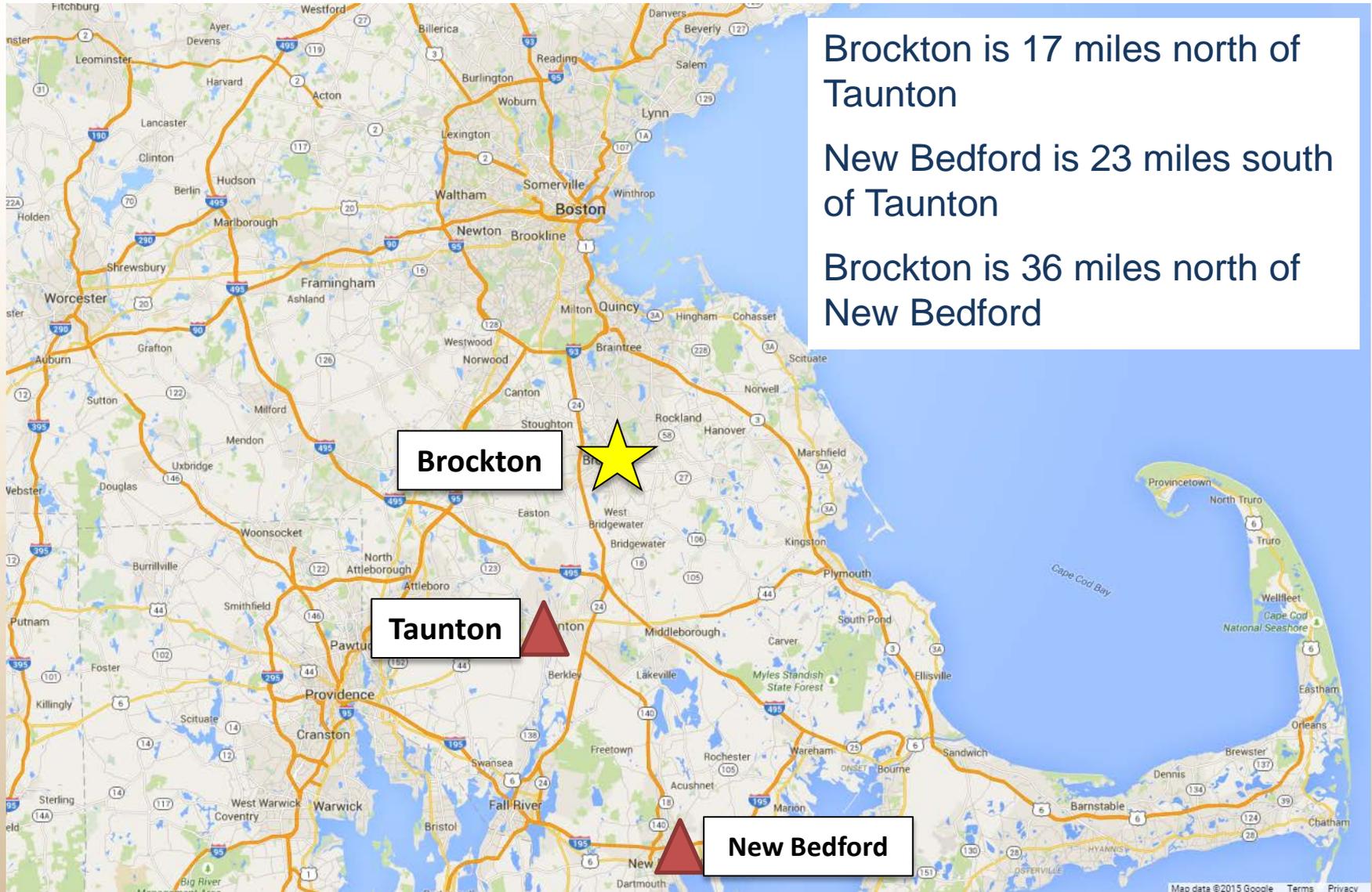
Aggregate Adult Population by Drive Time

Drive Time	Brockton	New Bedford	Δ (mult.)
30 mins.	822,389	195,390	4.2x
45 mins.	2,459,247	860,854	2.9x



Sources: US Census Bureau and Google

LOCATION MATTERS



Note: Mileage is by car using Google Maps

BROCKTON REVENUE PROJECTIONS

- Location, population and accessibility are all major factors in driving gaming revenue
- Our projected gaming revenue is \$404 million
- Our project will **still be successful** in the event a casino opens in Taunton
- We would still be closer to the population vs New Bedford which would have been cut off by a casino in Taunton

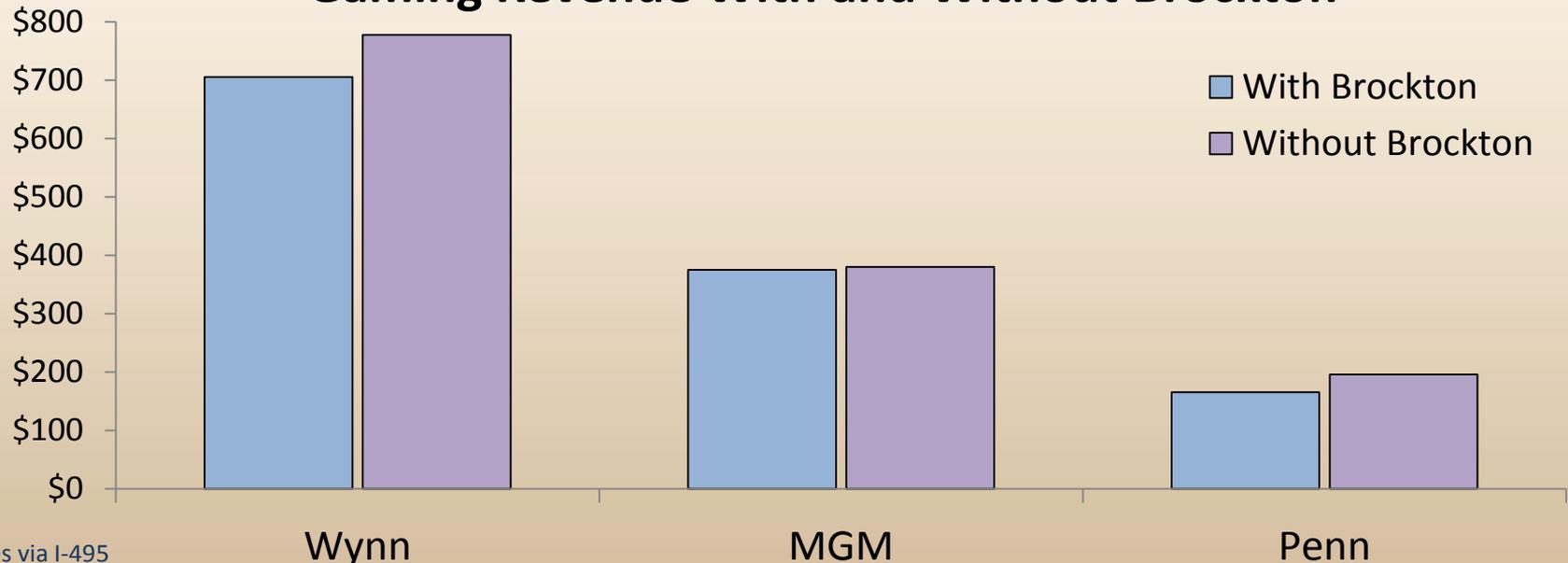


Source: The Innovation Group

GAMING REVENUE PROJECTIONS

- Furthermore, we analyzed the cannibalization our project would have on the other casinos in the Commonwealth
- Wynn/Everett is 27 miles from Brockton; Penn/Plainridge is 27 miles¹ from Brockton
- Wynn and Penn knew a Region C casino was in the Commonwealth's plan
- Projects will be successful with and without a Brockton casino

Gaming Revenue With and Without Brockton

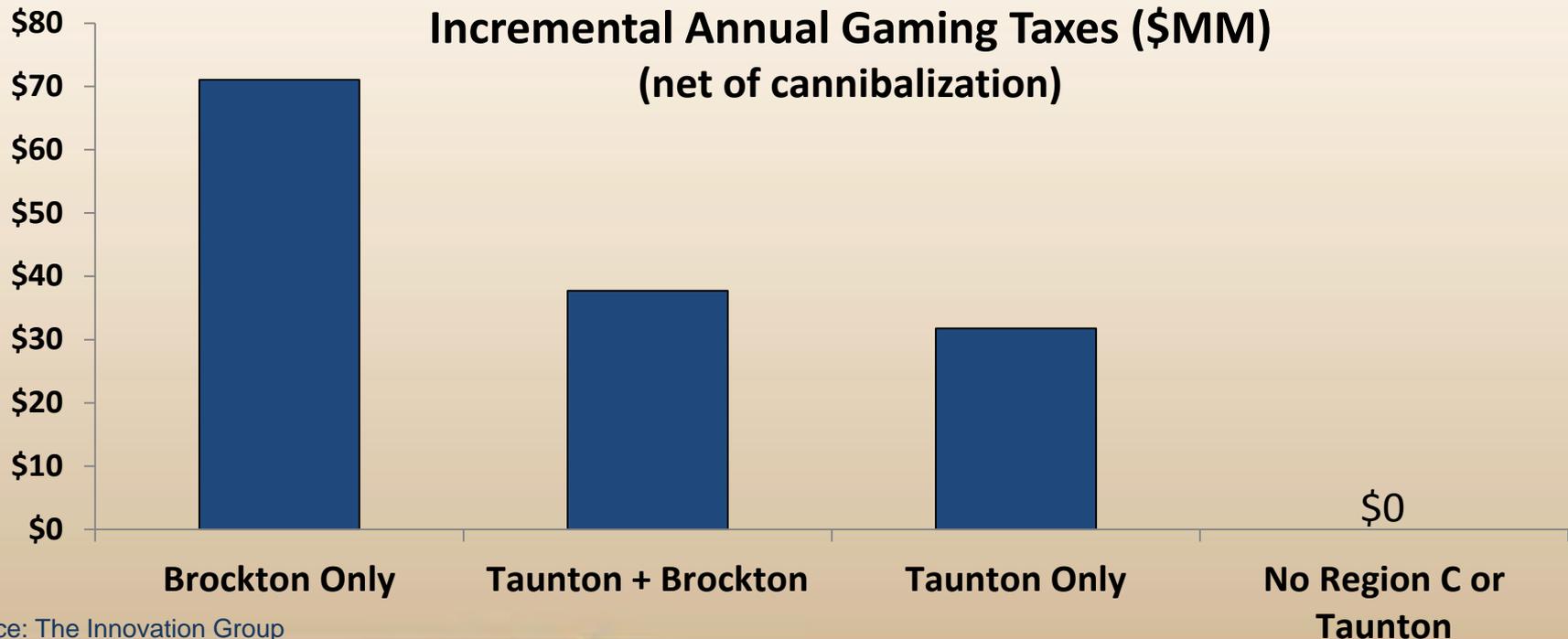


¹ Assumes via I-495

Gaming Revenues source: The Innovation Group

GAMING TAX PROJECTIONS

- In all scenarios, the Commonwealth collects more gaming taxes with Brockton
- Region C is critical in keeping Massachusetts dollars in state and bringing out-of-state spend to the Commonwealth
- Estimate 1,500 direct jobs created plus many more indirect jobs in addition to construction jobs
- Brockton pays an \$85 million license fee; Taunton pays no license fee



Source: The Innovation Group

OVERVIEW

- I. Rush Street Gaming
- II. Region C
- III. RFA II Update**

STATUS UPDATE ON RFA ITEMS

- **On track to submit RFA II by September 30th**
- **Local Organizations** – Preliminary meetings with local hiring organizations, such as the Brockton Area Workforce Investment Board, and Massasoit Community College
- **MEPA** – ENF Certificate received with minimal issues identified. DEIR process to be started shortly
- **Surrounding Community Agreements** – Engaged all 8 adjacent communities and discussions are ongoing
- **Impacted Live Entertainment Venues** – In discussions with coalition of non-profit live entertainment venues
- **Massachusetts State Lottery** – Meeting to be scheduled soon

No Documents



Amended Small Business Impact Statement

The Massachusetts Gaming Commission (“Commission”) hereby files this amended small business impact statement in accordance with G.L. c.30A, §5 relative to the proposed new regulations in 205 CMR 129.00: Transfer of Interests, for which a public hearing was held on March 12, 2015. These regulations were developed as part of the process of promulgating regulations governing the operation of gaming establishments in the Commonwealth. These regulations govern the requirements and procedures for transferring any interest held in a gaming license. The proposed regulations are largely directed by G.L. c. 23K, §§ 2, 4(37); 5; 14(c), 19(c), 20(e), 21(b), 22, 23(c), 23(d), 31(e).

These new regulations apply directly to the gaming licensees. Accordingly, these regulations are unlikely to have an impact on small businesses. In accordance with G.L. c. 30A, §5, the Commission offers the following responses on whether any of the following methods of reducing the impact of the proposed regulation on small businesses would hinder achievement of the purpose of the proposed regulation:

1. Establishing less stringent compliance or reporting requirements for small businesses:

As a general matter, no small businesses will be impacted by these regulations. Accordingly, there are no less stringent compliance or reporting requirements for small businesses.

2. Establishing less stringent schedules or deadlines for compliance or reporting requirements for small businesses:

There are no schedules or deadlines for compliance or reporting requirements for small businesses created by these regulations.

3. Consolidating or simplifying compliance or reporting requirements for small businesses:

There are no compliance or reporting requirements for small businesses.

4. Establishing performance standards for small businesses to replace design or operational standards required in the proposed legislation:

There are no performance standards for small businesses to replace design or operational standards required in the proposed regulations.



Massachusetts Gaming Commission

5. An analysis of whether the proposed regulation is likely to deter or encourage the formation of new businesses in the Commonwealth:

M.G.L. c.23K was enacted to create a new industry in the Commonwealth and to promote and grow local small businesses and the tourism industry, including the development of new small businesses. The proposed regulations are designed to effectuate those intentions and growth. Furthermore, regulations of this sort are mandated by statute and common in the gaming industry.

6. Minimizing adverse impact on small businesses by using alternative regulatory methods:

There are no alternative regulatory methods to minimize adverse impacts on small businesses.

Massachusetts Gaming Commission

By:

Cecelia M. Porché
Paralegal/Legal Division

Dated:



Massachusetts Gaming Commission

Determining of Commonwealth's share for transfer of interest- 205 CMR 129.02(10)

Option A (share payment required and determined based upon CPI calculation)

(10) Pursuant to M.G.L. c. 23K, § 21(b)(ii), if the interest being transferred results in a change in control of the gaming license, the commission shall require the transferor, proposed transferee or both collectively, depending on the nature of the transfer, to pay to the commission a share of the increased value of the gaming license. In determining the amount of the share, the commission shall assume that the initial value of the category 1 license is equal to \$85 million and the initial value of a category 2 license is \$25 million ("Initial Value") and that the value of the category 1 or category 2 license has increased during the period between the date the license was acquired, i.e.- the date of the award of the license, and the date of the proposed transfer by an amount equal to the Initial Value times the Consumer Price Index ("CPI") for the Greater Boston region (Boston-Brockton-Nashua, MA-NH-ME-CT (1982-84 = 100) (CPI-U)) (or such other comparable index if the CPI index is no longer published) for the period minus the Initial Value. For purposes of 205 CMR 129.02(10), the Initial Value does not include the value of real or personal property or goodwill associated with the gaming establishment. The commission shall receive a payment representing the commonwealth's share equal to 25% of the increase in the value of the category 1 license or 49% of the increase in value of the category 2 license. **Provided, however, such payment shall not exceed \$5 million.** The gaming licensee may submit evidence to the commission as to the calculation of the CPI and the value of the gaming license and the commission shall consider such evidence as part of its determination of the payment. The amount of the fee for renewal of the gaming license shall be reduced by the amount of the payment paid in accordance with 205 CMR 129.02(10).

Option B (presumption of no payment, but if there is it's based on CPI calculation)

(10) Pursuant to M.G.L. c. 23K, § 21(b)(ii), if the interest being transferred results in a change in control of the gaming license, the commission may require the transferor, proposed transferee or both collectively, depending on the nature of the transfer, to pay to the commission a share of the increased value of the gaming license. The commission shall only require payment of the share if it determines that the transaction reflects an overall increase to the enterprise taking into account the costs (including the licensing fee and capital investment calculated in accordance with 205 CMR 122.00) and current liabilities incurred by the gaming licensee to date. In determining the amount of the share, if it is determined that a payment will be required, the commission shall assume that the initial value of the category 1 license is equal to \$85 million and the initial value of a category 2 license is \$25 million ("Initial Value") and that the value of the category 1 or category 2 license has increased during the period between the date the license was acquired, i.e.- the date of the award of the license, and the date of the proposed transfer by an amount equal to the Initial Value times the Consumer Price Index ("CPI") for the Greater Boston region (Boston-Brockton-Nashua, MA-NH-ME-CT (1982-84 = 100) (CPI-U)) (or such other comparable index if the CPI index is no longer published) for the period minus the Initial Value. For purposes of 205 CMR 129.02(10), Initial Value does not include the value of real or

personal property or good will associated with the gaming establishment. The commission shall receive a payment representing the commonwealth's share equal to 25% percent of the increase in the value of the category 1 license or 49% of the increase in value of the category 2 license. **Provided, however, such payment shall not exceed \$5 million.** The gaming licensee may submit evidence to the commission as to the calculation of the CPI and the value of the gaming license and the commission shall consider such evidence as part of its determination of the payment. If a payment is assessed in accordance with 205 CMR 129.02(10), the amount of the fee for renewal of the gaming license shall be reduced by the amount of the payment paid.

Option C (payment required and calculated based on market value but capped at \$5 million)

(10) Pursuant to M.G.L. c. 23K, § 21(b)(ii), if the interest being transferred results in a change in control of the gaming license, the commission shall require the transferor, proposed transferee or both collectively, depending on the nature of the transfer, to pay to the commission a share of the increased value of the license. In determining the amount of the payment the commission shall consider the market value of the gaming license, property or interest when it was acquired and at the time of the transfer. Provided, however, such payment shall not to exceed \$5 million. The amount of the fee for renewal of the gaming license shall be reduced by the amount of the payment paid in accordance with 205 CMR 129.02(10).

Option D (presumption of no payment, but if there is it's capped at \$5 million)

(10) Pursuant to M.G.L. c. 23K, § 21(b)(ii), if the interest being transferred results in a change in control of the gaming license, the commission may require the transferor, proposed transferee or both collectively, depending on the nature of the transfer, to pay to the commission a share of the increased value of the license. The commission shall only require payment of the share if it determines that the transaction reflects an overall increase to the enterprise taking into account the costs (including the licensing fee and capital investment calculated in accordance with 205 CMR 122.00) and current liabilities incurred by the gaming licensee to date. In determining the amount of the payment the commission shall consider the market value of the gaming license, property or interest when it was acquired and at the time of the transfer. Provided, however, such payment shall not exceed \$5 million. If a payment is assessed in accordance with 205 CMR 129.02(10), the amount of the fee for renewal of the gaming license shall be reduced by the amount of the payment paid.

205 CMR: MASSACHUSETTS GAMING COMMISSION
205 CMR 129.00: TRANSFER OF INTERESTS

Section

- 129.01: Transfers Requiring Commission Approval
- 129.02: Process for Commission Approval of Transfers
- 129.03: ~~Restriction of Interest in Multiple Gaming Licenses~~
- ~~129.04: Required Provisions: Articles of Organization~~

129.01: Transfers Requiring Commission Approval

(1) A gaming licensee, ~~or~~ applicant for a gaming license, ~~or~~ respective parent, holding company or intermediary company thereof, may not grant a security interest in or transfer or assign all or a portion of its interest in, or in an application for, a ~~category 1 or category 2~~ gaming license ~~granted under M.G.L. c. 23K~~ or a gaming establishment without prior notification ~~to~~ and approval ~~as may be required herein by the commission~~ in accordance with 205 CMR 129.00. For purposes of 205 CMR 129.00, the term ‘transfer’ is as defined by M.G.L. c.23K, §2, but shall be construed so as to include both the gaming establishment and the gaming license. Nothing in 205 CMR 129.00 shall be interpreted so as to preempt the requirements of 205 CMR 116.00: *Persons Required to be Licensed or Qualified.*

(2) For purposes of 205 CMR 129.01, ~~T~~transfer, assignment and granting of a security interest shall include, but ~~are~~ not be limited to:

- (a) transfer of any direct or indirect interest in a gaming license;
- (b) transfer of any direct or indirect interest, including the granting of a security interest, in a gaming establishment including the real property, premises, and facilities, ~~or personal property utilized in a gaming establishment~~ either before or after the issuance of an operation certificate ~~from the commission~~ pursuant to 205 CMR 151.00: *Requirements for the Operations and Conduct of Gaming at a Gaming Establishment.*
- (c) transfer of any right or interest in a pending application ~~or application for renewal~~ for a gaming license, ~~including an application for which a determination of suitability has been made by the commission pursuant to 205 CMR 115: Phase 1 Suitability Determination, Standards and Procedures.~~
- (d) entering into an option contract, management contract or other agreement or contract providing for a transfer identified in 205 CMR 129.01(2)(a) through (c) in the present or future;
- (e) transfer of an interest in a parent, holding company or intermediary company of a gaming licensee that results in a change of control over the gaming licensee.

(3) Except for the transfers listed in 205 CMR 129.01(4), ~~below,~~ a gaming licensee or an applicant for a gaming license shall notify the ~~commission's investigation and enforcement bureau (the "bureau") of~~ **in accordance with 205 CMR 129.02 prior to or, where applicable, promptly when it becomes aware of,** any ~~proposed transfer of a direct or indirect interest in a category 1 or category 2 gaming license or the transfer of any direct or indirect interest in real or personal property used or to be used in a licensed gaming establishment prior to entering into such transfer,~~ **assignment, or granting of a security interest as described in 205 CMR 129.01(2).**

(4) Notwithstanding 205 CMR 129.01(1) and (2), **in accordance with M.G.L. c.23K, §21(b),** the following transfers do not require prior notification to the ~~IEB~~ **bureau** and/or approval by the commission pursuant to 205 CMR 129.01:

(a) The transfer of any interest in ~~the holder of a category 1 or category 2 a gaming licensee or in an applicant or qualifier who is applying for a category 1 or category 2 gaming license, or a holding, parent or intermediary company of the holder of a category 1 or category 2 gaming license or an applicant or qualifier who is applying for a category 1 or category 2 gaming license~~ **of a gaming licensee,** where such transfer directly or indirectly constitutes, or results in the proposed transferee and its affiliates having less than or equal to a five per cent interest in ~~the holder of the gaming license or in the applicant or qualifier applying for a category 1 or category 2 gaming license or in the holding, parent or intermediary company of the holder of a category 1 or category 2 gaming license or of the applicant or qualifier applying for a category 1 or category 2 gaming license~~ **thereof.**

(b) The transfer of a publicly traded interest in ~~the holder of a category 1 or category 2 gaming license or in an applicant or qualifier who is applying for a category 1 or category 2 gaming license, or a holding, parent or intermediary company of the holder of a category 1 or category 2 gaming license or an applicant or qualifier who is applying for a category 1 or category 2 gaming license~~ **of a gaming licensee** of the holder of a category 1 or category 2 gaming license or an applicant or qualifier who is ~~applying for a category 1 or category 2 gaming license~~ **provided, however, that there is not a change of control in the gaming licensee** that if such transfer results in a change in control of the holder of a category 1 or category 2 gaming license or in an applicant or qualifier who is ~~applying for a category 1 or category 2 gaming license, or a holding, parent or intermediary company of the holder of a category 1 or category 2 gaming license or an applicant or qualifier who is applying for a category 1 or category 2 gaming license, the category 1 or category 2 gaming licensee or applicant or qualifier for a category 1 or category 2 gaming license shall notify the bureau as soon as allowed under applicable securities laws.~~

(c) The granting of a security interest in return for financing to a bona fide banking institution, as defined in M.G.L. c. 167A, §1, ~~or a commercial financial institution as defined in M.G.L. c.63, §1,~~ so long as the bona fide banking institution or the commercial financial institution does not, by virtue of its security interest, exercise control over ~~the holder of the category 1 or category 2 gaming licensee or applicant or qualifier for a category 1 or category 2 gaming license.~~

(d) The purchase of up to a 15% interest in the gaming licensee or holding or parent company thereof, by an institutional investor, as defined in M.G.L. c.23K, §2, or qualified institutional buyers (including, but not limited to, entities that fall within the accredited investor category as defined in United States Securities and Exchange Commission Rule 501

of Regulation D) shall require notice to the bureau, but not approval by the commission in accordance with 205 CMR 129.00 unless otherwise determined in accordance with 205 CMR 116.00: *Persons Required to be Licensed or Qualified*.

(d) ~~the holder of a category 1 or category 2~~ A gaming licensee's transfer of ~~or granting of a security interest in slot machines,~~ gaming devices, gaming equipment, or personal property utilized or proposed to be utilized in the operation of a gaming establishment ~~in the ordinary course of business; provided that, in the case of a security interest, such interest is granted to the manufacturer or supplier or affiliate thereof of such slot machines, gaming devices, gaming equipment, or personal property.~~

(e) ~~All other transfers of a direct or indirect interest in the holder of a category 1 or category 2 gaming license or in an applicant or qualifier who is applying for a category 1 or category 2 gaming license, or a holding, parent or intermediary company of the holder of a category 1 or category 2 gaming license or an applicant or qualifier who is applying for a category 1 or category 2 gaming license or the granting of a security interest in a category 1 or category 2 gaming license, gaming licensee or real or personal property used in a gaming establishment shall require prior notification to the commission and may require commission approval after review by the bureau.~~

(5) The ~~C~~commission may waive the requirement for the approval of a transfer of any direct or indirect interest in the holder of a category 1 or category 2 gaming license or in an applicant or qualifier who is applying for a category 1 or category 2 gaming license, or a holding, parent or intermediary company of the holder of a category 1 or category 2 gaming license or an applicant or qualifier who is applying for a category 1 or category 2 gaming license ~~thereof,~~ or in the real property or personal property used in a gaming establishment and the requirement for a public hearing under 205 CMR 129.02 if the transfer does not result in a change in control in the holder of a category 1 or category 2 gaming license or in an applicant or qualifier who is applying for a category 1 or category 2 gaming license, or a holding, parent or intermediary company of the holder of a category 1 or category 2 gaming license or an applicant or qualifier who is applying for a category 1 or category 2 gaming license ~~thereof~~ or does not result in a change in control of the real property used in the gaming establishment.

(6) If a transfer results in a change in control of the gaming licensee, the transferee shall, as a condition of the transfer, unless otherwise allowed by the commission, agree to assume all obligations of the transferor including commitments made in the RFA-2 application, all terms and conditions contained in the gaming license, operation certificate, host community agreement, surrounding community agreements, impacted live entertainment venue agreements, and any other associated agreements, and all permits, licenses, and other approvals issued by any federal, state, and local governmental agencies concerning the construction and operation of the gaming establishment.

129.02: Process for Commission Approval of Transfers

(1)

(A) Before taking any action requiring approval pursuant to 205 CMR 129.01, **or as otherwise required, or promptly upon becoming aware of such action,** the transferor shall notify the bureau in writing of ~~its intent to take~~ such action, and shall identify the proposed transferee and the proposed transferee's qualifiers in accordance with 205 CMR 116.04: Notification of Anticipated or Actual Changes in Directors, Officers or Equivalent Qualifiers **and shall set forth all material facts relating to the transaction and be accompanied by copies of the documents evidencing the transaction.**

(B) **In accordance with M.G.L. c.23K, §22, the sale, assignment, transfer, pledge or other disposition of any security issued by a person which holds a gaming license shall be conditional and shall be ineffective if disapproved by the commission. Further, the transferor shall not surrender possession of any securities requiring prior approval for transfer without the approval of the commission. Without leave granted by the commission, no money or other thing of value constituting any part of the consideration for the transfer or acquisition of any interest identified in 205 CMR 129.01(2) shall be paid over, received or used until complete compliance has been had with all prerequisites set forth in M.G.L. c.23K and 205 CMR 129.00 for the consummation of such transaction; but such funds may be placed in escrow pending completion of the transaction.**

(2) Where prior notice of a transfer is required by the United States Securities and Exchange Commission or its equivalent in a foreign jurisdiction, notice to the bureau pursuant to 205 CMR 129.02(1) shall be given at the same time such notice is provided to the United States Securities and Exchange Commission or its equivalent in a foreign jurisdiction.

(3) Upon receipt of a written notice of ~~intent~~ pursuant to 205 CMR 129.02(1), the bureau may take one or more of the following actions:

(a) pursuant to 205 CMR 116.04: Notification of Anticipated or Actual Changes in Directors, Officers or Equivalent Qualifiers take appropriate action including, but not limited to, a notice to new qualifiers requiring the filing of an appropriate application and the subsequent investigation of that application;

(b) require the proposed transferee to file with the commission an RFA-1 application pursuant to 205 CMR 111.00: Phase 1 Application Requirements or an RFA-2 application pursuant to 205 CMR 119.00: Phase 2 Application, and hold the licensee, applicant, or proposed transferee responsible for the payment of all fees for investigations of the ~~intended~~ proposed transferee and its qualifiers;

(c) where the proposed transfer is of a gaming license ~~for a gaming establishment~~ whether or not the **gaming** licensee has received an operation certificate from the commission, or for the transfer of any direct or indirect interest in ~~real property or personal property utilized in operating such~~ **the** gaming establishment, require the transferor and proposed transferee to demonstrate that the proposed transfer complies with the waiting period provision of M.G.L. c. 23K, § 23(c), and that the proposed transferee is able to comply with all provisions of and conditions imposed by:

(i) **M.G.L. c. 23K and 205 CMR;**

(ii) the gaming license for the gaming establishment and all of the conditions to the that license;

(iii) all permits, licenses and approvals issued by any federal, state, and local governmental agencies concerning the construction and operation of the gaming establishment;

(iv) the host community agreements, surrounding community agreements, and impacted live entertainment venue agreements concerning the gaming establishment; and

(v) any other additional reasonable conditions required by the commission. If the proposed transferee cannot comply with the conditions required by this section or any other conditions required by the commission the proposed transferee shall file with the commission a petition describing the conditions with which the proposed transferee cannot comply, the reasons why such compliance is not possible and the relief requested by the proposed transferee. The commission may hold a public hearing on such petition or may review such petition as part of the hearing held under 205 CMR 129.02 (3)(d).

(d) The bureau may request that the Commission hold a public hearing to consider the proposed transfer. **If a person contracts to transfer any property relating to an ongoing gaming establishment, including a security holding in a gaming licensee or parent, holding or intermediary company, under circumstances which require that the transferee to be qualified in accordance with 205 CMR 116.02 and/or M.G.L. c.23K the commission shall hold a hearing and render a decision on the authorization of the transfer.** As part of the hearing, pursuant to M.G.L. c. 23K, § 23(c), the commission may determine whether to grant interim authorization to allow the proposed transferee to operate the gaming establishment pending the approval of the transfer of a gaming license to the proposed transferee where:

(i) the proposed transfer is of a gaming license for a gaming establishment that has received an operation certificate from the commission, or the transfer of any direct or indirect interest in real property or personal property utilized in operating such a gaming establishment, and

(ii) the proposed transferee has requested interim authorization to continue to operate the gaming establishment pending the commission's approval of the transfer of the gaming license or the award of a new license for the gaming establishment;

(e) where the proposed transfer is of a gaming license for a gaming establishment that has not received an operation certificate from the commission, or the transfer of any direct or indirect interest in real property or personal property to be utilized in operating such gaming establishment, the commission may require the proposed transferee to demonstrate its ability to comply with all provisions of and conditions imposed by:

(i) 205 CMR 129.02(3)(c); and

(ii) construction schedules, deadlines, and goals for the completion of construction of and commencement of operation at the gaming establishment.

(f) The commission may require the transferor or proposed transferee to pay to the commission a nonrefundable fee equal to the costs associated with the processing of the notice of ~~intent to transfer~~ pursuant to 205 CMR 129.02 and the investigation of the proposed transfer, proposed transferees and any qualifiers thereto **in accordance with 205 CMR 114.04**. If the transferor or proposed transferee fails to pay the fee to the commission within 30 days after notification of the amount of such fee, the request to approve the transfer may be rejected. ~~Where the transfer constitutes a complete transfer of a gaming license and the commission determines that the proposed transferee is a new applicant for such gaming license, the commission may also require the proposed transferee to pay a non-refundable application fee pursuant to 205 CMR 114.01: Application Fees.~~

(4) After reviewing the materials submitted in support of a request to approve a transfer pursuant to 205 CMR 129.01 and 129.02, the commission may approve or reject the request, request additional information from the proposed transferor, proposed transferee, gaming licensee, applicant, members of the public, host communities, surrounding communities, or impacted live entertainment venues, and may schedule one or more public hearings to address issues concerning the request. The commission may solicit comments from host communities, surrounding communities, impacted live entertainment venues, and the public in advance of or at such public hearing.

(5) The commission shall reject any transfer requiring approval pursuant to 205 CMR 129 to a person that it finds unsuitable pursuant to G.L. c. 23K or 205 CMR 115: Phase 1 Suitability Determination, Standards, and Procedures.

(6) The commission may reject any transfer that does not comply with the provisions of M.G.L. c. 23K.

(7) Pursuant to M.G.L. c. 23K, § 20(e), the commission shall not approve the transfer of a category 2 **gaming** license ~~during the initial five year term of the license~~ **for 5 years after the initial issuance of the license** unless one of the following has occurred:

- (a) the gaming licensee experiences a change in ownership;
- (b) the licensee fails to maintain suitability; or
- (c) a majority of the commission determines that other circumstances exist which affect the gaming licensee's ability to operate the gaming establishment successfully.

(8) The commission may reject any transfer requiring approval pursuant to 205 CMR 129.01 that it finds would be disadvantageous to the interests of the ~~Commonwealth of Massachusetts~~. **A transfer shall be considered disadvantageous to the interests of the commonwealth if the commission determines that the transferee does not satisfy the applicable considerations set forth in M.G.L. c.23K, §§12(a), 15, 18 or any other applicable provisions of M.G.L. c.23K or 205 CMR, and/or the transferee does not agree to assume an obligation(s) described in 205 CMR 129.01(6) or any other condition imposed by the commission without the commission's prior approval.**

(9) If the commission makes a positive determination concerning any proposed transfer requiring approval pursuant to 205 CMR 129.01, the commission may:

(a) place any additional conditions or restrictions on that transfer;

(b) require the transferor or proposed transferee or both to pay any outstanding fees, taxes, fines, or payments required pursuant to M.G.L. c. 23K, 128A and 128C, or any other payments owed by the transferor to the Commonwealth of Massachusetts, the commission, host communities, surrounding communities, impacted live entertainment venues, patrons, employees, contractors, and other persons and governmental entities.

(10) **[See attached options]** Pursuant to M.G.L. c. 23K, § 21(b) (ii), if the interest being transferred is an interest in the category 1 or category 2 gaming license, the commission may require the transferor, proposed transferee or both to pay to the commission a share of the increased value of the category 1 or category 2 license. In determining the amount of such payment, the commission shall assume that the initial value of the category 1 license is equal to \$85 million and the initial value of a category 2 license is \$25 million (“Initial Value”) and that the value of the category 1 or category 2 license has increased during the period between the award of the license and the date of the proposed transfer by an amount equal to the Initial Value times the Consumer Price Index (“CPI”) for the Greater Boston region or such other comparable index if the CPI index is no longer published for the period minus the Initial Value. The commission shall receive a transfer fee equal to 25% percent of the increase in the value of the category 1 license or 49% of the increase in value of the category 2 license. For purposes of this section, the category 1 or category 2 license consists of the gaming license and does not include the value of real or personal property or good will associated with the gaming establishment. The gaming licensee may submit evidence to the commission as to the calculation of the CPI and the value of the gaming license and the commission shall consider such evidence as part of its determination of the transfer fee.

(11) ~~The approved transfer of an interest in a gaming license or all interests in a gaming establishment shall divest the transferor of such authority, influence, control, rights and benefits associated with the transferred interest.~~

(12) Pursuant to M.G.L. c. 23K, § 17(g), the transferor and proposed transferee shall not be entitled to any further review of the commission’s determination regarding a transfer requiring approval pursuant to 205 CMR 129.01.

129.03: Restriction of Interest in Multiple Gaming Licenses

~~(1) Except as provided in 205 CMR 129.03(2), no person or its affiliate shall be permitted to hold, indirectly or directly, an interest constituting more than a five percent interest of the value in more than one gaming license.~~

~~(2) An institutional investor as to which the commission has waived licensure or qualification may be permitted to hold more than a five percent interest of the value in more than one gaming license.~~

129.0403: Required Provisions: Articles of Organization

(1) The Articles of Organization of any entity that receives a ~~Category 1 or Category 2~~ gaming license shall contain the following language:

“Notwithstanding anything to the contrary expressed or implied in these articles, the sale, assignment, transfer, pledge or other disposition of any interest in [name of organization] is ~~ineffective unless approved in advance~~ **conditional and shall be ineffective if disapproved** by the Massachusetts Gaming Commission (“Commission”). If at any time the Commission finds that any person owning an interest in [name of organization] is unsuitable to hold the interest the Commission shall immediately notify the [name of organization] of that fact. The [name of organization] shall within 10 days from the date that it receives the notice from the Commission return to the unsuitable person the amount of his, her or its capital account as reflected on the books of [name of organization] or the initial investment of the unsuitable person, whichever is less. Beginning on the date the Commission serves notice of a determination of unsuitability pursuant to the preceding sentence upon [name of organization] it is unlawful for the unsuitable person to receive any share of the distribution of profits or cash or any other property of, or payments upon dissolution of [name of organization] other than a return of capital as required above; to exercise directly or through a trustee or nominee any voting right conferred by such interest; to participate in the management of the business of [name of organization]; or to receive any remuneration in any form from [name of organization].”

REGULATORY AUTHORITY

205 CMR 129: M.G.L. c. 23K, §§ 2, 4(37); 5; 14(c), 19(c), 20(e), 21(b), 22, 23(c), 23(d), 31(e).



Amended Small Business Impact Statement

The Massachusetts Gaming Commission (“Commission”) hereby files this amended small business impact statement in accordance with G.L. c.30A, §5 relative to the proposed new regulations in 205 CMR 139.00: Continuing Disclosure and Reporting Obligations of Gaming Licensees, for which a public hearing was held on April 23, 2015. These regulations were developed as part of the process of promulgating regulations governing the operation of gaming establishments in the Commonwealth. These regulations govern the requirements and procedures for continuing disclosure and reporting of financial and governing documents by the gaming licensees. The proposed regulations are largely directed by G.L. c.23K, §§ 5, 21, 23, 28, 29, and 65.

These new regulations apply directly to the gaming licensees. Accordingly, these regulations are unlikely to have an impact on small businesses. In accordance with G.L. c. 30A, §5, the Commission offers the following responses on whether any of the following methods of reducing the impact of the proposed regulation on small businesses would hinder achievement of the purpose of the proposed regulation:

1. Establishing less stringent compliance or reporting requirements for small businesses:

As a general matter, no small businesses will be impacted by these regulations. Accordingly, there are no less stringent compliance or reporting requirements for small businesses.

2. Establishing less stringent schedules or deadlines for compliance or reporting requirements for small businesses:

There are no schedules or deadlines for compliance or reporting requirements for small businesses created by these regulations.

3. Consolidating or simplifying compliance or reporting requirements for small businesses:

There are no compliance or reporting requirements for small businesses.

4. Establishing performance standards for small businesses to replace design or operational standards required in the proposed legislation:

There are no performance standards for small businesses to replace design or operational standards required in the proposed regulations.



Massachusetts Gaming Commission

5. An analysis of whether the proposed regulation is likely to deter or encourage the formation of new businesses in the Commonwealth:

M.G.L. c.23K was enacted to create a new industry in the Commonwealth and to promote and grow local small businesses and the tourism industry, including the development of new small businesses. The proposed regulations are designed to effectuate those intentions and growth. Furthermore, regulations of this sort are mandated by statute and common in the gaming industry.

6. Minimizing adverse impact on small businesses by using alternative regulatory methods:

There are no alternative regulatory methods to minimize adverse impacts on small businesses.

Massachusetts Gaming Commission
By:

Cecelia M. Porché
Paralegal/Legal Division

Dated:



Massachusetts Gaming Commission

205 CMR: MASSACHUSETTS GAMING COMMISSION
205 CMR 139.00: CONTINUING DISCLOSURE AND REPORTING OBLIGATIONS OF
GAMING LICENSEES

Section

- 139.01: Access to premises and production of records
- 139.02: Non-disclosure agreements
- 139.03: Fiscal year
- 139.04: Reports and information to be filed with the commission
- 139.05: Reports and information to be compiled and maintained by the gaming licensee
- 139.06: Quarterly report
- 139.07: Annual audit and other reports
- 139.08: Audit of gaming licensee operations by commission
- 139.09: Capital expenditure plan

139.01: Access to premises and production of records

The commission shall have access to, and may inspect the premises of the gaming establishment and/or request the production of records of the gaming licensee in accordance with 205 CMR 142.00: *Regulatory Monitoring and Inspections*.

139.02: Non-disclosure agreements

All documents submitted by a gaming licensee or obtained by the commission in accordance with 205 CMR 139.00 shall be deemed to have been submitted pursuant to a gaming related investigation to ensure compliance with M.G.L. c. 23K and 205 CMR, adherence to the principles articulated in M.G.L. c.23K, §1, and/or to ensure the ongoing suitability of gaming licensees in Massachusetts. Accordingly, pursuant to M.G.L. c.23K, §21(a)(7) any information or reports, or parts thereof, that are required to be filed or otherwise submitted to or obtained by the commission, the IEB, or their respective agents, in accordance with 205 CMR 139.00 that contain material or information that the gaming licensee considers a trade secret or believes would be detrimental to the gaming licensee if it were made public may be identified as confidential by the gaming licensee. Pursuant to M.G.L. c.23K or 205 CMR 139.00 the gaming licensee may request that the commission enter into a written nondisclosure agreement under the terms of which the commission agrees not to release the specified material or information publicly, in response to a request for public records or otherwise, and will assert the statutory exemption, M.G.L. c.4, §7(26)(a), and/or any other applicable exemptions, and withhold the applicable materials in response to any request for such record or information. The agreement may provide for coverage for specific materials or information, or categories of materials or information, which will be, or are likely to be, submitted to or obtained by the commission on more than one occasion. A request for a non-disclosure agreement shall be on a form provided by the commission. Upon review of the gaming licensee's request, the commission may execute such an agreement in its discretion. In lieu of withholding a record in its entirety, the gaming licensee and the commission may agree that that the material or information be publicly released in a redacted form, an aggregated fashion, or in other agreed upon manner. Nothing contained in

205 CMR 139.02, nor in an executed non-disclosure agreement, shall be construed so as to prevent the commission from making use of any information or material as part of an investigation, disciplinary matter, or otherwise as deemed necessary by the commission.

139.03: Fiscal year

The gaming licensee shall establish a fiscal year for accounting purposes and shall advise the commission of such.

139.04: Reports and information to be filed with the commission

The following reports and information shall be filed with the commission, or its designee, in the manner and time provided:

- (1) Pursuant to M.G.L. c. 23K, § 21(a)(12), a detailed annual, and at other times as directed by the commission, statistical report on the number, job titles, benefits, race, gender, veteran status, and salaries of employees hired and retained in employment at the gaming establishment.
- (2) Pursuant to M.G.L. c. 23K, § 21(a)(23), on a quarterly basis, a detailed statistical report, on the number, gender, race, and veteran status of individuals hired to perform labor as part of the construction of the gaming establishment. For purposes of this paragraph, the term “construction” shall, unless the context clearly requires otherwise, include all major stages of design and construction; including all permitting and approvals, design deliverables, site preparation, foundation, structure, plumbing, electrical, mechanical, exterior finish and fenestration, long lead items, insulation, interior finish and furnishings and landscaping, building commissioning and commissioning of gaming equipment and information technology systems; and shall further include the initial and subsequent periods in which any structures upon a licensee’s gaming establishment are altered, converted, fitted out, commissioned, renovated, repaired, maintained, demolished, decommissioned, or dismantled by through utilization of net gaming revenue in accordance with the capital expenditure plan under 139.09.
- (3) Pursuant to M.G.L. c. 23K, § 21(a)(24), a detailed annual, and at other times as directed by the commission, statistical report on the total dollar amounts contracted with and actually paid to minority business enterprises, women business enterprises and veteran business enterprises in:
 - (a) Design contracts;
 - (b) Construction contracts (as the term ‘construction’ is defined in accordance with 205 CMR 139.04(2)); and
 - (c) Contracts for every good and service procured by the gaming establishment.

The annual statistical report shall also identify the amounts so contracted as a percentage of the total dollar amounts contracted with and actually paid to all firms.

- (4) Pursuant to M.G.L. c. 23K, §23(a) on an annual basis, and at other times as directed by the commission, a report explicitly stating the gaming licensee's progress on meeting each of the stated goals and stipulations put forth in its RFA-2 application, including compliance with any executed impacted live entertainment venue agreements;
- (5) Reports prescribed in accordance with 205 CMR 138.05(2) relative to registered and licensed employees;
- (6) Daily, monthly, and annual gross gaming revenue remittance and reconciliation reports required in accordance with 205 CMR 140.00: *Gross Gaming Revenue Tax Remittance and Reporting*. Monthly gross gaming revenue reports shall include statistics relative to the drop/handle, win or loss, and win or loss percentage relative to slot machines played in the gaming establishment for the month. The commission shall make the monthly slot machine payback statistics publicly available on its official website.
- (7) Promptly upon discovery, the gaming licensee shall notify the commission's on-site gaming agent and/or member of the Gaming Enforcement Unit assigned to the gaming establishment of any violation, or suspected violation, of M.G.L. c. 23K, 205 CMR, and/or any gaming related law and file any requested written report.
- (8) By the 10th day of each month, an underage person report with the IEB containing the information required in accordance with 205 CMR 150.05: *Reporting Requirements Related to Minors and Underage Persons*.
- (9) A gaming licensee shall promptly notify the commission's on-site gaming agent and/or member of the Gaming Enforcement Unit assigned to the gaming establishment, if an individual on the voluntary self-exclusion list established in accordance with 205 CMR 133.00: *Voluntary Self-Exclusion* is found in the gaming area of a gaming establishment or any area in which pari-mutuel or simulcasting wagers are placed.
- (10) Any declared event of default related to any debt obligation maintained by the gaming licensee, affiliate, holding company or intermediary company thereof shall be immediately reported to the commission, in writing, along with any plans to address or cure such default.
- (11) Quarterly reports of the gaming licensee in accordance with 205 CMR 139.06.
- (12) If the gaming licensee elects to establish a capital expenditure plan in accordance with M.G.L. c.23K, §21(a)(4) and 205 CMR 139.09, in lieu of making annual improvements to its gaming establishment, such plan shall be submitted to the commission for approval and updates included in the gaming licensee's quarterly report in accordance with 205 CMR 139.06.
- (13) Documents and other materials required to be submitted in accordance with the terms of the gaming licensee's gaming license.
- (14) A gaming licensee's system of internal controls approved in accordance with 205 CMR 138.02, amendments thereto, and any documents or information required to be submitted in accordance with the approved system of internal controls.

139.05: Reports and information to be compiled and maintained by the gaming licensee

The following reports and information shall be compiled and maintained by the gaming licensee,

or where applicable the gaming licensee's holding company, intermediary company, qualifying subsidiary, or entity qualifier thereof, in the manner provided as follows or as required by the governing body responsible for the oversight of the subject information, and shall be made available and provided upon request by the commission, or its designee:

- (1) Up to date records regarding the business structure, capital structure, and controlling interest of the gaming licensee, where applicable, and the gaming licensee's holding company, intermediary company, qualifying subsidiary, or entity qualifier thereof, including, at a minimum:
 - (a) Certified copies of incorporation and formation documents and any amendments thereto;
 - (b) By-laws, shareholders agreements, governing and/or operating agreements or documents, partnership agreement, intercompany transactions, joint venture agreements, merger and acquisition agreements, and other relevant corporate documents.;
 - (c) Current listing of officers, directors, members, partners;
 - (d) Minutes of all meetings of shareholders;
 - (e) Detailed records regarding all record and beneficial owners of any class of non-publicly traded securities, including both equity and debt securities, issued by the gaming licensee, its holding company, intermediary company, qualifying subsidiary or entity qualifier thereof, including the names and addresses of record and beneficial owners of such equity or debt securities, date(s) acquired and the number of equity securities held or face amount of debt securities held, as applicable;
 - (f) Detailed records regarding all record and beneficial owners of 5% or more of any class of publicly traded securities, including both equity and debt securities, issued by the gaming licensee, its holding company, intermediary company, qualifying subsidiary or entity qualifier thereof, including the names and addresses of record and beneficial owners of such equity or debt securities held in street name or other name, date(s) acquired and the number of equity securities held or face amount of debt securities held, as applicable;
 - (g) Detailed records regarding distributions to equity holders holding 5% or more of the entity;
 - (h) Detailed records regarding all remuneration paid to officers, directors, partners and members;
 - (i) (for the gaming licensee only) Detailed records regarding all capital contributions;
 - (j) (for the gaming licensee only) Detailed records regarding any equity transfers;
 - (k) Essential details of any debt obligations including loans, covenants, borrowings, installment contracts, guarantees, leases, or any other debt; and
 - (l) Any other records as the commission deems appropriate.

- (2) Copies of any securities filings submitted to federal, state, or other domestic or foreign securities regulatory authorities, regarding any of the securities, either in existence or proposed, including, but not limited to, United States Securities and Exchange Commission forms S-1, 8-K, 10-Q and 10-K, proxy or information statements and all registration statements filed by the gaming licensee, or holding company, intermediary company, qualifying subsidiary and entity qualifier thereof.

- (3) Copies of any United States Securities and Exchange Commission Schedules 13D or 13G served upon the gaming licensee, or holding company, intermediary company, qualifying subsidiary and entity qualifier thereof.
- (4) Copies of the federal and state tax returns and any related forms filed by the gaming licensee, and its holding company, intermediary company, qualifying subsidiary or entity qualifier thereof.
- (5) The system of financial accounting, in accordance with generally accepted accounting principles, to be utilized by the gaming licensee designed to ensure the accurate recording and reporting its assets, liabilities, equity, revenue and expenses. The gaming licensee's system of financial accounting shall provide a level of detail so as to allow it to accurately compute gross gaming revenue in accordance with M.G.L. c.23K, §2 and 205 CMR 140.02, and to report the gaming licensee's drop, win, and hold percentage for each form of gaming activity, the value of complimentary goods or services and promotional gaming credits issued during the accounting period, and any other information necessary to allow the commission to understand the gaming licensee's results of operations. The gaming licensee shall maintain detailed information and documentation to support all amounts reported to the commission as being the gaming licensee's assets, liabilities, equity, revenue and expenses.
- (6) Data derived from the gaming licensee's player card/rewards card/loyalty program, cashless wagering system, player tracking software, or other similar information systems including:
 - (a) Pursuant to M.G.L. c.23K, §§ 21(a)(15) and 29, the amount of money spent and lost on gaming (excluding the value of promotional gaming credits played, but including any amounts that were subject to discretionary discounting for marketing or other similar purposes) by patrons at the gaming establishment who have been issued a player card or rewards card or who participated in a cashless wagering system, aggregated by, at a minimum, the patron's age, gender and home zip code provided by the patron and compiled on an annual basis or as otherwise directed by the commission.
 - (b) Pursuant to St. 2011, c. 194, §97, information, compiled by year, on player characteristics for patrons of the gaming establishment including, but not limited to, gender, age and region of residence, player behavior including, but not limited to, frequency of play, length of play, speed of play, denomination of play, amounts wagered at the gaming establishment and, if applicable, number of lines or hands played and characteristics of games played including, but not limited to, reel configuration, return-to-player or RTP, volatility index and denomination.
- (7) Pursuant to M.G.L. c.23K, §28(b), a quarterly report, covering all complimentary services offered or engaged in by the gaming licensee during the immediately preceding quarter. The reports shall identify regulated complimentary services or items including, but not limited to, food and beverage, hotel and travel accommodations, and promotional gaming credits. The reports shall be aggregated by, at a minimum, the costs of the complimentary services or items, and the number of people who received each service or item for the quarter. The report shall also document any services or items valued in excess of \$2,000 that were provided to patrons, including detailed reasons as to why they were provided. Valuation shall be performed in accordance with M.G.L. c.23K, §28(c).
- (8) The gaming licensee's Disbursement Report relative to vendors in accordance with 205 CMR

138.06(2);

- (9) Counter check information maintained by the gaming licensee in accordance with 205 CMR 138.43(2)(l)-(n).
- (10) An annual business plan for the gaming licensee, which will include financial projections in a format as prescribed by the commission no later than 30 days prior to the commencement of the fiscal year.
- (11) A compliance plan and any amendments thereto, for the gaming licensee and its holding company or intermediary company outlining the practices and protocols implemented, or to be implemented, designed to ensure compliance with all applicable federal or state laws.
- (12) Copies of the minutes of all board of directors or equivalent governing authority meetings ~~and committee meetings including the audit and compliance committee meeting minutes pursuant to 205 CMR 138.04(2)(g) and (h), for the gaming licensee or holding company or intermediary company thereof. The commission may request such minutes in draft form followed by final minutes when formally approved. Where applicable, the commission may request that it be provided access to only those portions of the minutes that relate to the gaming licensee and not to the parent or holding company as a whole or to other properties owned or operated by the parent or holding company.~~

139.06: Quarterly reports

- (1) On a quarterly basis, the gaming licensee shall create a report that provides a continuing view of the gaming licensee's financial position including key performance measures, narrative commentary on operating results, and where applicable, the capital reserve account contributions made in accordance with the plan submitted pursuant to 205 CMR 139.09. The quarterly report shall be attested to by any two of the following: the Chief Executive Officer, Chief Gaming Executive, Chief Financial Officer, Treasurer, Financial Director, Controller, or their functional equivalent.
- (2) The quarterly report required in accordance with 205 CMR 139.06(1) shall be accompanied by a statement attested to by the gaming licensee's Chief Financial Officer, or their functional equivalent, that the gaming licensee satisfies the following:
 - (a) It has maintained for the previous quarter, and has the ability to maintain for the upcoming quarter, a gaming bankroll or equivalent provisions adequate to pay winning wagers to gaming patrons when due.
 - (b) It has paid in the previous quarter and has the ability to pay when due all local, state and federal taxes, including the tax on gross gaming revenues imposed by M.G.L. c.23K, §55 and any fees imposed under M.G.L. c.23K or 205 CMR.
 - (c) It has the ability to make annual capital expenditures to its gaming establishment in a minimum aggregate amount equal to 3.5 per cent of the net gaming revenues derived from the establishment or in accordance with a multi-year capital expenditure plan approved by the commission pursuant to M.G.L. c.23K, §21(a)(4) and 205 CMR 139.09.
 - (d) It has the ability to pay, exchange, refinance or extend debts, including long-term and short-term principal and interest and capital lease obligations, which will mature or otherwise come due and payable during the license term, or to otherwise manage such debts and any default with respect to such debts.

139.07: Annual audit and other reports

- (1) On an annual basis a gaming licensee shall, at its own expense, cause an audit to be prepared by an independent certified public accountant of its financial statements relevant to the operation of its Massachusetts gaming establishment. The gaming licensee may satisfy this requirement by submission of the audit of the consolidated financial statement, including applicable notes, of the gaming licensee's holding company or intermediary company provided that such audit is accompanied by a supplemental information, appendix, or other financial information section specific to the gaming licensee which includes an audited financial statement containing, at a minimum, a balance sheet, income statement, and a statement of cash flows for the gaming licensee. In either event, the independent certified public accountant shall attest to the financial condition of the gaming licensee, disclose whether the accounts, records and control procedures examined are maintained by the gaming licensee as required by M.G.L. c.23K and 205 CMR, and opine as to whether there are material weaknesses in the gaming licensee's system of internal controls.

In the event that the independent certified public accountant makes recommendations to improve the system of internal controls, or to increase the gaming licensee's level of compliance, the gaming licensee's Chief Financial Officer shall respond, in writing, to the recommendations of the independent certified public accountant and provide the commission with a copy of its response.

- (2) To ensure the independence of the annual audit, at least every five years a gaming licensee, whose holding company or intermediary company is not publicly traded, shall rotate the lead (or coordinating) audit partner having primary responsibility for the audit, and the audit partner responsible for reviewing the audit. For a gaming licensee, whose holding company or intermediary company is publicly traded, lead (or coordinating) audit partner rotation shall comply with the requirements of federal law, including the requirements of the United States Securities and Exchange Commission and/or the Public Company Accounting Oversight Board.
- (3) In the event the annual audited financial statements differ from financial statements maintained by the gaming licensee throughout the year, the gaming licensee shall provide a summary of these differences as part of the annual audit.
- (4) The annual audit and associated statements required in accordance with 205 CMR 139.07(1) shall be filed with the commission within 3 months following the end of the quarter following the end of the gaming licensee's fiscal year.
- (5) In cases where a gaming licensee's parent or holding company is not publicly traded, in the event the gaming licensee's independent certified public accountant shall resign or be removed as the gaming licensee's principal accountant or auditor, the gaming licensee shall submit a written report to the commission within 20 days of such resignation or removal, signed by its Chief Financial Officer and Chair of its Audit Committee,

outlining the cause or nature of the resignation or removal, stating whether the resignation or removal was related to material differences between the parties as to financial statement presentation issues, disclosures, or the adequacy of the gaming licensee's system of internal accounting control and, if so, a complete and detailed description of the differences for consideration by the commission. The gaming licensee shall submit as an exhibit to this report a letter from the former independent certified public accountant stating whether he or she agrees with the statements made by the gaming licensee in the report submitted to the commission.

In cases where a gaming licensee's parent or holding company is publicly traded, the gaming licensee shall file with the commission copies of such information and documents as are required to be filed with the United States Securities and Exchange Commission and/or the Public Company Accounting Oversight Board upon the resignation or removal of the publicly traded holding company's independent certified public accountant.

- (6) To the extent possible, any adjustments resulting from the annual audit required in accordance with 205 CMR 139.07 shall be recorded in the accounting records of the year to which the adjustment relates. In the event the adjustments were not reflected in the gaming licensee's quarterly report for the fourth quarter and the commission concludes the adjustments are significant, a revised quarterly report for the fourth quarter may be required from the gaming licensee. The revised filing shall be due within 30 calendar days after notification to the gaming licensee, unless an extension is granted by the commission.

139.08: Audit of gaming licensee operations by commission

In accordance with M.G.L. c.23K, §65 the commission shall audit on an annual basis, and at other times the commission, or the IEB, determines necessary the accounts, programs, activities, and functions of a gaming licensee and/or any aspect of the gaming establishment and compliance with any provision of the gaming licensee's system of internal controls approved in accordance with 205 CMR 138.02. To conduct the audit, authorized officers and employees of the commission shall be given access by the gaming licensee to such accounts at reasonable times and may require the production of books, documents, vouchers and other records relating to any matter within the scope of the audit and as otherwise provided in accordance with 205 CMR 142: *Regulatory Monitoring and Inspections*; provided however, that a gaming licensee's tax returns will not be audited by the commission. All audits shall be conducted in accordance with generally accepted auditing standards established by the American Institute of Certified Public Accountants and the standards established by the Public Company Accounting Oversight Board. In any audit report of the accounts, funds, programs, activities and functions of a gaming licensee issued by the commission containing adverse or critical audit results, the commission may require a response, in writing, to the audit results. Such a response shall be forwarded to the commission within 15 days of notification by the commission. Where possible, efforts will be made not to audit areas that were the subject of, and satisfactorily addressed by, the annual audit required in accordance with 205 CMR 139.07.

Prior to submitting the requisite report required in accordance with M.G.L. c.23K, §65 to the clerks of the house of representatives and the senate, the gaming licensee shall be offered an opportunity to review the commission's report and make any requests allowed in accordance with 205 CMR 139.02. The commission may modify the information contained in the report to address the concern, but shall not adjust the findings of the audit.

139.09: Capital expenditure plan

- 1) For purposes of 205 CMR 139.09, net gaming revenue means gross gaming revenue as calculated in accordance with 205 CMR 140.02, minus taxes remitted to the commonwealth in accordance with 205 CMR 140.03.
- 2) Pursuant to M.G.L. c.23K, § 21(a) (4), A gaming licensee shall annually make, or cause to be made, capital expenditures to its gaming establishment in a minimum aggregate amount equal to 3.5 per cent of the net annual gaming revenues derived from the gaming establishment; provided, however, that a gaming licensee may make capital expenditures in an amount less than 3.5 per cent per year as part of a multi-year capital expenditure plan approved by the commission. If the gaming licensee intends to make capital expenditures as part of a multi-year capital plan, the plan shall be submitted to the commission for approval at least 3 months prior to the end of the first fiscal year included in the multi-year plan. A multi-year capital plan must, at a minimum, provide for the establishment of, and annual contribution to, a capital reserve account. Over the term of the plan, the total expenditures shall equal or exceed 3.5 per cent of the net annual gaming revenues derived from the gaming establishment during the covered term of years unless good cause is demonstrated to the contrary by licensee

REGULATORY AUTHORITY

205 CMR 139: M.G.L. c. 23K, §§4(28), 4(37), 21(a)(4), 5

No Documents



To: Stephen Crosby, Chair
Gayle Cameron, Commissioner
Enrique Zuniga, Commissioner
James F. McHugh, Commissioner
Bruce Stebbins, Commissioner

From: Catherine Blue

Date: August 6, 2015

Re: Delegation of Authority to the Director of the IEB

REQUEST: That the Commission delegate to the Director of the IEB, in her discretion, the authority to issue gaming vendor secondary licenses under 205 CMR 134.09(1)(c).

DISCUSSION: 205 CMR 134 sets forth the requirements for the licensing of vendors who conduct business with a gaming establishment by performing on a contract with the gaming establishment or providing goods or services to the gaming establishment. 205 CMR 134.09(1)(c) provides that once the IEB approves an application for a gaming vendor license (whether for a gaming vendor primary or a gaming vendor secondary license), it shall forward its recommendation along with the application materials to the Commission for the Commission's review and issuance of the license.

Non-gaming vendor registrants may be designated as gaming vendors secondary if they conduct over \$250,000 in gross sales in a 12 month period, or \$100,000 in a three month period with a gaming establishment, and are not providing goods or services directly related to gaming. Following the designation of a vendor as a gaming vendor secondary, the IEB has discussions with representatives from the vendor company and reviews materials from the vendor to determine which related



Massachusetts Gaming Commission



entities (if any) and which individuals are required to submit application materials. The IEB then completes a thorough background check of the vendor. This background check includes a review of the application materials submitted by the applicant, requests for supplemental documentation as determined to be needed by the investigators and examination of those supplemental materials, criminal background and database checks and verifications, and interviews and site visits as dictated by the needs of the particular investigation. This delegation would grant the Director of the IEB the authority to issue gaming vendor secondary licenses in her discretion in circumstances where the IEB concludes, after a thorough investigation of the vendor, that there are no known facts indicating that the vendor has not met the criteria listed in G.L. c. 23K or 205 CMR.

It is reasonably anticipated that there will be a significant volume of gaming vendor secondary license applications. With this delegation, the IEB will be able to process the gaming vendor secondary applications more efficiently, with no impact on the investigation itself, allowing gaming vendor secondary vendors to continue to provide goods and services to the gaming establishments, which in turn supports job growth in the Commonwealth.

I am requesting that the Commission delegate to the Director of the IEB the authority to issue, in her discretion, gaming vendor secondary licenses. As part of this delegation, the Director of the IEB will make a report to the Commission on a regular basis describing the licenses granted under this delegation.



Massachusetts Gaming Commission



Investigations & Enforcement Bureau

To: Chairman Crosby, Commissioner Zuniga, Commissioner Stebbins, Commissioner Cameron and Commissioner McHugh

From: Loretta M. Lillios, Deputy Director, Investigations and Enforcement Bureau

Re: Temporary Key Gaming Employee Licenses Issued

Date: August 5, 2015

Pursuant to the authority the Commission delegated to the IEB on March 19, 2015, the IEB has granted temporary Key Gaming Employee licenses to the following individuals.

Key Gaming Employees

1. Luis Tejada, Security Shift Manager (7/29/15)
2. Michael Baldwin, Security Shift Supervisor (7/29/15)

Each application has been deemed complete by the Division of Licensing. The petitioner has certified and the IEB has found, after reviewing the operational plan for the facility, that each temporary license is necessary for the operation of the gaming establishment and is not designed to circumvent normal licensing procedures.

The IEB has found that in each case that the license is reasonably likely to be issued upon completion of the investigation.



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DATE: July 21, 2015

TO: Chairman Stephen Crosby
Commissioner Gayle Cameron
Commissioner James McHugh
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga

FROM: Alex Lightbown, Acting Director of Racing
Catherine Blue, General Counsel

CC: Rick Day, Executive Director

RE: Suffolk Downs – August 8th, September 5th and October 3rd, 2015

Suffolk Downs has applied to the Massachusetts Gaming Commission (MGC) for three days of racing festivals: August 8, September 5, and October 3. If granted the license, Suffolk will enter into a consulting agreement with New England Horsemen’s Agricultural and Racing Cooperative (NEHARC) to manage the racing.

Lou Raffetto is the sole employee of NEHARC. In Mr. Raffetto’s June 16th letter to the MGC, he states, “it is the New England HBPA, through the New England Horsemen’s Agricultural and Racing Corporation (NEHARC) that will conduct racing operations for the festival. In a June 15th letter to the MGC from HBPA President Anthony Spadea, Mr. Spadea states, “...the abbreviated meet...will demonstrate that the NEHBPA horsemen under the guidance of General Manager Louis Raffetto are very capable of conducting a race meet”.

The HBPA and Mr. Raffetto have now indicated that Mr. Raffetto alone will be conducting the race meet. Lou was a consultant for the New England Horsemen’s Benevolence and Protective Association (HBPA) earlier this year, but this ended May 31st. Mr. Raffetto was Vice President of Racing at Suffolk Downs for nine years. More recently he was an executive with the Maryland Jockey Club and Executive Director of the Thoroughbred Owners of California.

Mr. Raffetto is planning on 10-15 races per day. Three of these would be Mass bred races, which have their own dedicated purse money totaling \$150,000 per day. Provided there are enough entries to fill each race:

- Four races would be restricted to horses that previously started at Suffolk Downs with total purses per day of about \$110,000.



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- Up to three steeplechase races with purses in the \$30-35,000 range each would be included. Steeplechase races are races with Thoroughbreds that race over jumps. Suffolk last had steeplechase races in 1996 and 1997.
- The rest of the races give preference to horses that raced at Suffolk in 2014 provided they meet the conditions of those races.

It is estimated about \$500,000 per day will be given out in purse money. In comparison, last year approximately \$100,000 was given out in purse money each day at Suffolk. Besides the racing, there will be a food truck festival and family friendly activities such as pony rides and a bouncy house.

As far as staffing goes, NEHARC will bring back Suffolk's Racing Secretary, Tommy Creel, and most of the other racing staff from 2014. The 2014 staff was well qualified and experienced.

If they are approved for race days, Sterling Suffolk Racecourse has requested a distribution of \$1.75 million from the Race Horse Development Fund. This would go into the purse account, as per Chapter 23K, section 60. Chapter 10 of the Acts of 2015 allows for monies in the purse account to be used for administrative and horseracing operations. The \$1.75 million would be used as follows:

- \$1,200,000 for purses for the three days of racing;
- \$325,000 for racing operating expenses and future racing facility developmental expenses
- \$225,000 NEHBPA annual operating expenses

If there is no live racing, the money can be escrowed for three years.

The Acts of 2015, Chapter 10 allow Suffolk Downs to continue simulcasting through July 31, 2016 as long as there is a minimum of one day of live racing at Suffolk Downs in 2015 and 2016. Approving 3 days of live racing would allow Suffolk to continue to offer simulcasting and retain some of their employees. Last year, there was \$129,787,130 bet at Suffolk on simulcast import (signals from other tracks bet on at Suffolk). Simulcast commissions resulted in \$483,611 of revenue collected by the State.

If the MGC approves the racing at Suffolk Downs, the benefits to the Commonwealth include:

Employment - continued employment for the remaining Suffolk Downs employees and employment opportunities during the race days including racing office staff, racing officials, concession personnel and a few more Gaming Commission employees. This could be another 50 employees.

Revenue - The Commonwealth will also get income from the daily assessments, association license fees, and commissions. In 2014 that amount was; \$483,611 in simulcast commission, \$42,123 in live racing commission, \$470,075 in assessments fees, \$86,700 in association license fees, \$37,110 in occupational license fees, \$285,130 in out's money (paid back to purses), \$8,290 in fines and penalties and \$4,440 in miscellaneous fees (badges). Total revenue collected was \$1,417,478. Doug O'Donnell, Senior Financial Specialist, estimates an annual revenue loss of \$1.2 million if there is no simulcasting, or \$600,000 through the end of 2015.



Business - There will also be some money that will be spent on ancillary businesses, such as feed vendors, tack stores, and farms.

Mass Bred Showcase-The Massachusetts Thoroughbred Breeders Association will benefit by racing for their purse money and getting to showcase their horses in their home state. The purse money won in the Mass bred races does have good trickle down to other Massachusetts businesses, since the money stays in state.

Benefits to the local horsemen, or horsemen who have supported Suffolk Downs, include racing for good purse money, getting to come home to Massachusetts for the weekend, and re-connecting with their fellow horsemen. If the three days of racing are approved, it will benefit Thoroughbred racing by getting some money distributed for expenses, spotlight the sport, and help keep it visible while the future is being explored.

In order to grant a racing license, the commission must take into consideration the criteria provided in Chapter 128A Section 3 (i). Those criteria are: the financial ability of the applicant to operate race track; the maximization of state revenues; the suitability of racing facilities for operation at the time of the year for which the dates are assigned; the circumstances that large groups of spectators require safe and convenient facilities; having and maintaining proper physical facilities for racing meetings; and according fair treatment to the economic interest and investments of those who in good faith have provided and maintained the facilities. In order for the Commission to determine if the criteria are met, the Commission can consider the application materials provided by the applicant, the responses to the additional questions submitted to Suffolk, and the testimony and comments received from the public. The Commission can find that the applicant meets the criteria in section 3(i) if there is substantial evidence in the record before the Commission supporting such a finding evidence in the record before the Commission supporting such a finding

1. Suffolk has the financial ability to operate by using money in accordance with Chapter 10 of the Acts of 2015 for some of their operating expenses. Even with that money, however, the financial information provided in the record shows that Suffolk will lose money and run a deficit. They would be maximizing state revenue by continuing to simulcast since the Commonwealth will receive the monies required by statute to be paid to the Commission.
2. The facility is suitable for operation during the months they are planning to race, and safe and convenient for a large number of spectators.
3. The staff they are hiring is experienced and should be qualified to honestly manage racing and the increased purses should help ensure good quality racing.
4. As far as having the proper physical facilities for racing, Suffolk has stated they will do some carpentry maintenance on the barns to be used.



Massachusetts Gaming Commission

5. The track surface is usually very safe, with a low rate of injuries. Since there will be minimal training on it ahead of time, the Racing Division recommends that Suffolk be required to get an outside track expert to evaluate the track surface.
6. Since the track kitchen burned down, they will have only a food truck for the people on the backside, but this is offset by their intention to not charge for the food. The dorms will be re-commissioned and available.

One of the main drawbacks to this plan is the low number of live racing days. They obviously won't provide full time employment or work in conjunction with another meet to do so. Also, with the horses being on the grounds such a short time, it really limits the amount of earned purse money that will be spent in Massachusetts. The high purses will be good for some horsemen, but others who raced at Suffolk last year won't have horses that can compete at that level. They have horses that fit the \$100,000 per day purse schedule of last year. Mr. Raffetto and Mr. Tuttle stated that they are exploring as many ways as they can to benefit the horses and people that supported Suffolk in the last few years. Mr. Raffetto feels the steeple chase races will add a festive flair to the meet and they are a known quantity to him as far as being able to fill the racing card. However, some horsemen may be frustrated when they have lost their jobs and had to move, and \$90,000 a day in purses may be going to steeple chasing. This is almost as much purse money as Suffolk gave out per day last year for flat racing.

Mr. Raffetto suggested the Commission look at the meet at Kentucky Downs as a means of comparison. It is a successful short festival meet. However, there is a lot of other racing in Kentucky; the Kentucky Downs meet is not the only meet for Kentucky horsemen. The NEHBPA members might not be so divided on the Suffolk three day meet if there were several other tracks and race meets in Massachusetts. It should be noted that there is significant division among NEHBPA and MTBA members as to whether they want it, or would rather their money be escrowed this year.

Recommendation

If the two options for this year are the three day meet or no meet, I recommend the Commission approve the three day meet with the following conditions:

1. Suffolk will get an independent expert in to review the track surface prior to racing.
2. Suffolk will provide a detailed budget to the Commission.
3. Every effort will be made to limit the number of steeple chase races to one per day.
4. After each day of racing, Suffolk will report to the Commission the numbers and percentage of recent Suffolk horsemen and horses that benefited from their races.
5. The date in August will be pushed back at least a week to August 15th to give the Commission time to approve the racing officials and key operating personnel, license and finger print the occupational licensees, and get their staff on board.



Massachusetts Gaming Commission

6. Suffolk Downs is in arrears with the Commission in regards to Twin Spires ADW from March through June (an estimated \$20,000); they need to provide the Commission with a signed contract and become current in their payments.

I've concluded that if the three days of racing are approved, it will benefit Thoroughbred racing by getting some purse money distributed for expenses, spotlight the sport, and help keep it visible while the future is being explore



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New England Horsemen's Benevolent and Protective Association, Inc.

President
Anthony Spadea

A National Organization

Acting Executive Director
Bruce P. Patten

Directors: Owners
Randy Andrews
Susan Clark
Shirley Dullea
Manfred Roos
Paul Umbrello



Directors: Trainers
Jay Bernardini
Matthew Clarke
Alan Lockhart
Kevin McCarthy
George Saccardo

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August 4, 2015

Dr. Alexandra Lightbown, Director of Racing
Massachusetts Gaming Commission
101 Federal Street 23rd Floor
Boston, MA 02110

Re: Sterling Suffolk Racecourse, LLC application for three race days.

Dear Dr. Lightbown:

On behalf of the New England HBPA Board of Directors and the owners and trainers of thoroughbred horses racing in Massachusetts, I am hereby providing an overview breakdown of the expenses requested in our letter dated April 29, 2015.

Racing operating expenses & future racing facility developmental expenses (\$325,000)

Current and Future Racing Projects Consulting - \$125,000
Legal Advisers- \$25,000
Financial Adviser - \$25,000
Bond Counsel - 40,000
Soil Testing - \$20,000
Engineering - \$25,000
Architectural fees - \$50,000
Permitting Process - \$15,000

NEHBPA (\$225,000)

The traditional funding source for all NEHBPA administrative expenses is the horsemen's purse account. The following provides an overview breakdown of the NEHBPA administrative budget.

General & Administrative (including salary) - 73,000
Consulting & Contract Services - 140,000
Insurance - 12,000

If you have additional questions or requests, please contact us.

Sincerely,

Anthony Spadea, President



August 3, 2015

Dr. Alexandra R. Lightbown, Director of Racing
Massachusetts Gaming Commission
101 Federal Street, 23rd Floor
Boston, MA 02110

Dear Dr. Lightbown:

I write in regard to Sterling Suffolk Racecourse's pending request for approval for three days of racing in 2015, to amend the dates requested, to answer questions that came up in the Commission's most recent public discussion, to debunk the misconception that year-round simulcasting is an economic windfall for our company and to clarify the record, including the potential interest of the Stronach Group in leasing or operating Suffolk Downs.

We initially filed our request in May for dates in July, August and September. Given the passage of time, we are now requesting three days of racing on September 5, October 3 and October 31. Again, this request is made in conjunction with the New England Horsemen's Benevolent and Protective Association and the Massachusetts Thoroughbred Breeders Association, the organizations with which we are authorized to work under both federal and local statutes and which are the duly elected representatives of the owners and trainers of the horses that race at Suffolk Downs and the local thoroughbred breeders, respectively.

As you noted in your testimony of July 23rd, our request for racing dates meets the conditions established by the Commonwealth for live thoroughbred racing. We appreciate your recommendation to the Commission that it should approve our request for dates and note that we are not aware of any alternative plan for thoroughbred racing dates before the Commission nor are we aware of any other potential licensee, as neither statute nor the Commission has authorized any entity other than Suffolk Downs to conduct thoroughbred racing in the Commonwealth in 2015.

On that matter, I wanted to point out the extraordinary and unprecedented steps that the Commission took during its discussion of our application on July 23rd, inviting an individual to speak, Mr. William Lagorio, who was not a party to the

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proceeding before it, to discuss another entity, the Stronach Group, that was also not a party to the proceeding before it.

Following up on the Commission's request from July 23rd that we continue conversations with the Stronach Group about its potential interest in leasing our facility or operating racing at our facility, please be advised that I reached out to Stronach Group COO, Tim Ritvo, early last week. Mr. Ritvo called me on Wednesday, July 29th, and we had another brief conversation about his company's interest in Massachusetts. Since then, I have not heard back from any representative of the Stronach Group. Since your last meeting, I am aware that Mr. Ritvo has also spoken with the NEHBPA, with individual horsemen, with members of the media and with representatives of the Commission.

In attempt to correct the record, contrary to Mr. Lagorio's statements of July 23rd, in our conversation last week, Mr. Ritvo conditioned the Stronach Group's interest in Massachusetts on a scenario under which funding from the Race Horse Development Fund would be the sole source of purse funding and that the Stronach Group as operator would be able to retain all other traditional sources of purse funding.

With respect to any potential for the Stronach Group to conduct racing at Suffolk Downs in 2015, he said to me that he did not think that was possible. This is consistent with his reported comments to the *Boston Globe*. As a result, as the Commission evaluates the matter before it, I can state unequivocally that we have no expectation that we will have a business arrangement in place pursuant to which the Stronach Group could operate racing at our facility.

Again, in the interest of accuracy, I would also like to point out two other significant inconsistencies of Mr. Lagorio's statements from your prior meeting. First, the Stronach Group does rely on substantial funding from gaming sources for purses and expenses at both its Maryland and Florida operations. Second, Mr. Lagorio's claim that the Stronach Group would be able to bundle a Suffolk Downs simulcast signal with other Stronach signals and charge as much as 9% for them does not seem to have any basis in reality. By way of example, I have attached here the commission rates that Suffolk Downs currently pays for the signals managed and marketed by the Stronach Group (dba Monarch), which range from 2.5-6.5%, with the exception of the Preakness Stakes and one other special event.

Additionally, I would like to address the suggestions made before you and in the media that Suffolk Downs is making millions of dollars of profit by conducting simulcasting. Per your request, I have attached a detailed operating budget for 2015 and I am happy to answer any questions that you or Commission members may have about that budget. It projects an operating loss of approximately \$1.2 million before taxes and interest expenses.

For comparison, the budget includes actual operating results from live racing and simulcast operations in 2014 and the \$9.7 million loss incurred.

I want to repeat the concerns that I expressed at your last meeting that members of the Commission would suggest that it might withhold granting our dates in order to somehow provide negotiating leverage to a company that has had almost a full year to express a legitimate interest in operating here. The Commission should be aware that the Stronach Group has a financial interest in preventing live racing at Suffolk Downs, even if it does not ever conduct a race in Massachusetts, as Suffolk Downs would have to pay more for the Stronach simulcast signals if it is a simulcast-only facility at which no live racing occurs.

It has also been reported to us that the Stronach Group has promoted the idea of gaining undue advantage through the Commission's withholding of an award of racing dates, which has been given voice through Mr. Lagorio's group and members of the Commission. I respectfully request that the Commission make public the substance of any conversations that its members or staff have had with the Stronach Group regarding our request for racing dates, their interest or intentions, and any connection between action on our dates request and the possibility of a future arrangement between us and the Stronach Group. We are greatly concerned that the Stronach Group may be intentionally interfering in our contractual relationships.

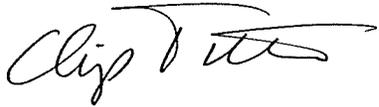
Finally, Chairman Crosby asked multiple times during our last meeting whether the Commission "should take the long term health of the thoroughbred racing industry into consideration when making its licensing decisions."

Our company's substantial losses in support of and to preserve the Commonwealth's racing industry, its work force and open space, in excess of \$60 million since 2007, are well documented. It was a risk that we took with full understanding that our pursuit of gaming development on the property may not succeed. And we were up front with the Commission, the horsemen and other stakeholders well in advance of our 2014 season that, if we were not successful, our plan was to cease racing operations and proceed with alternative development of the property.

That plan was modified over the winter when it became apparent to us that the NEHBPA would not be able to move forward with its "one-day placeholder" license granted by the Commission in October of 2014 and when legislation was passed earlier this year extending our 2014 racing license into 2016. Because it helps the horsemen with their long-term plan of finding their own racing facility, because it keeps much of our workforce employed while they await their potential, eventual opportunity to work at the Wynn Everett project, and because it is marginally better financially for us than shutting down and mothballing the property, we are happy to continue limited racing and simulcasting operations while we plan our property's future development.

As someone who has worked at Suffolk Downs in different capacities since 1991, I am offended at the suggestion that some have made that we didn't extend every reasonable resource over the last seven years to preserve racing in the Commonwealth. It will require a very gullible audience for anyone to successfully promote the revisionist narrative that we didn't.

Sincerely,

A handwritten signature in black ink, appearing to read "Chip Tuttle". The signature is fluid and cursive, with a prominent horizontal stroke at the top.

Chip Tuttle

Chief Operating Officer

c.c. Stephen P. Crosby, Chairman
Gayle Cameron, Commissioner
Enrique Zuniga, Commissioner
James F. McHugh, Commissioner
Bruce Stebbins, Commissioner
Catherine Blue, General Counsel
Anthony Spadea, President, NEHBPA
George Brown, Chairman, Massachusetts Breeders



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Veterinary Advisor
Dr. Thomas Tobin

July 31, 2015

Massachusetts Gaming Commission
ATTN: Chairman Stephen P. Crosby
101 Federal Street, 23rd Floor
Boston, MA 02110

Re: The New England HBPA

Dear Chairman Crosby:

Following up on my letter of July 21, 2015, in support of the New England HBPA's Application to Lease and Operate Suffolk Downs, and because it has come to my attention that there may be some concern as to whether the New England HBPA is the proper representative voice for the horsemen in your jurisdiction, this letter is meant to address that issue.

As I explained in my previous letter the National Horsemen's Benevolent & Protective Association, Inc. ("NHBPA") is the largest trade association in the United States representing approximately 30,000 thoroughbred racehorse owners and trainers. We have approximately thirty (30) affiliates in various states and two in Canada. The New England HBPA is an affiliate in good standing with the NHBPA and was one of the founding members of the NHBPA beginning as an affiliate in the 1940's.

In order to become an affiliate of NHBPA and remain an affiliate in good standing the following requirements (as set forth in the Bylaws of NHBPA) must be met:

- 1. The organization represents a majority of owners and trainers of race horses racing at a minimum of one racetrack located in a specific region or;*
- 2. If there is no racetrack conducting live racing in a specific region, a majority of owners and trainers whose race horses are owned, trained or raced in a specific region so long as one of the Association's purposes is to bring live racing to such region; and,*
- 3. Establish and maintain an appropriate organizational structure under applicable law, the structure of which shall include, as a minimum standard, a provision for fair election of directors to the affiliate's governing board, with elections to occur not less frequently than every three (3) years.*

As stated above, the New England HBPA is an affiliate in good standing with the NHBPA and no other organization has applied with the NHBPA to become an affiliate as a representative for horsemen in the New England area. I hope this alleviates any concerns your Commission may have as to whether New England HBPA is the horsemen's representative for your jurisdiction.

Sincerely,

Eric Hamelback, CEO
National HBPA, Inc.

MASSACHUSETTS GAMING
COMMISSION
2015 AUG - 3 PM 4:06

What is HBPA?

News

Blog

Member Benefits

Calendar

Photo Gallery

Resource Center

Affiliates Only

Donations

Horsemen's Journal

Education

Links

Contact Us

FAQ

Home

Quick Links

- [HJ Medical Updates](#)
- [Racetrack Directory](#)
- [Award Winners](#)

The Horsemen's Journal: Archive

History of the HBPA, Part I: Now Is The Time: HBPA Membership & Influence Spread Rapidly In the 1940s The Horsemen's Journal

In the late 1930s and early 1940s, *The Maryland Horse* regularly offered a column from American Trainers Association (ATA) President Preston Burch. Burch offered advice to fellow trainers, as well as updating them on the priorities of their organization. In September 1940, however, he turned his space over to ATA Secretary-Treasurer Janon Fisher, Jr., with the warning that Fisher's ideas might "leave a disagreeable taste in some mouths."

Fisher, who was also president of the Maryland Horse Breeders' Association, offered a list of concerns. In particular, he noted that, "living conditions offered at race tracks for stable employees are absolutely awful. Not only are the places designated for men and boys crowded, unventilated and dirty, but the sanitary conditions of the toilets and latrines are something which no self-respecting trainer should put up with . . . These unfortunate conditions would not be put up with by any group or organization except a disorganized one such as the trainers are."

In the same column, Fisher wrote, "We don't want much - a safe track to run over, fair purses, fair, impartial officials and clean, sanitary living conditions." If these basic needs were not met, Fisher predicted, "We can foresee the time when all trainers will form a strong, influential body which, should the occasion arise, will be able to dictate to racing officials and even racing commissions."

At the time, Fisher could not have known that to the north, at Rockingham Park in Salem, New Hampshire, a foundation was being laid for such a body. The very same month his editorial ran, a little known organization known as the Horse Retirement Fund was rechristening itself as the Horseman's Retirement Fund. Earlier that year, trainer Philip Beiber (he was also the brother of Isidore Beiber, the principal owner for future Hall of Fame trainer Mirsch Jacobs) had convinced New England horsemen and racetrack officials to contribute to a fund that would "retire" Thoroughbred racehorses no longer capable of earning money at the track. Beiber's idea, however, immediately proved to be controversial, and his fund and its supporters quickly reorganized priorities. It would now be centered on helping horsemen.

The fledgling group organized a meeting at the Whitman Hotel in Jamaica, New York, on October 15 to explain its new direction. Eugene Gilmartin, a young lawyer from Rhode Island, made the presentation. He was accompanied by an ex-member of the Rhode Island Racing Commission, James H. Hagan, Jr.

Burch, writing in November for *The Maryland Horse*, said, "Although (Gilmartin) claims not, this movement seems to me to be a growth from the Horse Retirement Fund . . . As there seemed to be considerable agitation against Beiber's organization, it was voted to disband same and donate the funds on hand to the new organization, called the Horseman's Retirement Fund.

Burch continued, "The main purpose of the new association seems to be horsemen's relief and the establishment and maintenance of a home for horsemen . . . The meeting here was very sparsely attended, and there was very little said except Gilmartin's talk and a few questions which he answered."

Gilmartin also addressed the National Association of State Racing Commissioners. A transcript of his speech was printed in *The Blood-Horse* of January 25, 1941. He began by saying, "The horsemen believe this movement to be the greatest undertaking by the horsemen in the history of the Turf, and we will be very cautious in our movements and give serious thought to all suggestions that in the end we will have a successful organization . . ."

He continued, "The horsemen feel now is the time to form a National Beneficial Association that will care and provide for the horsemen regardless where they may be living and/or racing . . ."

"A charter was obtained from the secretary of state in the state of Rhode Island on September 26, 1940, and at the present time we are functioning as a temporary organization with a temporary constitution and by-laws and with temporary officers. The permanent organization will be formed at the Miami Biltmore Hotel, Monday, February 3, 1941."

The Blood-Horse editor, Joe Estes, however, sounded a warning to the fledgling organization. He wrote, "The large number of new organizations of persons interested in various phases of racing is strongly indicative of a new consciousness of community of interest. The manifestation of this urge toward an organization is, we believe, most significant and important development."



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But Estes also wrote that, "the days are now limited in which the American Turf can continue its uncoordinated growth without dissension . . . It ought not be overlooked that the real laborers of racing, the stable hands, are the ones which have not been yet invited to join an organization and hence are the ones which are the most susceptible to recruiting by organized labor."

Estes noted that one released statement from the Horseman's Retirement Fund stipulated that only owners, trainers and racing associations would be eligible for active membership. Grooms, exercise riders, jockeys and other stable help would not be offered a chance to vote on how the new organization's rules might be written.

He said, "We are going to have organizations from now on, whether we like it or not. If we are going to have them, let us do our best to make them sensible and serviceable."

• **Unrealized Vision**

At the February 3, 1941, meeting in Miami, the Horseman's Retirement Fund changed its name to the Horsemen's Benevolent and Protective Association. The group outlined five priorities:

- horsemen's benevolence,
- a horsemen's retirement home,
- reduced fees on horse insurance,
- a better working relationship with racing associations and racetracks, and
- an identification and membership system for stable employees.

The HBPA, perhaps opting for name recognition, voted James E. (Sunny Jim) Fitzsimmons president. *The Blood-Horse* also reported that issues concerning the retirement of horses "had been dropped entirely."

Though something that taken root from Phillip Belber's Horse Retirement Fund, it was hardly what its creator had envisioned. Belber's plan to purchase and retire "worthless" horses suffered from a lack of clarity, as well as industry support. Belber felt that some horses in training, either from unsoundness or advancement of age, presented too great a danger to other horses and riders. At first, the Horseman's Retirement Fund proposed to pay \$100 for racehorses that had outlived their potential to earn money at the track. With the formation of the HBPA and the focus turning to the above-mentioned goals, Belber altered his plans, as well. By the summer of 1941, he proposed to offer \$200 to the owner of any mare that was ready for retirement. However, the mare would not be allowed to be bred to any Thoroughbred stallion. Therefore, her lameness or lack of class would not be passed along to future generations.

Estes objected. On August 9, 1941, he wrote, "We still hold the opinion that paying money to the owner of a worthless horse for the privilege of removing the horse from the race track will do nobody any good except the owner who pockets the money. But the boys seem to think they can make enough of a dent in the racehorse population for the effect to be seen. We hope they keep going long enough to find out."

In order to make sure their message wasn't misrepresented by other publications, the New England branch of the HBPA created their own magazine, the *Horsemen's News*, and during the summer of 1941, this magazine reported that the notion of purchasing unfit and unsound Thoroughbreds would be done "as funds permit."

The issue of horse "retirement" had always been a moral, as well as a political, nightmare for the Thoroughbred sport. If Belber's intentions were good, the HBPA's implementation of them drew bitter criticism. Horace Wade, writing for the *Green Race Special*, said, "The other afternoon the HBPA purchased several horses to "retire," paying their owners \$100 apiece, and the moguls of the association promptly proceeded to "retire" them permanently. By the simple method of sending bullets smashing through their brains . . .

"The fact that a mare is unable to win a race at Suffolk Downs does not indicate she is incapable of producing a foal to carry on to heights she failed to attain . . . Many more horses will be purchased by the HBPA to be destroyed in the same cruel fashion."

The following spring, New England-based turf writer David Alexander reported in *The Blood-Horse* on the horrific story of a gelding named Stavka, a Thoroughbred discovered starving to death two years after his retirement in 1940. Stavka was "crawling with chicken lice. He was so weak he could hardly stand."

The horse had been found by George Reilly, an agent of the Rhode Island Society for the Prevention of Cruelty to Animals. Reilly brought a photograph of Stavka to the Harold Simmons, the national secretary-treasurer of the HBPA, advising Simmons that "all horses retired by that organization be destroyed outright."

Simmons said, "It is very dangerous to give old horses away . . . Their owners pet them and feed them for a while. But they are like kids with new bicycles. When the paint wears off, they tire of them and neglect them."

Alexander wrote, "Some day the home for old turfmen and old horses (the HBPA) envisions may become a reality. The case of Stavka indicates that such a home is needed."

But Belber's original vision for a Horse Retirement Fund was short-lived. The issue of caring for lame, useless horses eventually faded into the shadows as the new horsemen's group began to strive for greater membership and a stronger voice in addressing the sport's future.

• **First Leaders**

Early on, the HBPA benefited greatly from the gypsy life most horsemen led. Its first two divisions, in New England and Chicago, were filled with trainers who shipped



southward for the winter months. As a result, word spread about the fledgling organization and during the winter of 1942. President Fitzsimmons and other HBPA officials sought to form new divisions in both Louisiana and Florida.

Fitzsimmons, however, would eventually step back from his role as president. He was still the full-time trainer for a pair of powerful operations, Belair Stud and Wheatley Stable. There simply was not enough of him to go around. Fitzsimmons later said, "I was the president once, but I was kind of a joke as president. There was no election as far as I ever knew. We had some tough times getting started, but we made it. We proved that we could get along with people and get the job done while working for the best interests of all people in racing."

With American forces now engaged in World War II, the HBPA, not coincidentally, voted former cavalry officer Major Tom McCreery as new president. A New York-based trainer and breeder, McCreery also figured to help bring that state's horsemen into the HBPA fold. Fitzsimmons was made chairman of the board. Though he consistently scoffed at his achievements while president, the HBPA's membership increased tenfold - from 400 to 4,000 - during its first three years.

McCreery's tenure also had positive effects. In the summer of his first year as president, the New England division, widely regarded as the strongest of all HBPA branches, was able to organize a community buying effort that gave local trainers a considerable break in price for all feed and hay. A strike over purses at Suffolk Downs was also settled in favor of the horsemen (though the strike was not declared by the HBPA, so many of the protesting members were HBPA members that Suffolk management blamed the organization).

The group's first field representative, Eugene Gilmartin, enlisted in the Navy, and his post was filled by *Horsemen's News* editor, Walter E. Haggood. In the summer of 1942, David Alexander wrote, "(Haggood) has already made the News into a mellow, chatty, and informal paper similar to the house organs of large business concerns . . . He is a shrewd businessman who knows how to drive a hard bargain for his principals."

Alexander also said, "There is no question that the HBPA is today the strongest horsemen's organization that has ever been formed in America."

While the organization continued to expand its reach, problems did manifest inside the HBPA. At one point during the McCreery era, the New England HBPA, by the far the greatest of fund-raising divisions, refused to turn over the money they had collected to the national office. The New England branch was unhappy or, perhaps more accurately, unclear, as to how their funds were being spent. McCreery decided to expel them.

Tom Shehan, who eventually followed Haggood as the editor for the *Horsemen's News's* successor, *The Horsemen's Journal*, wrote, "Imagine, if you can, the reaction of the New Englanders when they received official notice to that effect? After all, wasn't it in New England where the HBPA was born?"

"The national office said, 'But that didn't mean that the New England division owned the HBPA.'

"Communication was not McCreery's best game," Shehan wrote. "Fortunately, there was one member of the New England directorate . . . (who) was also devoted enough to the HBPA concept to seek and receive, grudgingly, its permission to explore both sides of the controversy."

Shehan was referring to Leo O'Donnell, the "man of the moment so often in the early years of the Horsemen's Benevolent and Protective Association that it can be said that he contributed as much to its early progress as anybody."

Ironically, O'Donnell was also the first man to sign on to Phil Beiber's Horse Retirement Fund in 1940. Perhaps best known as a racing official and steward, O'Donnell first helped to form the Michigan branch of the HBPA, as well as the one in Maryland. His skillful management of the New England HBPA's dispute with the national office brought about a reconciliation between the offended parties.

O'Donnell was elected president of the HBPA in the winter of 1946. By this time, the organization had branches in every region of the United States. Shehan wrote, "O'Donnell made stability his first objective. He established a national office in Boston . . . Dues and assessments were collected on time, and before long the HBPA had enough money in its treasury to pay the expenses of its officers and representatives to attend national meetings and conventions.

"As a result, the racing world began to hear how the horsemen's official representatives felt on all matters important to horsemen."

In the spring of the 1947, the National HBPA offered strenuous objection to a proposal made by the Thoroughbred Racing Associations of the United States, Inc. The TRA proposed that when a trainer signed an agreement as to his/her stall allocations at any given track, the trainer was also agreeing to purse structures as well as purse distributions.

The HBPA fired back with an open letter, published in *The Blood-Horse* of April 5:

"The proposed 'Code of Standards' attempts to bind a horseman to the acceptance of any purse distribution by the track merely by the acceptance of stall space, at a track by an owner or trainer, when as a matter of fact you well know that an application for stalls is made many months in advance of the issuance of the condition book. When an owner or trainer makes such an application for stalls, he has no idea what such purse distribution will be.

"Do you think this is fair when one of the parties which you attempt to bind to a

contract must necessarily be ignorant of what he is to receive in purses?

"There are several other provisions of this code that are just as unfair to owners and trainers of this one."

Noted turf writer Joe Palmer summarized the debate this way: "There are some sections of the Code of Standards which indicate that somebody forgot that when you make rules for people, you also have to give them reason why they should observe these rules. If, for instance, you are going to tell horsemen that they have no voice regarding the size of purses or the condition of racing, then you also need to assure them that purses will be in accord with the times, and that the conditions will be satisfactory. Although in many if not most individual disputes, I find myself in sympathy with the tracks, a blunt, 'We're going to do it and you're going to like it,' is neither tactful nor fair."

Palmer's article suggested the National HBPA had already achieved one of its most critical goals: the organization was capable of making reasonable demands on behalf of its membership.

The HBPA's battle with the TRA over their Code of Standards would eventually lead to the common practice of basing purse money on a fixed percentage of mutual handle.

Further support followed. By the end of O'Donnell's term as president in 1951, 12,000 members would belong to the HBPA. Though far from the organization Phillip Belber had envisioned, no other horsemen's group had ever lasted as long or could lay claim to carrying such influence.

[Return](#)

New England Horsemen's Benevolent and Protective Association, Inc.

President
Anthony Spadea

A National Organization

Acting Executive Director
Bruce P. Patten

Directors: Owners
Randy Andrews
Susan Clark
Shirley Dullea
Manfred Roos
Paul Umbrello



Directors: Trainers
Jay Bernardini
Matthew Clarke
Alan Lockhart
Kevin McCarthy
George Saccardo

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Revere, MA 02151
617-568-3333 or 800-225-3460 Ext. 7258
WWW.NewEnglandHBPA.com

July 27, 2015

Massachusetts Gaming Commission
101 Federal Street
Boston, MA 02110

Gentlemen:

On July 23, 2015, the Massachusetts Gaming Commission (MGC) convened and conducted Public Meeting #158. At that meeting, the MGC further considered the pending application of Suffolk Downs to conduct three days of live racing in 2015 and ultimately voted to delay action on the matter for at least two more weeks.

As General Counsel to the New England Horsemen's Benevolent and Protective Association (NEHBPA), I note my concern that the actions of the MGC at that hearing operated to disenfranchise our organization and create a public misconception that parties other than the NEHBPA speak for the horsemen of Massachusetts. The positions articulated by the speculation and conjectures of citizen Lagorio are positions contrary to stated position of the NEHBPA on the issues being considered by the MGC.

The NEHBPA is a not for profit corporation organized under the laws of the Commonwealth of Massachusetts to promote and advance the interests of the thoroughbred horsemen of Massachusetts. For decades the NEHBPA has been the recognized voice and bargaining agent of the horsemen. It has been recognized as such by the Massachusetts legislature. The NEHBPA has a large and diverse membership of owners and trainers. Its members have different individual interests and, not surprisingly, some of members may not necessarily fully agree and support the position adopted by the Board of the NEHBPA.

As the MGC is aware, the NEHBPA had serious negotiations with Suffolk in the past months relative to the possibility of leasing Suffolk Downs to conduct a live race meet in 2015 and 2016. As MGC is aware, those negotiations ultimately concluded with the realization by both the NEHBPA and Suffolk Downs that the financial costs of conducting a meet including the rent sought by Suffolk Downs caused the lease proposal not to be viable.

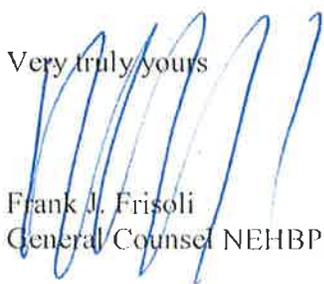
So while the MGC is to be commended for its efforts to seek public comments, we believe its actions in soliciting further comments from citizen Lagorio to be misguided and inappropriate. Your inquiry was directed to a self appointed, somewhat uninformed, spokesperson for a few horsemen to

the exclusion of the recognized representative of the horsemen. It was obvious by citizen Lagorio's comments that he was basing his comments on hearsay and speculation. It was also known by the MGC that the NEHBPA had been unsuccessful in its efforts to lease the Suffolk Downs facility and that the Stronach Group had been aware since last fall of the possibility of leasing Suffolk Downs and had not taken any significant action to pursue the possibility. Despite the absence of any communication from the Stronach Group, the MGC apparently relied upon speculation of one individual and further delayed action on an application initially intended to include a race date in June.

The NEHBPA was in attendance at the meeting, available to correct the misstatement of facts, yet not afforded the opportunity to do so. The comments of Citizen Lagorio were purportedly advanced as the position of the local horsemen. The actions of the MGC in engaging lengthy and specific inquiry operated to create a public appearance that Mr. Lagorio was a representative of the horsemen and disenfranchised the NEHBPA. The NEHBPA respectfully notices its objection.

The NEHPBA reaffirms its prior communications to the MGC fully supporting the application of Suffolk Downs for three days of live racing in 2015. It believes the delay of the MGC in approving the application has been very prejudicial to the horsemen and thoroughbred racing in Massachusetts. The NEHPBA notes that after careful review of all information and consideration of all factors, its Board determined it was in the best interests of thoroughbred racing in Massachusetts to conduct the requested three-day meet in 2015. The NEHBPA notes that this conclusion was reached by its Board after careful consideration of information and data not available to Mr. Lagorio and the general public. The NEHBPA notes that it carefully analyzed prospective revenue and anticipated expenses and concluded a longer meet in 2015 was not viable. The NEHBPA suggests that the MGC should rely upon the NEHBPA rather than further comment by a few individuals as advancing the position of local horsemen. It objects to any action by the MGC that recognizes anyone other than the NEHBPA as being the spokesperson of the local thoroughbred horsemen. The NEHBPA urges the MGC to immediately grant the application of Suffolk Downs for three racing dates in 2015.

Very truly yours



Frank J. Frisoli
General Counsel NEHBPA

From: Jesse Kollins [<mailto:kollins@gmail.com>]

Sent: Wednesday, August 05, 2015 10:41 AM

To: MGCcomments (MGC); stephen.crosby@state.ma.us; Stebbins, Bruce (MGC); Zuniga, Enrique (MGC); James.F.McHugh@state.ma.us; McHugh, James (MGC); Cameron, Gayle (MGC); Lightbown, Alexandra (MGC); Day, Rick (MGC); Griffin, Jill (MGC); Mark.Vander.Linden@state.ma.us; mark.linden@state.ma.us; Ziemba, John (DOT)

Subject: Racing Application

Dear Commissioners:

I am writing, independently and as a neighbor of Suffolk Downs, to directly question whether horse racing is still the best and highest use for the Suffolk Downs site. While I am sympathetic to the few hundred workers who are being impacted by the slow demise of horse racing nationwide, extending further life support to the operation at Suffolk Downs delays the inevitable, I'm afraid, and wastes precious resources that could be better utilized creating a site with more jobs, potential taxable businesses and real-estate development opportunities for a greater economic benefit for all of Massachusetts. The community has not supported the track with its entertainment dollars for more than a decade, indicating that while the track holds nostalgic value for some, it is no longer the economic driver it once was. What is needed on that site -- a space twice the size of the North End, on two rail lines and abutting the precious Belle Isle Marsh -- is a vision that brings residents of Revere, East Boston, and beyond back to shop, work, live, and play in healthy ways. The site is needed both for job creation and housing needs in Boston, whose mayor has called for tens of thousands of new affordable units to be built in the coming decades. Whatever is put in that magnificent space, it must meet community approval in the neighborhoods that surround it, which have, in East Boston's case, called for a higher use than a gambling center. (like many of my neighbors, I endorse the development vision of [EastBoston2020](#) for the Suffolk Downs site)

The proponents of a Suffolk Downs casino were right about one thing: East Boston and Revere have been waiting for a development on that parcel that will create jobs and drive the local economy. A casino was not the answer, but looking past casinos and horse racing, the [skies are the limit for Suffolk Downs](#).

Thank you for your work, and for considering my input!

-Jesse Kollins

From: Shannon O'Neill [<mailto:Seahorsefarm3@aol.com>]

Sent: Tuesday, August 04, 2015 2:54 PM

To: MGCcomments (MGC)

Subject: Full time racing at Suffolk downs

I'm support full time racing at Suffolk Downs.

Sent from my iPhone

From: MGC Website [<mailto:website@massgaming.com>]

Sent: Tuesday, August 04, 2015 7:25 AM

To: MGCcomments (MGC)

Subject: Contact the Commissioner Form Submission

Name

Ralph damelio

Email

damelioralph@yahoo.com

Phone

(207) 289-8528

Subject

Bill lagorio and mtha

Questions or Comments

I support Bill Lagorio and the MTHA

Name

diane cerundolo

Email

nicoleflynn2@comcast.net

Subject

live horse racing

Questions or Comments

I support bill lagorio and thoroughbred live racing

Name

paddy reardon

Email

bodababie@yahoo.com

Phone

(781) 336-3475

Subject

3 days of racing

Questions or Comments

the mass thoroughbred horsemen association is representing my wishes to get our simulcast back to the MTHA and open a fair discussion on what is best for the horsemen and not suffolk or hbpa I request the MGC not grant any days of racing to suffolkdowns. I want to work not just 3 days and then go on public assistance thank you paddy reardon

From: Kim Porter [<mailto:saltwaterponies@verizon.net>]

Sent: Monday, August 03, 2015 1:58 PM

To: MGCcomments (MGC)

Subject: Draft racing

To whom it may concern-

Please bring back full time racing to Massachusetts. As a farm owner and former Thoroughbred breeder and trainer, and with many friends relying on the industry, I worry about the long term effects on open space and racing related businesses as well.

Most sincerely,

Kimberly Porter

Northgate Farm Saltwater Ponies

Ipswich, Massachusetts

Sent from my iPhone

From: MGC Website [<mailto:website@massgaming.com>]
Sent: Monday, August 03, 2015 9:47 AM
To: MGCcomments (MGC)
Subject: Contact the Commissioner Form Submission

Name

Wayne Duffy

Email

Maui4524@yahoo.com

Phone

(781) 629-3084

Subject

About Suffolk Downs Racing

Questions or Comments

I Support Bill Lagorio, + MTHA .

Name

paddy reardon

Email

bodababie@yahoo.com

Phone

(781) 336-3475

Subject

3 days of racing

Questions or Comments

Bill Lagorio has formed the MTHA which trainers and owners have joined in record numbers and have resigned from hbpa by doing so. This speaks of where the horsepeople want . NO racing at suffolk and give back the simulcast back to the MTHA who owns the rights . THANK YOU Paddy

Name

jane martin

Email

jgm88@earthlink.net

Phone

(508) 284-7711

Subject

suffolk downs

Questions or Comments

What is going on with Suffolk downs? Mr. Lagoria, a small time trainer has discovered that there is interest in horse racing from Stronach but Suffolk and the HBPA have not...I find that hard to believe. What is going on?

Name

William Tyler

Email

bill@segalt Tyler.com

Phone

(978) 985-5777

Subject

Suffolk Downs

Questions or Comments

I would like to know why Bill Lagoria, a small trainer from the South Shore would create interest from the Stronach Group and Spadia from the HBPA and Suffolk were not able to create any interest from the largest race track owner in the U.S.. Does Spadia have any ulterior motives outside the interests of the HBPA? I hear Spadia has an insurance contract with Suffolk.
Please let me know your thoughts.
Thanks

From: Lawrence. [mailto:lmason2121@aol.com]

Sent: Tuesday, July 28, 2015 11:32 AM

To: MGCcomments (MGC)

Subject: Resignation

Dear MGC,

Thank you for showing interest in our livelihoods as Trainers and Owners of Race Horses in Massachusetts!

It's all about who can get the money in the EHDF that we all worked so hard for in many years of attention to our sport. Our own people who say they have our best interest and representation have worked hand and hand with Suffolk Downs to pass a bill that ended our livelihood. It's funny now the NEHBPA is asking for just under a half of a million to support themselves and nothing for assistance towards us, our families and our horses! It's funny how that part was added in the bill for them to use money other than purses. And a 1-50 day meet was never a option!, we never missed or failed a meet at Suffolk Downs with horses as issue. We got duked.

This is Suffolk's way at getting back at the Commission for not awarding them a Casino License Period.

Our leader Anthony Spadia has gone from 120 days of racing to now a few under his leadership with absolutely no residence!. We got Duked! With him it's all about his Insurance policies he has at Suffolk Downs and the profit he makes on those policies at his Insurance Company in Braintree Mass. We got Duked!

While Suffolk Downs gains 10-20 million Dollars a year in Simulcast Revenue they have the nerve to ask the Horsemen support them with the RHDF while we lose our Farms, Homes and Livelihoods and no help at all to run for the money we worked so hard for! We got Duked! I ask you to not award the NEHBPA a dime and if you grant Suffolk Downs the three days hold them to it and make them pay for it out of the simulcast revenue and watch them pass for only one day!

Suffolk Downs should want the full meet to put the hundreds of people back to work they let go! They got Duked!

Please keep us, our families and horses in your thoughts.

Sent from my iPhone

From: Anthony Spadea Jr. [anthonyspadea@braintreeins.com]
Sent: Thursday, July 23, 2015 5:48 PM
To: ocean32; Lynne Snierson; Lightbown, Alexandra (MGC); Lou Raffetto; Sam; alan lockhart (alockhart287@yahoo.com); jay bernardini; john assimakopoulos; kevin mccarthy (winningtrainer@yahoo.com); matthew clarke; paul umbrello; randy andrews (randysr@andrewstruckinginc.com); SHIRLEY DULLEA (shirleydullea@yahoo.com); susan clark (susanclarkc21@yahoo.com)
Cc: anthony.zizza@gmail.com; aslm444@aol.com; ashunt11@aol.com; Arlene; Gregg Rose; lciarlone@ibew103.com; williamlagorio@comcast.net; brhickey@aol.com.
Subject: FW: MGC MEETING 7/23/2015-editss

Dear Ladies and Gentlemen:

I was informed today that during his comments today to the Massachusetts Gaming Commission, Bill Lagorio referenced a conversation I purportedly had last year as President of the NEHBPA with Mr. Tim Ritvo. He represented to the Commission that I never followed up with The Stronach Group to further address the possibility of a 2015 meet with The Stronach Group as the leasee of the Suffolk Downs property.

Mr. Lagorio was not a party to my prior conversations with Mr. Ritvo and was factually incorrect in his assertions. I spoke with Tim Ritvo today and confirmed the accuracy of my memory as to those events. Mr. Ritvo acknowledged that our prior conversation concluded with a mutual understanding that if his organization had further interest in pursuing the possibility of leasing Suffolk Downs, it would call Suffolk Downs seeking to negotiate an agreement.

To my knowledge, nothing further transpired. The Stronach Group was clearly aware last fall that the Suffolk Downs would not be conducting live racing and that the NEHBPA will welcome negotiations by the Stronach Group with Suffolk Downs to lease the facility. To my knowledge, despite this knowledge, the Stronach Group took no further action to pursue that possibility.

It is my understanding that Mr. Ritvo will be sending a letter to the MGC confirming my position on this matter.

Anthony Spadea

From: clarkeracingstable@gmail.com [clarkeracingstable@gmail.com]

Sent: Thursday, July 23, 2015 6:54 PM

To: Anthony Spadea Jr.

Cc: ocean32; Lynne Snierson; Lightbown, Alexandra (MGC); Lou Raffetto; Sam; alan lockhart (alockhart287@yahoo.com); jay bernardini; john assimakopoulos; kevin mccarthy (winningtrainer@yahoo.com); paul umbrello; randy andrews (randysr@andrewstruckinginc.com); SHIRLEY DULLEA (shirleydullea@yahoo.com); susan clark (susanclarkc21@yahoo.com); anthony.zizza@gmail.com; aslm444@aol.com; ashunt11@aol.com; Arlene; Gregg Rose; lciarlone@ibew103.com; williamlagorio@comcast.net; brhickey@aol.com.

Subject: Re: MGC MEETING 7/23/2015-editss

Bravo Anthony, we must expose the constant stream of lies and misinformation.
Thank you!

Sent from my iPhone

From: Sam [sam.saccardo1@verizon.net]

Sent: Thursday, July 23, 2015 9:29 PM

To: Anthony Spadea Jr.

Cc: ocean32; Lynne Snierson; Lightbown, Alexandra (MGC); Lou Raffetto; alan lockhart (alockhart287@yahoo.com); jay bernardini; john assimakopoulos; kevin mccarthy (winningtrainer@yahoo.com); matthew clarke; paul umbrello; randy andrews (randysr@andrewstruckinginc.com); SHIRLEY DULLEA (shirleydullea@yahoo.com); susan clark (susanclarkc21@yahoo.com); anthony.zizza@gmail.com; aslm444@aol.com; ashunt11@aol.com; Arlene; Gregg Rose; lciarlone@ibew103.com; williamlagorio@comcast.net; brhickey@aol.com.

Subject: Re: MGC MEETING 7/23/2015-editss

The fact the the Stronach Group sent no one to the meeting and failed to send a Letter of Intent to Commission

spoke volumes (but only to the people who wanted to listen)

The people I spoke to, including Lagorio, basically told me, " I've made up my mind, don't try to confuse me with the facts" Most seemed totally unaware of your plan

Or maybe didn't want to know.

Sent from my iPhone

From: Lawrence. [mailto:lmason2121@aol.com]

Sent: Thursday, July 23, 2015 2:01 PM

To: MGCcomments (MGC)

Subject: Hearing Today

Dear Commission, how about showing some respect for all those fighting for a livelihood and the right to support our families and horses. It sounds like it's all about Suffolk Downs crying they lost money by beating on themselves in winning the Casino. Not one owner of Suffolk Downs are a Stronach or could care less about racing or the race track!

What about us? Not one word about the horsemen that will be effected due to no place to get these horses ready to race. Or even how the families and horses will be effected. Just purses for outside horses, money for Suffolk Downs, money for the NEHBPA to find land. Not one word about local horsemen struggling or funds available to them.

Chip Tuttle mentioned Stronach coming in late. False. And only interested in the site for a Casino. What casino ? it was awarded to Wynn. What does he know that no-one else does! More back room negotiations .

Everyone who comes forward to lease the places is extorted like the Horsemens group! Stronach called last year and they said no thanks as Lagorios Revere Journal article stated. Now Suffolk Downs will stall them for over two weeks to get the favorable decision to run this Fair Festival with Lou Rafetto to gain the most money they can to profit themselves.

I ask you again who is Lou Rafetto working for the horsemen or Suffolk Downs?

Sent from my iPhone

Greetings!

We have one of the greatest sports markets in the nation and gaming is not our foe. The Stronach group which owns and operates several racetracks nationally are interested in taking over the Suffolk racetrack program. They will foster a strong racing/gaming program, unlike the current Suffolk Downs ownership which declared it is getting out of the business to the detriment of local horsemen and stakeholders in the industry statewide. But unfortunately for the horsemen et al, Suffolk ownership is legislatively permitted to retain the racing simulcast signal without conducting a sustaining live racing program as had been customary. This is absolutely unfair! Suffolk leadership should not be so rewarded for getting out of the business at the expense of the horsemen. As an owner who has participated in thoroughbred racing in the Commonwealth for many years and who currently owns a two year old Massachusetts-bred in training, I strongly encourage the Gaming Commission to put an end to Suffolk's monopoly of the simulcast signal and cancel any plans of one to three carnival-like live racing days at the expense of the Commonwealth's horsemen. Discussions should begin as soon as possible with the Stronach Group and any other parties that have the gravitas to operate a strong racing program in Massachusetts.

Thank you for your consideration.

Thomas B. Edwards, MD

Westborough, MA

July 22, 2015 5:10 PM

This is my second communication re this matter.

Regarding the question of racing for only one day at Suffolk Downs, I have come across the reply made by the HBPA in response to remarks to your committee this past June by Paul Brooker, William Lagorio and Dale Salim. I am shocked & embarrassed at the HBPA's rude comments directed at these honorable and honest horsemen who are trying to protect the rights of those of us who have been kept in the dark about matters that so gravely affect us. HBPA's accusation that these men are "dishonest, absurd, vile and totally without foundation" is undeserved and certainly does not reflect the opinion of the majority of New England horsemen.

The HBPA made no attempt to keep members informed of their (and Suffolk Downs) ridiculous scheme to hold a single day of racing at Suffolk Downs. This is not surprising since they constantly fail to inform their members of issues that affect all of us. Years ago, the HBPA made greater efforts to have an informed membership by partially supporting the New England-based publication, Northeast Thoroughbred News (NTN) which each month reported HBPA activities and decisions. I was the publisher and editor of NTN which ceased to exist over ten years ago and since that time the HBPA has failed dismally to maintain communication with members.

I do not know of one single person who is not opposed to the single day meet in August.

It is an ill-conceived plan destined to fail and will make what remains of the racing community look like an inept group of fools. However, by holding that one day of racing, Suffolk Downs will be able to legally retain their simulcasting rights, but what a terrible price the rest of us will pay.

Velma Emery email: Pemburyhouse@aol.com. Telephone 6603-648-2372

No Documents



MEMORANDUM

TO: Chairman Crosby and Commissioners Cameron, McHugh and Zuniga
FROM: Commissioner Stebbins
General Counsel Catherine Blue
CC: Interim Executive Director Karen Wells
Director Paul Connelly, Division of Licensing
RE: Definition of “Veteran” for Purposes of Expanded Gaming Statute
DATE: August 4, 2015

The *Act Establishing Expanded Gaming in the Commonwealth* of 2011 makes repeated references to the term “veteran”. There is a priority placed on hiring veterans to be part of the design, construction and operational workforce of our licensees as well as placing a focus on our licensees to engage veteran-owned businesses (“VBE”). See e.g. G.L. c.23K, §§15(15) and (16) and c.23K, §§21(a)(21), (22), and (24).

Background

In the MGC’s ongoing efforts to promote these employment opportunities available to veterans, we have reached out to non-profits, other state agencies, members of the MGC Vendor Advisory Task Force, and local community Veteran Service Officers (VSO’s) working within each community in the Commonwealth of Massachusetts. It was during one of these outreach meetings to VSO’s that the question was posed to us about what definition of veteran we would be using. The question raised was whether the men and women serving in the Massachusetts National Guard and also the Reserves could be considered a “veteran” especially in light of the dramatic increase in Guard members and Reservists being activated since the attacks of September 11th. Since September 11th and the conflicts in Iraq and Afghanistan, it is estimated that approximately 47% of the nation’s Guard members and Reservists have been activated for duty. In discussing this question, anecdotally one VSO said that some activated members of the Guard were not being deployed long enough to qualify for government financial assistance under applicable laws and guidelines.

The “veteran” definition as prescribed under G.L. c.4, §7 clause 43 is to assist public agencies with determining whether an individual is entitled to certain financial benefits. Because the MGC is helping our gaming licensees and their general contractors during the construction phase to



Massachusetts Gaming Commission

identify those who qualify for the priority hiring, it is beneficial to provide an authorized definition to assist with tracking the number of veterans benefitting from employment.

In addition, the MGC staff will continue to work closely with the staff of the Employer Support of the Guard and Reserve staff and other organizations here in Massachusetts to make them aware of career fairs and other activities of our gaming licensees so Guard and Reserve members can become familiar with possible career opportunities. Service in the National Guard or Reserves is not always full time employment. The gaming laws also place an obligation on our gaming licensees to recruit and hire those residents who may be unemployed or underemployed as part of their workforce development efforts.

Guard Information

The Massachusetts Army and Air National Guard (MANG) have approximately 9,000 members including 6,200 Soldiers, 2,300 Airmen and 500 Civilians. Approximately 15% of the Guard population is women and minorities. Since the attacks of September 11th, 17 MANG members have died while serving on Active Duty in support of the Global War on Terror.

Recommendation

I recommend that the MGC post the following definition of “veteran” for public comment to close August 21st 2015 at 5:00 p.m.

“Veteran” – An individual who honorably served in the armed forces of the United States as-defined by G.L. c.4, §7 clause 43 or a member of the Massachusetts Army and Air National Guard or a Massachusetts resident serving in the Reserves who has been called to active duty for non-training purposes for any period of time or has been honorably discharged.

There are three categories of people who qualify as “veterans” in this proposed definition:

1. Individuals who honorably served in the armed forces of the United States as ~~prescribed under~~ defined by Clause 43 G.L. c.4, §7 clause 43.

This category by definition includes only those who served on active duty. In addition, they can also have served one day of that active duty during “wartime” and been honorably discharged.

2. A member of the Massachusetts Army and Air National Guard or a Massachusetts resident serving in the Reserves who has been called to active duty for non-training purposes for any period of time.

These people may still be members of the Guard or Reserves and need not have been honorably discharged. They are “veterans” only for purposes of the Massachusetts Gaming Commission regulations.

3. A member of the Massachusetts Army and Air National Guard or a Massachusetts resident serving in the Reserves who has been honorably discharged.

These people must have been honorably discharged but they need never have seen any active duty, in “wartime” or otherwise.

No Documents