



## Region A - Local Community Mitigation Advisory Committee Minutes

**DRAFT**

**Date/Time:** October 18, 2017 – 2:00 p.m.

**Place:** MAPC, 60 Temple Place, 3<sup>rd</sup> Floor, Boston, Massachusetts

<b>Members Present:</b>	John DePriest Mayra I. Negron Rivera Ron Hogan Rick Caraviello Paul Sheehan Marzie Galazica Alexis Tkachuk Fred Berman Eric Bourassa	<b>Attendees:</b> Lloyd Macdonald Bruce Stebbins Jacquie Krum John Tocco Catherin Rollins Denisi John Ziemba Joseph Delaney Mary Thurlow
<b>Member Absent:</b>	Colin Kelly	

### Call to Order

The Chair Richard Carviello called the meeting to order and welcomed the members. He then asked members to introduce themselves for the benefit of any new member.

The Chair then asked members to approve the minutes from the November 2016 meeting. By motion made by Mr. DePriest and duly seconded by Ms. Galazica, the members unanimously approved the minutes.

Mr. Ziemba then discussed the role of the Local Community Mitigation Advisory Committees. He mentioned that the LCMAC is the closest level of advisory committees to the communities. He discussed the broad range of issues that are covered. Mr. Ziemba then highlighted the due date for the Community Mitigation Fund of February 1, 2018 and the multi-tiered process that goes into developing the Guidelines for the fund. Of particular note was the draft being distributed to the Commission on October 26 at the Commission meeting. He noted that the Commission valued input from the communities and the Guidelines reflected that input. He stated that the theory is that proper planning now is imperative to get ready for any impacts that may occur when the casinos are operational.

Mr. Bourassa noted that the role of this group was to assist in developing policy and make recommendations regarding policy.

Mr. Ziemba acknowledged that was the role of this committee. Mr. Ziemba then discussed the upcoming election for the chair and the representative from this committee to join the Subcommittee on Community mitigation. He noted that the current chair, Richard Caraviello, and Ron Hogan, the current representative on the Subcommittee, have both expressed their interest in continuing their representation on these committees. He mentioned that anyone interested in either of these positions can contact him or Mary Thurlow in the Ombudsman's office.

Mr. Ziemba then turned the meeting to Joe Delaney who gave a presentation on construction updates for the MGM Springfield and Wynn Boston Harbor. Mr. Delaney noted that construction is going along rapidly and even though the slides are only a few weeks old there has been significant construction progress.

Chair Carviello questioned how the I-91 construction was moving along. Mr. Delaney noted that completion was ahead of schedule and the ramps will be open prior to the opening. He also noted the Wynn has begun the dredging work.

Chief Sheehan asked if the railroad tracks were going away. Mr. Ziemba noted that the tracks were staying, that key milestones have been reached and the June 2019 date is on target for the casino.

Mr. Ziemba then turned the meeting to the policy questions. Mr. Ziemba noted that there are lingering issues that may need to be addressed either in these guidelines or in a future year. One such issue is the splitting up of regions. Does it make sense for the revenue to stay in the region? He noted that there were concerns over Region C, as that region's casino development has been stalled and that region is not under license by the state of Massachusetts. Under the Compact there are no surrounding community mitigation agreements required. The Tribal casino is obligated to pay 17% in taxes; and 6.5% of that would go into the mitigation fund. The Category 2 slots casino does not pay into the fund. Their taxes go into local aid and the Race Horse Development Fund.

Mr. Ziemba stated that the next area of concern is the question about whether or not the CMF should shift to funding transportation construction costs instead of just the design and planning costs. If the shift gets made, how does the commission make sure that the funds are being used correctly? Currently, there are limited dollars during the construction period of the casino. No new funds will be made available until the casinos are operational. There is significant time between now and then. It is likely the funding should continue to be on the conservative side. There is approximately \$10M left until the first Category 1 casino is opened.

Chair Caraviello noted that the funding could be split now, \$5M for MGM until it opens and \$5M until Wynn Boston Harbor opens. The Chair noted that there will be a better feel towards impacts once the MGM Springfield is open. Mr. Ziemba mentioned that Wynn is roughly double the size of MGM. He questioned whether funds should be applied evenly. Mr. Ziemba noted the mitigation needs will be easier to ascertain once the casinos are operational.

The discussion then moved to Question 11 concerning the workforce development programs. Mr. Hogan mentioned using the workforce programs to leverage supplemental funding for increased literacy in the region. Mr. Ziemba questioned whether the Commission should expand workforce development. He noted that the proposed grant amount was doubled for Western Massachusetts.

Ms. Galazica mentioned that the Commission should allocate funds to the type of projects that warrant more funding. She noted that transportation projects seem to skyrocket in price.

Mr. Ziemba then called attention to Question 2 noting that last year's mitigation fund limited the transportation planning grants to \$150,000. He stated that even for planning activities the communities were finding that amount was not enough. He asked, in the policy recommendations, should we propose upping the amount this year? Mr. Bourassa asked when Wynn Boston Harbor is opening.

Mr. Ziemba noted that the date is June 24, 2019 at 8 p.m., and that the Category 1 casino contributes 6.5%. By February 2020, the fund would have taxes from the Wynn facility. Mr. Bourassa questioned whether if the money is all spent, there would be no funding in the interim.

Mr. Ziemba indicated that communities would have their reserves if they had not already allocated them and that some communities have the benefit of host and surrounding community agreements.

Mr. Ziemba continued the discussion concerning the policy questions with Question 3. As in prior years there is no scoring system due to the widely different needs of the communities. The guidelines showed how the staff evaluated factors under specific criteria. No additional comments were received.

Question 4. Outside of reserves, there has been no money for general planning. Should we authorize general planning funding. There might be a need for economic development planning.

Mr. DePriest: Would it be in-kind or both? Mr. Ziemba noted that an in-kind match could continue active involvement with communities that want funding for economic development concerns.

Mr. Ziemba mentioned that Question 5 is moot as the Lower Mystic Working Group report will not be available until too near the deadline of the CMF. Further, the hard construction for proposed transportation projects would not happen for many years.

Mr. Bourassa noted that the final recommendations of the working Group will be out by next year. The report will include high level conceptual transit improvements. These items are several years away. Mr. Ziemba noted that there need to be realistic applications by communities while considering other projects;

Mr. Bourassa asked if there had been additional bus routes; mode share change and low cost shuttles as part of the transportation mitigation. Mr. Ziemba mentioned that Commission approved a study for a bus lane in Everett.

Mr. Ziemba continued the discussion focusing on Question 6: Grants to non-governmental entities such as a non-profit within a community. Communities can apply for funding for such organizations but need to follow the anti-aid provisions of the Massachusetts Constitution. Mr. Ziemba explained that grants must be for a public purpose. Applicants which met this requirement of a public purpose were required last year to provide match/significant match from either the community or license or both.

Question 7 was discussed among the committee. It was noted that applicants can ask for grants going forward for more than one year. However, there are no guarantees. Mr. Bourassa asked how the funding was distributed to the communities and Mr. Ziemba noted that the funds are given out in increments of 25%, 50% and 25%.

Mr. Ziemba then directed the committee's attention to discuss Question 9. Should the Commission require a dollar for dollar match? Mr. Ziemba noted that potentially there should be a dollar for dollar match for grants involving for private entities to ensure the community is involved.

The committee then focused on Question 10: Using the CMF for administering CMF grants is not necessary. Mr. Depriest asked if the grants were taking into account the in-kind match.

Mr. Ziemba noted Question 12 and asked whether the current level of funding is enough. It was noted that a lot of businesses are hurting now to fill the lower level positions.

Commissioner Stebbins stated that there is a concern whether there are enough people for the back fill of jobs. The current HiSet and ABE classes are seen as a way to bolster efforts to

train the people for positions. Mr. DePriest mentioned that he was in favor of raising the workforce funding. Mr. Ziembra cautioned that it would be easy to spend the entire fund on workforce training. He talked about the gaming economic fund, which is allocated through appropriation, and a plan to present a white paper on that. The Gaming Economic Development Fund does not have any funding until the casinos are running. We are asking how the state should spend those dollars.

Mr. Hogan asked how the Commission plans to ensure they are spent appropriately. Mr. Ziembra noted that there are deliverable metrics within the applications and grants. Mr. Ziembra promised to provide such metrics to the Committee. The Commission staff will review them every year; the pilots have to come back every year and reapply to the Commission. Further there is a certification required that funding provided is for a new program, not just payments for already planned programs. Mr. Hogan acknowledged that there was stringent follow-up.

Mr. Ziembra turned to Question 12, allocation by region: What happens if one region needs more than another region? The Commission must develop a system for allocation perhaps returning unallocated funds back to the Mitigation fund. This issue will require concrete thinking in the future as there is not enough specificity now.

There was a general discussion about whether the Commission would contemplate splitting the fund now. Each region is concerned about the other region using all of the funding. Mr. Delaney noted that some funding is not eligible and that during construction there is a subjective need. An additional concern is the advantage some communities may have if they have staff dedicated to grant writing.

Mr. Bourassa noted you never know what's going to come up based on needs. The Chair noted that there will always be a need. The discussion continued concerning the split based on revenue for the region and the concern raised in Region B that it could be second in line to eastern Massachusetts. Mr. Bourassa noted that there may be a large project that could leverage federal or state funding and then the expenditures may need to be made in one lone large chunk vs. small multi-year grant.

Mr. Ziembra continued the discussion starting with Question 1 of the new policy issues. The first such policy issue is joint applications. The Revere/Saugus Joint application was mentioned as an example of communities working together. A problem arose as to whose reserves are going to cover the requirement that reserves must be spent first. Both communities are considered responsible parties under the grant rules.

Question 2: Funding to pay for a portion of construction. As discussed earlier, perhaps not yet.

Question 3: Mr. Ziembra noted the following thoughts for the members to consider: How should the Commission approach future issues such as many new families moving into the community? How does the influx of children impact school systems. He used Connecticut as an example. What happens as the area around casinos becomes more gentrified? What do you do if there are housing issues. How should we go about researching best practices in the development of policies.

He mentioned Question 4 and the limit of one Specific Impact Grant per community

Question 6. He mentioned that grants must have a nexus to casino. The fund is not for general municipal improvements. The Commission can only give grants related to development of the gaming facility.

The Chair noted that at times people hear casino and consider them as ATM machines. The grants must get more specific.

Mr. Ziemba noted that the Commission would like the grants to have added general benefit to the communities but they must be for casino related purposes.

The Chair made a motion to adjourn the meeting at 3:30, upon motion duly seconded, it was unanimously voted to adjourn.

/s/ Mary S. Thurlow  
Mary S. Thurlow, Secretary

#### **List of Documents and Other Items Used**

1. Notice of Meeting and Agenda
2. Minutes from the November 15, 2016 meeting
3. Charts of Gaming Policy Advisory Committees
4. Membership of Gaming Policy Advisory Committees
5. M.G.L. c. 23K Section 68
6. MGM Springfield and Wynn Boston Harbor Construction Update
7. Review of Policy Questions discussed by the Local Community Mitigation Advisory Committees and the Subcommittee on Community Mitigation Relative to the 2018 Community Mitigation Fund Guidelines
8. 2017 Community Mitigation Guidelines

## **Discussion Draft**



10/31/2017

## **2018 COMMUNITY MITIGATION FUND GUIDELINES**

### **BD-18 -**

### **Table of Contents**

What is the Community Mitigation Fund? .....	1
When Is the Application Deadline? .....	1
Who Can Apply?.....	1
Does a Community Need to Be a Designated Host or Surrounding Community to Apply? .....	2
What Cannot Be Funded? .....	2
Guidance on Funding for Non-Governmental Entities .....	3
How Much Funding Is and Will Be Available?.....	4
Joint Applications .....	5
Limitations.....	5
One-Time 2015/2016 Reserves .....	5
What are the Reserve Amounts?.....	6
Specific Impact Grants - What Specific Impacts Can Be Funded? .....	7
Hampden County Sheriff's Department – Specific Impact Grant.....	9
2018 Non-Transportation Planning Grant .....	9
Transportation Planning Grants.....	9
Limitations/Specific Requirements on Planning Applications .....	11
Tribal Gaming Technical Assistance Grant.....	11
Workforce Development Pilot Program Grant .....	12
What Should Be Included in the Applications?.....	14
How Will the Commission Decide on Applications? .....	14
When Will the Commission Make Decisions? .....	16
Is There a Deadline for the Use of the One-Time 2015/2016 Reserve?.....	16
Waivers and Variances.....	16
Who Should Be Contacted for Any Questions? .....	17
Where Should the Applications Be Sent? .....	17



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101 Federal Street, 23rd Floor, Boston, Massachusetts 02110 | TEL 617.979.8400 | FAX 617.725.0258 | [www.massgaming.com](http://www.massgaming.com)



## 2018 COMMUNITY MITIGATION FUND GUIDELINES BD-18 -

### What is the Community Mitigation Fund?

The Expanded Gaming Act, M.G.L. c. 23K, created the Community Mitigation Fund ("CMF") to help entities offset costs related to the construction and operation of a gaming establishment.

### When Is the Application Deadline?

**February 1, 2018.** M.G.L. c. 23K, § 61 states that "parties requesting appropriations from the fund shall submit a written request for funding to the Commission by February 1."

### Who Can Apply?

M.G.L. c. 23K, § 61 states the Commission shall expend monies in the fund to assist the host and surrounding communities ... "including, but not limited to, communities and water and sewer districts in the vicinity of a gaming establishment, local and regional education, transportation, infrastructure, housing, environmental issues and public safety, including the office of the county district attorney, police, fire, and emergency services." The Commission may also distribute funds to a governmental entity or district other than a single municipality in order to implement a mitigation measure that affects more than one community.

Applications involving a mitigation measure impacting only one community shall only be submitted by the authorized representatives of the community itself. Governmental entities within communities such as redevelopment authorities or non-regional school districts shall submit applications through such community rather than submitting applications independent of the community.

Private non-governmental parties may not apply for Community Mitigation Funds. However, governmental entities may apply to the Commission for funds to mitigate impacts to private parties provided that such funding is for a "public purpose" and not the direct benefit or maintenance of the private party; the governmental entity provides a program that ensures that funding will be made only to remedy impacts; and provided that the governmental entity will be responsible for overseeing such funding and complying with all applicable state and municipal laws including but not limited to Art.



Massachusetts Gaming Commission

46, §2, as amended by Article 103 of the Amendments to the Massachusetts Constitution.

The Community Mitigation Fund may be used to offset costs related to both Category 1 full casino facilities (MGM Springfield and Wynn Everett), the state's Category 2 slots-only facility (Plainridge Park), and may be utilized, pursuant to these Guidelines, for a program of technical assistance for communities that may be impacted by the potential Tribal gaming facility in Taunton.

**Does a Community Need to Be a Designated Host or Surrounding Community to Apply?**

**No.** The Commission's regulations and M.G.L. c. 23K, § 61 do not limit use of Community Mitigation Funds to only host or surrounding communities. The Commission's regulation, 205 CMR 125.01(4), states that "[a]ny finding by the commission that a community is not a surrounding community for purposes of the RFA-2 application shall not preclude the community from applying to and receiving funds from the Community Mitigation Fund established by M.G.L. c. 23K, § 61...."

**What Cannot Be Funded?**

***2018 Community Mitigation Fund may not be used for the mitigation of:***

**Category 1 Gaming Facilities:**

- any operational related impacts;
- impacts that are projected or predicted but that are not occurring or have not occurred by February 1, 2018;
- impacts that are the responsibility (e.g. contractual, statutory, regulatory) of parties involved in the construction of gaming facilities (such as damage caused to adjoining buildings by construction equipment, spills of construction-related materials outside of work zones, personal injury claims caused by construction equipment or vehicles);
- the cost of the preparation of a grant application;
- requests related to utility outages, such as the mitigation of business interruptions; and
- other impacts determined by the Commission.

**Category 2 Gaming Facilities:**

- impacts that are projected or predicted but that are not occurring or have not occurred by February 1, 2018;
- impacts that are the responsibility (e.g. contractual, statutory, regulatory) of parties involved in the construction of gaming facilities (such as damage caused to adjoining buildings by construction equipment, spills of construction-related materials outside of work zones, personal injury claims caused by construction equipment or vehicles);
- the cost of the preparation of a grant application; and
- requests related to utility outages, such as the mitigation of business interruptions.

Please note that the Commission may determine to expand the eligible uses of funds for the 2019 program or other future programs when impacts are more clearly identifiable. The Commission will also consult with mitigation advisory committees established in M.G.L. c. 23K in determining such uses.

**Guidance on Funding for Non-Governmental Entities**

As noted, communities and other parties may apply for funds to mitigate the impact to non-governmental entities. However, the Commission strongly encourages applicants to ensure the impacts are directly related to the gaming facility. For example, an applicant could limit a request for assistance for impacts to all businesses within 1000 feet of a gaming facility. Further, applicants should demonstrate that the governmental entity, the licensee, or both will also financially contribute to any program of assistance. The Commission will not fund any applications for assistance for non-governmental entities unless the applicant governmental entity or the licensee or both provide funding to match, in the case of host communities, or significantly match the assistance required from the 2018 Community Mitigation Fund. Any such application for assistance to non-governmental entities by a host community must demonstrate that the host community, the licensee, or a combination of the host community and licensee will match the assistance required from the 2018 Community Mitigation Fund.

Communities may ask the Commission to waive this match requirement or dollar for dollar match requirement in the case of host communities. Any community seeking a waiver should include a statement in its application specifying the reason for its waiver request in accordance with the waiver guidance included in these Guidelines. Please note that as stated by the Commonwealth's Comptroller's Office: "The Anti-Aid

Amendment of the Massachusetts Constitution prohibits ‘public money or property’ from aiding non-public institutions.... Article 46 has been interpreted to allow the expenditure of public funds to non-public recipients solely for the provision of a ‘public purposes’ [sic] and not for the direct benefit or maintenance of the non-public entity.”

Any community seeking funding for mitigation involving non-public entities should provide detail on how its planned use is in conformity with this provision of the Massachusetts Constitution and with Municipal Finance Law.

### **How Much Funding Is and Will Be Available?**

In sum, a total of \$17.5 million from the current licensees was deposited in the Community Mitigation Fund for use until Category 1 gross gaming revenues are generated, or thereafter (if all such funds are not used prior to that date). After the deduction of purposes approved in 2015, 2016, and 2017, the fund has approximately \$10 million available after accounting for potential future awards of previously authorized grants.

No further contributions will be made to the Community Mitigation Fund until either MGM Springfield or Wynn Boston Harbor become operational and generate revenues.<sup>1</sup> MGM Springfield is currently projected to be operational by early September 2018. Wynn Boston Harbor is currently projected to be operational in early June 2019. Once operational, M.G.L. c. 23K, § 59 specifies that 6.5% of the revenues from the tax on gross gaming revenues from Category 1 (full casino) licensees shall be deposited in the Community Mitigation Fund.

Once the MGM Springfield and Wynn Boston Harbor facilities are operational, approximately \$18 million generated by these two facilities will be annually deposited into the Community Mitigation Fund using a conservative estimate provided by the Commission’s financial consultants.

In future guidelines, the Commission intends to develop a method to allocate funding based on need in the regions that reflects the proportion of funds paid into the Community Mitigation Fund from the taxes generated by the MGM Springfield or Wynn Boston Harbor facilities once they are operational. Any such method would need to take into account mitigation needs outside Region A and Region B, and a method to utilize unspent allocations.

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<sup>1</sup> These guidelines do not describe revenue estimates from the potential Tribal facility in Taunton or the participation of a Region C facility, as no Region C license or Tribal facility has yet been fully authorized. Further, after the initial deposit, no further contributions from the Slots licensee will be made to the fund.

### Joint Applications

The Commission continues to support regional approaches to mitigation needs and recognizes that some mitigation requires the commitment of more than one community. The 2018 Guidelines for the Community Mitigation Fund allow multiple communities to submit a joint application. In the event that any of the applicant communities has not expended its One-Time 2015/2016 Reserve, the application must detail how the reserves will be allocated between the applicant communities to meet any reserve expenditure requirement. For example, transportation planning grants require that reserves be used prior to the receipt of new planning funds. In the event of a joint application for a \$200,000 planning grant, the joint application shall specify how the applicant communities will allocate/use a total of \$100,000 in reserves between the communities. The application must specify which community will be the fiscal agent for the grant funds. All communities will be held responsible for compliance with the terms contained in the grant.

[In order to further regional cooperation, the Commission recently discussed the potential establishment of “bonus” funding (beyond the amounts stated in the Discussion Draft Guidelines) for applications involving more than one community. The Commission seeks further comment on the establishment of a bonus and how such bonus could be implemented. In addition to the promotion of regional approaches, the Commission discussed that a bonus might allow for larger projects with potentially greater benefits than allowable under last year’s funding limits and this year’s proposed limits.]

### Limitations

Because the Community Mitigation Fund needs to be available until the facilities are operational, the Commission anticipates authorizing no more than \$ X million in awards out of the 2018 Community Mitigation Fund, including potential future awards of previously authorized grants. No application for a Specific Impact Grant shall exceed \$500,000, unless a waiver has been granted by the Commission. No community is eligible for more than one Specific Impact Grant, unless a waiver has been granted by the Commission.

Of that amount, for 2018, no more than \$500,000 may be expended for operational impacts related to the Category 2 gaming facility, unless otherwise determined by the Commission.

### One-Time 2015/2016 Reserves

In 2015 and 2016, a Reserve Fund was established for communities that may not have been able to demonstrate significant impacts by the submittal deadline date. The Commission reserved \$100,000 for the following communities which were either a host

community, designated surrounding community, a community which entered into a nearby community agreement with a licensee, a community that petitioned to be a surrounding community to a gaming licensee, or a community that is geographically adjacent to a host community:

Category 1 - Casino		Category 2 - Slots
<u>Region A</u>	<u>Region B</u>	
Boston	Agawam	Attleboro
Cambridge	Chicopee	Foxboro
Chelsea	E. Longmeadow	Mansfield
Everett	Hampden	North Attleboro
Lynn	Holyoke	Plainridge
Malden	Longmeadow	Wrentham
Medford	Ludlow	
Melrose	Northampton	
Revere	Springfield	
Saugus	West Springfield	
Somerville	Wilbraham	

In many cases, communities may not be in a position to access their 2015 or 2016 reserves by the February 1, 2018 deadline. Therefore, the Commission has extended such reserves for the 2018 Community Mitigation Fund Program. Communities may continue to access whatever portion of the original \$100,000 that remains unexpended. The above communities **do not** need to submit any new application to keep their reserves. These reserves have automatically been extended by action of the Commission.

The criteria for the use of the reserve remain the same. This reserve can be used to cover impacts that may arise in 2018 or thereafter. It may also be used for planning, either to determine how to achieve further benefits from a facility or to avoid or minimize any adverse impacts.

Funds will be distributed as the needs are identified. Communities that utilize the reserve are not prohibited from applying for funding for any specific mitigation request.

### What are the Reserve Amounts?

Can a community apply for mitigation of a specific impact even though it has not fully utilized its 2015 or 2016 Reserve?

**Yes.** However, if a Specific Impact Grant application is successful, a portion of the One-Time Reserve will be used as an offset against the amount requested for the specific impact. The reserve amount will be reduced by fifty thousand dollars (\$50,000.00) assuming the specific impact request is at least that amount.

### **Specific Impact Grants - What Specific Impacts Can Be Funded?**

The 2018 Community Mitigation Fund for mitigation of specific impacts may be used only to mitigate impacts that either have occurred or are occurring as of the February 1, 2018 application date. Although the definition in the Commission's regulations (for the purpose of determining which communities are surrounding communities) references predicted projected impacts, the 2018 program is limited to only those impacts that are being experienced or were experienced by the time of the February 1, 2018 application date.

The Commission has determined that the funding of unanticipated impacts will be a priority under the annual Community Mitigation Fund. Thus the Commission will review funding requests in the context of any host or surrounding community agreement to help determine funding eligibility.<sup>2</sup> The Community Mitigation Fund is not intended to fund the mitigation of specific impacts already being funded in a host or surrounding Community Agreement.

No application for the mitigation of a specific impact shall exceed \$500,000. However, communities and governmental entities may ask the Commission to waive this funding cap. Any community and governmental entity seeking a waiver should include a statement in its application specifying the reason for its waiver request, in accordance with the waiver guidance included in these Guidelines.

Allowable impacts for funding are as follows:

**Category 1 Gaming Facility:** In recognition that no Category 1 gaming facility will be operational by February 1, 2018, the Commission has determined that the 2018 Community Mitigation Fund is available only to mitigate impacts related to the construction of Category 1 gaming facilities. This limitation does not apply to planning activities funded under the 2015/2016 One-Time Reserve Grant, 2018 Non-Transportation Planning Grant, 2018 Transportation Planning Grant, or the 2018 Workforce Development Pilot Program Grant.

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<sup>2</sup> The Commission is aware of the difference in bargaining power between host and surrounding communities in negotiating agreements and will take this into account when evaluating funding applications.

[Although these Discussion Draft Guidelines limit Category 1 impact grants to construction based impacts, the Commission seeks input on whether eligibility should be expanded to include some additional costs that may occur prior to operations including police training costs. In previous years the Commission had already authorized funding for some pre-operational costs such as workforce development and training, and transportation planning activities. ]

The Commission's regulation 205 CMR 125.07 defines construction period impacts as:

"The community will be significantly and adversely affected by the development of the gaming establishment prior to its opening taking into account such factors as noise and environmental impacts generated during its construction; increased construction vehicle trips on roadways within the community and intersecting the community; and projected increased traffic during the period of construction."

**Category 2 Gaming Facility:** In recognition that the Category 2 gaming facility in Plainville opened during calendar year 2015, the Commission will make available funding to mitigate operational related impacts that are being experienced or were experienced from that facility by the February 1, 2018 date. The Commission will make available up to \$500,000 in total for applications for the mitigation of operational impacts relating to the Plainridge facility.

The Commission's regulation 205 CMR 125.01 2(b)4 defines operational impacts as:

"The community will be significantly and adversely affected by the operation of the gaming establishment after its opening taking into account such factors as potential public safety impacts on the community; increased demand on community and regional water and sewer systems; impacts on the community from storm water run-off, associated pollutants, and changes in drainage patterns; stresses on the community's housing stock including any projected negative impacts on the appraised value of housing stock due to a gaming establishment; any negative impact on local, retail, entertainment, and service establishments in the community; increased social service needs including, but not limited to, those related to problem gambling; and demonstrated impact on public education in the community."

Although these definitions include the types of operational impacts that may be funded, it is not limited to those. The determination will be made by the Commission after its review.

### **Hampden County Sheriff's Department – Specific Impact Grant**

In 2016 the Commission awarded the Hampden County Sheriff's Department ("HCSD") funds to offset increased rent for the Western Massachusetts Correctional Alcohol Center ("WMCAC"). In providing assistance, the Commission stated that the amount of assistance shall not exceed \$2,000,000 in total for five years or \$400,000 per fiscal year. A provision in the grant required HCSD to reapply each year. As the HCSD missed the deadline due to administrative changes for 2017, HCSD may apply for fiscal year 2018 and 2019 lease assistance during this 2018 Community Mitigation Fund application period. Each grant application may not exceed \$400,000 per year.

### **2018 Non-Transportation Planning Grant**

The Commission will make available funding for certain planning activities for all communities that previously qualified to receive funding from the One-Time 2015/2016 Reserve Fund, and have already allocated and received Commission approval of the use of its Reserve. No application for this 2018 Non-Transportation Planning Grant shall exceed Fifty Thousand Dollars (\$50,000). Applications involving transportation planning or design are not eligible for the 2018 Non-Transportation Planning Grant. Communities requesting transportation planning should instead apply for Transportation Planning Grant funds.

Eligible planning projects must have a defined area or issue that will be investigated as well as a clear plan for implementation of the results. The planning project must be clearly related to addressing issues or impacts directly related to the gaming facility. Applicants will be required to submit a detailed scope, budget, and timetable for the planning effort prior to funding being awarded. Each community applying for a 2018 Non-Transportation Planning Grant will also need to provide detail on what it will contribute to the project such as in-kind services or planning funds.

Communities that utilize this 2018 Non-Transportation Planning Grant are not prohibited from applying for funding for any specific mitigation request.

### **Transportation Planning Grants**

The Commission will make available funding for certain transportation planning activities for all communities eligible to receive funding from the Community Mitigation Fund in Regions A & B and for the Category 2 facility, including each Category 1 and Category 2 host community and each designated surrounding community, each community which entered into a nearby community agreement with a licensee, and any

community that petitioned to be a surrounding community to a gaming licensee, each community that is geographically adjacent to a host community.

The total funding available for planning grants will likely not exceed \$1,000,000. No application for a transportation planning grant shall exceed \$200,000.

Eligible transportation planning projects must have a defined area or issue that will be investigated as well as a clear plan for implementation of the results. Transportation Planning Grant funds may be sought to expand a planning project begun with reserve funds or to fund an additional project once the reserves have been exhausted.

Eligible transportation planning projects must have a defined area or issue that will be investigated as well as a clear plan for implementation of the results.

Eligible expenses to be covered by the Transportation Planning Grant include, but not necessarily limited to:

- Planning consultants/staff
- Data gathering/surveys
- Data analysis
- Design
- Engineering review/surveys
- Public meetings/hearings
- Final report preparation

The transportation planning projects must be clearly related to addressing transportation issues or impacts directly related to the gaming facility. Applicants will be required to submit a detailed scope, budget, and timetable for the transportation planning effort prior to funding being awarded.

Communities that requested and received the One-Time 2015/2016 Reserve Grant must first expend those funds before accessing any Transportation Planning Grant funds. Transportation Planning Grant funds may be sought to expand a planning project begun with reserve funds or to fund an additional project once the reserves have been exhausted.

In addition to the specific impact grant factors further defined in section *“How Will the Commission Decide on Applications?”*, the Commission will also consider whether the applicant demonstrates the potential for such transportation project that is the subject of a CMF application to compete for state or federal transportation funds.

Applicants may, but are not required, to include a description of how the project meets the evaluation standards for the Fiscal Year 2018 TIP criteria for the Boston MPO Region or the Pioneer Valley Planning Commission’s transportation evaluation criteria, or other regional transportation project evaluation standard, whichever may be most applicable.

### Limitations/Specific Requirements on Planning Applications

The Commission will fund no application for more than two years for any municipal employee. The CMF will not pay the full cost of any municipal employee. The municipality would need to provide the remaining amount of any employee cost and certify that all such expenses are casino related. For non-personnel costs, each community applying for planning funds will also need to provide detail on what it will contribute to the planning project such as in-kind services or planning funds.

Pursuant to the Guidelines, the Commission will evaluate requests for planning funds (including the use of One-Time 2015-2016 Reserve, Non-Transportation Planning Grant, and Transportation Planning Grant Funds) after taking into consideration input the applicant has received from the local Regional Planning Agency ("RPA") or any such interested parties. Although there is no prerequisite for using RPA's for planning projects, consultation with RPA's is required to enable the Commission to better understand how planning funds are being used efficiently across the region of the facility. Please provide details about the applicant's consultation with the RPA or any such interested parties. Applicants should provide detail regarding consultations with nearby communities to determine the potential for cooperative regional efforts regarding planning activities.

### Tribal Gaming Technical Assistance Grant

The Commission may make available no more than \$200,000 in technical assistance funding to assist in the determination of potential impacts that may be experienced by communities in geographic proximity to the potential Tribal Gaming facility in Taunton. Said technical assistance funding may be made through Southeastern Regional Planning and Economic Development District ("SRPEDD"), the regional planning agency that services such communities or a comparable regional entity. Such funding will only be made available, after approval of any application by SRPEDD or a comparable regional entity, if it is determined by the Commission that construction of such gaming facility will likely commence prior to or during Fiscal Year 2019. Any such application by SRPEDD or a comparable regional entity must demonstrate that any studies of impacts will address the technical assistance needs of the region which may include but not be limited to the communities that are geographically adjacent to Taunton. Such funding shall not be used to study impacts on or provide technical assistance to Taunton, as funding has been provided in the Intergovernmental Agreement By and Between the Mashpee Wampanoag Tribe and the City of Taunton. Any such program of technical assistance may be provided by SRPEDD itself or through a contract with SRPEDD.

### Workforce Development Pilot Program Grant

For fiscal year 2019, the Commission will make available funding for certain career pathways workforce development pilot programs in Regions A and B for service to residents of communities of such Regions, including each Category 1 host community and each designated surrounding community, each community which entered into a nearby community agreement with a licensee, any community that petitioned to be a surrounding community to a gaming licensee, and each community that is geographically adjacent to a host community.

The total funding available for grants will likely not exceed \$600,000. No application for a grant in each Region shall exceed \$300,000 unless otherwise determined by the Commission. One grant will be considered for each Region. Each governmental entity applying for workforce development funds will also need to provide detail on what it will contribute to the workforce development project such as in-kind services or workforce development funds.

Eligible career pathways workforce development proposals must include a regional consortium approach to improve the skills, knowledge, and credential attainment of each Region A and Region B residents interested in a casino career, focusing on increasing industry-recognized and academic credentials needed to work in the most in-demand occupations related to the expanded gaming industry or a focus on occupations that could be in high demand from the casino, potentially negatively impacting the regional business community. This could include a focus on hospitality, culinary, cash handling, or customer service, etc.

Goals include:

- To help low-skilled adults earn occupational credentials, obtain well-paying jobs, and sustain rewarding careers in sectors related to hospitality and casino careers.
- To get students with low basic skills into for-credit career and technical education courses to improve their educational and employment outcomes.
- To deliver education and career training programs that can be completed in two years or less and prepare program participants for employment in high-wage, high-skill occupations related to the casino.
- To align and accelerate ABE, GED, and developmental programs and provide nontraditional students the supports they need to complete postsecondary credentials of value in the regional labor market.

- To mitigate a strain in existing resources and a potential impact to the regional labor market.

Eligible activities include: a program in Region A or Region B that structures intentional connections among adult basic education, occupational training, and post-secondary education programs designed to meet the needs of both adult learners and employers, post-secondary vocational programs, registered apprenticeships, courses leading to college credits or industry-recognized certificates, Adult Basic Education (“ABE”) and vocationally based English for Speakers of Other Languages (“ESOL”) training programs, Contextualized Learning, Integrated Education & Training, and Industry-recognized Credentials.

- **A consortium application is required.** However, governmental entities eligible to receive funds would include but not be limited to: host communities, communities which were each either a designated surrounding community, a community which entered into a nearby community agreement with a licensee, a community that is geographically adjacent to the host community of a gaming licensee, a community that petitioned to be a surrounding community to a gaming licensee state agencies, state agencies, and Regional Employment Boards. The Commission shall evaluate the use of host community agreement funds in evaluating funding requests for workforce development pilot program grant funds. Applicants should consider leveraging other funding resources.

### What Should Be Included in the Applications?

- ★ Applicants are required to complete the 2018 Specific Impact Grant Application, the 2018 Transportation Planning Grant Application, the 2018 Workforce Development Pilot Program Grant Application or the 2018 Non-Transportation Planning Grant Application and may also submit additional supporting materials of a reasonable length.
- ★ Applicants will need to describe how the specific mitigation, planning, or workforce development pilot program request will address any claimed impacts and provide justification of any funds requested. Unlike existing surrounding community agreements which were based on anticipated impacts, any Specific Impact Grant will be based on impacts that have occurred or are occurring, as noted previously.
- ★ Applicants will need to describe if and how such impacts were addressed or not addressed in any host or surrounding community agreements. Applicants may include a letter of support from the applicable gaming licensee. However, this is not necessary, as the Commission will request the licensee's opinion regarding each application.

### How Will the Commission Decide on Applications?

Similar to the Commission's surrounding community review process, the Commission will ask each licensee to review and comment on any requests for funding.

The Commission will evaluate the submittal by the community, any input received from the community and interested parties (such as Regional Planning Agencies), the responses of the licensee, Commission consultant reviews, and any other sources determined by the Commission.

The Commission will evaluate any funding requests in the context of any host or surrounding community agreements. Factors used by the Commission to evaluate grant applications may include but not be limited to:

- A demonstration that the impact is being caused by the proposed gaming facility;
- The significance of the impact to be remedied;
- The potential for the proposed mitigation measure to address the impact;
- The feasibility and reasonableness of the proposed mitigation measure;

- A demonstration that any program to assist non-governmental entities is for a demonstrated public purpose and not for the benefit or maintenance of a private party;
- The significance of any matching funds for workforce development pilot program activities or planning efforts, including but not limited to the ability to compete for state or federal workforce, transportation or other funds;
- Any demonstration of regional benefits from a mitigation award;
- A demonstration that other funds from host or surrounding community agreements are not available to fund the proposed mitigation measure;
- A demonstration that such mitigation measure is not already required to be completed by the licensee pursuant to any regulatory requirements or pursuant to any agreements between such licensee and applicant; and
- The inclusion of a detailed scope, budget, and timetable for each mitigation request.

The Commission may ask applicants for supplementary materials, may request a meeting with applicants, and reserves the ability to host a hearing or hearings on any application.

The Commission's deliberations on Community Mitigation Fund policies will also be aided through input from the Gaming Policy Advisory Committee, the Community Mitigation Subcommittee, and any Local Community Mitigation Advisory Committees, as established pursuant to M.G.L. c. 23K.

The Commission reserves the ability to determine a funding limit below what is detailed in these Guidelines, as additional contributions to the Community Mitigation Fund will not be made until Category 1 gaming facilities are operational. The Commission also reserves the ability to determine a funding limit above what is detailed in these Guidelines.

**The Commission reserves the ability to fund only portions of requested projects and to fund only a percentage of amounts requested. The Commission also reserves the ability to place conditions on any award.**

- **There is limited funding available. The Commission therefore reserves the right to determine which requests to fund based on its assessment of a broad range of factors including the extent of public benefit each grant is likely to produce.**

### When Will the Commission Make Decisions?

The Commission anticipates making funding decisions on any requests for grant assistance before July 2018, after a comprehensive review and any additional information requests.

### Is There a Deadline for the Use of the One-Time 2015/2016 Reserve?

There is no deadline. Funds may be used on a rolling basis when specific impacts are determined or the specific planning activity is determined. Once known, communities should contact the Ombudsman's Office, which will assist the community in providing the needed information. Communities with specific impacts will, at the time the impacts are known, complete the Specific Impact Grant Application or the Planning Project Grant Application in its entirety. Communities with requests for planning funds will provide similar information to the Commission: a description of the planning activity, how the planning activity relates to the development or operation of the gaming facility, how the planning funds are proposed to be used, consultation with the Regional Planning Agency, other funds being used, and how planning will help the community determine how to achieve further benefits from a facility or to avoid or minimize any adverse impacts. The Commission will fund no application for more than two years for any municipal employee. The CMF will not pay the full cost of any municipal employee. The municipality would need to provide the remaining amount of any employee cost and certify that all such expenses are casino related. Each Community applying for planning funds will also need to provide detail on what it will contribute to the planning project such as in-kind services or planning funds. Please note that such details do not need to be determined by the February 1, 2018 application date. Commission approvals of the use of the One-Time 2015/2016 Reserve will also be on a rolling basis corresponding to the rolling determinations of use by communities.

### Waivers and Variances

(a) General. The Commission may in its discretion waive or grant a variance from any provision or requirement contained in these Guidelines, not specifically required by law, where the Commission finds that:

1. Granting the waiver or variance is consistent with the purposes of M.G.L. c. 23K;
2. Granting the waiver or variance will not interfere with the ability of the Commission to fulfill its duties;
3. Granting the waiver or variance will not adversely affect the public interest; and

4. Not granting the waiver or variance would cause a substantial hardship to the community, governmental entity, or person requesting the waiver or variance.

(b) Filings. All requests for waivers or variances shall be in writing, shall set forth the specific provision of the Guidelines to which a waiver or variance is sought, and shall state the basis for the proposed waiver or variance.

(c) Determination. The Commission may grant a waiver or variance, deny a waiver or variance, or grant a waiver or variance subject to such terms, conditions and limitations as the commission may determine.

### Who Should Be Contacted for Any Questions?

As the 2018 Community Mitigation Fund program is just in the fourth year of the program for the Commission, communities and other parties may have a number of questions. They are encouraged to contact the Commission's Ombudsman with any questions or concerns. The Commission's Ombudsman will regularly brief the Commission regarding the development of Community Mitigation Fund policies.

The Commission's Ombudsman, John Ziemba, can be reached at (617) 979-8423 or via e-mail at [john.s.ziemba@state.ma.us](mailto:john.s.ziemba@state.ma.us). The Commission's address is 101 Federal Street, 12<sup>th</sup> Floor, Boston, MA 02110.

### Where Should the Applications Be Sent?

Applications **must be sent to** [www.commbuys.com](http://www.commbuys.com). An application received by COMMBUYS by February 1, 2018 will meet the application deadline. Applicants that are not part of the COMMBUYS system should contact Mary Thurlow of the Commission's Ombudsman's Office well in advance of the February 1, 2018 deadline to make arrangements for submission of the application by the deadline. Mary Thurlow can be contacted at (617) 979-8420 or at [mary.thurlow@state.ma.us](mailto:mary.thurlow@state.ma.us).

If you have any questions or concerns contact the COMMBUYS Help Desk at [COMMBUYS@state.ma.us](mailto:COMMBUYS@state.ma.us) or during normal business hours (8am - 5pm ET Monday - Friday) at 1-888-627-8283 or 617-720-3197.



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

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

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

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

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

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

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

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

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



Massachusetts Gaming Commission

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Recommendation:** We do not recommend any change here.

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

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

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

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

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

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

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

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

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

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

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

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

**Recommendation:** No change is recommended.

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

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

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

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

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

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

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

2017 Results: Not addressed in the Guidelines.

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

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

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

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

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

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

### **2018 POLICIES TO BE ADDRESSED**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Recommendation:** Yes, the Commission should extend the Reserves.

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

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

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

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

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

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

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

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