

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

THE COMMONWEALTH OF MASSACHUSETTS

MASSACHUSETTS GAMING COMMISSION

OPEN MEETING

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Gayle Cameron

James F. McHugh

Bruce W. Stebbins

Enrique Zuniga

AUGUST 8, 2012, 5:35 p.m.

WESTERN NEW ENGLAND UNIVERSITY

1215 Wilbraham Road

River Memorial Hall

Springfield, Massachusetts

MASSACHUSETTS GAMING COMMISSION - AUGUST 8, 2012

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

AUGUST 8, 2012

PROCEEDINGS:

CHAIRMAN CROSBY: This will be the 21st public meeting of the Massachusetts Gaming Commission.

Got everything you need?

We have a couple of things that we want to do. First of all, there were a few questions that were submitted to the question box, and I think Commissioner Stebbins has them. Do you want to read them out and see if we can address them?

COMMISSIONER STEBBINS: Well, we had a list of questions from our visitor from eastern Mass., Jay Ashe, from the city of Chelsea. There were many. So, we told Jay we'd be happy to meet up with him in the Boston office, or he agreed to come back and be a guest of Senator Candaras of western Massachusetts if that was a better place to address them, but just quickly, you know, we had a general question from a woman, who left her card, saying, I'm interested in the process. Is there any way that I can help? In what ways might I participate, which I'm sure is a question a lot of the citizenry have.

Obviously, following our activities via social media is helpful. Staying on top of the process --

1 following us through the process is helpful. That would
2 just be my quick answer to that question. Anybody else
3 have input as to an answer to that?

4 COMMISSIONER McHUGH: Well, we certainly
5 have the comment line that you mentioned, Commissioner, at
6 the beginning, and all ideas from all people with respect
7 to any aspect of our business are welcome. We've gotten
8 some great suggestions from people who have just read a
9 meeting or read a newspaper article and written in with
10 some helpful suggestion and that's -- those have been
11 terrific.

12 COMMISSIONER ZUNIGA: There's also our
13 formal process -- our regulations process conditions or
14 dictates, really, which is we will be having these local
15 hearings for formal comments on regulations now for Phase 1
16 but eventually for Phase 2.

17 So, any attention to that and comments this
18 way would be very welcome.

19 COMMISSIONER STEBBINS: The other question
20 was a little more directed to the statute. I'll read it.
21 It says, "What safeguards are there in the expanded gaming
22 act that will ensure proposals for development are for
23 resort casinos and not gaming parlors?"

24 Obviously, we have the ability to license,

1 one, gaming parlors/slots parlors, but I think the -- to
2 ensure that we get a resort-style destination casino, one
3 simple answer is found in the statute; that the minimum
4 investment is a half a billion dollars.

5 There might be a gaming parlor covered in
6 gold, but I think to meet the proposal development
7 requirements, you will wind up with a resort casino.

8 I think, as we go through the license
9 process, the local approval, the local residents, you know,
10 will demand that the project is a resort casino, and that's
11 certainly what we will look at when it gets to us.

12 COMMISSIONER MCHUGH: The only thing I could
13 add to that is that in two sections of the statute, one
14 describing what the application has to contain and the
15 other describing what we have to consider in awarding the
16 license, all, if read collectively, focus on a resort-style
17 casino, a resort casino, and not simply a hall with slot
18 machines and table games.

19 So, the statute has been carefully written
20 to drive both our attention, the attention of the cities
21 and towns, and the attention of the developer toward a
22 resort casino.

23 COMMISSIONER STEBBINS: That's it.

24 CHAIRMAN CROSBY: Okay. Any issues or

1 topics or questions that came out of today's conversation
2 that either we should talk about now or that anybody wants
3 to talk about right now? Certainly, there were a ton of
4 really good ideas but -- go ahead.

5 COMMISSIONER ZUNIGA: If I could. At the
6 risk of oversimplifying, we heard a lot of the theme of
7 partnerships in all three panels, this idea of Memoranda of
8 Understanding, one that I think is going to obviously take
9 place at the local level, and I get, in my mind, thinking
10 about the role of the Commission, and I started to think
11 about the process for evaluating contractors in the
12 public-works arena that DCAM has, the Department of Capital
13 Assets Management, in which they -- it's required by law
14 essentially.

15 Municipalities fill out an evaluation form
16 after they have gone through the construction process, and
17 these evaluations help ensure the rating of builders for
18 future bids, and I was thinking whether this Commission
19 could put together an evaluation piece to these Memoranda
20 of Understanding where it could make for -- consider that
21 as part of the criteria to evaluate them where those
22 ratings or those qualifiers came from the local process of
23 Memoranda of Understanding.

24 I guess that's something that came to mind

1 and I wanted to throw out there as something to consider.

2 CHAIRMAN CROSBY: This would be in Phase 2?

3 COMMISSIONER ZUNIGA: Yes.

4 CHAIRMAN CROSBY: Phase 2. Yeah, right.

5 Somewhat similar thought I had. For one thing, I can feel
6 that sort of psychologically that we are starting to move
7 into the second phase because we now -- as most of you
8 probably know, we have drafted and completed our version of
9 the regulations, which will control the first phase, and
10 they are about to become public and we'll get public
11 comment and finish those off.

12 So, in my head, I'm beginning now to think
13 about RFA-2. So, as I heard all these people talking about
14 stuff, it raises the question, that we are going to have to
15 think about as time goes by, about how prescriptive we want
16 to be.

17 Do we want to say you must have
18 cross-marketing deals? You must promise to joint
19 advertise. You know, you must do this, that, and the other
20 thing, or do we want to say, you know, We want you to be
21 creative and thoughtful about joint-marketing ideas with
22 the local hospitality industry. You tell us how you're
23 going to do it.

24 I mean there's a lot of thinking to be done

1 about how much we want to put into a required spec and how
2 much we, instead, want to ask these folks to be creative.

3 Tell them what our values are. Tell them
4 what we care about, and let them tell us how they want to
5 do it. You know, I don't know. It's just an interesting
6 -- but I can see myself beginning to think about this,
7 which is kind of interesting. We are moving on already to
8 Phase 2.

9 COMMISSIONER MCHUGH: I had some of the same
10 thoughts but at a higher level, I guess.

11 CHAIRMAN CROSBY: You always are at a higher
12 level.

13 COMMISSIONER MCHUGH: No. No. No. I mean
14 altitude, and that is the goals that we are trying to
15 reach. I thought it was really interesting a number of the
16 speakers talked about if -- we can't do it by ourselves,
17 but a number of the speakers talked about what is it you
18 want.

19 Speros, in particular, talked about, What do
20 you want the casino to do? Do you want it to open up the
21 downtown area? You want it to bring people into a part of
22 the region that otherwise they wouldn't come to, and if so,
23 then a whole bunch of decisions and criteria flow from
24 that.

1 We can't do that by ourselves. A lot of the
2 cities and towns will do that. Their proposals will
3 contain that, but, it seems to me that, at some level, we
4 do have the ability to do that.

5 What kinds of jobs do we want people to get,
6 and how do we incentivize that? What kinds of linkages do
7 we want to have as a goal?

8 So, I think that trying to start thinking
9 about those goals on an almost trans-regional level or at
10 least on a regional level would be a great first start and
11 then a number of decisions flow from whatever we decide at
12 that level. So, I thought this was very stimulating.

13 CHAIRMAN CROSBY: How would you take that
14 thought process and apply it to the western Mass. situation
15 where we may very well end up with an urban casino
16 application and a rural casino application?

17 Are you suggesting that we should start
18 thinking now about what we think is sort of the bigger
19 macro goal, macro objective, so that we would have a
20 predisposition when they come in?

21 COMMISSIONER McHUGH: Yes. Not in terms
22 of -- I want to be careful here because I really think I
23 need to think a lot more about this idea that I just
24 hatched.

1 I think that we need to begin to think about
2 sort of trans-location goals, first of all. What do we
3 want to do about work-force development? What segment of
4 the society do we want to make sure is included in the
5 eligibility for the jobs that are going to flow? What
6 kinds of things do we want to prevent regardless of where
7 the casino is located? What kinds of benefits regardless
8 of where the casino is located? Do we want to make sure to
9 inure to the region because it's a regional issue?

10 At that level, I think we can come up with
11 some goals and then whether we can take it to the next step
12 or whether we then say, Give us your best shot for where
13 you are, but we are going to be looking for, say, whatever
14 you do, whether it's rural, whether it's urban, whether
15 it's here, whether it's there -- we are going to be looking
16 for your integration into the community.

17 CHAIRMAN CROSBY: Right.

18 COMMISSIONER MCHUGH: We are going to be
19 looking for these kinds of cross-relationship agreements.
20 It's that kind of -- it's at that level. I think it would
21 be really worthwhile to start coming up with some plans
22 that could be changed as we moved forward but at least some
23 goals as we move into the Phase 2 regulation-creation
24 phase.

1 CHAIRMAN CROSBY: Yeah. I hadn't really
2 thought about it, but it really is an interesting issue,
3 you know. If -- this is just blue sky at this point, but
4 is there an inherent -- is there an inherent value
5 structure of, for example, an urban site versus a rural
6 site?

7 You know, would we -- would we have a
8 predisposition that one is better than another, or would we
9 just look at, you know, independent -- sorry. Independent
10 of where the site is, you know, we would just assess it on
11 an objective basis on the location.

12 Anyway, it's just sort of an interesting
13 philosophic value judgment we are going to start thinking
14 about as we start to get real about this.

15 COMMISSIONER CAMERON: I certainly don't
16 think we should value one more than the other. I think we
17 have to look at each one on the merits and see what they
18 bring to the region, and we know there are models out there
19 that are successful in both urban and suburban and/or rural
20 areas. So, I think that's important to realize and not be
21 -- not have anything predetermined.

22 CHAIRMAN CROSBY: Yup. Well, that makes
23 sense. Anybody else? Commissioner?

24 COMMISSIONER ZUNIGA: Well, I was just going

1 to agree that the location I see more a question of one
2 proposal versus another having a better
3 work-force-development plan because it operates with the
4 local context but also in a regional context.

5 So, we'd have to set up criteria, like no
6 doubt we will, and weigh it in advance and, say,
7 work-force-development plans may end up weighing 10
8 percent, or whatever it may be, and create a plan for each
9 one of the respondents on their own merits regardless of
10 location, regardless of if that does better for the rural
11 work force or the regional work force or the urban work
12 force.

13 CHAIRMAN CROSBY: Yeah.

14 COMMISSIONER STEBBINS: I like this
15 discussion about -- the Chairman pointed out kind of the
16 RFA-2 discussion. You know, that statute does lay out some
17 pretty clear criteria. I think that criterion and how we
18 evaluate a license application is going to differ based on
19 region, based on jurisdiction, based on goals of the local
20 region.

21 I'm somewhat looking for a developer to come
22 to us with the best practice. If it's work-force training,
23 I want to see a little more meat on the bones in their
24 application than, Yeah, we'll partner with somebody.

1 What was unique about the presentation with
2 respect to tourism was the interest and the activism on the
3 part of the Convention and Visitors Bureau to say, We want
4 to have an MOU.

5 We looked at the regulatory piece of the
6 RFA-2. How do we get some meat to that MOU? If that's
7 really what the region wants -- that's their out-of-the-box
8 thinking that they really wanted to create a dynamic that
9 would benefit their region or their area in the long run.

10 I want to move to another topic just
11 quickly, which was the whole notion raised of job training,
12 work-force development, the idea that the opportunity and
13 the possibility and the high likelihood exists that a
14 gaming developer comes in and cannibalizes some people
15 away.

16 It might be devastating to the business that
17 that happens to, but let's look at it as having another
18 opportunity to bring people into the work force. Those
19 jobs at the bank, the teller who decides to go and work,
20 you know, behind a cashier's cage can be back filled by
21 somebody looking for their first job opportunity.

22 How are we going to make sure that the
23 pipeline continues to get fed as well as, you know,
24 connecting those people who may not be going directly to a

1 casino job but are going to have an opportunity to find
2 their way into the system through the other
3 career-development opportunity there is.

4 You know, each segment gave me a lot to
5 think about. I think one of the take-aways I have from the
6 community-mitigation panel is that, you know, we should
7 explore some type of agreement or arrangement with the
8 regional planning agencies to have them be a partner in the
9 evaluation of that RFA-2 phase because I think that they
10 are going to see some of the community impacts that we're
11 not going to have the in-house expertise at each of the
12 different sites.

13 CHAIRMAN CROSBY: Yeah. I think that's a
14 good point. I think Commissioner McHugh said that earlier
15 on, too.

16 We're going to have an ombudsman for the
17 communities and the developers on board within a month or
18 so. It occurs to me, and I actually thought about this
19 before, that each time we get into this
20 work-force-development discussion, we may want to get
21 somebody to be a point person on this to work with all
22 these other organizations to make sure that as much work is
23 being done in the southeast and the east as is being done
24 in western Mass.

1 Maybe it's not a position that is only that,
2 but I think we ought to think about whether we would like
3 to have a point person who is coordinating all the
4 work-force development stuff.

5 There's enough going on and, you know, we
6 have a little time now but we don't have a lot. If we lose
7 six months, all of a sudden, we are starting to get behind
8 the eight ball. So, I think we ought to think about that.

9 I had one other agenda item, but I want to
10 make sure -- is there anything else from today's meeting
11 that anybody wants to talk about or --

12 COMMISSIONER MCHUGH: No.

13 CHAIRMAN CROSBY: Okay. As of yesterday, we
14 decided that we would announce formally today that we are
15 distributing the certification form for applicants to fill
16 out.

17 I think we have them here, and we have
18 banking situations set up so that we can accept \$400,000
19 from as many people as want to give it to us. So, I'm
20 happy to tell you that we will have the certification forms
21 right now available. We will also have them on our Web
22 site tomorrow if they are not there already today and --
23 where are the wiring instructions? Who gets the checks?
24 Is it Tim?

MASSACHUSETTS GAMING COMMISSION - AUGUST 8, 2012

1 COMMISSIONER MCHUGH: The formal wiring
2 instructions are in the form.

3 CHAIRMAN CROSBY: Okay.

4 COMMISSIONER MCHUGH: I think they have to
5 call Eileen Glovsky.

6 CHAIRMAN CROSBY: Okay. Eileen Glovsky.
7 Raise your hand, Eileen. Our director of administrative
8 services is on the form. You have to contact her. She
9 will be money bags. So, in the very most formal way, this
10 operation is really getting underway as of the moment.

11 COMMISSIONER MCHUGH: Right now.

12 CHAIRMAN CROSBY: Right now. Right. So, we
13 are kicking off the licensing process. We welcome all of
14 you developers to come to the table, and we will look
15 forward to working with you all.

16 Do I have a motion to adjourn?

17 COMMISSIONER MCHUGH: So moved.

18 COMMISSIONER STEBBINS: Second.

19 CHAIRMAN CROSBY: All in favor?

20 COMMISSIONER STEBBINS: Aye.

21 COMMISSIONER ZUNIGA: Aye.

22 COMMISSIONER MCHUGH: Aye.

23 COMMISSIONER CAMERON: Aye.

24 CHAIRMAN CROSBY: I would just say, Senator

MASSACHUSETTS GAMING COMMISSION - AUGUST 8, 2012

1 Candaras, thank you so much for having us here today.

2 Great job. Thanks.

3 (Meeting adjourned at 5:55 p.m.)

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

C E R T I F I C A T E

I, Elizabeth O. Bailey, a Certified Shorthand Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Elizabeth O. Bailey, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive on Transcript Format.

I, Elizabeth O. Bailey, further certify I neither am counsel for, related, to, nor employed by any of the parties to the action in which this hearing was taken and further that I am not financially nor otherwise interested in the outcome of this action.

Proceedings recorded by Verbatim means, and transcript produced from computer.

//Elizabeth O. Bailey// Date: August 9, 2012

Elizabeth O. Bailey
Court Reporter for OfficeSolutionsPlusLLC
My commission expires: March 11, 2016

//Elizabeth Tice// Date: August 9, 2012

Elizabeth Tice, President, OfficeSolutionsPlusLLC
My commission expires: August 26, 2016