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## Meeting Minutes

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**Date/Time:** March 19, 2015 – 10:30 a.m.

**Place:** Boston Convention and Exhibition Center  
415 Summer Street Room 102B  
Boston, Massachusetts

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

### **Call to Order**

See transcript page 2

10:27 a.m. Chairman Crosby called to order the 147<sup>th</sup> Commission Meeting.

### **Approval of the Minutes**

See transcript pages 2-3

10:28 a.m. *Commissioner McHugh moved for the approval of the March 5, 2015 minutes with reservation of power to change mechanical and typographical errors. Motion seconded by Commissioner Cameron. Motion passed unanimously.*

### **Administration**

See transcript pages 3-64

10:29 a.m. Director Rick Day presented an administrative update which included the following: announcement appointing Dr. Alexandra Lightbown as Interim Director of Racing, identification of temporary office space in Springfield, Plainridge opening and staffing needs.

10:39 a.m. Chief Information Officer John Glennon presented an update on CMS project plan.

10:41 a.m. Chief Financial & Accounting Officer Derek Lennon presented an update on the 2<sup>nd</sup> Quarter Budget report which included: revenue adjustments, spending reductions and recommendations.

- 11:02 a.m. *Commissioner Zuniga moved that the Commission approve the proposed adjustments for the second quarter as shown in Appendix A to balance the fiscal year '15 budget and approve the reduction in the assessment on licensees as presented in the packet. Motion seconded by Commissioner Cameron. Motion passed unanimously.*
- 11:04 a.m. Deputy General Counsel Todd Grossman presented an update on changes to the draft ABCC regulation which included defining complimentary or free alcoholic beverages and storage of alcoholic beverages. Attorney Grossman also noted discussions with the ABCC pertaining to acceptable forms of identification.
- 11:20 a.m. Chairman Crosby clarified that ABCC agents, as well as increased personnel for the Attorney General's Office and the State Police, who will cover casinos are paid for by the licensees through the Commission.
- 11:25 a.m. *Commissioner Cameron moved that the Commission approve the draft 205 CMR 136:00 – Sale and Distribution of Alcoholic Beverages at Gaming Establishments and move it into the formal process. Motion seconded by Commissioner Stebbins. Motion passed unanimously.*
- 11:26 a.m. Chief Information Officer Glennon introduced and provided background information on James Maida and Ali Ghanavanti from Gaming Laboratories International (GLI), and Travis Foley from BMM North America (BMM), pertaining to the independent lab conditional certification.
- 11:30 a.m. James Maida provided brief comments about operations at GLI.
- 11:33 a.m. Travis Foley provided brief comments about his professional experience and apologies from BMM Owner Storm who could not attend meeting.
- 11:36 a.m. *Commissioner Stebbins moved that the Commission approve conditional independent testing laboratory certifications for BMM and GLI with full certification to be issued contingent on the outcome of the IEB background investigations. Motion seconded by Commissioner Cameron. Motion passed unanimously.*
- 11:37 a.m. The Commission took a short recess.
- 11:47 a.m. Meeting resumed.

#### **Ombudsman**

See transcript pages 64-108

- 11:47 a.m. Ombudsman John Ziemba provided an overview of the Wynn presentation and also noted the posting of the supplemental final environmental impact report (SFEIR) filing on MGC website.

- 11:49 a.m. Robert DeSalvio, President of Wynn MA, presented an update on Wynn's SFEIR filing and community outreach.
- 11:50 a.m. Jacqui Krum, Senior Vice President and General Counsel of Wynn Resorts, presented an update on activities since the licensure which included: payments to surrounding communities, payment of license fees, bond deposit, land acquisition, diversity plan submission, City of Boston escrow, Charlestown community meetings, submission of PIC application and letters to Suffolk Downs' employees.
- 11:55 a.m. Chris Gordon, Project Manager for Wynn Everett, presented an update on the SFEIR and design project highlights which included: addition of hotel rooms, reduction of parking spaces, removal of night club, increased meeting and conference room space, retail space, events lawn, public boardwalk, parking garage and signature glass façade. Mr. Gordon also reported on MBTA land closure and transportation improvements.
- 12:27 p.m. Commission recessed for lunch.
- 1:20 p.m. Meeting resumed.

### **Research and Responsible Gaming**

See transcript pages 108-121

- 1:20 p.m. Director Mark Vander Linden presented an update on the responsible gaming evaluation plan.

### **Racing Division**

See transcript pages 121-164

- 1:36 p.m. Dr. Alexandra Lightbown, Interim Director of Racing; Steve O'Toole, Racing Manager of the Plainridge Racecourse; and Bill Abdelnour and Robert Bogigian, representing the Harness Horsemen's Association of New England, presented a request to delay the opening of the racing schedule due to the extreme winter conditions and its effect on getting the track and horses ready for an April 1<sup>st</sup> start date.
- 1:59 p.m. *Commissioner Cameron moved that the Commission approve the request of the Plainridge Park Casino Harness Racing to move the opening day to April 15 and suspend racing on April 1, 2, 6, 8, 9 and 12 which will be made up later in the season. Motion seconded by Commissioner Stebbins. Motion passed unanimously.*
- 2:00 p.m. Senior Financial Analyst Doug O'Donnell presented an overview of two requests from the Plainridge Racecourse for payment from the Promotional Trust Fund monies for a radio advertising campaign and Back to the Track promotion totaling \$22,651.81.

- 2:04 p.m. *Commissioner Cameron moved that the Commission approve the request from Plainridge Racecourse to utilize the Promotional Trust Fund monies for a total request of \$22,651.81. Motion seconded by Commissioner Zuniga. Motion passed unanimously.*
- 2:04 p.m. Senior Financial Analyst O'Donnell and Chief Pari-Mutuel Officer Carol Malcom, presented on the 2013 Racing Division Annual Report, which included highlights of the following: staff, racetracks, licensing, State Police Investigative Unit report, laboratory services, rulings, financials, regulations, handles and individual track financial reports.
- 2:26 p.m. *Commissioner Cameron moved that the Commission accept the 2013 Annual Report of the Racing Division. Motion seconded by Commissioner Stebbins. Motion passed unanimously.*

### **Legal Division**

See transcript pages 164-187

- 2:27 p.m. General Counsel Catherine Blue presented on the draft regulations pertaining to the Gaming Commission Hearing process.
- 2:36 p.m. *Commissioner McHugh moved that the Commission approve the draft 205 CMR 101.00 – M.G.L. C. 23K Adjudicatory Proceedings and move it into the formal regulation adoption process. Motion seconded by Commissioner Stebbins. Motion passed unanimously.*
- 2:38 p.m. General Counsel Blue presented on the final Section 61 Findings pertaining to Plainridge Park Casino.
- 2:49 p.m. *Commissioner McHugh moved that the Commission find that the environmental impacts resulting from the proposed project are those described in the Final Environmental Impact Report on which the certificate issued and further that it find that with implementation of the mitigation measures described in our findings, all feasible means and measures will have been taken to avoid or minimize adverse impacts to the environment relating to the construction and operation of the slots parlor at Plainridge Racecourse. Motion seconded by Commissioner Zuniga. Motion passed unanimously.*
- 2:50 p.m. General Counsel Blue presented an update on draft 205 CMR 129 – Transfer of Interests which included a public hearing held on March 12<sup>th</sup> and extension of comment period until March 26<sup>th</sup>.
- 2:51 p.m. The Commission took a short recess.
- 3:00 p.m. Meeting resumed.

## **Investigation and Enforcement Division**

See transcript pages 187-319

- 3:01 p.m. Director Karen Wells presented a status update for the Region C applications. The Mass. Gaming and Entertainment's application has been deemed complete for purposes of moving forward with investigation. KG Urban's application is not complete and they are requesting an extension of the March 16<sup>th</sup> deadline. Crossroads' application is not complete and they are requesting an extension of the March 16<sup>th</sup> deadline.
- 3:04 p.m. Attorney Jack Yunits, representing George Carney and Mass. Gaming and Entertainment, presented an update on activities which included: signing of Host Community Agreement with City of Brockton, election date set for May 12<sup>th</sup>, zoning bylaw filed, ENF will be filed, and public hearings and workforce development meetings have been scheduled. Mr. Yunits also noted that they have followed the rules and they will be ready on May 26<sup>th</sup>.
- 3:13 p.m. Mayor John Mitchell, City of New Bedford, reported to the Commissioners that KG Urban and the City of New Bedford executed a Host Community Agreement earlier in the day. Mayor Mitchell outlined a number of factors that led to the agreement, some of which included KG Urban's commitment to: 2000 permanent jobs, usage of maritime industrial land, hotel redesign, access to downtown businesses, waterfront convention center, historical preservation and signage restraints. Mayor Mitchell expressed confidence that the partnership will enhance the City of New Bedford and grow needed jobs.
- 3:26 p.m. Barry Gosin, CEO and Managing Partner of KG Urban, presented on the mission of KG Urban which included thoughtful urban redevelopment to create economic opportunities, focus on brownfields not greenfields and architectural interests. Mr. Gosin noted their success in Bethlehem and New York. He also noted that extending the deadline would allow the State to look at several projects and allow KG Urban the opportunity to secure equity now that a Host Community Agreement has been signed.
- 3:38 p.m. Attorney Kevin Conroy, Foley Hoag, noted that the execution of a Host Community Agreement was a hurdle that has been removed and he expressed confidence that KG Urban can secure equity within 45 days.
- 3:50 p.m. Attorney Jonathan Silverstein, representing the City of New Bedford, raised matter of tribal casino in Region C and noted that KG Urban has the greatest chance to accomplish gaming legislation goals.
- 4:07 p.m. Attorney Robert Allen, representing Crossroads, reported on the following: merger, new qualifiers - James Karam, Dan Shriver and David Klinehandler, Operator Dave Hanlon, debt financing from Jeffries investment banking firm, continuing equity conversations, HCA framework and support from Board of Selectmen. Attorney Allen requested an extension to identify equity contributors and provide competition.

- 4:12 p.m. Chairman Donald Setters, Somerset Board of Selectmen, noted delay in Somerset application was due to City of Fall River's quest for a casino. He also presented an overview of benefits a casino would offer the Town of Somerset, some of which included: filling a revenue void due to loss of power plants, uniqueness of town-owned property offers close access to a major highway, close proximity to Rhode Island facilities to draw in business and creation of regional jobs.
- 4:26 p.m. Attorney Jennifer Dopazo Gilbert, Partner, Law Office of Robert Allen, presented on process to dispose of town-owned land.
- 4:33 p.m. Commissioners started deliberations pertaining to deadline extension requests from Region C applicants KG Urban (New Bedford) and Crossroads (Somerset).
- 4:35 p.m. Commissioner Cameron stated that there are two issues – requests for extension and the region as a whole. Commissioner Cameron stated she was not persuaded to provide an extension as applicants were given time to cure deficiencies. Commissioner Cameron also stated that a new market analysis may be needed due to changes in the market along with an update on the tribal status to help Commissioners make an informed decision regarding Region C.
- 4:38 p.m. Commissioner Zuniga expressed reluctance to extend deadline and concern for applicants' ability to obtain equity.
- 4:42 p.m. Commissioner McHugh noted that the statute is designed to create an economic engine for communities with economic stress. Commissioner McHugh stated that New Bedford should be granted an extension now that it has a united political backing and expressed reservations about the ability of Somerset to put their application together.
- 4:48 p.m. Commissioner Stebbins expressed his concern about the capacity of the IEB to conduct investigations on missing elements with a May RFA-2 deadline.
- 4:51 p.m. Chairman Crosby noted that granting an extension may require changing the schedule. Chairman Crosby also noted that Crossroads does not have a good track record with timely submissions, a major shift has occurred with New Bedford and there is a need for competition to get the best for the Commonwealth. Commissioner Crosby stated he would be in favor of granting the New Bedford request for an extension and there would be no harm in granting the Somerset request.
- 4:53 p.m. Commissioner Zuniga expressed an alternative view pertaining to competition and noted there should be concern about the market and sustainability of the three licenses already granted.

- 5:01 p.m. Commissioner Cameron, and subsequently repeated by Chairman Crosby and Commissioner Stebbins, noted that there should not be an assumption that a license will issue.
- 5:08 p.m. *Commissioner McHugh moved that the deadline for the New Bedford interest to file their completed RFA-1 application including the operator, equity and complete table of organization be extended until May 4, 2015. Motion Seconded by Chairmen Crosby. Roll Call Vote: Commissioner Cameron – Nay, Commissioner McHugh – Yes, Commissioner Stebbins – Yes, Commissioner Zuniga – No, and Chairman Crosby – Yes. Motion passes 3 to 2.*
- 5:09 p.m. *Commissioner McHugh moved that the deadline for the Somerset interest to file their completed RFA-1 application including the operator, equity and complete table of organization be extended until May 4, 2015. Motion seconded by Commissioner Stebbins. Roll Call Vote: Commissioner Cameron – Nay, Commissioner McHugh – Yes, Commissioner Stebbins – Yes, Commissioner Zuniga – No, and Chairman Crosby – Yes. Motion passes 3 to 2.*
- 5:10 p.m. Chairman Crosby exited the meeting.
- 5:11 p.m. Director Wells presented on Penn National’s request for temporary licenses from two primary vendors – KGM Gaming and Multimedia Games.
- 5:18 p.m. *Commissioner Stebbins moved that the Commission approve the temporary primary vendor license for KGM Gaming and Multimedia Games subject to ultimate finding of suitability by the IEB. Motion seconded by Commissioner Cameron. Motion passed unanimously.*
- 5:19 p.m. General Counsel Blue requested that the Commission grant to the Director of the IEB a delegation of authority to grant temporary licenses.
- 5:25 p.m. *Commissioner Cameron moved that the Commission authorize Director Wells and the IEB to grant temporary licenses and when they finish their initial review to bring it before the next Commission meeting for an update. The temporary licenses are good for six months only. Motion seconded by Commissioner Zuniga. Motion passed unanimously.*
- 5:26 p.m. IEB Deputy Director Loretta Lillios presented on draft regulation 205 CMR 150 – Protection of Minors and Underage Youth and noted changes made to 150.03 – advertisement section.
- 5:29 p.m. Director Vander Linden suggested that when an advertisement comes before the Commission that the Framework for Responsible Gaming be used as a guide.

5:36 p.m. *Commissioner Stebbins moved that the Commission approve the draft 205 CMR 150 – Protection of Minors and Underage Youth and move it into the formal regulation adoption process. Motion seconded by Commissioner Zuniga. Motion passed unanimously.*

**Other Business Not Reasonably Anticipated**

See transcript page 319

5:36 p.m. *Having no further business, a motion to adjourn was made by Commissioner Cameron. Motion seconded by Commissioner Zuniga. Motion passed unanimously.*

**List of Documents and Other Items Used**

1. Massachusetts Gaming Commission March 19, 2015 Notice of Meeting and Agenda
2. Massachusetts Gaming Commission March 5, 2015 Draft Meeting Minutes
3. Massachusetts Gaming Commission March 19, 2015 Memorandum Regarding FY15 Quarterly Update and Operations Plan for the Second Half FY'15 with Appendices
4. 205 CMR 136.00: Sale and Distribution of Alcoholic Beverages at Gaming Establishments - DRAFT
5. Massachusetts Gaming Commission March 16, 2015 Memorandum Regarding Applications for MGC Certification as an Independent Testing Laboratories with attachments
6. Wynn Resorts Presentation March 2015
7. Massachusetts Gaming Commission Memorandum, Racing Division, March 13, 2015 Memorandum Regarding Plainridge Park Casino, Harness Racing Opening with attachment
8. Massachusetts Gaming Commission Memorandum, Racing Division, March 19, 2015 Memorandum Regarding Plainridge Racecourse Request for Promotional Trust Fund Monies with attachments
9. First Annual Report of the Massachusetts Gaming Commission Racing Division for year ending December 31, 2013
10. Massachusetts Gaming Commission March 19, 2015 Memorandum Regarding Process and Regulations – Commission Hearing Process
11. 205 CMR 101.00: MGL C.23K Adjudicatory Proceedings - DRAFT
12. Massachusetts Gaming Commission March 19, 2015 Memorandum Regarding Final Section 61 Findings – Plainridge, with attachment
13. Letter from Donald Setter, Somerset Board of Selectmen, to Chairman Crosby, dated March 18, 2015 regarding Crossroads Massachusetts LLC
14. Letter from Robert Allen to Director Karen Wells, dated March 17, 2015 regarding Crossroads Massachusetts, LLC
15. Letter from Jonathan Silverstein and Kevin Conroy to Chairman Crosby, dated March 13, 2015 regarding KG Urban
16. Letter from John Donnelly to John Ziemba, dated March 19, 2015 regarding Massachusetts Gaming & Entertainment, LLC
17. Letter from Representatives Brady and Cronin to MGC, dated March 18, 2015 regarding the Region C Licensing Process
18. 205 CMR 150.00: Protection of Minors & Underage Youth - DRAFT

/s/ Catherine Blue  
Catherine Blue, Assistant Secretary