

MASSACHUSETTS GAMING COMMISSION SURROUNDING COMMUNITY PETITION ANALYSIS



COMMUNITY:
APPLICANT:

TOWN OF STERLING
PPE CASINO RESORTS MA LLC

11/20/2013

INTRODUCTION AND OVERVIEW

The Community has submitted to the Commission a petition to be designated as a surrounding community to the Applicant's proposed gaming establishment in accordance with G.L. c. 23K, §§ 4(33) and 17(a) and 205 CMR 125.01(1)(c). The Applicant has submitted a response to the petition.

In making its determination, the Commission must consider the factors in G.L. c. 23K, §§ 4(33) and 17(a) including population, infrastructure, distance from the gaming establishment and political boundaries.

The Commission must review, in accordance with G.L. c. 23K, §§ 4(33) and 17(a) and 205 CMR 125.01(2)(b), the Applicant's entire application; the Applicant's RFA-2 detailed plan of construction; any independent evaluations; any pertinent information received from the Community, the Applicant, the Applicant's host community, and the public; and any additional information that the Commission determined to be beneficial in making its determination.

The Commission's regulations lay out the six criteria that the Commission should consider in making its determination:

1. Proximity
2. Transportation Infrastructure
3. Development
4. Operation
5. Other
6. Positive Impacts

This document lays out the six criteria and provides the legal framework that the Commission must consider, an executive summary of the issues, the Community's petition, the Applicant's response, RPA analysis, ENF analysis, consultant analysis, relevant RFA-2 application question responses, and other relevant materials.

1. PROXIMITY

Legal Framework

In determining whether a community is a surrounding community, the commission . . . will evaluate whether: . . . The community is in proximity to the host community and the gaming establishment included in the RFA-2 Application, taking into account such factors as any shared border between the community and the host community; and the geographic and commuting distance between the community and the host community, between the community and the gaming establishment, and between residential areas in the community and the gaming establishment. 205 CMR 125.01(2)(b)(1)

Executive Summary

Sterling and Leominster share a border. Both the Applicant and the Community agree that the proposed facility is within one quarter of a mile of the Sterling border. The Applicant argues that Sterling is not in proximity to the project because Jungle Road, the site of the project, is on a dead end road that does not extend into Sterling, that the center of Sterling is approximately 5.5 miles from the project, and that the likely driving route between the Project and the Town would be Jungle Road to I-190. The Applicant and Sterling disagree about the likelihood of future extensions of Jungle Road to other Sterling roads. It appears that the closest residential neighborhood in Sterling is located on Flanagan Hill Road, which is approximately a 5 mile commute from the Project traveling on I-190. Sterling notes that there are a number of full service restaurants “located less than one mile from the slots parlor site.”

During the Commission’s deliberation on surrounding communities policies, the Commission rejected establishing a mileage based threshold for determining which communities are surrounding communities, but noted that the legislature had offered amendments on such a mileage based standard (establishing a standard of 2 miles, 3 miles or 5 miles distance from a gaming facility as determinative of surrounding community status or the need for a hearing in such community.)^[1] One quarter of a mile would be well within such a standard offered by the Legislature.

^[1] See “surrounding communities amendments” document included in December 12th 2012 Commission Meeting Packet.



A. COMMUNITY PETITION

Sterling directly abuts the host community of Leominster, and the proposed slots parlor is less than one-quarter mile from the Sterling town line. Sterling is a relatively small, mostly residential community set in the foothills of Mount Wachusett in central Massachusetts, centrally located between the cities of Worcester and Fitchburg. It has a rural atmosphere and a strong and continuing farming heritage. Sterling's population as of the 2010 census is 7,808; it has a land area of approximately 30.52 square miles, and, according to the Department of Revenue's Municipal Databank, it has 106.75 road miles.

State Highway I-190 runs through Sterling for approximately six miles, and it is one of the major feeder routes to the slots parlor. Sterling Fire Department is a first responder for motor vehicle accidents on I-190 within the jurisdiction of Sterling. Town roadways directly servicing or impacted by the proposed slots parlor include Route 12, Route 62, Chocksett Road, and Pratt's Junction Road. These roadways are patrolled by the Sterling Police Department.

Sterling has several full service restaurants including but not limited to Barber's Crossing, Black Sheep's Tavern, Chocksett Inn, Harvest Inn, Meola's, and Sterling Ice Cream, most of which are located less than one mile from the slots parlor site.

B. APPLICANT RESPONSE

THE TOWN IS NOT IN PROXIMITY TO THE PROJECT

Although Leominster and the Town share a border and the Project site is less than a mile from the closest border of the Town, the driving distance between the Project's site and the town hall and center of the Town is approximately 5.5 miles. Jungle Road, where the Project is located, is a dead end road and does not connect to the Town. We are not aware of any plans to connect Jungle Road to the road system of the Town. The likely driving route between the Project and the Town would be Jungle Road to I-190. If the Commission were to find that the Project was in proximity to the Town, the Town has not and cannot demonstrate that the Project is likely to cause any significant and adverse impacts on the Town.

C. RPA ANALYSIS

None

D. ENF ANALYSIS

None

E. CONSULTANT ANALYSIS

None

F. APPLICATION

2-30

The Project is sited directly off I-190 and Route 117 in an existing commercial industrial area. A portion of the site is an existing gravel pit operation and adjacent neighbors include two plastics manufacturers, Wal-Mart and Lowes Home Improvement. The closest residential neighborhood, Liberty Commons, and PPE have entered into a Letter of Agreement which outlines among other items, a means for PPE and the Homeowners Association to communicate and address issues such as traffic, trash and security.

G. OTHER

NOVEMBER 14, 2013 – COMMUNITY COMMENTS AT PUBLIC MEETING

7 MR. WEINGERG: Good morning, Mr.
8 Chairman, Commissioners. My name is Stanley
9 Weinberg. I'm an attorney from Shrewsbury,
10 Massachusetts. And I have the privilege of
11 representing the town of Sterling.

...
2 I would like to though emphasize a

3 few important salient points. First of all,
4 Sterling abuts the city of Leominster. And the
5 proposed facility is less than one-quarter of a
6 mile from the jurisdictional line of the city
7 of Sterling. Sterling is concerned about
8 various potential detrimental impacts as I've
9 enumerated in the filing.

NOVEMBER 14, 2013 – APPLICANT COMMENTS AT PUBLIC MEETING

5 MR. WEINBERG: While they are
6 setting up the AV here, let me just start by
7 saying good morning. As you all know, I'm Joe
8 Weinberg, managing member for PPE.
9 I thought I would start a little bit
10 just by an introduction to how we've approached
11 the issue of surrounding communities. There's
12 no precedent for this anywhere in the state,
13 other than trying to interpret the statutes.
14 We took the approach of looking are our, I'm
15 going to call them, neighboring communities.
16 And how could we work with our neighboring
17 communities to try to make the benefits of our
18 project available to our region and really try
19 to approach this as a project that would
20 benefit the region.
21 From the standpoint of the technical
22 requirements of a surrounding community which
23 requires or outlines that you're a surrounding
24 community if you meet a number of tests. It's
1 not just you have a border that is adjacent but
2 it really gets more into is there a significant
3 adverse impact that you are going to have on
4 that community.
5 And we truly believe that we are not
6 going to have a significant adverse impact on
7 any of the communities around us. As you know,
8 the statute also looks at if there are any
9 adverse impacts, how do you weigh that against
10 the positive benefits of the project. And I
11 think the Commission, the state, the people of
12 Massachusetts who voted for this gaming act, if

13 they believed that the net benefits were
14 negative, we probably wouldn't be sitting here
15 today.
16 So, what we did you see on the map
17 here, you see Leominster in the middle. And
18 then we have eight communities who we have been
19 contacted by or in touch with regarding what I
20 will call these cooperation/surrounding
21 community agreements.
22 You can see to the east is Lancaster
23 and Bolton. Lancaster is the only community
24 that actually shares a border with the casino
1 project itself. In fact, we have entered into
2 a signed a surrounding community agreement with
3 Lancaster.
4 CHAIRMAN CROSBY: That's a completed
5 agreement?
6 MR. WEINBERG: Completed. And I
7 actually have it to give to John today. We
8 also have four other completed agreements with
9 Lunenburg, Townsend, Westminster and Princeton.
10 Just to address one of the final
11 comments from Bill recently, the statute
12 encouraged these amicable negotiations with
13 neighboring communities. And you have to start
14 and try to put them together as you are able to
15 do it. I think us and any other developer who
16 felt like by being amicable to work out one of
17 these cooperation surrounding community
18 agreements that if it was going to be held as a
19 prejudicial evidence that anyone else who is in
20 the same area is entitled to the same status as

21 a surrounding community, we and I don't think
22 anyone would undertake these type of amicable
23 agreements.

24 The idea is to try to create this
1 sphere of cooperation, but if it is going to
2 come back to haunt you that you've actually had
3 these constructive discussions, you've
4 negotiated agreements but that is going to
5 prejudicial to you with those who do not want
6 to negotiate in good-faith or you just can't
7 come to agreement, I don't think that's what
8 the statute says. I don't think that's what
9 the intent was. And I think it's impractical

10 if that were the intent, because then you get
11 into constantly riding in the circle.
12 So, our approach has been to try to
13 work with our neighbors, to try to work through
14 the benefits of the project. There's been one
15 consistent concern we've heard from everybody
16 we've dealt with and that's been traffic.
17 And we believe that the traffic
18 impact on the local roads, and I'll be getting
19 to that in a moment, are going to be
20 negligible. We think most of the traffic is
21 going to come off the state roads, the state
22 highways.

2. INFRASTRUCTURE

Legal Framework

In determining whether a community is a surrounding community, the commission . . . will evaluate whether: . . . The transportation infrastructure in the community will be significantly and adversely affected by the gaming establishment, taking into account such factors as ready access between the community and the gaming establishment; projected changes in level of service at identified intersections; increased volume of trips on local streets; anticipated degradation of infrastructure from additional trips to and from a gaming establishment; adverse impacts on transit ridership and station parking impacts; significant projected vehicle trip generation weekdays and weekends for a 24 hour period; and peak vehicle trips generated on state and federal roadways within the community. 205 CMR 125.01(2)(b)(2)

Executive Summary

The Town of Sterling argues that town roadways “directly servicing or impacted by the proposed slots parlor include Route 12, Route 62, Chocksett Road, and Pratt’s Junction Road” and that “I-190 runs through Sterling for approximately six miles, and it is one of the major feeder routes to the slots parlor.”

The town argues that “PPE’s own data from its traffic consultant Stantec acknowledges that there will be increased traffic on I-190, Route 12, and Route 62 as a direct result of vehicles going to and coming from the slots parlor. There already are several areas of special traffic concern- the on/off ramps at the Rt. 12 and I-190 interchange, the intersection of Rt. 12 and Chocksett Road, the intersection of Chocksett Road and Pratts Junction Road, and Rt. 62 from the Clinton town line to Rt. 12 in Sterling, which will be a major route from Clinton to the site -and these concerns will be heightened as a result of traffic flowing to and from the slots parlor. It is reasonable and logical to conclude- and common sense dictates - that an increase in traffic will lead to an increase in traffic accidents and in motor vehicle law violations. One may also reasonably assume that the slots parlor will generate more day tour bus traffic to and from the slots parlor, which would heighten the likelihood of a significant motor vehicle accident involving multiple casualties.”

The Applicant notes that “[t]he Project will add only two PM peak hours vehicle trips to Route 62... and one PM peak hour vehicle trip to Route 12.” These 2 peak hour and 1 peak hour vehicle trip projections compare to the theoretical 2,800 vehicle per hour capacity of a two-lane, two-way highway. Similarly, the Applicant also states that the Project traffic will not result in any change in operation level of service at any intersection in the City.

Other analyses conducted on this project impact do not state that Sterling’s traffic infrastructure will be significantly and adversely impacted. For example, according to the minutes of the

August 27, 2013 meeting of the Massachusetts Regional Planning Council (“MRPC”), although significant concerns were raised about traffic on Route 117 in Lancaster and Bolton and the MRPC analysis recommends the study of those intersections, no intersections in Sterling were recommended for study.

The City of Leominster peer review of the applicant’s traffic plan indicated no significant impact on Sterling’s transportation infrastructure.

No Sterling intersections were included in the ENF Certificate on the list to be studied by the applicant.

Green International noted that:

“The proposed casino is located on Jungle Road that is in close proximity to Route 117 and I-190 all in Leominster. While there is no direct connection between the proposed casino location and the Town of Sterling, traffic from Sterling could access the proposed casino via Route 12, Willard Street, and Route 117. Traveling along this route, the project site is approximately 2.4 miles from the Leominster / Sterling town line, and approximately 5.4 miles from the center of Sterling. Vehicles could also use the residential roadway Old Mill Road to travel between Willard Street and Jungle Road to access the site. However, it is more likely that any traffic originating from with Sterling would access to the casino site using I-190 (either from the Route 12 or Route 140 interchanges), rather than continuing on local roads from Sterling into Leominster.”

“While the Stantec report did not specifically address traffic originating from or traveling through Sterling, it assumed that 1% of the site traffic would travel along Old Mill Road (but noted that this was a conservatively high estimate). The traffic using Old Mill Road would likely originate within the residential areas along Old Mill Road and/or Willard Street, or travel to/from Sterling via Route 12.”

“The proposed casino site is situated approximately 5.4 miles from the center of Sterling. There is no direct route from the Town of Sterling to the proposed casino site (not including I-190 that is a major regional highway passing through Town).”

“Projected changes level of service (LOS) – There was no analysis done for along Route 12 in Sterling by the Applicant. Based on the trip distribution presented by the project proponent, approximately five (5) vehicle trips during the PM peak hour and approximately eight (8) vehicle trips during the Saturday peak hour of the casino would use local roads within the Town of Sterling. This level of

additional vehicle trips is not expected to result in any noticeable change in traffic operations.”

“Increased traffic volumes on local streets – Assuming that the entire 1% of trips accessing the casino site via Old Mill Road originates in Sterling, Route 12 would experience an increase of approximately five vehicle trips during the PM peak hour, and approximately eight vehicle trips during the casino peak periods on Saturday evenings. At these levels, the increase in traffic on Route 12 is estimated to be approximately 0.5% or less during the PM peak hour. GREEN concurs with the Stantec report that the estimate of 1% of casino traffic using Old Mill Road could be high but is reasonable for planning purposes. It is unlikely that a higher proportion of casino related traffic would originate from the south along Route 12.”

“Anticipated degradation on infrastructure – The Applicant has stated that construction related heavy vehicle traffic would be controlled and remain on the area’s major roadways. I-190 would provide the major route of access for transporting materials to the site. These vehicle trips are not expected to use Route 12 along the southern end of Leominster into Sterling, however, it is fairly early in the process to know definitively regarding the sources of materials. In addition, construction traffic, including the facility that materials are procured from, would be controlled to a degree by the Applicant. Thus, the direct impact of construction traffic along routes in Sterling can be minimized.”

“Significant peak vehicle generation on State and Federal highways – Based on the applicant’s market analysis and traffic study, 20% to 22.5% of all traffic is expected to use I-190 to/from the south of project site, and as a result, would travel through the Town of Sterling on I-190. While this amount could be considered significant, I-190 is a major regional highway and the vast majority of this traffic will stay on I-190 and pass through the town. Less than 1% of casino traffic is expected to use any the local interchanges or local roads within Sterling”

“In addition to the above factors, Green also reviewed historical crash data on I-190 in the Town of Sterling. The data reviewed were the three latest years contained in the MassDOT records (2009 – 2011). A total of 100 crashes on I-190 within the town of Sterling were recorded during the three year period equating to an average of approximately 33 crashes per year. Based on standard MassDOT procedures, a roadway crash rate was then calculated based on the highway volume for the I-190 segment within the Town of Sterling. Daily traffic volumes on I-190 (north of interchange 6) were obtained from recent MassDOT counts (collected in September and October 2013) and indicates that the existing daily volume on this segment of I-190 is approximately 38,600 vehicles per day.

Based on these data, the segment crash rate on I-190 was determined to be 0.34 crashes per million vehicle miles traveled. This crash rate is below the statewide average of 0.39 crashes per million vehicle miles for rural interstate highways and would indicate that there is nothing out of the ordinary occurring in this road section.”

“Based on the expected daily traffic to and from the proposed casino, and assuming that 20% of the total traffic would use I-190 to/from the south (i.e. through the Town of Sterling), it was calculated that the proposed casino facility would result in approximately an additional 2.33 million vehicle miles traveled on I-190 through the Town of Sterling, on an annual basis. Based on the current crash rate in this segment of I-190, the additional traffic could be expected to result in an additional 0.79 crashes per year (i.e. less than one additional crash per year). While we are sensitive to the fact that all crashes are important, if one additional crash per year occurs in this section due to the proposed casino, it would not significantly change the overall crash rate and the average crash rate would remain below the Statewide average for this type of highway.”

The Applicant’s Application contains numerous sections that demonstrate that the plans to market up to 60-100 vph including New Hampshire . The Applicant notes that it selected its proposed location due to strategic location at I-190 and Route 117 (2-28).

The Applicant notes that it intends to leverage 1,000 hotel rooms within 10 miles of the property. The Applicant will also market to local customers (2-37).

The Applicants also discusses the recent improvements to Route 117 and the proximity to Route I-190, Route 2 and I-495 (4-23 and 4-3.)

A. COMMUNITY PETITION

Sterling and the host community of Leominster directly abut one another, and the site of the proposed slots parlor is less than one-quarter mile from the Sterling town line.

Traffic to and from the slots parlor will travel via several roads that go directly through Sterling, including an approximately six mile stretch of I-190, as well as Route 12, Route 62, and Chocksett Road. Sterling will be requesting funds from the Commission in order to obtain professional studies and analyses of the potential traffic and other detrimental impacts of the slots parlor in its backyard, but even without such studies and analyses in hand, PPE's own data from its traffic consultant Stantec acknowledges that there will be increased traffic on I-190, Route 12, and Route 62 as a direct result of vehicles going to and coming from the slots parlor. There already are several areas of special traffic concern- the on/off ramps at the Rt. 12 and I-190 interchange, the intersection of Rt. 12 and Chocksett Road, the intersection of Chocksett Road and Pratts Junction Road, and Rt. 62 from the Clinton town line to Rt. 12 in Sterling, which will be a major route from Clinton to the site -and these concerns will be heightened as a result of traffic flowing to and from the slots parlor. It is reasonable and logical to conclude- and common sense dictates - that an increase in traffic will lead to an increase in traffic accidents and in motor vehicle law violations. One may also reasonably assume that the slots parlor will generate more day tour bus traffic to and from the slots parlor, which would heighten the likelihood of a significant motor vehicle accident involving multiple casualties. There will be additional strain placed on the limited public safety budgets of the Sterling Police and Fire Departments as they respond to slots parlor related incidents, and this will be exacerbated insofar as the slots facility will have venues for the serving of alcoholic beverages in a festive environment, all the more so if liquor is allowed to be served after 1:00 a.m., the time when local liquor establishments cease serving customers.

Additionally, the Sterling Fire Department is predominantly a call, not full-time, department, so as calls for service increase over time, there may be a need to transition to a much more costly full-time agency, further straining town resources.

B. APPLICANT RESPONSE

THERE ARE NO SIGNIFICANT AND ADVERSE IMPACTS ON THE TRANSPORTATION INFRASTRUCTURE OF THE TOWN

PPE's market study and traffic study show there will be almost no measurable traffic impacts on the Town's primary thoroughfares (Routes 62 and 12). Any new traffic generated by the Project on these routes would be drawn from communities just south or west of the Town, specifically, Hubbardston, Princeton, and West Boylston. Trips from portions of Hubbardston and Princeton are likely to enter Sterling from the west on Route 62. Route 62 at the Princeton/Sterling town line is expected to carry approximately 0.4% of the Project trips. Project trips from portions of West Boylston will use Route 12 and enter the Town from the south. Approximately 0.2% of the Project trips will enter the Town on Route 12.

The Project will generate an estimated 504 Friday commuter peak hour vehicle trips. Accordingly, it will add only two PM peak hour vehicle trips to Route 62 (one new vehicle every half hour) and PM peak hour vehicle trip to Route 12. Whereas the theoretical capacity of a two-lane, two-way highway per the Highway Capacity Manual is 2,800 vehicles per hour, the anticipated traffic increases will not have a perceptible impact on traffic operations. The Route 62 and Route 12 Project related traffic increases each amount to less than 0.1% of the capacity of a two-lane highway.

The "significance" of the Project related traffic increases can also be measured against the Commonwealth's standards for determining significant impacts. Under the Massachusetts Environmental Policy Act (MEPA) the minimum level of review is the filing of an Environmental Notification Form (ENF). Filing of an ENF is only required of projects that generate at least 1,000 vehicle trips per day. Projects generating fewer than 1,000 vehicle trips, per the MEPA standard, are assumed to not have significant traffic impacts. Projects generating up to 3,000 vehicle trips per day may also be deemed by the MEPA office to not have significant traffic impacts. Traffic impacts of more than 3,000 trips per day are assumed to be significant and require preparation a full environmental impact report. The Project will generate approximately 8,430 vehicle trips per day. However, Route 62 in the Town will see an increase of only 34 vehicles per day, a figure that is far below the MEPA review threshold of 1,000 trips per day. Likewise, traffic on Route 12 will increase by only 14 vehicle trips per day, also far short of the MEPA definition of significant impacts. Further supporting the conclusion that the traffic increases on the Town's roads is not significant, the MEPA certificate on the Project ENF filing does not require evaluation of Route 62 or Route 12 in the Town.

In consideration of the limited magnitude of the Project's traffic impacts with respect to the substantial capacity of the roadway system and insignificance of the projected traffic increases when compared to MEPA review thresholds, the anticipated impact to the Town's roadways

certainly does not meet the "significant and adverse impact" standard required by the gaming regulations.

The market study and traffic study for the Project also note that approximately 22.5 percent of the Project traffic will pass through a short six (6) mile stretch in Sterling on I-190, an interstate, limited-access highway maintained by the Commonwealth. This traffic, approximately 1,900 vehicles per day or 115 vehicles during the afternoon commuter peak hour, will not use the ramps at the Route 12/I-190 interchange in the Town and will not impact local streets owned and maintained by the Town. The expected I-190 PM peak hour traffic increase represents a tiny fraction of the 8,000 vehicles per hour carrying capacity of a four-lane, limited access highway like I-190. The expected Project related traffic increase amounts to only 1.4% of the capacity of the roadway. Traffic volume data for I-190 published by MassDOT indicates a peak hour volume of approximately 3,000 vehicles in the Town. Consequently, the addition of another 115 vehicles can be readily absorbed with no significant adverse impact on traffic operations.

On every measure of traffic identified in the Commission's regulations (205 CMR 125.01(2)(b)(2)), the Petition fails. The Project's traffic will not result in any changes in operating levels of service at intersections in the Town. (A volume increase of approximately 10% will generally change roadway operating levels of service by a full letter grade. As noted above, Project traffic will use less than 1% of the capacity of the major roadways in the Town.) The increased volume of trips on the Town's streets is almost not measurable. The small number of additional vehicles will not degrade the Town's infrastructure and there are no anticipated heavy trucks or other types of vehicles servicing the Project that will use the Town's infrastructure. The traffic study prepared by engineers for PPE that is the basis for these conclusions has been reviewed and endorsed by an independent peer reviewer for Leominster. The independent engineers agree that the traffic increases associated with the Project will generally be concentrated on the regional highway system (I-190) with only nominal impacts on more local roads as quantified above.

C. RPA ANALYSIS

MONTACHUSETT REGIONAL PLANNING COMMITTEE

REGIONAL REVIEW OF ENVIRONMENTAL NOTIFICATION FORM (ENF) FOR INFORMATIONAL PURPOSES: LIVE! CASINO, JUNGLE ROAD, LEOMINSTER

G. Eaton summarized the following: According to the proponent, the following issues are relevant to the proposed development of a slots-only-casino on Jungle Road, Leominster:

...

8. Traffic study Is being prepared
 - a. Interstate 190 and State Route 117 are now at 30-35% of capacity
 - b. At build-out Casino road capacity reaches up to 50%
 - c. All development, at build *out*, of the slots-casino and all other commercial areas in the Jungle Road vicinity will utilize up to 75% of the roads' capacity
9. There will be an estimated 8,100 cars per day "in-and-out " ofthe facility
10. After 7PM at night traffic picks up
11. The building will be smaller than the Wal Mart building located on Jungle Road and the new development will generate less traffic than the existing Wal Mart
12. 2 million visitors per year are anticipated
13. The market area is anticipated to be those households within a 40 minute travel time after the three, large casinos in MA open in eastern, south-central and western Massachusetts

Transportation Department Comments and Review

1. The study area should include numerous intersections in both Leominster and Lancaster that have the potential to be impacted by the development. Intersections that should be reviewed and considered include :

- Rt 117 /Rt 12 in Leominster
- Rt 117 /Viscoloid Ave in Leominster
- Rt 117/Willard St in Leominster
- Rt 117/Lowes in Leominster
- Rt 117/Transfer Station Road in Leominster
- Rt 117 /Jungle Road in Leominster
- Rt 117/1-190 SB On & Off Ramp in Leominster
- Rt 117/1-190 NB On & Off Ramp in Lancaster
- Rt 117/N. Main St in Lancaster
- Rt 117/Rt 70 N (Lunenburg Rd) in Lancaster
- Rt 117 /Rt 70S (Main St) in Lancaster
- Rt 117 /Harvard Rd in Lancaster
- Rt 117 /Rt 110 in Bolton
- Rt 117/1-495 in Bolton

- Jungle Rd/Oid Mill Rd in Leominster
- Willard St/Oid Mill Rd/Beth Ave in Leominster
- Rt 12/Willard St in Leominster
- Rt 12/Beth Ave/Grant St in Leominster
- Vicoloid Ave/Johnson St in Leominster
- Johnson St/Mechanic St in Leominster
- Mechanic St/Commercial Rd/Leominster Connector in Leominster
- Leominster Connector/Nashua St in Leominster

2. The intersections listed above are located along other potential routes to the development that should be considered for review and analysis. The ENF states that traffic will use Route 117 east and west of the site as well as 1-190 north and south. However, the following roads/routes do provide alternative connections to Route 117 and could likely see increases in traffic. These routes are as follows:

To the East :

- Rt 117 to 1-495: truck and chartered bus traffic
- Rt 117 to Rt 110: access to the north to Rt 2 in Harvard
- Rt 117 to Rt 70S (Main St)
- Rt 117 to Rt 70 N (Lunenburg Rd) : access to the north to Rt 2

To the West

- Rt 117 to Willard St to Rt 12
- Rt 117 to Vicoloid Ave to Johnson St to Mechanic St to the Mall at Whitney Field and Rt 2
- Rt 117 to Rt 12 to Mechanic St to Rt 2
- Rt 117 to Rt 12 to the north to NH
- Rt 117 to Rt 13 to the north to NH

3. The safety conditions within the study area should be investigated thoroughly. With a nearly 50% (7,700 new vehicles) estimated increase in ADT on Route 117 for this proposed project, an increase in the number and severity of crashes may occur on Route 117 and on the roadways listed above. Based on a review of MassDOT crash data over a 3-year period from 2008-2010 there are at least three high crash locations on the major streets that would be used to access Route 117 and one on Route 117. A comprehensive safety study based on the most recent 3-year period and on crash reports obtained locally should be completed that will reveal the existing crash experience of these roadways. The study would reveal any additional safety improvements that need to be implemented and the MassDOT crash data needs to be verified and updated.

4. Impacts along State Route 2 both east and west of and within a 45 minute "drive time" for patrons of the establishment (as stated by the proponent in a phone conversation between proponent and MRPC staff on Friday, August 23, 2013) should be addressed by the proponent through the ENF process. The 45 minute "drive time" to Jungle Road along State Route 2

extends from Orange to Concord (see map, below) . Interchange improvements and safety issues should be addressed by the traffic engineer for the proponent.

5. Although the project will not meet or exceed review thresholds related to air quality the nearly 50% increase in ADT has the potential of substantially increasing the length of vehicle queues thus increasing vehicular delay and engine idle time on the Route 117 intersections. Traffic flow improvements should be studied and implemented to compensate for the additional traffic at these intersections.

6. Future build out conditions for the impact study should include potential development at the Lowes site as well as the property across from Lowes that would be accessed through the existing traffic signal.

7 . Route 117 provides direct access to the east to 1-495 in Bolton. This would seem to be a prime access route for traffic from the southeastern part of the state. Bus services, both regular and chartered, as well as trucks seeking to access the development are also likely to utilize this connection. These impacts need to be reviewed and addressed.

8 . Bus and shuttle service connections from the North Leominster Commuter Rail Station will impact intersections and road conditions on the routes used to reach the site . These routes should be examined and identified.

9. Pedestrian and bicycle connections are mentioned for Jungle Road as part of the development. However, no facilities currently exist on Route 117 for bikes and pedestrians . Improvements and facilities are needed to make bike and pedestrian access viable.

10. If special events, i.e . concerts, etc., are planned at the site, special planning should be conducted to address potential impacts.

11. The MRPC is currently conducting a corridor profile for Route 117 in Lancaster. Potential improvements to identified issues will be recommended. Coordination with the town of Lancaster should be conducted as part of the overall mitigation process .

D. ENF ANALYSIS

The project site is located adjacent to the Interstate 190 (I-190)/Route 117 interchange. According to the ENF, access to the site will be provided via Jungle Road, which intersects Route 117 at a signalized intersection approximately 600 feet northwest of the I-190 southbound ramps. The site is located in an area that is experiencing significant growth as evidenced by the upgrading of Route 117 to accommodate retail development in the corridor.

The project has the potential to generate 8,130 new unadjusted vehicle trips on weekdays, including 500 new vehicle trips during the weekday PM peak hour and 530 new vehicle trips during the Saturday midday peak hour. The project requires a Vehicular Access Permit from MassDOT. Development of an effective transportation access and mitigation plan is critical to avoid potentially significant impacts to the regional transportation system and state roadways. Project planning should place equal emphasis on roadway improvements and TOM measures and pursue creative solutions to encourage both patrons and employees to use alternative modes of transportation. MassDOT provided detailed comments on the project and analysis required to assess impacts and develop adequate mitigation.

Comments from MassDOT state that the proposed Study Area for the traffic analysis should include, at a minimum the following intersections:

- Jungle Road and Route 117;
- Jungle Road and Site Driveway(s);
- Jungle Road and the WalMart Site Driveway;
- Jungle Road and the secondary WalMart Site Driveway;
- Jungle Road and Old Mill Road;
- Route 117 and the 1-190 Southbound Ramps;
- Route 117 and the 1-190 Northbound Ramps;
- Route 117 and Route 70;
- Route 117 and the Interstate 495 (I-495) Southbound Ramps;
- Route 117 and the 1-495 Northbound Ramps;
- I-495 and the Route 2 Interchange; and,
- I-190 and the Route 2 Interchange,

The Town of Westminster requests that the intersection of Routes 2 and 140 be included in the study area.

Roadway and Signalization Improvements

The ENF provides preliminary concepts for on-site vehicular access and for off-site roadway, traffic and safety improvements that will be developed in consultation with MassDOT and the

City of Leominster. It identifies improvements along Jungle Road and its intersection with Route 117 including the following:

- Installing a signal at the Jungle Road /WalMart Driveway and coordinating it with the existing signal on Route 117;
- Providing a dedicated left-turn lane on Jungle Road northbound at the main WalMart driveway;
- Providing a dedicated left-turn lane on Jungle Road westbound at Old Mill Road;
- Widening Jungle Road to provide minimum four-foot wide shoulders/bike accommodations;
- Installing a sidewalk along one side of Jungle Road; and
- Providing a raised median along Jungle Road to create a boulevard effect.

E. CONSULTANT ANALYSIS

GREEN INTERNATIONAL AFFILIATES, INC.

In response to MGC request, Green International Affiliates, Inc. (GREEN) has undertaken an evaluation of the petitions for being designated as a *Surrounding Community* with respect to the casino proposals. As part of the development of casinos in Massachusetts, a community may be designated as a Surrounding Community as per 250 CMR 125.00. The regulation specifies a number of considerations or factors to guide the determination of the designation and one of them include various traffic related impact factors. A number of communities have petitioned the MGC requesting designation in part or whole due to traffic related factors. These petitions that were received and remain in the review process include Fitchburg, Sterling, Bolton, Bridgewater, and Dighton. This report summarizes the evaluation of traffic impacts relative to Sterling.

Evaluation Process

The regulation identifies various factors related to transportation and traffic impacts to be considered in the evaluation. These include:

- Access connection
- Projected changes in level of service (LOS)
- Increased volume on local streets
- Anticipated degradation of infrastructure
- Adverse impacts on transit ridership/station parking
- Significant peak vehicle trip generation (weekdays/weekends) on state and federal highways

In relation to the ‘Anticipated degradation of infrastructure’, the potential likelihood of construction related traffic impacts on the roadway system located in the community petitioning for designation was ascertained as it is the heavier construction type vehicles that would affect the condition of road infrastructure.

In reviewing all of these factors for the affected casino and subject community, information provided by the Applicant was initially reviewed. In many cases, the Applicant’s traffic study did not extend far into nearby communities. In those situations, additional research was conducted to identify known traffic levels, relative safety conditions, connectivity, and potential level of impact. In addition, the written reviews completed by the regional planning agencies (RPAs) and MassDOT in the MEPA process were taken into account as well relative to the applicable areas of concern.

- Access connection – This looks at the physical link between the site and the community as well as the approximate distance to the center of the community.
- Projected changes level of service (LOS) – This defines an operating condition of a roadway or intersection. The levels range from LOS ‘A’ to LOS ‘F’ with the highest level with minimal or short motorist delays being LOS ‘A’ to the lower levels that would represent very long motorist delays & potential capacity constraints at LOS ‘E’ and ‘F’. A change from one to another may not signify a problem.
- Increased traffic volumes on local streets – This examines the level of traffic volume that is estimated to occur due to the project onto local streets. In this evaluation, local streets would consider non-interstate or interstate-like facilities. They could be local arterials or collector type roads both State numbered routes or not.
- Anticipated degradation on infrastructure – Degradation of a roadway generally relates to the pavement or driving surface. It is affected not just by the number of vehicles, but the level of heavy vehicle traffic.
- Significant peak vehicle generation on State and Federal highways – This will identify the estimated casino related traffic that is expected to be added onto State and Federal highways that would also be located in the potentially affected community.

While the above factors do not specifically cite safety, several communities including Sterling have raised the issue of additional emergency responses due to an increase in crashes attributable to the additional casino traffic. Consequently, a review of historical crash history obtained from MassDOT records was completed for the applicable route. A crash rate based on the volume was determined and taking into account the projected casino volume on the subject roadway section, an estimate of potential increase in crash experience based on current rates was calculated to determine if a significant increase could be realized.

Petitioning Community: Sterling

The Town of Sterling has submitted a petition to be designated as a “Surrounding Community” with respect to the proposed “Live! Casino Massachusetts” Slots Casino proposed in Leominster. The following summarizes our review with respect to the above factors.

- Applicant Traffic Study

The Applicant (PPE) has submitted a traffic study by their consultant (Stantec) that provided their assessment of traffic conditions resulting from the proposed casino. The study was completed as part of the Applicant’s effort to obtain acceptance by the host community. It was

later submitted as part of the Environmental Notification Form (ENF) to MEPA that begins the State's environmental study process.

Note:

The Stantec traffic study only examined locations within Leominster. The information provided in the study or other sources within the Application does not provide a substantial amount of information relative to the potential traffic impact on Sterling.

- RPA/MassDOT Comments

Comment letters and memoranda prepared by MassDOT and the Montachusett Regional Planning Commission (MRPC) were reviewed to obtain any potential insights or concerns related to the proposed casino and the impact on Sterling.

MassDOT comments to date have been in relation to the ENF filed by the Applicant. The comments from MassDOT did not raise any concerns in relation to traffic or existing transportation infrastructure in the Town of Sterling.

The MRPC did not make formal comments to MEPA as part of the ENF review process. The casino project was discussed at an August meeting of the MRPC. In that meeting, various issues were identified for the purpose of potential analysis in the MEPA project. These included the Route 117 corridor in Lancaster as well as several of the Route 2 interchanges including those in Westminister.

There were no comments reflected in the meeting minutes that would indicate issues or concerns in Sterling.

Notes:

The more local route of potential concern from a traffic perspective in Sterling is Route 12 with portions under State and portions under Town jurisdiction. I-190, a major highway, passes through the town with an interchange with Route 12. Both these routes in the Town of Sterling are under MassDOT jurisdiction.

The Town of Sterling did not submit any comments to MEPA as part of the ENF review.

- GREEN Analysis

As part of the Green analysis, information contained in the Stantec traffic study as well as other information such as the Market Analysis included in the PPE application were reviewed for relevant information. Additionally, data and reports available through MassDOT and the MRPC were reviewed to obtain additional information to help address the factors. Prior to the review of

the factors with respect to Sterling's petition, a brief summary of information relative to the proposed Leominster casino.

The proposed casino is located on Jungle Road that is in close proximity to Route 117 and I-190 all in Leominster. While there is no direct connection between the proposed casino location and the Town of Sterling, traffic from Sterling could access the proposed casino via Route 12, Willard Street, and Route 117. Traveling along this route, the project site is approximately 2.4 miles from the Leominster / Sterling town line, and approximately 5.4 miles from the center of Sterling. Vehicles could also use the residential roadway Old Mill Road to travel between Willard Street and Jungle Road to access the site. However, it is more likely that any traffic originating from with Sterling would access to the casino site using I-190 (either from the Route 12 or Route 140 interchanges), rather than continuing on local roads from Sterling into Leominster.

The Stantec study estimated that the casino could approximately 500 vehicle trips during the Friday PM commuter peak and approximately 750 vehicle trips during the anticipated Saturday peak times of the casino.

While the Stantec report did not specifically address traffic originating from or traveling through Sterling, it assumed that 1% of the site traffic would travel along Old Mill Road (but noted that this was a conservatively high estimate). The traffic using Old Mill Road would likely originate within the residential areas along Old Mill Road and/or Willard Street, or travel to/from Sterling via Route 12.

The following summarizes our analysis against the factors in 250 CMR 125.00:

- Access connection – The proposed casino site is situated approximately 5.4 miles from the center of Sterling. There is no direct route from the Town of Sterling to the proposed casino site (not including I-190 that is a major regional highway passing through Town).
- Projected changes level of service (LOS) – There was no analysis done for along Route 12 in Sterling by the Applicant. Based on the trip distribution presented by the project proponent, approximately five (5) vehicle trips during the PM peak hour and approximately eight (8) vehicle trips during the Saturday peak hour of the casino would use local roads within the Town of Sterling. *This level of additional vehicle trips is not expected to result in any noticeable change in traffic operations.*
- Increased traffic volumes on local streets – Assuming that the entire 1% of trips accessing the casino site via Old Mill Road originates in Sterling, Route 12 would experience an increase of approximately five vehicle trips during the PM peak hour, and approximately eight vehicle trips during the casino peak periods on Saturday evenings. *At these levels, the increase in traffic on Route 12 is estimated to be approximately 0.5% or less during the PM peak hour.*

GREEN concurs with the Stantec report that the estimate of 1% of casino traffic using Old Mill Road could be high but is reasonable for planning purposes. It is unlikely that a higher proportion of casino related traffic would originate from the south along Route 12.

- Anticipated degradation on infrastructure – The Applicant has stated that construction related heavy vehicle traffic would be controlled and remain on the area’s major roadways. I-190 would provide the major route of access for transporting materials to the site. These vehicle trips are not expected to use Route 12 along the southern end of Leominster into Sterling, however, it is fairly early in the process to know definitively regarding the sources of materials. In addition, construction traffic, including the facility that materials are procured from, would be controlled to a degree by the Applicant. *Thus, the direct impact of construction traffic along routes in Sterling can be minimized.*
- Significant peak vehicle generation on State and Federal highways – Based on the applicant’s market analysis and traffic study, 20% to 22.5% of all traffic is expected to use I-190 to/from the south of project site, and as a result, would travel through the Town of Sterling on I-190. While this amount could be considered significant, I-190 is a major regional highway and *the vast majority of this traffic will stay on I-190 and pass through the town.* Less than 1% of casino traffic is expected to use any the local interchanges or local roads within Sterling

In addition to the above factors, Green also reviewed historical crash data on I-190 in the Town of Sterling. The data reviewed were the three latest years contained in the MassDOT records (2009 – 2011). A total of 100 crashes on I-190 within the town of Sterling were recorded during the three year period equating to an average of approximately 33 crashes per year. Based on standard MassDOT procedures, a roadway crash rate was then calculated based on the highway volume for the I-190 segment within the Town of Sterling. Daily traffic volumes on I-190 (north of interchange 6) were obtained from recent MassDOT counts (collected in September and October 2013) and indicates that the existing daily volume on this segment of I-190 is approximately 38,600 vehicles per day. Based on these data, the segment crash rate on I-190 was determined to be 0.34 crashes per million vehicle miles traveled. This crash rate is below the statewide average of 0.39 crashes per million vehicle miles for rural interstate highways and would indicate that there is nothing out of the ordinary occurring in this road section.

Based on the expected daily traffic to and from the proposed casino, and assuming that 20% of the total traffic would use I-190 to/from the south (i.e. through the Town of Sterling), it was calculated that the proposed casino facility would result in approximately an additional 2.33 million vehicle miles traveled on I-190 through the Town of Sterling, on an annual basis. Based on the current crash rate in this segment of I-190, the additional traffic could be expected to result in an additional 0.79 crashes per year (i.e. less than one additional crash per year). While we are sensitive to the fact that all crashes are important, if one additional crash per year occurs in this section due to the proposed casino, it would not significantly change the overall crash rate and the average crash rate would remain below the Statewide average for this type of highway.

Concluding Opinion

The critical area that we are contending with at the moment is: ‘what defines a significant impact or change’. We do not fully concur with the arguments presented in the PPE response as MEPA’s 1,000 trip criteria for filing an ENF does not define a criteria limit of no impact vs. impact. The addition of 100 vehicle trips (being the general peak hour increase that would signify a likely change in operating condition) is also a very general statement and would not be applied in most cases. For example, if a location was nearly at the point of changing from one level of service to a lower level, much fewer trips than 100 could trigger that change. Conversely, one could add more than 100 vehicles in the hour on a multilane roadway and it would not likely alter the level of service.

While there is limited potential for casino-related traffic to travel through the local roadways in the Town of Sterling, it is not evident based on the information that has been reviewed and evaluated that the facility would likely cause a significant and adverse traffic impact on the subject roadways. The surrounding community determination will need to be based on other factors including geographic proximity to the site and host community and operational concerns other than traffic.

F. APPLICATION

2-19

Based on the assumption that the Project opens July 1, 2015, the Region A & B Category I Facility opens January 1, 2018 and the Region C Category I Facility opens January 1, 2019, the projected best, average and worst case revenue projections for the first 5 years of the project's operations are noted in 2-19-1. Please note the Market Study completed by Signature Advisory Services uses a January 1st, 2016 date for opening of the Leominster facility. The study was completed prior to determining that the facility could be completed by July 1, 2015. The 5 year revenue estimates calculated are still accurate, they just occur earlier than originally contemplated.

2-23

Neither the Applicant nor any of its members have interests in any gaming establishment within 300 miles of the proposed Massachusetts Live! Casino in Leominster. A related entity currently has an application pending for a casino license in Philadelphia, Pennsylvania, slightly more than 300 miles from the Leominster location. Applicant considers the Philadelphia market separate and distinct with no impact by one facility on the other.

2-26

PPE selected Leominster as the ideal location for the Category 2 license due to its strategic location off I-190 in North Central Massachusetts. This location compliments the planned sites for the three Category 1 licenses, and ensures the maximization of revenues to the Commonwealth, including maximizing the recapture of gaming revenue currently leaving the Commonwealth. PPE projects that \$95.1 million of gaming revenue, or approximately 10.8% of its total currently projected gaming revenue spent by Massachusetts residents out-of-state will represent repatriated Massachusetts dollars, prior to the opening of the Category 1 licensed facilities. Approximately \$459.2 million of repatriated gaming revenues are projected between PPE's Leominster facility and the three Category 1 Licensed facilities once open, or approximately 52.47% of money Massachusetts residents spend.

2.28

PPE selected the project site due to its strategic location at I-190 and Route 117 in North Central Massachusetts and the substantial infrastructure and capacity in place to accommodate the Project. Therefore, PPE anticipates nominal capital investment requirements outside the project site boundaries.

2-32

Massachusetts Live! Casino's primary market will be the adult population which lives within a 60 mile radius of the project. Its secondary market will be the adult population within a 100 mile radius of the project and tourists traversing North Central Massachusetts. The marketing plan for

the Project will be a comprehensive program to maximize revenues during all day and week parts and seasons, and includes a mix of regional advertising, targeted database marketing programs, (including our LIVE! Online Casino, play for free internet site), partnership with regional community organizations, and regional and state tourism agencies, gaming and retail promotions, nightly entertainment, bus and tour business, year round banquet sales and VIP programming.

2-35

The Project will provide significant benefits to both the Commonwealth and local economies. PPE will create 1207 direct jobs and over 600 indirect and induced spin-off jobs. During construction, the project will create \$212.9 million in total economic output. After opening, the project will employ over 600 direct employees and create 352 indirect jobs and generate approximately \$1.1 billion in taxes and fees to Commonwealth and local governments during its first ten years. PPE anticipates that approximately \$18.5 - \$21.5 million in goods and services will be purchased for operations on an annual basis, and that approximately 86% of that total will be spent within the Commonwealth of Massachusetts. PPE has already begun an outreach program to local businesses and will continue to outreach to local businesses through website registration, vendor fairs, local chambers of commerce and media advertising to encourage bidding on casino contracts and to maximize participation by local and Commonwealth businesses in Project contracts.

2-36

Massachusetts Live! Casino's primary market will be the local/regional suburban demographic. Its secondary market will focus on out-of-state business. Efforts to attract out-of-state visitors will be focused on localized advertising, including accessing Maryland Live!'s database. These marketing programs would include targeted direct mail / internet campaigns, promotions and giveaways, live entertainment, partnership with local community organizations, VIP events, and year round banquet sales. The Leominster location positions Massachusetts Live! as an appealing alternative for VT, NH, and ME customers that are currently traveling much further to casinos in CT, NY, and RI. Massachusetts Live! will also leverage close to 1,000 hotel rooms located at 8 existing hotels within 10 miles of the property to attract out of State visitors. Additionally, out of State customers would potentially be attracted to the Massachusetts Live! property through bus programs. Currently, the Maryland Live! Casino utilizes bus programs with national operators including Abbott, Academy, DC Trails, Martz, Stagecoach, Fullerton, Stouts, Raritan Valley, Trailways, and Coach to attract customers from VA, NC, PA, DE, NJ, and NY. Some of these same operators will also be available to service regional bus groups at Massachusetts Live!.

2-37

Massachusetts Live! Casino will be where the suburban locals choose to play. PPE will deploy a sophisticated marketing plan that develops and maintains loyal and frequent local casino customers. The overall plan will comprise Brand Management, Localized Multi-media Advertising, Database Management, Local Sponsorship, Community Events, Integrated

Promotions and Events, Fluid nightly Entertainment Programs, Comprehensive Communications, Bus and Tour Operations, Banquet and Convention Sales, Rewards Club Management and VIP Player Services. As such, the attached marketing plan in section 02-34-01 will be the driving plan for the In-State market.

4-23

The Project site enjoys convenient access from the regional roadway system allowing traffic to leave the project site without significantly impacting the local roadway system. The site abuts Interstate Route I-190 and the site entrance is located fewer than 4,000 feet from the I-190/Route 117 interchange by way of Route 117 (another state highway) and Jungle Road. Route 117 was recently reconstructed to include a minimum four-lane, median-divided cross section with additional turn lanes and traffic signals provided at major intersections. The improvements include double left-turn lanes into Jungle Road from Route 117 westbound, and double right-turn lanes for traffic leaving Jungle Road and returning to the I-190 interchange. Jungle Road was also rebuilt for a short distance south of Route 117 to provide a connection to a Wal-Mart Supercenter store. Jungle Road, south of the Wal-Mart Supercenter, will be widened and reconstructed to accommodate travel demands generated by the proposed slots facility. Cyclists and pedestrians will be accommodated within the reconstructed roadway. PPE will also work to extend the regional bus route, which presently connects downtown Leominster and the Wal-Mart store, to the proposed slots facility.

4-23-02

See Traffic Impact Study – Attached

4-24

The roadway system serving the project site has sufficient capacity to accommodate the traffic expected to be generated by the proposed development. Route 117 was recently widened and traffic signals were installed to serve expected traffic demands associated with a large retail development located just north of the proposed slots facility site, as well as significant background traffic growth. The traffic growth expectations considered in the roadway design process were never realized and the roadway system now has more than adequate capacity to serve the needs of the proposed facility. Independent of these findings, the applicant will improve signage on Route 117 and install a new traffic signal on Jungle Road to better control site access. Also, Jungle Road in the site vicinity will be widened from its existing two-lane cross section to create a boulevard adding sidewalks and bike lanes to safely accommodate all travel modes. An extension of the existing bus route serving the site is proposed, as well as shuttle bus connections to downtown Leominster and Leominster's commuter rail station. Vehicle refueling facilities are not proposed on the project site, but are presently available at existing service stations located along Route 117. A new service station has been permitted and is being constructed directly opposite Jungle Road on Route 117, which can serve future slots facility

patron vehicle refueling needs. Electric vehicle charge stations will be provided on the project site.

4-24-02

See Traffic Impact Study – Attached

4-25

PPE will promote the use of alternative modes of transportation, including public transportation, with various infrastructure improvements and operational strategies. From an infrastructure perspective, Jungle Road will be widened to create accommodations for pedestrians and bicyclists. The proposed slots facility site plan incorporates a drop-off/pick-up area to accommodate public transit buses and shuttle buses that will be operated by the applicant. These shuttle buses are expected to link the site with downtown Leominster and the Leominster MBTA commuter rail station. PPE will also work to extend the existing Montachusett Regional Transit Authority bus route that serves the area to the casino entrance.

4-31

Massachusetts Live! provides excellent access to the entire region's commercial districts due to its strategic location off I-190 and proximity to Route 2 and I-495.

5-2

A full traffic impact assessment of the proposed project has been prepared describing existing and future transportation system operating conditions with the proposed project built. The report also describes the mitigation measures that will be employed to reduce and mitigate anticipated vehicular traffic impacts. PPE expects to bear the full cost of mitigating project related traffic impacts imposing no cost on the host community and surrounding communities or the Commonwealth. This commitment will be solidified through preparation of the required MEPA Environmental Impact Report and related Section 61 Findings.

5-03-01

Host Community Agreement –

5-33

The roadway system serving the Project site has sufficient capacity to accommodate the anticipated 8,130 daily vehicle trips expected to be generated by the proposed development. Route 117 was recently widened and traffic signals were installed to serve expected traffic demands associated with a large retail development located immediately north of the proposed slots facility site. That improvement anticipated background traffic growth, as well. Those significant traffic growth expectations were never realized and the roadway system now has more than adequate capacity to serve the needs of the proposed facility. Notwithstanding these findings, PPE will improve signage on Route 117 and install a new traffic signal on Jungle Road to better control site access. Jungle Road will also be widened from its existing two-lane cross

section to create a boulevard and adding sidewalks and bike lanes to safely accommodate all travel modes. An extension of the existing bus route serving the site is proposed, as well as shuttle bus connections to downtown Leominster and Leominster’s commuter rail station. A construction management plan will be developed with state and local officials: to minimize construction traffic generation during peak traffic hours; to limit truck traffic to approved, designated routes; and, to ensure that construction workers park only on the site and/or in designated remote parking facilities. Written response Traffic Impact Study Construction Mitigation Package PPE Casino Resorts MA, LLC Final Application.

G. OTHER

NOVEMBER 14, 2013 – COMMUNITY COMMENTS AT PUBLIC MEETING

10 A priority issue is the traffic
 11 impacts, which you've already heard from
 Bolton
 12 and you'll hear that again from other
 13 communities as well. There are several
 14 roadways, including interstate I-90 as well as
 15 Route 62, Route 12, Chocksett Crossing and
 16 other roadways, which will serve as feeders to
 17 the facility.
 18 Even the numbers submitted by the
 19 proponent's traffic analyses acknowledges that
 20 there will be detrimental -- strike that, there
 21 will be traffic impacts upon roadways in the
 22 town of Sterling. The fundamental question is
 23 what is the extent of those impacts.
 24 Obviously, the proponent is trying to diminish
 1 that and say they are really de minimus in
 2 nature and there will be no detrimental impact.
 3 The problem we have is that all of
 4 the numbers that we have before us are the
 5 proponent's numbers. We don't have any
 6 objective data and analysis to demonstrate what
 7 in fact the detrimental impacts of traffic and
 8 other issues will in fact will be.
 9 Even the traffic numbers submitted
 10 by the proponent don't account for and don't
 11 even address what I would suggest to be
 12 potentially foreseeable issues and stressors
 13 with respect to traffic once the facility is

14 fully opened as a destination gaming facility
 15 with restaurants, liquor, music venue and
 16 perhaps hotel facilities as well, causing
 17 further stresses upon the traffic, public
 18 safety and economic issues in the town of
 19 Sterling.
 20 So, we need an objective analysis of
 21 the Cordish numbers and essentially a fair
 22 opportunity to determine what the appropriate
 23 mitigation measures should be in order to
 24 protect the town of Sterling, the residents of
 1 the town of Sterling from the various
 2 detrimental impacts that we see will result.
 3 So, we are therefore respectfully
 4 requesting designation as a surrounding
 5 community. And you heard the expression
 6 before, if not Bolton then who? And I would
 7 certainly suggest that if not Sterling a
 8 community that abuts the city of Leominster, a
 9 community in which roadways will be servicing
 10 the facility is not in fact a surrounding
 11 community, then who is? I suggest again that
 12 Sterling certainly is. And I request the
 13 designation as such. I'll be glad to answer
 14 any question to might have. Thank you very
 15 much.

NOVEMBER 14, 2013 – APPLICANT COMMENTS AT PUBLIC MEETING

23 But the approach we have taken in
 24 the agreements we have executed, the five that
 1 we have executed, has been as opposed to us
 2 trying to convince you that our traffic studies
 3 are correct, and the town trying to convince us
 4 that their projections are correct, the
 5 implication of the traffic, because no one
 6 thinks the traffic is going to cause a level of
 7 service impacts on the local roads, the main
 8 issue has been over the public safety costs.

9 That if there are more accidents or more DUIs,
 10 a lot of the towns have limited public safety
 11 officials. So, they were concerned about
 12 overtime costs for police or fire.
 13 CHAIRMAN CROSBY: Excuse me, from
 14 what I've picked up, the biggest issue was
 15 actually the flow of traffic and how much that
 16 was going to affect people's lives. It also
 17 included the demand for public safety services.
 18 But I would have said, just from what I've

19 heard that that was secondary.
20 MR. WEINBERG: I will tell you in
21 our discussions, the primary -- Bolton may be
22 the only exception, but even in those
23 discussions -- I want to take you through it
24 because you have to have a flavor of the issues
1 that are being discussed.
2 The primary concern has been the
3 cost of police and fire responding to accidents
4 caused by there being increased traffic. I
5 will show you in a second as we go through the
6 local roads. The increase in traffic we're
7 having on local roads doesn't exceed two
8 percent, 117 is the exception. But the other
9 local roads that go through Sterling or
10 Fitchburg or Westminster or Princeton, there's
11 a negligible impact on the flow of traffic or
12 the increase in traffic.
13 So, the way we dealt with it in the
14 five agreements that we've done was we've said
15 that we will pay for any responses -- actual
16 costs of any response that your fire or police
17 have to our customers. And some, they bill us
18 for whatever they believe legitimately is
19 caused by additional events caused by customers
20 of the casino. In other instances, we've tried
21 to do a formula which basically looks at the
22 number of traffic incidents on the roads --
23 It's all public data. -- for the 12 months
24 prior to the opening of the facility, and then
1 the 12 months after the casino opens.
2 And while from a practical
3 standpoint, we would not be responsible for the
4 causation for all of that because there has got
5 to be something else going on in the region, we
6 have agreed in those incidents that we would
7 whatever it is, we'll take responsibility for
8 any increase in accidents on the road based on
9 that formulaic comparison.
10 That's allowed to get out of the
11 cycle of having to argue over is our traffic
12 report correct or do you need to go do lots of
13 other studies because you can spend money on
14 lots of other studies, they're just more
15 projections on what it's going to be. So, in
16 those five agreements that we've done where
17 it's a very rational look at okay, how do you
18 make sure you can't argue with it. You look at

19 actual data.
20 Before we leave this, this shows a
21 one-, three- and five-mile circumference around
22 the gaming site. As you can see, the only
23 communities that are within five miles for the
24 most part of the casino not of Leominster but
1 of the casino is Lancaster and Sterling.
2 There's a little bit of Lunenburg and a small
3 bit of Bolton. You get to the next --
4 COMMISSIONER MCHUGH: Why did you
5 pick one, three and five miles?
6 MR. WEINBERG: Just to show a range
7 of proximity, because really -- And I'm going
8 try to get into this as we go through the
9 upcoming slides, clearly as you radiate out
10 from the facility, the potential impacts
11 diminish. Our traffic does not have a lot of
12 peak flow to it. We are a 24-hour operation.
13 If anything our traffic is countercyclical to
14 the normal midweek rush-hour periods.
15 So, morning and afternoon drive
16 times are low peak periods for the casino
17 traffic. So, you really have traffic being
18 dispersed along the lots of different roads and
19 coming at a lot of different times and mainly
20 off-peak periods. Clearly, as you radiate out
21 from the facility, it's hard to argue that
22 there's lots of measurable impacts.
23 This slide just shows Fitchburg --
24 I'll get into addressing the individual
1 communities in a second. This shows the road
2 network. You'll be able to see these directly
3 from the handout I gave you, and the type of
4 traffic that we project we'll be putting on the
5 local roads. As you'll see whether it's 13
6 coming down through Townsend and Lunenburg or
7 12 and 31, 140, 12 and 62 through Sterling, the
8 amount of traffic generated by the facility is
9 less than one percent, one, two percent. It's
10 very negligible traffic coming through the
11 local arteries. The projection that most of
12 the traffic will come down 90, 2 and then 117.
13 This next slide shows --
14 CHAIRMAN CROSBY: Excuse me one
15 second. I see it looks like one 117 says 11
16 percent. And 2 is 37 percent --
17 MR. WEINBERG: I am going to make it
18 easier for you to see that in a second. This

19 is the trip route utilization overview. In
20 looking at -- And this kind of addresses the
21 comments from the selectman from Bolton. When
22 you look at what routes people are going to
23 use, our traffic people looked at the most
24 likely, quickest routes to the casino.

1 Most of our traffic, given what we
2 have to look at in terms of what is going to be
3 the full build-out of the gaming business in
4 Massachusetts. So, when you know there's going
5 to be a facility in the Boston area, one in the
6 south side and one to the west, a predominant
7 amount of our traffic is going to come from the
8 mid-part of the Beltway in the north, and then
9 north and south on 190. That is how we got to
10 our trip utilization. So, we show kind of
11 where we believe people are coming from and
12 what route they would take from each market.
13 I think it is also helpful in terms
14 of looking at will this facility create any
15 kind of material significant adverse impacts on
16 any of the surrounding communities. The
17 location that we are building in is a
18 commercially zoned area. It has been
19 identified both by Leominster and the Wachusett
20 Regional Planning Commission for intense
21 commercial development.

22 So, whether it's the casino or it's
23 other types of developments, this area has
24 already been slated for development and is
1 targeted by the region. This slide compares
2 the traffic that the facility will generate in
3 terms of trip generation and this looks at
4 midweek peak hour. And it looks at a number of
5 different comparisons.

6 The first the NED mixed use
7 development. There had originally been several
8 years ago a regional mall planned for this
9 location. So, this identifies what that would
10 have generated in terms of peak traffic. There
11 is an existing Walmart across the street from
12 the proposed gaming site. And their peak
13 traffic is about double what the gaming
14 facility is projected to have.

15 We've also provided comparisons to a
16 typical strip shopping center, 160,000 square
17 feet, a supermarket and Lowe's which is also in
18 the area of the casino. So, when you compare

19 it to other commercial uses that are targeted
20 for this area, the gaming facility does not
21 generate excessive peak traffic.

22 This is probably easier to look at
23 in terms of this looks at the trip distribution
24 on the local roads. So, what percentage of the
1 site trips are coming through each community
2 and each of the local roads. You can see with
3 the exception of Lancaster and Bolton that all
4 of the other communities have less than two
5 percent of the trips coming through their
6 communities.

7 You can also see why we took the
8 approach of trying to just treat everybody in a
9 similar framework. Because really the traffic
10 that is coming through the local roads are give
11 or take relatively the same through each of
12 these communities.

13 CHAIRMAN CROSBY: Well, not quite.

14 MR. WEINBERG: What's that? With
15 the exception of Lancaster and Bolton, right.
16 And in those instances, we're looking at about
17 11 percent of the local trips coming through
18 those communities.

19 And this looks at the daily increase
20 in traffic versus current condition through
21 each of these communities. Similar to the
22 prior slide, it shows you that the increases
23 are also in the two percent range with the
24 exception of Lancaster you'll see about an
1 eight percent increase in traffic on 117. And
2 Bolton will see an increase of about four
3 percent.

4 The reason why the increase in
5 Bolton is less than Lancaster is that this is
6 an increase in traffic. So, they have a much
7 higher volume of traffic today coming through
8 Bolton than Lancaster. So, the additional --
9 actually if you go to the next slide, Jeff.

10 COMMISSIONER MCHUGH: This is the
11 percentage over the existing.

12 MR. WEINBERG: Right. So, you have
13 compare to what is the existing state and what
14 is the impact of the incremental traffic that
15 we're adding to the roads.

16 The other thing that needs to be
17 kept in mind is that for instance through the
18 MEPA process, one of the things we're looking

19 at is the intersection -- This was required
20 under our ENF scoping -- was looking at the
21 intersection of 495 and 117. So, issues of
22 traffic improvements that are required under
23 MEPA if there are any, that will be something
24 that will be looked at as part of our
1 environmental impact review that's something we
2 are responsible for outside of the surrounding
3 community agreements.
4 So, if there are traffic
5 improvements that are needed to be made under
6 the MEPA process, we're required to make that.
7 So, that is not an issue in terms of the road
8 improvements under the MEPA process under the
9 surrounding community agreement.
10 Moving on from traffic for a moment.
11 Some of the other items that have been outlined
12 in some of the petitions by the communities for
13 surrounding community designation have implied
14 that somehow we will put some stress on the
15 infrastructure of these towns. And that is
16 simply not true. All of our utility
17 infrastructure, water, sewer is being provided
18 by the city of Leominster. We will be
19 improving the drainage in the area.
20 Right now the area that we are at
21 actually has a lack of storm water and drainage
22 controls. So, we are going to be putting in
23 state-of-the-art systems and really improving
24 the drainage issues in the area. Electricity
1 and gas are coming from the National Grid
2 provider. And there is plenty of capacity.
3 There had been a statement in the
4 Sterling petition that we were somehow
5 impacting their aquifer. We provided a letter
6 from the Department of Public Works from the
7 city of Leominster stating that this area is
8 being served today solely from the capacity of
9 the city of Leominster. It is not impacting
10 the aquifers of Sterling.
11 From a traffic standpoint,
12 construction traffic we will mandate that our
13 construction activities happen on the major
14 roads unless of course the contractor is
15 located in one of these local communities,
16 which is one of the things that we are trying
17 to do which is to hire as many local people as
18 possible.

19 Obviously, noise from construction.
20 We are in a commercial industrial area. So,
21 there is no overflow or impact from
22 construction noise to any of these communities.
23 From a traffic standpoint, there is
24 no road, including 117, where we are
1 diminishing the level of service of the road.
2 190 which is our major artery that we are off
3 of is way underutilized at this point. It's
4 only using about 30 percent of its capacity.
5 So, we have that infrastructure available to
6 us.
7 From a public safety standpoint, we
8 are building a police substation as part of the
9 facility for the Leominster Police. That is in
10 addition to the state police and Mass. Gaming
11 presence.
12 CHAIRMAN CROSBY: I was going to ask
13 about clarification. I've heard concerns. So,
14 what you are committed to is that you will
15 build enough to provide a substation in
16 addition to that space which is required for
17 the Massachusetts State Police in the Gaming
18 Commission?
19 MR. WEINBERG: Absolutely. If
20 anything, we undersold the amount of existing
21 regulatory and state and local presence. But
22 to clarify, absolutely we will have both what
23 we are required to do under the statute for the
24 Gaming Commission, the State Police as well as
1 a new substation for the city of Leominster
2 Police force. And that is a written obligation
3 under our host agreement.
4 And then another item that is
5 included in some of the petitions is a concern
6 over social aspects regarding problem gaming.
7 As you all know, the facilities will be paying
8 a lot of money and a big portion of the tax
9 goes towards addressing problem gaming issues.
10 In fact, the state will be spending a
11 disproportionate percentage of what's being
12 spent in the entire nation.
13 So, if anything we believe that
14 there will be more resources available for
15 addressing these social issues that exist
16 today. Of course, we are surrounded by states
17 and gaming facilities. So, we just believe
18 that given the size of our facility that if

19 anything, collectively between the facility
20 operators and the state, we will be bringing
21 more resources to this issue.
22 In fact, the state has 12 state-
23 funded programs to address problem gaming. One
24 of those is located in the city of Fitchburg.
1 So, the state is already funding those programs
2 in the region.
3 COMMISSIONER MCHUGH: Before we
4 leave this slide, what do you mean by the first
5 no level of service increase on any local or
6 state roads?
7 MR. WEINBERG: Roads are given
8 letter designations, A, B, C, D and F -- It
9 skips E -- which indicates at what level of
10 operation it is at. A being the best level of
11 operation. F obviously being failing. So,
12 typically you need to move from one letter
13 designation down in level of service, I think,
14 the typical rule of thumb is 10 percent
15 increase in the traffic. And not only that but
16 that causes it to then not operate properly.
17 But typically 10 percent is the threshold. So,
18 there is no road that we are impacting to that
19 degree that we are changing how the state would
20 designate the level of service on those roads.
21 COMMISSIONER MCHUGH: You have an 11
22 percent increase on 117.
23 MR. WEINBERG: It's not an 11
24 percent increase on 117. It's 11 –
1 CHAIRMAN CROSBY: Eight percent.
2 MR. WEINBERG: That was 11 percent
3 of the trips.
4 COMMISSIONER MCHUGH: 11 percent of

5 the trips.
6 CHAIRMAN CROSBY: The generated
7 trips, which nets to an eight percent increase
8 over its present volume.
9 COMMISSIONER MCHUGH: That's right.
10 That's right.
11 MR. WEINBERG: Eight percent in
12 Lancaster and four percent in Bolton.
13 COMMISSIONER MCHUGH: So, I guess
14 I'm thinking -- I hear you. But I'm thinking
15 you add a drop of water to a full cup and it
16 overflows. That's not an exact analogy. But
17 the impact on an already overstressed road may
18 only be a slight increase. But that slight
19 increase may have a detrimental --
20 MR. WEINBERG: And that's why we
21 look at the peak traffic numbers. For
22 instance, in the Bolton, Lancaster area, we
23 project about 54 trips per hour during the peak
24 5:00 to 6:00. So, during the peak rush-hour
1 traffic, we project about 54 trips going
2 through that area.
3 Again, our traffic is typically
4 countercyclical to those rush-hour traffic.
5 So, we're talking about adding less than one
6 car a minute to the traffic. So, during those
7 stress periods, it really is not a terribly
8 significant increase in the traffic on the
9 road.
10 COMMISSIONER MCHUGH: I hear you.

3. DEVELOPMENT

Legal Framework

In determining whether a community is a surrounding community, the commission . . . will evaluate whether: . . . 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. 205 CMR 125.01(2)(b)(3)

Executive Summary

Sterling has not indicated that the construction is a concern in its petition.

The Applicant argues that Sterling cannot demonstrate that noise or environmental issues will have a significant and adverse impact on the City given the distance between the Project and the City. The Applicant states that it will “direct its construction team to avoid local roads and to utilize the major highways for all construction traffic.”

The ENF requires the applicant to include a construction discussion in the Draft Environmental Impact Report in order to minimize impacts.

Green International found that “[t]he Applicant has stated that construction related heavy vehicle traffic would be controlled and remain on the area’s major roadways. I-190 would provide the major route of access for transporting materials to the site. These vehicle trips are not expected to use Route 12 along the southern end of Leominster into Sterling, however, it is fairly early in the process to know definitively regarding the sources of materials. In addition, construction traffic, including the facility that materials are procured from, would be controlled to a degree by the Applicant. **Thus, the direct impact of construction traffic along routes in Sterling can be minimized.**”

A. COMMUNITY PETITION

None

B. APPLICANT RESPONSE

THE TOWN WILL NOT BE SIGNIFICANTLY AND ADVERSELY AFFECTED BY THE DEVELOPMENT OF THE PROJECT

Construction of the Project will take approximately 12 months to complete. It is anticipated that during the peak of construction, approximately 600 construction workers will be working on the Project site at any given time. For the reasons stated above, the trips generated by the Project during its construction will not have a significant or adverse impact on the Town.

All construction of the Project will occur on site. The Town cannot demonstrate that any noise or environmental issues, if any, caused by the Project will have a significant or adverse impact on the Town. Moreover, PPE will direct its construction team to avoid local roads and to utilize the major highways for all construction traffic.

C. RPA ANALYSIS

None

D. ENF ANALYSIS

The DEIR should include a discussion of construction phasing, evaluate potential impacts associated with construction activities (including but not limited to noise, vibration, dust, and traffic flow disruptions) and propose feasible measures to avoid or eliminate these impacts. The phasing plan should identify whether office and industrial operations will continue in the northern area of the site during construction and, if so, how parking and other needs will be accommodated during construction.

E. CONSULTANT ANALYSIS

None

F. APPLICATION

2-30

PPE believes the construction of Massachusetts Live! Casino will be completed within 12 months from receipt of all construction permits. The potential timeline is: January 1, 2014 – Gaming Commission issues Category 2 license July 1, 2014 – all construction permitting is completed and construction commences July 1, 2015 – Massachusetts Live! Opens The Project anticipates completion and opening in one phase. The Project is sited directly off I-190 and Route 117 in an existing commercial industrial area. A portion of the site is an existing gravel pit operation and adjacent neighbors include two plastics manufacturers, Wal-Mart and Lowes Home Improvement. The closest residential neighborhood, Liberty Commons, and PPE have entered into a Letter of Agreement which outlines among other items, a means for PPE and the Homeowners Association to communicate and address issues such as traffic, trash and security.

3-4

Leominster is a Gateway City, designated by the Commonwealth in recognition that the community has historically lagged state averages in educational performance and job growth. The Commonwealth has targeted Gateway cities for special assistance in obtaining business and economic development, with special emphasis on job creation. Massachusetts Live! will create over 1,200 direct jobs, approximately 600 during construction and 600 + during operations. The Company has entered into a Host City Agreement with Leominster which provides for job preference for qualified Leominster residents in construction and operations. The Company intends to also provide a preference in hiring from citizens of neighboring towns and cities in the North Central region. PPE has entered into MOUs with MCCCCTI and Fitchburg State University to provide workforce development and training, and with ARC of Opportunity to help identify disabled members of the community and to help train these citizens for work on the Project.

4-54

Tutor Perini Building Corp. is a leader in the field of sustainable construction. The Company has been committed to the green building movement since 1996, when they completed their first environmentally friendly project, the Shaklee World Headquarters. Since then, they have constructed many of the largest sustainable buildings in the Country, including CityCenter in Las Vegas, NV, which is currently one of the world's largest environmentally sustainable developments and includes six LEED® Gold Certified projects. Some of the sustainable strategies that may be implemented into the proposed Project to support LEED™ Certification are outlined below.

- Construction Activity Pollution Prevention
- Reduction of “Heat Island Effect”
- Record Keeping
- Construction Waste Management

- Regional Materials

5-33

The roadway system serving the Project site has sufficient capacity to accommodate the anticipated 8,130 daily vehicle trips expected to be generated by the proposed development. Route 117 was recently widened and traffic signals were installed to serve expected traffic demands associated with a large retail development located immediately north of the proposed slots facility site. That improvement anticipated background traffic growth, as well. Those significant traffic growth expectations were never realized and the roadway system now has more than adequate capacity to serve the needs of the proposed facility. Notwithstanding these findings, PPE will improve signage on Route 117 and install a new traffic signal on Jungle Road to better control site access. Jungle Road will also be widened from its existing two-lane cross section to create a boulevard and adding sidewalks and bike lanes to safely accommodate all travel modes. An extension of the existing bus route serving the site is proposed, as well as shuttle bus connections to downtown Leominster and Leominster’s commuter rail station. A construction management plan will be developed with state and local officials: to minimize construction traffic generation during peak traffic hours; to limit truck traffic to approved, designated routes; and, to ensure that construction workers park only on the site and/or in designated remote parking facilities

5-37

The B&S Consulting Impact Assessment prepared for the City of Leominster states, “an increased demand on school services, or new teachers is not to be expected to result from the employee pool as those with children are likely to be in large part already in the community.” The consultant’s statement is based on their conclusion, with which we concur, the vast majority of Massachusetts Live! employees will be filled by people already living in Leominster or the surrounding North Central areas. The proposed casino location is in a commercial/industrial zoned area of the City of Leominster. There are no schools, churches playing fields or parks within one mile of the proposed casino.

G. OTHER

None

4. OPERATION

Legal Framework

In determining whether a community is a surrounding community, the commission . . . will evaluate whether: . . . 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. 205 CMR 125.01(2)(b)(4)

Executive Summary

The Town of Sterling argues that “[t]here are also societal and public safety impacts associated with a proposed slot parlor,” including:

“(a) A potential for increased larcenies and other crimes in Sterling. The slots parlor proposal includes locating a police sub-station within the facility and surveillance cameras both inside and outside. While this will certainly have a positive impact on reducing crime at the site, it will have the inevitable and foreseeable consequence of pushing criminal activity to locations away from the police presence and cameras, which means into Sterling, less than one-quarter mile away.

(b) A potential for increased gambling addiction, which could strain the social service infrastructure of Sterling.

(c) If the employment opportunities at the Leominster slots parlor lead to more people choosing to reside in the neighboring town of Sterling, there will be an increased number of students entering the Sterling school system which will lead to further economic pressures on Sterling's budget.

(d) Sterling is also concerned for the reduction in property values that will result to homes in the vicinity of the proposed slots parlor, not only out of concern for the owners of those properties but also for the diminution in property taxes that will result.”

The Applicant responded that increased crime and increased gambling addiction are “pure speculations that have no basis in fact”, that the facility will benefit from an on-site Leominster police station and State Police presence, that the average demographic of a casino customer is 55 year of age and older, and that there is no proximate physical connection between the Project site and the Town. The Applicant asserts “no causal relationship between the opening of a gaming facility and property values” and noted that most of the jobs are to be filled by Leominster and area residents and that there is significant housing stock in Leominster.

Mark Vander Linden provided a review of relevant research on these topics for the Commission. He noted:

“Empirically, the evidence is somewhat mixed concerning the impact that legal gambling introduction has on crime rates. Certainly the most common finding is that crime rates do indeed increase with increased gambling availability, a result obtained in the majority of the better quality studies.”

“[I]t seems clear that although there are good theoretical reasons to expect a positive relationship between gambling introduction and crime, it may not always manifest itself. There are many other factors that can potentially mediate this relationship, such as extensive prior exposure to gambling, a relatively small increase in the availability of gambling relative to population size, a temporal lag whereby crime increases take several years to occur, or the existence of jurisdictional policies that protect against the negative impacts of gambling (e.g., effective programs to prevent problem gambling, limits on the provision of readily available cheap alcohol in venues, enhanced security/policing in casinos, etc.). Because the magnitude of the increase in crime is not large in most studies (e.g., approx. 8% in several studies), the presence of any of these other moderating factors has potential to negate the increased crime effect.”

“Many studies have found a relationship between proximity to gambling venues and the prevalence of problem gambling”

“It seems a logical conclusion that the increase in persons with gambling disorders would create a burden on the Sterling’s social service agencies. However, as pointed out by Dr. Williams, the bulk of the impacts tend to be social/nonmonetary in nature because only the minority of problem gamblers seek or receive treatment, and only a minority typically have police/child welfare/employment involvement. That being said, it is difficult to accurately predict the actual impact as ultimately it will vary between jurisdictions depending on the type of gambling introduced and the magnitude of the change. For example, a new casino in a small community with limited prior exposure to

gambling has a much larger impact than if the casino was introduced in a large city that already had easy access to gambling options to a range of gambling options.”

“A total of 7 studies (and the majority of the better quality studies) have not found any impact of new casinos on property values, whereas 6 studies have found them to be associated with increases in property values. Only one study found property values near a casino to decrease. There has only been one study looked at this issue for electronic gaming machines (EGMs), and found no relationship between EGM density and property prices. Factors that appear to mediate whether there is a positive or neutral effect concern the property value of the area before the introduction of a casino (with impoverished areas more likely to experience property value gains), and zoning regulations which may restrict casinos to areas less sensitive to price changes (e.g., industrial areas).”

“Dr. Robert Williams, a Principal Investigator on the SEIGMA team, conducted an exhaustive review of research that focused on the social and economic impacts of gambling in a study prepared for the Canadian Consortium for Gambling Research. He concluded that the overall impact of gambling in a particular jurisdiction in a specific time period ranges from small to large, and from strongly positive to strongly negative. That being said, in most jurisdictions, in most time periods, the impacts of gambling are mixed, with a range of mild positive economic impacts offset by a range of mild to moderate negative social impacts.”

“The question, to what extent will the introduction of a gaming facility create negative impacts on Sterling, is difficult to answer. However, the Commission is currently working closely with SEIGMA/UMASS Amherst to conduct a controlled before-after comparison of changes in rates of problem gambling and related indices coincident with the introduction of a gaming facility. The ongoing findings of this study will provide the most accurate determination of what the true social and economic impact is on host and surrounding communities. A more precise understanding of the impacts will inform the best use of the Public Health Trust Fund which was created to assist social service and public health programs to “mitigate the potential addictive nature of gambling””

Lynn D. Sweet Consulting Group noted:

“We find that it cannot be determined from the submitted materials and our independent evaluation that the Town of Sterling will be significantly and adversely affected by the operation of the gaming establishment after its opening due to housing impacts resulting from the facility. Based on the unemployment rate, the housing vacancy rate, and the skill level of most jobs that the Slots Parlor will create, it is safe to conclude that very few of the new jobs will be filled by

personnel moving to the area. In fact most jobs will be filled by persons who live in the area and therefore already have housing. In addition, Sterling has a declining school age population and household size, therefore perhaps excess capacity in its school system. In the unlikely event that there are new school age children, it seems likely the district could absorb additional school age children.”

A. COMMUNITY PETITION

It is Sterling's understanding and belief that there is a right of way at the end of the current dead end of Jungle Road, the site of the proposed slots parlor, that has the potential to connect to an existing town road at the junction of Pratts Junction Road and Flanagan Road, thereby leading to an even higher level of traffic concerns and costs for Sterling. With respect to detrimental business and development impacts, Sterling is especially concerned about the potential for a significant decline in the utilization of local restaurants as slots parlor visitors choose among the several restaurants to be located at the facility instead of patronizing Sterling food establishments.

There are also societal and public safety impacts associated with a proposed slots parlor. These include but are not necessarily limited to:

- (a) A potential for increased larcenies and other crimes in Sterling. The slots parlor proposal includes locating a police sub-station within the facility and surveillance cameras both inside and outside. While this will certainly have a positive impact on reducing crime at the site, it will have the inevitable and foreseeable consequence of pushing criminal activity to locations away from the police presence and cameras, which means into Sterling, less than one-quarter mile away.
- (b) A potential for increased gambling addiction, which could strain the social service infrastructure of Sterling.
- (c) If the employment opportunities at the Leominster slots parlor lead to more people choosing to reside in the neighboring town of Sterling, there will be an increased number of students entering the Sterling school system which will lead to further economic pressures on Sterling's budget.
- (d) Sterling is also concerned for the reduction in property values that will result to homes in the vicinity of the proposed slots parlor, not only out of concern for the owners of those properties but also for the diminution in property taxes that will result.
- (e) Lastly, a majority of the aquifer that serves the water needs of the southeast corner of Leominster is located in Sterling, and increased water usage associated with the slots parlor would impact Sterling and require it to incur the substantial costs of siting an additional source of water supply for Sterling residents.

B. APPLICANT RESPONSE

THE TOWN WILL NOT BE SIGNIFICANTLY AND ADVERSELY AFFECTED BY THE OPERATION OF THE PROJECT AFTER ITS OPENING

The Town cannot demonstrate that it will be significantly and adversely affected by the operation of the Project.

In its Petition, the Town asserts that the Project will increase crimes in Sterling, increase gambling addiction in the Town and reduce property values in the Town. These claims are pure speculations that have no basis in fact. The Project will include an on-site presence for the Massachusetts Gaming Commission/State Police and a new substation for the Leominster Police Department which will enhance security in the area. The average demographic of a casino customer is 55 year of age and older with a higher education level and higher household income than national averages, hardly a group normally associated with crime. In addition, there is no proximate physical connection between the Project site and the Town.

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

Property values are related to normal economic variables such as supply and demand of housing stock, population and employment opportunities and competition for population among jurisdictions. PPE's facility will generate significant new jobs in the region targeted towards existing residents. There is no evidence that having more people employed with more buying power in a region will cause a decline in real estate values. In fact, a review of property values surrounding projects developed in Florida and Maryland by PPE's principals indicate property values increased substantially after the development of the company's casino projects. A review of national statistics shows no causal relationship between the opening of a gaming facility and property values.

The Town, in its Petition, further asserts that as a result of employment opportunities at the Project, more people may choose to reside in Sterling, thus increasing the number of students enrolled in the Sterling school system. The Live! Casino Impact Assessment prepared by B&S Consulting, an independent peer reviewer for Leominster reviewed the housing stock and likely impact on housing in Leominster. The report noted that most of the Project's jobs can be filled by people who already live in Leominster or the surrounding area and that there is significant vacant housing stock in Leominster. PPE has committed to hire from the local region and therefore the additional employees should have no adverse impact on the local housing stock throughout the region, including the Town and should not result in an increased enrollment in the Town's schools. Typically, there is a very positive impact in local and regional economies from more local residents having jobs and added buying power.

Finally, the Town asserts in its Petition, that the Project will cause a burden on the Town's water supply. This assertion is incorrect both as to the source of water for the Project and the sufficiency of the water supply. Water for the Project will be provided directly by the City of Leominster Municipal Water System. As stated in PPE's Phase 2 application, Section 4-35, there is an existing 12 inch water main in Jungle Road at the Project Frontage. The primary feed to this existing main is from the Distributing Reservoir System. During periods of high demand the main is supplemented by the Southeast Comer Well Fields. Leominster has confirmed there is adequate low and pressure in the existing water system to serve the Project, and that the Project will not have any adverse effects on the existing water system or Sterling's wells or on the ability of Leominster or Sterling to draw its share of water from the aquifer. [See the attached letter from Roger H. Brooks, Jr, Business Manager of the City of Leominster Department of Public Works.] PPE's Project is located in an existing commercially zoned area of Leominster targeted for intense commercial development, an area that will be serviced by the City of Leominster Municipal Water System with similar capacities whether or not the Project is built on Jungle Road.

C. RPA ANALYSIS

Relevant to housing impacts, as indicated above, the document does not clearly indicate the anticipated number of employees, local hires or incoming households. The effects of the housing downturn have been especially persistent, sustained and penetrating in the Montachusett region . Mass Housing Partnership and the Warren Group report there are more than 1,000 foreclosed properties in the region . There are 356 foreclosed homes in Fitchburg and 201 foreclosed homes in Leominster. These units are removed from the market and unavailable as housing for long periods of time. Foreclosed properties are only gradually being returned to the market. Former owners who stay in the area frequently find housing by doubling up with friends or family and there is anecdotal evidence that some household members are splitting up to obtain housing . There is also some anecdotal evidence that developers are beginning to test the waters for returning to the housing market for new construction (surveyors are in the field, more land for sale signs appearing, etc.) but not for existing foreclosed or distressed properties. Should development take place the proponent, the host community and the "surrounding communities" should use this new job generating facility as an opportunity to connect employees with available homes reversing recent disinvestment and stimulating reinvestment in neighborhoods throughout the Montachusett Region thus stabilizing neighborhoods.

D. ENF ANALYSIS

The project will increase water demand by 26,627 GPD for a total of 28,513 GPD. The site is served by the City of Leominster municipal water system. There is an existing water main located in Jungle Road along the site frontage. Comments from MassDEP indicate that the DEIR should include revised water usage projections. The DEIR should detail the method and provide supporting data to demonstrate how these calculations were developed. MassDEP states that if the DEIR provides sufficient data to confirm the estimated water usage presented in the ENF the City of Leominster has adequate capacity for this water supply.

The ENF indicates that the existing infrastructure has adequate capacity to supply the project. New sewer mains were installed in Jungle Road and New Lancaster Road in 2007 as part of a large scale commercial development near the project site. The new sewer mains flow by gravity to a pump station located at the end of Lancaster Street that discharges to a force main that runs along Lancaster Road and finally by gravity flow, to the City of Leominster Wastewater Treatment Facility. The project proposes to extend the 12-inch sewer along Jungle Road approximately 1,500 linear feet to the project site.

E. CONSULTANT ANALYSIS

MARK VANDER LINDEN

On October 30, 2013 the Massachusetts Gaming Commission (“Commission”) received a surrounding community petition from the Town of Sterling, MA. In their explanation of “Significant and Adverse Impacts to Sterling” they cite numerous ways they will be impacted should PPE Casino Resorts MA, LLC (PPE) locate a gaming facility in Leominster, MA. Below, in italics, I provide a summary of research (Williams, Rehm, Stevens,2011), (Williams, Volberg, Stevens,2012) in response to Sterling’s position, that may provide some assistance as the Commission considers the petition.

- A. “A potential for increased larcenies and other crimes in Sterling. While (a police sub-station within the facility) will certainly have a positive impact on reducing crime at the site, it will have the inevitable and foreseeable consequence of pushing criminal activity to locations away from the police presence and cameras, which means into Sterling...”

Empirically, the evidence is somewhat mixed concerning the impact that legal gambling introduction has on crime rates. Certainly the most common finding is that crime rates do indeed increase with increased gambling availability, a result obtained in the majority of the better quality studies. The main caveat to studies with this finding is that some of them are not referring to aggregate crime rates. Rather, some are focusing on the impacts for certain types of crime, such as increased fatal alcohol-related traffic accidents following the introduction of casinos. Other studies are simply documenting that increased gambling at an individual level is associated with increased likelihood of committing gambling-related crime, or that a substantial percentage of fraud in Australia and New Zealand is attributable to gambling. Another study documented that the rate of criminally inadmissible persons attempting to enter Canada from the United States increased subsequent to a Canadian casino opening.

Most other studies reporting increases in crime are reporting on overall crime rates. A minor caveat to these studies is that they may not have fully factored in the decrease in illegal gambling charges, as this decrease can occur many years before the introduction of legal forms. For example, in Alberta, Canada the most dramatic reduction in illegal gambling occurred between 1965 and 1977 (91% decrease), which was several years prior to the introduction of legalized casinos, EGMs, and sports betting. This is reflective of a less vigilant attitude toward enforcing the law prior to actual legalization. However, it is also true that illegal gambling charges usually only constitute a very small percentage of overall crime statistics in most jurisdictions, so that even if these decreased rates are fully taken into account, there would still be overall aggregate increases observed.

Another important caveat is that only a couple of studies reported a general increase in all categories of crime. Rather, consistent with the notion that increases in crime are partly attributable to increased numbers of problem gamblers, most studies have found increases primarily in property offences, particularly fraud, embezzlement, theft, and larceny (although two studies actually found reductions in these categories).

Consistent with the notion that casinos may facilitate alcohol-related offences, 2 studies have found increased rates of driving while intoxicated (DUIs). Several studies have specifically found casino introduction to be associated with increases in violent crime such as assault (although one study found a reduction). Finally, consistent with the notion that increased visitor populations contribute to increased crime rates, several studies specifically determined this to be the primary factor underlying increased crime.

Several other studies involved comprehensive and well conducted analyses and still failed to find increased crime rates, or only found increases in some communities but not others. Thus, it seems clear that although there are good theoretical reasons to expect a positive relationship between gambling introduction and crime, it may not always manifest itself. There are many other factors that can potentially mediate this relationship, such as extensive prior exposure to gambling, a relatively small increase in the availability of gambling relative to population size, a temporal lag whereby crime increases take several years to occur, or the existence of jurisdictional policies that protect against the negative impacts of gambling (e.g., effective programs to prevent problem gambling, limits on the provision of readily available cheap alcohol in venues, enhanced security/policing in casinos, etc.). Because the magnitude of the increase in crime is not large in most studies (e.g., approx. 8% in several studies), the presence of any of these other moderating factors has potential to negate the increased crime effect.¹

- B. “A potential increased gambling addiction, which could strain the social service infrastructure of Sterling”

Many studies have found a relationship between proximity to gambling venues and the prevalence of problem gambling²

- *In 1998, analysis of the U.S. Gambling Impact and Behavior Study data found that location of a casino within 50 miles was associated with approximately double the rate of pathological gambling (Gerstein et al., 1999).*

¹ Williams, R.J., Rehm, J., & Stevens, R.M.G. (2011). *The Social and Economic Impacts of Gambling*. Final Report prepared for the Canadian Consortium for Gambling Research. March 11, 2011.

² Williams, R.J., Volberg, R.A. & Stevens, R.M.G. (2012). *The Population Prevalence of Problem Gambling: Methodological Influences, Standardized Rates, Jurisdictional Differences, and Worldwide Trends*. Report prepared for the Ontario Problem Gambling Research Centre and the Ontario Ministry of Health and Long Term Care. May 8, 2012.
<http://hdl.handle.net/10133/3068>

- *In a separate U.S. national-level study, Welte et al. (2004) determined that the location of a casino within 10 miles of an individual’s home is independently associated with a 90% increase in the odds of being a problem or pathological gambler.*
- *Shaffer, LaBrie and LaPlante (2004) examined county-level prevalence estimates from the 2000/2001 survey in Nevada in relation to casino availability and found that the four counties with the greatest access to casinos had the highest problem gambling rates, and the four with the least availability had the lowest rates.*

It seems a logical conclusion that the increase in persons with gambling disorders would create a burden on the Sterling’s social service agencies. However, as pointed out by Dr. Williams, the bulk of the impacts tend to be social/nonmonetary in nature because only the minority of problem gamblers seek or receive treatment, and only a minority typically have police/child welfare/employment involvement. That being said, it is difficult to accurately predict the actual impact as ultimately it will vary between jurisdictions depending on the type of gambling introduced and the magnitude of the change. For example, a new casino in a small community with limited prior exposure to gambling has a much larger impact than if the casino was introduced in a large city that already had easy access to gambling options to a range of gambling options.

- C. “Sterling is also concerned for the reduction in property values that will result to homes in the vicinity of the proposed slots parlor...”

A total of 7 studies (and the majority of the better quality studies) have not found any impact of new casinos on property values, whereas 6 studies have found them to be associated with increases in property values. Only one study found property values near a casino to decrease. There has only been one study looked at this issue for electronic gaming machines (EGMs), and found no relationship between EGM density and property prices. Factors that appear to mediate whether there is a positive or neutral effect concern the property value of the area before the introduction of a casino (with impoverished areas more likely to experience property value gains), and zoning regulations which may restrict casinos to areas less sensitive to price changes (e.g., industrial areas).³

Dr. Robert Williams, a Principal Investigator on the SEIGMA team, conducted an exhaustive review of research that focused on the social and economic impacts of gambling in a study prepared for the Canadian Consortium for Gambling Research. He concluded that the overall impact of gambling in a particular jurisdiction in a specific time period ranges from small to large, and from strongly positive to strongly negative. ***That being said, in most jurisdictions, in most time periods, the impacts of gambling are mixed, with a range of mild positive economic impacts offset by a range of mild to moderate negative social impacts.***

³ Williams, R.J., Rehm, J., & Stevens, R.M.G. (2011). *The Social and Economic Impacts of Gambling*. Final Report prepared for the Canadian Consortium for Gambling Research. March 11, 2011.

The question, to what extent will the introduction of a gaming facility create negative impacts on Sterling, is difficult to answer. However, the Commission is currently working closely with SEIGMA/UMASS Amherst to conduct a controlled before-after comparison of changes in rates of problem gambling and related indices coincident with the introduction of a gaming facility. The ongoing findings of this study will provide the most accurate determination of what the true social and economic impact is on host and surrounding communities. A more precise understanding of the impacts will inform the best use of the Public Health Trust Fund which was created to assist social service and public health programs to “mitigate the potential addictive nature of gambling”.

LYNN D. SWEET CONSULTING GROUP

This letter is in connection with the proposed Category 2 gaming facility with 1,250 slots in Leominster, MA (the “Subject Property”) and the City of Sterlings’ petition to the Mass Gaming Commission on October 30, 2012 to be designated as a Surrounding Community. You have asked us to take a brief look at concerns expressed by the Town of Sterling with respect to potential housing and school impacts.

Methodology

We have received the Host Community Agreement, the portion of the gaming legislation related to Surrounding Communities, Town of Sterling Petition and a summary of proposed jobs for the Subject Property. We have also contacted industry experts. We ran Census ACS reports and Esri reports and performed internet research.

Conclusion

We find that it cannot be determined from the submitted materials and our independent evaluation that the Town of Sterling will be significantly and adversely affected by the operation of the gaming establishment after its opening due to housing and school population impacts resulting from the facility. Based on the unemployment rate, the housing vacancy rate, and the skill level of most jobs that the Slots Parlor will create, it is safe to conclude that very few of the new jobs will be filled by personnel moving to the area. In fact most jobs will be filled by persons who live in the area and therefore already have housing. In addition, Sterling has a declining school age population and household size, therefore perhaps excess capacity in its school system. In the unlikely event that there are new school age children, it seems likely the district could absorb additional school age children.

Research

Based on the information provided by the Applicant and HLT (MGC’s technical reviewer), it is our understanding that but for the “pre-opening team” from the applicant to get the operation and training started, most workers will be drawn from the local area. Industry experts engaged by the MGC (HLT) have indicated that travel time and distance to work is dependent on housing choices and travel conditions. They also state that In House-training includes substantial regulatory training for problem gaming, ethics, etc.

The Host Community Agreement between the applicant and the City of Leominster states that there will be 500-700 jobs created by the new Slots Parlor.

Table 1 below shows the population growth for Sterling from 2000 to 2010. It shows that the overall population is growing, however the school age population, ages 0-14 years is declining.

Table 1

	2000		2010		Growth 2000 – 2010	
	Number	%	Number	%	Number	%
Total population	7,257		7,808		551	
Under 5 years	483	6.7%	403	5.2%	-80	-16.6%
5 to 9 years	619	8.5%	545	7.0%	-74	-12.0%
10 to 14 years	590	8.1%	577	7.4%	-13	-2.2%
15 to 24 years	714	9.8%	838	10.7%	124	17.4%
25 to 34 years	776	10.7%	589	7.5%	-187	-24.1%
35 to 44 years	1,454	20.0%	1,087	13.9%	-367	-25.2%
45 to 54 years	1,302	17.9%	1,491	19.1%	189	14.5%
55 to 64 years	664	9.1%	1,222	15.7%	558	84.0%
65 to 74 years	352	4.9%	579	7.4%	227	64.5%
75 to 84 years	247	3.4%	291	3.7%	44	17.8%
85 years and over	56	0.8%	186	2.4%	130	232.1%

Table 2 below shows the average household size for Sterling as compared to Leominster from 1990-2010. It shows that each decade, the average household size has declined by 18% in Sterling and 5% in Leominster over the twelve month period.

Table 2

	Average Household Size	
	Sterling	Leominster
	Number	Number
1990	3.3	3.06
2000	3.16	3.05
2010	3.12	3.01

Table 3 below compares labor force over the past 11 years. Sterling’s unemployment rate has averaged 6% over the past two years and Leominster 9% and 10% respectively. The two communities alone have capacity for an additional 2,193 workers at of August 2013.

Table 3

Year	Labor Force	Unemployment				
		Sterling		Leominster		
		Employed	Unemployed	Labor Force	Employed	Unemployed
2013*	4,368	4,112	256	20,078	18,141	1,937
2012	4,354	4,107	247	20,108	18,339	1,769
2011	4,388	4,109	279	20,312	18,352	1,960

2010	4,420	4,073	347	20,555	18,362	2,193
2009	4,362	4,047	315	20,738	18,631	2,107
2008	4,354	4,162	192	20,508	19,179	1,329
2007	4,431	4,252	179	20,609	19,475	1,134
2006	4,441	4,257	184	20,785	19,592	1,193
2005	4,428	4,234	194	20,774	19,543	1,231
2004	4,434	4,232	202	21,170	19,811	1,359
2003	4,438	4,215	223	21,436	19,963	1,473

*Period through August 2013


Table 4 compares housing vacancy rates and illustrates that Sterling has 93 vacant units as of the 2007-2011 ACS and Leominster has 875 vacant units. Therefore, looking at these two communities alone, there are housing units that could be absorbed in the event workers do move to the area to work at the Subject Property.

Table 4

Housing Occupancy & Vacancy				
	Sterling		Leominster	
	Number	Percent	Number	Percent
Total housing units	2,904		16,970	
Occupied housing units	2,811	96.80%	16,095	94.84%
Vacant Units	93	3.20%	875	5.16%

We would be pleased to answer any questions you have in this regard. Thank you for your time and attention.

Sincerely,
LDS Consulting Group, LLC



By: _____
Lynne D. Sweet, Managing Member

CITY POINT PARTNERS LLC

In its petition for Designation as a Surrounding Community, Sterling notes (through Collins & Weinberg) that:

Statement 1

“... 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...”

Statement 2

“... Lastly, a majority of the aquifer that serves the water needs of the southeast corner of Leominster is located in Sterling, and increased water usage associated with the slots parlor would impact Sterling and require it to incur the substantial costs of siting an additional source of water supply for Sterling residents ...”

I conclude that with respect to water and sewer systems the Town of Sterling will not be “*significantly and adversely affected*” by the opening and ongoing operations of the proposed PPE Slot Parlor in Leominster.

WATER

Both statements are unsupported allegations. Leominster’s water supply has adequate capacity to serve future demands. The PPE Project will have a very small impact on current demand.

1. Potable water will be supplied to the PPE Project via a 16-inch water main along Jungle Road. Stantec reports in the Project ENF that the main is fed from the municipal well fields located at the end of Jungle Road (within Leominster) and from the distributing reservoir off Exchange Street; and that the primary feed is from the reservoir which is supplemented during periods of high demand by the well fields.
2. The Leominster public water system is permitted (per Woodard & Curran) to deliver 4.94 million gallons per day (MGD). The current average demand is 3.73 MGD. The PPE Project projected water demand is 28,513 gallons per day. This increase in demand over current will be less than 1%.

Statement No. 2 suggests that the Project will draw down the aquifer that serves the Town of Sterling thereby creating a need for a new source of water supply. There is no basis for Statement 2.

1. The Leominster well located at the end of Jungle Road does draw from the same aquifer tapped by the Town of Sterling. The well is a supplemental supply for the City of Leominster; normally all of the water supply is from surface reservoirs in the City.

2. The Town of Sterling web site notes that, “... *When all wells are on line, they have the capacity to pump approximately 1500 gallons per minute [equivalent to 2,160,000 gpd]. We pump an average of 610,000 gallons per day which equates to approximately 222 million gallons per year. In the summer, we sometimes pump as much as 1.5 million gallons of water a day. The increase is primarily due to watering lawns...*”
3. It is clear that even if all of the PPE Project demand reduced the aquifer capacity available to Sterling such that it could only pump 2.157 MGD, Sterling could still easily meet its peak flows of 1. That said, the capacity of the aquifer may be well above the ability of the Sterling system pumping capability, entirely negating this concern.

I conclude that the PPE Project water consumption will have a negligible impact on Sterling and will not be the cause of any cost or degradation with respect to the Sterling water supply.

WASTEWATER

The wastewater flows to be generated by the PPE Project will be collected and treated entirely within the Leominster system. The municipal wastewater treatment system has a capacity of 9.3 MGD and the current average flow is 5.87 MGD. The increase in average flow due to the Project is less than 0.5%. Further, PPE will be required to remove four times its sewage flow from the Leominster system through extraneous flow reduction in the City sewers (infiltration/inflow). It is not possible from Sterling’s perspective that the Project will have any adverse effects based upon Project sewage flow’s “... *increased demand on community and regional sewer systems...*”

F. APPLICATION

3-1

The Project will provide significant benefits to both the Commonwealth and Local economies. PPE will create 1,207 direct jobs and over 600 indirect and induced spin-off construction jobs. During construction, the Project will create \$212 million in total economic output. After opening, the Project will employ 600+ direct full-time equivalent employees and create 352 indirect induced jobs and generate approximately \$1.1 billion in taxes and fees to the Commonwealth and Local governments during its first ten (10) years. PPE expects to have a positive impact on local cultural institutions and small businesses in the region. PPE has entered into a Memorandum of Understanding with Fitchburg State University to support the University's cultural activities through joint marketing efforts. PPE projects 2.4 million visitors to the casino in its first year, 75% of which are originating from outside the host and surrounding North Central community areas. These casino visitors are excellent new prospects for enjoying the cultural and attractions offerings in the region. In addition, these new visitors to the region are expected to provide local restaurants, hotels, retail stores and attractions with new sources of business. In addition, PPE has entered into an agreement with the University of Massachusetts system to fund one million dollars per year into a program – M3D3 – which will provide seed grant monies to Massachusetts-based technology start-up companies utilizing plastics and related materials to develop medical devices. This program is expected to fund approximately ten (10) companies each year and be the catalyst for creating thousands of new, hi-tech jobs and millions of dollars of new tax revenue for the Commonwealth, while supporting the region's brand as an "Innovations and Hi-Tech" corridor.

3-2

PPE anticipates that it will create 600+ full-time equivalent jobs with benefits. Pay rates will vary based upon position, but benefits will be consistently applied and all will include health and retirement benefits. Jobs will be available in all areas, including finance, accounting, marketing, information technologies, human resources, food and beverage, facilities, security, surveillance and gaming operations. PPE will employ extensive outreach efforts to maximize employment in the local region, including ensuring diversification of its employee base. Competitive wages will be offered in order to attract and retain a qualified workforce based on a regional wage study PPE will conduct after selection by the Massachusetts Gaming Commission.

3-4

Leominster is a Gateway City, designated by the Commonwealth in recognition that the community has historically lagged state averages in educational performance and job growth. The Commonwealth has targeted Gateway cities for special assistance in obtaining business and economic development, with special emphasis on job creation. Massachusetts Live! will create over 1,200 direct jobs, approximately 600 during construction and 600 + during operations. The Company has entered into a Host City Agreement with Leominster which provides for job

preference for qualified Leominster residents in construction and operations. The Company intends to also provide a preference in hiring from citizens of neighboring towns and cities in the North Central region. PPE has entered into MOUs with MCCCCTI and Fitchburg State University to provide workforce development and training, and with ARC of Opportunity to help identify disabled members of the community and to help train these citizens for work on the Project.

3-21

PPE will generate incremental revenues to businesses in the region through a number of opportunities. First, in the expected case, spending at the casino with a variety of vendors providing goods and services accounts for \$15.4 - \$18.3 million. Employees working at the facility and living in the region are expected to spend approximately 30% of projected salaries of \$6.0 - \$6.6 million for goods and services. Other contributors include visitors from outside the area that will spend money in the region, which accounts for an additional \$3.5 - \$4.5 million. Revenue for regional businesses is expected to grow \$25.0 - \$29.4 million as a result of casino activity. Figures are represented in the following table for expected worst and best case scenarios.

4-2

The City of Leominster has a rich architectural and cultural history with primary focus in the downtown area and neighborhoods. One of the particularly advantageous points of our project site is that the Project is located a significant distance from downtown, from the majority of residential neighborhoods, and is located within an industrial zone adjacent to pre-engineered metal structures, a stone quarry, and adjacent to Interstate 190. To access the project site from Interstate 190 and the downtown of Leominster, the intersection at New Lancaster Road and Jungle Road will be improved and enhanced access to the retail and commercial center located at this intersection.

4-35

The City of Leominster lies entirely within the Nashua River basin. It encompasses about 30 square miles of land. Much of the western half of the city includes state forest, watershed lands, and other protected open space. The City obtains its drinking water from the Distributing Reservoir system, including Haynes and Morse Reservoirs; the Fallbrook Reservoir at Wachusett Street; the Notown Reservoir system, including Goodfellow Pond and Simonds Reservoir; and the Southeast Corner Well Fields at Jungle Road. Leominster also has an emergency connection to the Wachusett Reservoir at Rte. 110. PPE representatives met with the City of Leominster, Department of Public Works Assistant Director and the Business Manager, to review proposed utility connections to the Project. They confirmed that there is adequate flow and pressure in the existing system to serve the Project, without any adverse effects on the system. Taken from the City of Leominster 2012 Drinking Water Quality Report.

4-36

The City of Leominster operates a Waste Water Treatment Facility located at the intersection of Commercial Road and Mechanic Street. The Facility has a design capacity of 9.3 million-gallons-per- day (MGD) and the average daily flow varies between 5.7 and 5.8 MGD. The facility has the capacity to treat an additional 3.5 MGD of wastewater. The City owns and maintains a network of gravity sewers, pump stations and force mains that convey the wastewater to the plant for treatment. The average daily flow for the Project will be 54,400 GPD (0.054 MGD) of sewerage, far less than the available capacity of the Treatment Plant.

4-65

PPE takes seriously its responsibility to ensure minors are excluded from the gaming premises. All public access points to the facility will be controlled by the Security Department to prevent access to underage individuals to the facility. In addition to Security control of public access points, PPE will employ a series of additional measures to combat underage gaming, including working with any enforcement or remedial standards established by the Massachusetts Gaming Commission.

5-06 Host Agreement

5-23

PPE Casino Resorts Massachusetts is committed to providing the highest standard of customer care and a responsible gaming venue. The PPE Casino Resorts Massachusetts, LLC Responsible Gambling Plan will provide the framework through which the facility ensures its practices are consistent with the community's expectations and that our operation will be conducted in a responsible manner. PPE Casino Resorts LLC will prominently post on signage throughout the facility, on every slot machine, all video monitors and all advertisements, a gambling assistance message to include a toll free telephone number and website address which a patron may wish to utilize if they believe they have a gambling or substance abuse problem. Additionally, PPE Casino Resorts makes available to its patrons brochures which help explain problem gambling issues to its patrons and Team Members. These brochures also provide information on places that can provide assistance in problem gambling related issues. Attached to this response is a Responsible Gambling Plan which governs the responsible gaming policies of another PPE Casino Resorts facility which would serve as a model for the Massachusetts facility. Any PPE Responsible Gambling Plan would be consistent with all regulations promulgated by the Massachusetts Gaming Commission.

5-26

PPE will train its team members on Responsible Gaming and Responsible Alcohol Service at a Team Member's initial orientation. At this initial training, each Team Member will be trained in all aspects of the PPE Responsible Gambling Plan. Additionally, each employee will receive annual refresher training on these same topics. By educating our Team Members through training, we will enhance their understanding of the impact of problem gambling. Attached to this response is a Responsible Gambling Plan, which governs the responsible gaming policies of

The Company's Maryland Live! Casino, which would serve as a model for the Massachusetts facility. Additionally, attached to this response is an example of the Problem Gambling Training material which will be offered by PPE. Any PPE Responsible Gambling Plan would be consistent with all regulations promulgated by the Massachusetts Gaming Commission.

5-31

PPE is committed to providing the highest standard of customer care and a responsible gaming venue. The PPE Responsible Gambling Plan will provide the framework through which the facility ensures its practices are consistent with the community's expectations and that our operation will be conducted in a responsible manner. An element of such a Plan is information on locations that can provide assistance to individuals seeking treatment. PPE will prominently post on signage throughout the facility, on every slot machine, and all video monitors, and in all advertisements, a gambling assistance message to include a toll free telephone number and website address, which a patron may wish to utilize if they believe they have a gambling or substance abuse problem. Additionally, PPE will make available to its patrons brochures which help explain problem gambling issues to its patrons and Team Members. These brochures also provide information on locations that can provide assistance in problem gambling related issues. The Company's Maryland Live! Casino participates in organizations, such as the Maryland Alliance for Responsible Gaming, which analyzes Problem Gambling issues along with members of regulatory agencies, the legislature, academia and the Department of Health and Mental Hygiene to develop programs and measures to combat problem gambling. PPE will follow this example. PPE will be an active participant in public and private partnerships which seek to address the issues of problem gambling in the state of Massachusetts and to develop treatment and prevention programs/solutions.

5-38

PPE has already established a good working relationship with local police, fire and Emergency Management Services. The local firehouse and emergency medical first responders are sufficiently staffed and equipped. The firehouse is located less than one mile from the proposed facility which assures a rapid response in case of an emergency. The local police department deploys between five and twelve officers per shift and anticipates a response time of between three to five minutes for calls for service. A police substation will be located within the proposed facility. This staffing level and response time is a more than adequate to meet the needs of the proposed facility. In addition to the availability of the aforementioned emergency services, PPE will maintain a staff of security officers trained in Cardiopulmonary Respiration (CPR), the use of automated external defibrillators (AED) and basic first aid.

G. OTHER

B&S CONSULTING REPORT

According to the National Center for Responsible Gambling, 1% or less of the population is affected by problem gambling. An important mitigation technique is on site counseling and training of employees to identify those with repetitive behavior and liable to get into gambling trouble.

- a. Local street crime has not increased due to gaming activity. Some early studies of the incidence of street crime blurred the difference of incidents in nearby areas and those larcenies or assaults that occur on the casino campus. When that distinction was made, the off-site incidence was found to be at historic low levels in Ledyard & Norwich Ct.
- b. Gaming has a high employee turnover rate and at Foxwoods about 3000 on average or 10% - 20% of the labor force per year, But for a new site like the ‘Live’ Slot Casino with limited competition turnover should be less.
- c. Spin off business serving the “drive” or primary market has been limited, minimal growth of local business on access routes has been observed.
- d. Gaming monopolies are ending as Gaming is trending to be a ubiquitous activity: slots in bars to on line gaming.
- e. The MGC through its license agreements will enforce the mitigation agreements through its licensing and revenue requirements.
- f. Gambling has been associated with certain poor health conditions. Future studies by the Gaming Commission will shed light on the relationship between health, age of player, and the casino environment.
- g. Mental Health conditions associated with problem gambling have required increased funding and the Mass Gaming act requires a portion of the revenue be set aside for study and treatment of those conditions. In addition each licensee will be required to participate and fund local problem gaming outreach and education efforts.

Predictable Demands on Public Services

- a. Funding for public improvements has been often limited, but the Mass Gaming Act and the Host Community Agreement that is in place between the City of Leominster and PPE/Cordish provides for complete funding for infrastructure and public service demands that are to be identified during the permitting process by the Planning Board. PPE is liable for all construction, design and permitting/inspection costs.
- b. Water and sewer: In discussions with city technical staff we have been advised that Woodward and Curran are the City’s engineering consultants who are and will be working with the developers (PPE/Cordish) to provide infrastructure services to the proposed facility on Jungle Road and elsewhere. Our own inspections reveal existing sewer and water services exist in Jungle Road and have been advised by the Public Works staff that sufficient capacity exists in Jungle Road that had been installed for Wal-

Mart and other business in that area. That area is zoned MU1 (manufacturing) and has been actively marketed by the City for new development. Our own flow analysis, prepared for Raynham indicates for the 1250 slots and 800+ restaurant seats we would expect the facility to generate about 25000 gals per day of water and sewer demand. Public Works advises B&S, 28,000 gals per day are set aside for this project.

- c. Highways. The project site on Jungle Road is served by an intersection fully developed with timed signalization and a double left hand turn. Clearly this was designed with further development beyond the present Wal-Mart et al, in mind. Again we are advised that “Woodward & Curran” will be working with traffic engineers to review any timing adjustments that maybe required for the existing signals or their timing. With the expected level of traffic for the facility, B&S does not anticipate major expenditures being required for this intersection. However a fully developed intersection at the driveway of the Casino and Jungle Road and widening of Jungle Road to a standard section (42’ wide is recommended) Our work at Foxwoods, Mohegan Sun, Raynham and Twin Rivers have provided us with the following factors to estimate traffic generation on a daily basis and for the peak hour. We have found that by comparing the varying number of gaming positions at those facilities to traffic counts about 4 to 5 daily trips (Foxwoods/Mohegan) occur per gaming position. Applying that ratio to the 1250 slot machines results in about 5620 expected daily trips at Jungle Road. For Peak Hour Traffic between 5pm – 6pm we expect about 0.3 - 0.4 Trips per slot machine, or about 500 ins and outs in that hour. In comparison consider the following trip factors for the average Wal-Mart and Lowes.

Wal-Mart

Sat: 1,120 Trips

Week day: 870 Trips

Lowes

Sat: 590 Trips

Week day: 310Trips

Besides the intersection of Lancaster Street and Jungle Road several streets have been identified as requiring study and possible upgrade as a part of the Host Community Agreement. Traffic analysis underway by Woodward and Curran, consultants for the Planning Board of Leominster, include: Old Mill Road & Beth Avenue, Central Street and Grant Street near Sunrise Assisted Living. Also Litchfield Street & Central Street, Lancaster at Viscoloid Avenue and Howard Streets, Lancaster Street at Johnson Street, and Willard Street at Jungle Road and between Central Street & Lancaster Street. These studies are underway and will be overseen by the Planning Board. Thus it is our opinion while many Leominster residents will visit the facility, the majority of patrons will come from that 30 to 60 mile primary market circle, mainly arriving from I-190 onto Route 117 and turning left onto Jungle Road.

- d. Police and Fire
- i. The Host Community agreement provides for a 430 sq. ft. police substation within the facility. While additional police officers for the force are not part of the agreement, the Police Chief will determine the level of shift staffing that will be assigned and paid for by the PPE management. Specific information as to the relationships between State Troopers and Gaming Commission enforcement personnel has not been finalized between them. That inter- jurisdictional relationship will set the parameters for requirements for local police staffing.
 - ii. CRIME: Off property street crime has not appreciably increased due to gaming activity as reported in Police reports by Connecticut State police. The Foxwoods Casino opened in Ledyard in 1992; Mohegan Sun opened in Montville in 1996. Uniform Crime Reports (UCR) data show that since the casinos opened, index (serious) crimes have increased overall in Ledyard, Montville, Norwich, North Stonington, and Preston combined. Index crimes are murder, rape, robbery, aggravated assault, burglary, larceny, and motor vehicle theft (MVT). The increase in these crimes occurred primarily on casino premises. General studies of the incidence of street crime blurred the difference of incidents in nearby areas and those larcenies or assaults that occur on the casino campus. When that distinction was made, the off-site incidence was found to be at historic low levels (Ledyard)
- The proposed on site police substation is highly recommended to mitigate against the incidence that may occur even at the smaller sized slot casino. Please note that the older ages of the majority of slot players, as opposed to younger players for full casinos, mitigate against the level of activity seen in Ledyard at Foxwoods. In 2000 there were about 6100 gaming positions at Foxwoods and about 565 incidents of larceny on the casino premises during the year or about a .09 ratio. That rate includes attempts to cheat at the tables or machines or not paying for a tab. At a smaller facility that ratio will be less. If one were to assume a similar ratio, for “Live! Casino” at 1250 slots or positions at year end 112 larcenies would have occurred or about 2 per week. However, in the similar facilities, such as in the Maryland Live! Facility, visited by the Police Chief, with an onsite police presence, area crime incidents reduced 25%.
- Thus B&S concludes what will be observed at the “Live! Casino” will be a fraction of the .09 rate, or a decrease in the area due to continuous Police presence. The Leominster Police Department was very open in supplying crime event data for the last 2 years and for the last 6 years. Mapping provided indicate areas of concentrated incidents occur downtown and at the Whitney Field Mall area. The new Wal-Mart has experienced an uptake in larcenies and this is very similar to the experience of Raynham with their new Wal-Mart.
- Also B&S notes that there will be an increased demand for emergency response calls to the area due to the poorer health of the older patrons of the facility. It is recommended that during peak hours an ambulance unit be placed on standby at or near the casino.
- e. Schools: As discussed below, it is not expected that the “Live! Casino” will need to import large numbers of employees if any. And if so those will be managers who have

gained experience in working at other gaming or entertainment venues and will have higher than average wage levels. Thus an increased demand on school services, or new teachers is not to be expected to result from the employee pool as those with children are likely to be in large part already in the community.

- f. Housing: Leominster has over 17,000 housing units of various types. Of that vacancy rates for Leominster for owner occupied and rental housing have hovered near 3% in general terms for a decade or about 500 units of housing. Also Leominster is a community of about 41,000 people of all ages, with about 20,200 in the work force, and in July of 2013, 1990 were unemployed or about 9.9%. The number of jobs at the “Live Casino” estimated by PPE/Cordish will be between 500 and 700, and they specify elsewhere that there will be 605 FTE’s. With unemployment at 1990 individuals in July 2013, the level of new jobs could be filled by folks in Leominster right now. Let’s assume, however, only 1/2 to 2/3 will be from the unemployed pool in Leominster. Whatever the actual number, it will create housing demand for a significant proportion of the vacant housing stock, of about 500 homes. When interviewing the Director of Housing Mr. Capoccia, he indicated Cordish committed to workshops with the HA to provide the HA clients with employment opportunities. As HA rents are limited to 30% of income this will help low income wage earners to keep or find housing as their rent will be tied to income, benefiting not only the Leominster Housing Authority and its clients. Job fairs will be held at locations such as the Allencrest Apartments on Viscoloid Avenue near the site. The HA currently has 1800 housing units in its inventory.
- g. Employment: Cordish executives have indicated that the proposed slot casino will employ 605 full time equivalent positions, with an average salary including benefits of \$48,000. Thus the majority of employees will have moderate incomes, very similar to the existing wage scale at local employers. Comparing the employment levels of other gaming establishments such as Twin Rivers, Yonkers, Foxwoods and Mohegan, B&E estimates that after the initial “hard opening” period, employment will stabilize at the 450 to 500 level. An interesting study prepared by the State of New York regarding employment at the Yonkers Casino calculated that for every one million dollars of slot revenue about 3 jobs resulted. Please refer to Table 8 below where estimates of PPE/Cordish facility revenue are calculated. Using a low of \$137,000,000 (at \$300 per machine) that will generate about 411 permanent jobs, at a higher revenue of 182,000,000 (\$400 per machine) creates 547 jobs. As a practical matter actual job numbers will be set by senior management in response to market conditions they face. Thus we see a relationship between revenue per machine and job creation. Later in the discussion of Regional Economy, spin off jobs are estimated. The actual number of spin off non-casino jobs will vary with the actual casino employment. The kinds of jobs to be expected include managers about 10% of the work force, technicians of various sorts: mechanics, electricians, information services, surveillance and security specialists, and gaming supervisors. Lower level wage earners will be wait staff, cleaning personnel and food service workers, about half of the work force. In addition to on site staff, about an equal

number of vendors from the region and outside the region (see below Regional Economy) will serve to supply the facility with various kinds of goods and services.

- h. **PROPERTY VALUES** The impact on local property values, the geographic range of any impact can best be illustrated through the following graphics comparing the trends in property values in Leominster Mass and Ledyard, Ct, the main host community for the Foxwoods resort and Casino. Clearly the impact of the 2007 – 2008 economic down turn can be seen in reduced property values. Volatility of pricing is most pronounced in Ledyard, with both communities having adjusted to Market values over the last three years or so, now between \$150k and \$200k. Future impacts on housing in the Leominster market due to the slot parlor cannot be expected to be significant due to the small size of the facility, the availability of housing at affordable prices (around \$200,000) and the larger relative population of Leominster as compared to the towns surrounding the mega casino's Foxwoods and Mohegan Sun.
- i. **Predictable Impacts on Regional Economy.** Conn Economic Research Center Inc. prepared an economic generation study for both Connecticut casinos in 2005 and updated it in 2007. The determined the "Spin Off effect factor" to be 1.107 non casino Jobs for every Casino Job. State wide spin off factor is an additional .74 non casino jobs not in the local area for every casino job. At that time in 2005 Casino employment was 20220 x 1.1.0 = 42603 total jobs within the County State wide additional jobs: 20220 x .74 = 14963 For Leominster the Cordish company tells us that on site jobs will be 605. At the factor determined for Foxwoods and Mohegan Sun those 605 jobs will result in another 665 non casino jobs in the nearby community. If we add in service jobs of a non-local nature add another 447 jobs. Total new employment: 1270 B&S has indicated before that after the initial year of operations we believe jobs levels will stabilize between 400 and 600, so say 500 for long term employment times the employment factor that will result in 1005 total permanent jobs.

5. OTHER

Legal Framework

In determining whether a community is a surrounding community, the commission . . . will evaluate whether: . . . The community will be significantly and adversely affected by any other relevant potential impacts that the commission considers appropriate for evaluation based on its review of the entire application for the gaming establishment. 205 CMR 125.01(2)(b)(5)

Executive Summary

The Town of Sterling argues that “[t]here are also societal and public safety impacts associated with a proposed slot parlor,” including:

“(a) A potential for increased larcenies and other crimes in Sterling. The slots parlor proposal includes locating a police sub-station within the facility and surveillance cameras both inside and outside. While this will certainly have a positive impact on reducing crime at the site, it will have the inevitable and foreseeable consequence of pushing criminal activity to locations away from the police presence and cameras, which means into Sterling, less than one-quarter mile away.

(b) A potential for increased gambling addiction, which could strain the social service infrastructure of Sterling.

(c) If the employment opportunities at the Leominster slots parlor lead to more people choosing to reside in the neighboring town of Sterling, there will be an increased number of students entering the Sterling school system which will lead to further economic pressures on Sterling's budget.

(d) Sterling is also concerned for the reduction in property values that will result to homes in the vicinity of the proposed slots parlor, not only out of concern for the owners of those properties but also for the diminution in property taxes that will result.”

The Applicant Responded that increased crime and increased gambling addiction are “pure speculations that have no basis in fact”, that the facility will benefit from an on-site Leominster police station and State Police presence, that the average demographic of a casino customer is 55 year of age and older, and that there is no proximate physical connection between the Project site and the Town. The Applicant asserts “no causal relationship between the opening of a gaming facility and property values” and noted that most of the jobs are to be filled by Leominster and area residents and that there is significant housing stock in Leominster.

Mark Vander Linden provided a review of relevant research on these topics for the Commission. He noted: “Gambling venues potentially add or detract from the wealth of the community by increasing or decreasing the intrinsic value of neighboring properties. A new gambling venue may also increase the value of adjacent property to investors who may desire to build complementary businesses (e.g., hotels, restaurants). However, a new gambling venue might also increase noise, traffic, and parking difficulties and/or attract undesirable clientele to the neighborhood. Changes in property values will also impact the amount of property taxes collected by municipal governments. Increased property values are economically beneficial but may have negative social consequences for low-income local homeowners and those living in rental accommodations.

A total of 7 studies (and the majority of the better quality studies) have not found any impact of new casinos on property values, whereas 6 studies have found them to be associated with increases in property values. Only one study found property values near a casino to decrease (161). There has only been one study looked at this issue for EGMs, and found no relationship between EGM density and property prices.”

And that,

“[I]t seems clear that although there are good theoretical reasons to expect a positive relationship between gambling introduction and crime, it may not always manifest itself. There are many other factors that can potentially mediate this relationship, such as extensive prior exposure to gambling, a relatively small increase in the availability of gambling relative to population size, a temporal lag whereby crime increases take several years to occur (179), or the existence of jurisdictional policies that protect against the negative impacts of gambling (e.g., effective programs to prevent problem gambling, limits on the provision of readily available cheap alcohol in venues, enhanced security/policing in casinos, etc.). Because the magnitude of the increase in crime is not large in most studies (e.g., 8% in several studies), the presence of any of these other moderating factors has potential to negate the increased crime effect.”

A. COMMUNITY PETITION

None

B. APPLICANT RESPONSE

None

C. RPA ANALYSIS

None

D. ENF ANALYSIS

None

E. CONSULTANT ANALYSIS

None

F. APPLICATION

None

G. OTHER

NOVEMBER 14, 2013 – APPLICANT COMMENTS AT PUBLIC MEETING

11 CHAIRMAN CROSBY: Obviously, we are
 12 not competent to make these decisions by
 13 ourselves. So, this debate will be for the
 14 experts to talk about. We'll listen.
 15 The issue before us is whether or
 16 not certain towns should be deemed surrounding
 17 communities. And it sounds to me like your
 18 position at least in two or three of the cases
 19 -- at least in two of the cases is not that
 20 they shouldn't be surrounding communities, but
 21 that you want to speak to the issue of the
 22 nature of the surrounding community agreement.
 23 Because if Townsend is a surrounding community,
 24 it seems like pretty logical that Lancaster or
 1 Bolton is going to be a surrounding community.
 2 MR. WEINBERG: Let me address that.
 3 There is a difference between entering into a
 4 cooperative amicable agreement with a town
 5 under the statute, which is one of the ways a
 6 community can be designated a surrounding
 7 community versus where an amicable agreement
 8 cannot be reached, then you have to go to okay
 9 there is a test set down.
 10 And there are certain parameters set
 11 down under the statute. And we do not believe
 12 any of the petitioning jurisdictions meet the
 13 test of a significant adverse impact from the
 14 facility.
 15 If we go to the next slide, we
 16 cannot ignore because there's a balancing act
 17 of the positives, the negatives if any. When
 18 you look at the positive impacts of the
 19 facility in terms of jobs, we have over 1200
 20 jobs construction, permanent direct and equal
 21 number of indirect. We have a \$30 million
 22 annual payroll. We have over \$20 million in
 23 goods and services that we are buying in the
 24 area on an annual basis. We have tremendous
 1 support from all of the areas Chambers of
 2 Commerce, businesses, attractions,
 3 universities, community colleges, workforce
 4 development, the venues in the area.

5 We have the program with the
 6 University of Massachusetts where we're funding
 7 between \$1 million and \$1.5 million a year to
 8 grow new businesses in the medical device
 9 industry and to get those companies to
 10 manufacture in the north central area. We will
 11 be a major charitable giver in the area.
 12 So, there is tremendous positive
 13 impact that the communities around us will
 14 receive the benefit of and we want them to.
 15 And that's why we're all doing this.
 16 But when it comes to do they meet,
 17 do the petitioning communities meet the test of
 18 a surrounding community under the statute, what
 19 we've done in an amicable way with any other
 20 community is really not relevant.
 21 CHAIRMAN CROSBY: Your position on
 22 Lancaster is they don't actually qualify as a
 23 surrounding community but you gratuitously have
 24 done a surrounding community agreement with
 1 them because of the way in which they have
 2 negotiated with you?
 3 MR. WEINBERG: We don't believe that
 4 we have significant and adverse impacts on
 5 Lancaster, but clearly they actually have a
 6 border that touches where we are. So that was
 7 one that we would say was very important to
 8 come to terms with.
 9 We would say after Lancaster, in the
 10 terms of -- We want to reach amicable agreement
 11 with all of the communities we share up there.
 12 But when we believe that the terms are not
 13 acceptable to us in terms of what has been
 14 discussed, for instance take Bolton for
 15 example. We have a final agreement that was
 16 presented to their board of selectmen last
 17 night or two nights ago. We have worked hard
 18 to try to reach --
 19 CHAIRMAN CROSBY: And what happened
 20 with that?
 21 MR. WEINBERG: They rejected it two
 22 to one.

23 CHAIRMAN CROSBY: So, one of the
24 selectman thought it was okay and two thought
1 it wasn't?
2 MR. WEINBERG: Yes. And if you read
3 the comments, just so you have a flavor of the
4 difficult position everybody is in here, when
5 you read the comments that were in the paper
6 and I don't know if it was this morning, but I
7 just saw the article this morning, the comments
8 coming out of the selectmen, who I never met
9 with by the way -- The gentleman who made the
10 presentation, he made a lot of comments, I
11 never met with him. We met with the town
12 administrator. And we worked through an
13 agreement.
14 The comments from the selectmen were
15 not -- the agreement doesn't work because it
16 doesn't address this specific impact that we
17 have. The comments are we can do a better deal
18 or we should get what Leominster got. Or we
19 should get a larger piece of what Leominster
20 received. Or the facility is going to make a
21 lot of money. They ought to pay us more.
22 So, those are the types of
23 impressions out there that some of these boards
24 have. I'm just quoting what is in the paper.
1 I wasn't there. So, I can't say whether the
2 quotes are accurate or not. But that is what
3 was reported.
4 That is not what the intent of this
5 process was. It was to identify impacts to the
6 extent they are identifiable and to try to
7 address it. And that's what we have done.
8 For instance, just to give you a
9 sense, the agreement with Bolton -- By the way,
10 the agreement we have with all of these
11 communities on the issue of traffic and the
12 cost of that traffic, it self modulates. So,
13 the community gets compensated based on the
14 actual impacts they have. So, there is a
15 misunderstanding by, and I think there is a
16 misunderstanding in Bolton that somehow they
17 should get more than the other guy got because
18 if they have more traffic incidents the way we
19 have approached it, then they get more because
20 it's based on that actual experience.
21 Again, to answer your question, we
22 do not believe they meet the test or any of the

23 other petitioning communities meet the test of
24 a surrounding community. We think the fact
1 that we have signed and we've done a good job
2 of trying to bring other communities into the
3 fold and have negotiated successfully five
4 agreements, to hold that against seems to be
5 (INAUDIBLE) to the whole intent of the process.
6 COMMISSIONER MCHUGH: So, if I
7 understand your position, just to make sure I
8 do understand it, apart perhaps from Lancaster,
9 none of the communities is a surrounding
10 community within the meaning of the statute and
11 the regs. But you've negotiated agreements
12 with them, so you don't get to the factor test.
13 MR. WEINBERG: Exactly.
14 COMMISSIONER MCHUGH: And nobody
15 should against the you the fact that -- or use
16 as a precedent the fact that you entered into a
17 surrounding community agreement with a
18 community that is not really a surrounding
19 community.
20 MR. WEINBERG: You said it much
21 better than I did. Yes, I agree.
22 COMMISSIONER MCHUGH: No, I just
23 want to make sure I understand.
24 CHAIRMAN CROSBY: You did, Judge.
1 MR. WEINBERG: That's a very clear
2 summation. I'm happy to answer any questions.
3 CHAIRMAN CROSBY: What are the
4 essential terms of the deal with Lancaster, the
5 agreement with Lancaster same as the one you
6 put up before?
7 MR. WEINBERG: This is not the
8 Lancaster agreement, but I'll tell you --
9 CHAIRMAN CROSBY: But are they the
10 same?
11 MR. WEINBERG: Lancaster is slightly
12 different.
13 CHAIRMAN CROSBY: So, I'm asking
14 about Lancaster.
15 MR. WEINBERG: So, on Lancaster
16 there's an annual community impact fee payment
17 of \$35,000 per year. We agreed to pay them up
18 to \$200,000 to do road design on an
19 intersection that they believe they are having
20 issues with today. So, we agreed to fund the
21 road design work. Any improvement there we
22 will benefit from as well.

23 Then it has these additional
24 provisions. This is true of the five that we
1 have signed. There is a public safety response
2 cost reimbursement, which is we reimburse the
3 actual cost for police and fire responses
4 caused by our facility.
5 We have created what we call a
6 surrounding community benefit payment, which is
7 a rising scale of a percentage of our gaming
8 revenues over a breakpoint, which starts at .25
9 percent and rises to one percent. So, the idea
10 was that we achieve great results in the
11 facility that the communities will shared in
12 the benefits.
13 CHAIRMAN CROSBY: The .25 to one is
14 for each of the communities that signed this or
15 is this a pool?
16 MR. WEINBERG: It's a pool that
17 would be shared by those communities that enter
18 into --
19 CHAIRMAN CROSBY: And what is the
20 breakpoint?
21 MR. WEINBERG: The first breakpoint
22 is \$200 million. Cooperation in seeking funds
23 from the community impact fund from the state.
24 Local hiring preferences, local vendor
1 preferences for the facility, of course our
2 ongoing commitment for running a responsible
3 gaming program at the facility. Participation
4 in regional marketing and tourism and cross-
5 marketing programs with both the communities
6 and their businesses. Then we also provide for
7 the reimbursement of the town's cost in
8 negotiating the agreement with us.
9 COMMISSIONER STEBBINS: Do the local
10 hiring and local vendor preference dilute
11 anything that was in your agreement with the
12 city of Leominster?
13 MR. WEINBERG: It is all subject to
14 the host agreement. So, we believe that the
15 people we will be hiring and the businesses
16 that we will be doing business with that there
17 is not sufficient capacity in Leominster to
18 satisfy all of our needs. So, we believe that
19 there is a major opportunity for the whole
20 area.
21 CHAIRMAN CROSBY: Is there a
22 reopener of some sort in the Lancaster deal?

23 Take for example, if your estimation that the
24 eight percent increase doesn't move it from one
1 category down to another, if it did, if it were
2 15 percent instead is there any kind of a
3 reopener?
4 MR. WEINBERG: There is not a
5 reopener. One of the reasons for the
6 participation in the community benefit fund was
7 there may be some relationship between our
8 revenues that we are doing and the type of
9 traffic we're generating. So, that would
10 provide additional compensation to the
11 communities.
12 Of course, the community impact fund
13 that is being created under the gaming tax to
14 the state, that is really the very reason for
15 the use of those impact funds are things today
16 we can't sit here and say that is going to be
17 an issue. That fund is to address needs in the
18 future.
19 CHAIRMAN CROSBY: The way we've
20 characterize that fund is that it will be
21 available for unanticipated or unanticipatable.
22 The fact that your eight percent number by your
23 own discussion, the number of public safety
24 incidents you can claim one thing, somebody can
1 claim another. Nobody is going to really know
2 it until it's over. So, you put in a sliding
3 scale which seems eminently fair. You might
4 very well take the same approach towards
5 traffic.
6 COMMISSIONER ZUNIGA: I wanted to
7 ask about the MEPA process that you will be
8 required to do and follow through, can you
9 expound a little bit on what those improvements
10 may look like currently in that intersection?
11 MR. WEINBERG: Under the MEPA
12 process, we followed our ENF filing. Part of
13 that process is then there is a scoping in
14 terms of anything else the state wants us to
15 look at. That is also instructive on the whole
16 issue of the surrounding community agreements.
17 Because MEPA did not require us to
18 look at any roads in Sterling and Fitchburg or
19 any of these communities. There was one
20 intersection which they wanted us to look at
21 which the state is already looking at which is
22 the intersection of 495 and 117. And it's

23 really part of a potential revenue share in
 24 whatever improvements.
 1 If it is anticipated we are going to
 2 cause -- And this will come out during our EIR,
 3 to the extent that we are exacerbating the
 4 problem there, then we would be required to
 5 share in the cost with the state and other
 6 users in any improvements at that intersection.
 7 I have my traffic consultant just to make sure
 8 I'm being accurate.
 9 By the way, when the Walmart was

10 built in the same area, there was no
 11 requirement to look at any roads by MEPA in
 12 Fitchburg or in Sterling because it wasn't
 13 anticipated that there would be any
 14 exacerbation of problems with those roads. So,
 15 that is also something that is very instructive
 16 in terms of the validity of our traffic
 17 projections.

TRANSCRIPT OF PUBLIC MEETING IN LEOMINSTER 10/21/2013

MS. ALESSANDRINI: I'm Jane
 14 Alessandrini.
 15 **CHAIRMAN CROSBY:** Okay. By all
 16 means.
 17 **MS. ALESSANDRINI:** A country girl --
 18 **CHAIRMAN CROSBY:** Individuals are
 19 fine.
 20 **MS. ALESSANDRINI:** Sterling. You
 21 know, I have to be honest and tell you that
 22 I'm really kind of looking forward to
 23 having a venue like this nearby. There's
 24 nothing like it out this way. Everything
 1 seems to go on the other side of 495. The
 2 money seems to go to Boston, never hits
 3 this way.
 4 And, truthfully, I mean I -- I
 5 studied the Cordish's, and I'll be honest
 6 and tell you I work in the office, I'm the
 7 receptionist. But what I really like about
 8 this whole thing is that the Cordish
 9 company is thinking outside the box.
 10 They're not just looking to slap a slot
 11 parlor down in Leominster and walk away.
 12 They're trying to build really strong ties
 13 to the community.
 14 By bringing in the UMass piece,
 15 they're giving entrepreneurs an opportunity
 16 to build smaller businesses to make more
 17 jobs for people that we don't have here. I
 18 was in the unemployment office two years
 19 ago, and let me tell you, if you didn't get
 20 a number by 8:30 you'd have to come back
 21 the next day, because the unemployment rate
 22 is so high in this area, and people need

23 options. That's all I have to say.

MS. ACKERMAN: Good afternoon. I'm
 14 Terri Ackerman, I'm the town administrator
 15 from Sterling. And I want to thank the
 16 Gaming Commission for holding this hearing.
 17 And I also want to thank you for
 18 considering surrounding communities in your
 19 process, and your ombudsman, John Ziemia
 20 has been very helpful to several of us
 21 communities.
 22 I do feel the need to echo, very
 23 briefly, the comments for some previous
 24 speakers. I wasn't planning on speaking
 1 today. But Route 190 does go through
 2 Sterling. We are one quarter of a mile
 3 from the proposed project. And we believe
 4 Sterling will be very impacted, in
 5 particular on Route 190. On the one hand
 6 the Cordish company says 60 to 80 percent
 7 of this 8,000 cars per day will be coming
 8 on the interstate highways, including, of
 9 course 190, all the traffic coming from
 10 Worcester and the south, but then they say
 11 there's not going to be any impact to
 12 Sterling. So I personally think that our
 13 fire and EMS services will be a first
 14 responder, as usual on these interstates,
 15 such as 190, and we will be having a
 16 definite cost to Sterling taxpayers. So I
 17 ask you to consider that, and thank you
 18 again.

6. POSITIVE IMPACTS

Legal Framework

In determining whether a community is a surrounding community the commission may consider any positive impacts on a community that may result from the development and operation of a gaming establishment. 205 CMR 125.01(2)(c)

Executive Summary

The Applicant noted several positive impacts from the development including approximately \$20 million that may be spent annually on local goods and services.

A. COMMUNITY PETITION

None

B. APPLICANT RESPONSE

POSITIVE IMPACTS

25 CMR 125.01(2)(c) specifically states that in determining whether a jurisdiction qualifies as a Surrounding Community, "the Commission may consider any positive impacts on a community that may result from the development and operation of a gaming establishment." In this case, the benefits to the Town will far exceed any negative impacts. PPE has committed to preferential hiring for Leominster and neighboring communities. In addition, the Project, which is expected to spend approximately \$20 million annually on goods and services, is committed to working with local businesses from those communities. The job opportunities for the Town's residents at the Project and the purchasing and cross marketing opportunities for the Town's businesses with the Project are positive impacts for the Town.

PPE has received the endorsement of local and regional chambers of commerce, businesses, performing arts venues and attractions and has entered into agreements to participate in regional marketing and cross-marketing programs with same. PPE has received the endorsement of several prominent Sterling businesses, including the Chocksett Inn, which was identified in the Petition. This is a strong message from the business community that the Project is anticipated to be a strong economic engine for the entire region. PPE has entered into cooperation agreements with the Massachusetts Casino Careers Training Institute (representing the State's community college system) and Fitchburg State University, which includes agreements to work together on workforce development, internship programs and cross-marketing efforts between university cultural attractions and the Project. In fact, leaders of the Massachusetts Casino Careers Training Institute have visited Maryland to learn how PPE's affiliate has implemented joint ventures with the regional community college and its Maryland Live! casino and how this model can be applied in Massachusetts.

PPE has also entered into a partnership with the University of Massachusetts Medical Device Development Corporation to provide funding of up to \$1.5 million per year to support new high-tech business development in the north-central region, which includes the Town. This program is expected to generate 5,000 direct and 15,000 indirect jobs in the region. Therefore, the impact on public education in the community and the increased opportunities that will be created for students and graduates will be extremely positive and the Project's impact on the regional unemployment rate will be enormous.

C. RPA ANALYSIS

None

D. ENF ANALYSIS

None

E. CONSULTANT ANALYSIS

None

F. APPLICATION

None

G. OTHER

Attachments:

- Host Mitigation Agreement (5-06)?
- Traffic Impact Study
- Letter from Roger H. Brooks, Jr, Business Manager of the City of Leominster Department of Public Works.