

C# 2013 1059

SECOND AMENDMENT TO THE HOST COMMUNITY AGREEMENT BY AND BETWEEN CITY OF SPRINGFIELD, MASSACHUSETTS AND BLUE TARP REDEVELOPMENT, LLC

This Amendment dated February __, 2016 is made to the Host Community Agreement By and Between City of Springfield, Massachusetts and Blue Tarp reDevelopment, LLC (the "Agreement") as of May 14, 2013 as amended.

WHEREAS, the City of Springfield Massachusetts and Blue Tarp reDevelopment, LLC (collectively referred to as the "Parties")¹ wish to amend the Agreement as further provided below;

NOW THEREFORE, for good and valuable consideration the Agreement is hereby amended as follows:

(1) Section 1 to the Agreement shall be amended by deletion of the existing definitions (dd), (tt) and (qqq) and insertion in place thereof the following definitions:

(dd) "Construction Completion Date" means the date occurring the later of (i) August 6, 2018 or (ii) the date on which Milestone No. 3 – Full Beneficial Use of the I-91 Viaduct (as outlined in Mass DOT Project Summary – Springfield I-91 Viaduct Deck Replacement #607731) is achieved.

(tt) "Final Completion Date" means the date occurring no later than thirty (30) days following the Construction Completion Date.

(qqq) "Operations Commencement Date" means the date occurring no later thirty (30) days following the Construction Completion Date

(2) Sentence five (5) of Section 3 to the Agreement shall be amended and replaced in its entirety as follows:

To determine compliance with the Concept Design Documents and the Project Description, Developer shall submit the following to the City: (i) no later than six (6) months following the issuance by the Commission of a Category 1 license to Developer having no material conditions that are unacceptable to Developer, final Project design documents; (ii) no later than November 7, 2016, fifty percent (50%) construction documents for the Project, and (iii) no later than April 7, 2017, ninety-five percent (95%) construction documents for the Project.

(3) The last sentence of Section 3.5 to the Agreement shall be amended and replaced in its entirety as follows:

No earlier than July 2, 2015 and no later than August 31, 2015, Developer shall make a prepayment to the City of Four Million Dollars (\$4,000,000); no earlier than October 2, 2015 and no later than November 2, 2015, Developer shall make a prepayment to the City of Three Million Dollars (\$3,000,000); no earlier than October 2, 2016 and no later than October 31, 2016, Developer shall make a prepayment to the City of Three Million Dollars (\$3,000,000); and no earlier than October 2, 2017 and no later than October 31, 2017, Developer shall make a prepayment to the City of Three Million Dollars (\$3,000,000) collectively (the "Prepayments").

¹ MGM Springfield reDevelopment, LLC executed a Joinder to the Agreement.

(4) *Paragraph 1 in Exhibit A to the Agreement shall be amended and replaced in its entirety as follows:*

1. No later than May 8, 2017, Two Million Five Hundred Thousand Dollars (\$2,500,000).

(5) *Exhibit A to the Agreement shall be amended by adding the following paragraph after paragraph 3:*

4. No later than October 31, 2017, One Million Dollars (\$1,000,000) to be used to assist in the funding of new and innovative additional methods to deploy public safety resources in the general area bounded Southerly by Main Street at the intersection of Mill Street; Westerly by West Columbus Avenue; Northerly by Liberty Street, and Easterly by Dwight Street, in a variety of ways, to ensure maximum police visibility in such area and to enable officers to provide quick response times to calls for service in such area. Expenditures may include, without limitation, expenses for enhanced police technology, infrastructure, supportive equipment, and personnel services, as well as additional resources for the dissemination of information to the public.

(6) *Paragraph 6 in Exhibit C to the Agreement shall be amended and replaced in its entirety as follows*

Developer shall exercise its best efforts to ensure that at least Fifty Million Dollars (\$50,000,000) of its annual biddable goods and services are prioritized for local procurement, meaning principally Springfield, but including the surrounding Greater Springfield Area, meaning Hampden, Hampshire, Franklin and Berkshire Counties. Such local businesses shall not be guaranteed any awards but shall be given preferential consideration if all other aspects of the respective bid responses are competitive with non-local businesses.

(7) *Paragraph 7(a) in Exhibit C to the Agreement shall be amended and replaced in its entirety as follows:*

“City Resident” means any person for whom the principal place of residence is within the City as of the date of such person’s hire. However, if any such person’s residency occurs within three (3) months of the date of such hire as a result Developer’s prior express agreement to hire, such person shall not be considered a “City Resident” under this definition unless such person had previously resided in the City for at least one (1) year. The intent of this provision is to create an incentive for those individuals who may have left the area to return to Springfield. Proof of residence may include, but is not limited to, the following: a valid Massachusetts driver’s license indicating a City permanent residence, utility bills, proof of voter registration within the City or such other proof indicating a permanent residence within the City.

(8) *Paragraph 1 in Exhibit E to the Agreement shall be amended and replaced in its entirety as follows:*

1. Traffic Improvements

The Developer shall implement or fully fund, as applicable, on a timely basis according to a schedule agreed to by the City and not later than the Construction Completion Date (except for those measures that by their terms extend beyond the Construction Completion Date) the transportation

mitigation measures provided by the Commission's findings issued pursuant to M.G.L. c. 23K and M.G.L. c. 30 § 61 dated December 22, 2015 and by the individual M.G.L. c. 30 § 61 findings for each other state agency with jurisdiction to issue any state permit for the Project (collectively, the "Section 61 Findings"), as the same may be modified from time to time by the Commission and such other state agency in accordance with the terms and provisions of the Section 61 Findings.

(9) *Paragraph 2(b) in Exhibit E to the Agreement shall be amended and replaced in its entirety as follows:*

(b) In lieu of Developer's obligations in Paragraph 2(a) above, the SRA shall have the right to require that Developer shall enter into an agreement with the SRA to make fifteen (15) annual payments to the SRA of Five Hundred Thousand Dollars (\$500,000) each, with the first such annual payment commencing not later than August 8, 2016 and on each anniversary date thereof until fully paid.

(10) *Paragraph 3 in Exhibit E to the Agreement shall be amended and replaced in its entirety as follows:*

3. Riverfront Park

No later than August 8, 2016, the Developer shall provide the City with a grant of One Million Dollars (\$1,000,000) to be used by the City to fund improvements at Riverfront Park.

(11) *The first three (3) words in Paragraph 6 in Exhibit E to the Agreement shall be amended and replaced in their entirety with "Upon Operations Commencement".*

(12) *Paragraph 8(a) in Exhibit E to the Agreement shall be amended by deleting the number "3,000" and replacing it with the number "5,000".*

(13) *Exhibit E to the Agreement shall be amended by deleting the eighth page thereof, which is a project site parcel map inadvertently included in such Exhibit, which has been superseded by the First Amendment to the Host Community Agreement replacing Exhibit H.*


(14) *Exhibit G shall be amended and replaced in its entirety with the attached Exhibit G.*

(15) *Exhibit I shall be amended and replaced in its entirety with the site plan submitted by the Developer and approved by the City in accordance with Section 8.5 of the Springfield, Massachusetts Zoning Ordinance, copies of which are on file in the Office of Planning and Economic Development and the Office of the City Clerk.*

All other terms and provisions of the Agreement shall continue to have full force and affect.

CITY OF SPRINGFIELD, MASSACHUSETTS,
a municipal corporation

Approved:


Chief Development Officer
Date Signed: 3/7/16

LLC Approved as to appropriation: N/A

[Signature]
City Comptroller
Date Signed: 3/8/16

Approved as to form:

[Signature]
Edward Pikula, City Solicitor
Date Signed: 3/14/16

Consent of MGM Resort
International
attached

Reviewed:

~~Acting~~ Chief Administrative and
Financial Officer
Date Signed: _____

APPROVED:

DOMENIC J. SARNO, MAYOR
Date Signed: _____

BLUE TARP reDEVELOPMENT, LLC, a Massachusetts
limited liability company,

[Signature]
MICHAEL MATHIS, President and Chief Operating Officer
Dated Signed: 2/24/16

MGM SPRINGFIELD reDEVELOPMENT, LLC, a
Massachusetts limited liability company,

[Signature]
MICHAEL MATHIS, Authorized Signatory
Dated Signed: 2/24/16

EXHIBIT G
PROJECT DESCRIPTION

The Project is a mixed-used destination casino resort development, including the following components and approximate square footage:

Component	Description	Approx. Sq. Ft.
<i>Casino & Retail Block</i>		
Gaming	A one-level casino with no fewer than approximately 2,800 - 3,000 slot and video gaming machines, approximately 75 – 100 table games, including a poker room and a high-limit area and related support, security and customer service facilities. Future expansion of the casino may be on a second level.	125,000
Retail	Retail outlets adjoining the casino floor and facing and opening onto Main, State, Howard and Union Streets.	30,000
Cinema	A branded movie cinema with at least six theaters and accompanying food and beverage service.	35,000
Bowling	A branded bowling and entertainment space with ten lanes and accompanying food and beverage service.	12,000
Food and Beverage	Food and beverage amenities allocated among no fewer than seven outlets containing at least ten distinctly branded restaurants, lounges or cafes located along Main, State, Howard and Union Streets.	70,000
Banquet and Conference	Modern, finished banquet and meeting space and related pre-function and back-of-house/food preparation areas planned to complement existing convention facilities at the MassMutual Center and Arena; pre-function space shall front and have access to rooftop garden.	42,500
Hotel	A mid-rise four-star hotel on Main Street with no fewer than 250 keys and amenities and finishes characteristic of the upper upscale market, including an approximate 6,000 square foot spa and fitness facilities with adjacent, 10,000 square foot accessible roof-top outdoor swimming pool and deck, spa terrace and lanai deck.	150,000
Operations Functions/Offices	Executive office, back of house and operations space necessary to support the public spaces and patron amenities.	220,000

<i>Additional On-Site or Nearby Project Amenities</i>		
Armory Marketplace	An outdoor market place located between the Armory and the relocated French Congregational Church, with ice skating and other seasonal programming.	10,000
Outdoor Plaza	An outdoor public plaza with facilities and infrastructure to host events, a large dynamic video display, outdoor areas for events and concerts that can easily be transformed into interactive environments for exhibitions, art shows and similar functions.	57,000
Rooftop Gardens	Second-level rooftop gardens as an amenity to Hotel and Banquet/Conference patrons with a portion overlooking the Outdoor Plaza (excluding spa terrace, pool deck and lanai deck cited above in Hotel).	20,500
Parking	A parking garage with a high quality interior valet parking arrival/drop off space, bus drop off, bus parking, loading dock and ancillary short-term bus and vehicle parking in surface lots, resulting in parking for approximately 3,500 personal vehicles on-site.	1,250,000
Child Care	A child care center with adjacent, fenced outdoor play area and dedicated drop-off space easily accessible to the Project site.	5,000
Residential	No less than 54 newly developed market rate higher end upscale urban apartment units owned, operated and/or branded by Developer in pedestrian scaled buildings within one-half (1/2) mile of the boundaries of the Project Site, a minimum of 25 to 30 such apartment units to be available for occupancy within 18 months of the date of this Amendment and the balance to be available by Operations Commencement.	65,000
Commercial Office	Rehabbed commercial Class A office space located at 95 State Street and refurbished commercial space at 101 State/1200 Main Street.	80,000



SPRINGFIELD

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MAR 09 2016
CITY OF SPRINGFIELD
Law Department

March 4, 2016

By First Class Mail

Edward M. Pikula, Esq., City Solicitor
City of Springfield
36 Court Street
Springfield, MA 01103

Re: Consent Letter from MGM Resorts International

Dear Ed:

Enclosed please find the consent letter from MGM Resorts International which the City requested in connection with the Second Amendment to the HCA.

Please do not hesitate to contact me should you have any questions.

Sincerely,

Seth N. Stratton
Vice President & General Counsel

Encl.

cc: Michael Schaller, Esq.
Frank Fitzgerald, Esq.

MGM Springfield
One Monarch Place, Suite 910
Springfield, MA 01144
413-273-5000



MGM RESORTS
INTERNATIONAL

JOHN M. MCMANUS
EXECUTIVE VICE PRESIDENT,
GENERAL COUNSEL AND SECRETARY

February 26, 2016

Mayor Domenic J. Sarno
City of Springfield
36 Court Street
Springfield, MA 01103

Dear Mr. Mayor:

Reference is made to the Second Amendment to the Host Community Agreement by and between City of Springfield, Massachusetts ("City") and Blue Tarp reDevelopment, LLC ("Developer") approved by the City Council on February 22, 2016 and executed by Michael Mathis on behalf of Developer on February 24, 2016 (the "Second Amendment") and the Guaranty and Keep Well Agreement dated May 10, 2013 executed by MGM Resorts International ("MGM") to and for the benefit of the City (the "Guaranty Agreement"). Pursuant to Section 6(a) of the Guaranty Agreement, no amendment of the Obligations (as that term is defined in the Guaranty Agreement) may be made without the consent of MGM. MGM desires that Developer and City approve and execute the Second Amendment. Accordingly, MGM hereby consents to any alterations, amendments or modifications in, to or of its Obligations that may result directly or indirectly from Developer and City entering into the Second Amendment.

Very Truly Yours,

MGM Resorts International

By: 

Its: EVP, General Counsel & Secretary