

1 THE COMMONWEALTH OF MASSACHUSETTS  
2 MASSACHUSETTS GAMING COMMISSION  
3 PUBLIC MEETING #175  
4

5 CHAIRMAN

6 Stephen P. Crosby  
7

8 COMMISSIONERS

9 Gayle Cameron

10 Lloyd Macdonald

11 Bruce W. Stebbins

12 Enrique Zuniga  
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21 January 21, 2016 10:00 a.m.- 1:36 p.m.

22 MASSACHUSETTS GAMING COMMISSION

23 101 Federal Street, 12th Floor

24 Boston, Massachusetts

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P R O C E E D I N G S :

CHAIRMAN CROSBY: We are ready to call to order the 175th meeting of the Massachusetts Gaming Commission this morning at our offices on Federal Street at about 10:00.

First order of business as always is the minutes Commissioner Macdonald.

COMMISSIONER MACDONALD: I move that the minutes of the meetings of December 9, 2015 and December 17, 2015 be approved subject to any corrections for typographical errors or other nonmaterial areas.

COMMISSIONER ZUNIGA: Is it December? I had January.

COMMISSIONER CAMERON: January 7.

COMMISSIONER ZUNIGA: January 7, yes.

MS. BLUE: I believe there is only one set of minutes. It's for January 7.

COMMISSIONER MACDONALD: I'm sorry. The minutes of January 7, 2016 subject the same qualifications.

COMMISSIONER CAMERON: Second.

1                   CHAIRMAN CROSBY: Any comments? I  
2 had one. I haven't had a chance to go back and  
3 check it but Cecelia, this may well be right.  
4 But on page three of the minutes at 12:19  
5 Chairman Crosby stated the issue of when a  
6 person should be licensed upon hiring or when  
7 an establishment is built. I don't remember  
8 that quite like that. Is that right?

9                   MS. WELLS: That is on the agenda  
10 for today. We'll follow up on that comment you  
11 made.

12                   CHAIRMAN CROSBY: And it's upon  
13 hiring or when an establishment is built, was  
14 that the issue that was raised?

15                   MR. BEDROSIAN: Yes.

16                   MS. BLUE: Yes.

17                   CHAIRMAN CROSBY: Never mind, forget  
18 I said that. Any other misguided comments?  
19 All in favor of Commissioner Macdonald's motion  
20 to adopt the minutes say aye, aye.

21                   COMMISSIONER MACDONALD: Aye.

22                   COMMISSIONER CAMERON: Aye.

23                   COMMISSIONER ZUNIGA: Aye.

24                   COMMISSIONER STEBBINS: Aye.

1           CHAIRMAN CROSBY: Opposed? The ayes  
2 have it unanimously. We will go to item number  
3 three, administration Executive Director  
4 Bedrosian.

5           MR. BEDROSIAN: Good morning,  
6 Commissioners. A few items to report. My  
7 transition continues to go well. I look back  
8 on my notes from the last meeting. I just  
9 wanted to update you on a few things.

10           I think we are very close to  
11 finalizing our training with the Attorney  
12 General on the Open Meeting issues. The second  
13 issue is we discussed the modification of the  
14 hiring process about references, the difference  
15 between a reference and a recommendation.

16           I now have a redline of those  
17 changes. I'll look at that and inform the  
18 Commission at one of the next meetings. Also,  
19 the legal department is working on a  
20 clarification of the voluntary self-exclusion  
21 rule, the contract and our regulations.

22           Then finally, in my review of the  
23 last minutes, I noted that at 10:34 a.m. I  
24 thank the Commission for assigning me the best

1 executive assistant. I just want to qualify  
2 that by saying while I believe I have a  
3 superlative executive assistant, it's like  
4 selecting an MVP from an all-star team. So, we  
5 all have good executive assistants.

6 CHAIRMAN CROSBY: Did you get  
7 pushback on that?

8 MR. BEDROSIAN: No. I went back and  
9 I decided I would preemptively just address  
10 that issue.

11 CHAIRMAN CROSBY: Welcome to having  
12 everything you say in the public record.

13 MR. BEDROSIAN: Exactly. So with  
14 that, I consider 3(a) complete.

15 CHAIRMAN CROSBY: I would just add  
16 to that that on the training, the Open Meeting  
17 Law training -- This is not absolutely cast in  
18 stone. -- but we were sort of somewhat  
19 suggested by the AG that maybe we should have  
20 this training in public at a public meeting.  
21 We weren't 100 percent sure that we were  
22 comfortable with that. We need to talk a lot  
23 about our internal operations.

24 But we have pretty much decided that

1 we will have this in an open meeting. There  
2 are substantive reasons in order that we can  
3 talk about anything without constraint that  
4 would otherwise be construed as deliberations  
5 about our business, but also I think it might  
6 be useful for the public to see what we deal  
7 with to see what some of the issues are.

8 So, I think it is tentatively  
9 scheduled for the 27th. I just want to give a  
10 heads-up to some of the folks who might be  
11 interested. Is that right?

12 MR. BEDROSIAN: That is correct, in  
13 the afternoon I believe.

14 CHAIRMAN CROSBY: Right. As I say,  
15 this is not quite cast in stone, but probably  
16 the afternoon of the 27th probably at a public  
17 meeting.

18 Okay. Item 3(b) is the Daily  
19 Fantasy Sports update. I don't really have  
20 much to add here. Everybody knows that we  
21 submitted our white paper. A fair amount of  
22 interesting reaction to it still goes on.

23 We think that the Legislature will  
24 be dealing with Daily Fantasy Sports this

1 session in some way or other. They haven't  
2 made, at least the House hasn't made a definite  
3 committee assignment which probably means the  
4 Senate hasn't made a definite committee  
5 assignment yet either.

6 So, it's still in gestation, but I  
7 think we can probably take this off the agenda  
8 for future dates. It's now pretty much out of  
9 our hands and to the Legislature to do as they  
10 see fit.

11 Item 3(c) is the tribal compact  
12 update. We are having a, I guess, third  
13 meeting with the representatives of the Tribe,  
14 principally their lawyers and their  
15 consultants. This will be mostly staff to  
16 staff although there will probably be one or  
17 more Commissioners -- I've attended one of  
18 these meetings. -- but not more than two.

19 We are in communication with the  
20 Tribe making the point to them that first of  
21 all acknowledging the criticality and the  
22 historic importance of the final decision that  
23 was made, finally making absolute their tribal  
24 status on the land in Taunton as well as the

1 land in Mashpee. And that means they can go  
2 forward.

3 They have their land in trust  
4 absolutely done, their reservation land, which  
5 gives them the right under federal law to go  
6 forward with the casino if they choose to. We  
7 have gone out of our way to recognize, as I  
8 say, not only the political significance but  
9 the historic significance of that  
10 accomplishment.

11 And also, to say to the Tribe that  
12 as we are making our deliberations on Region C  
13 that one of the critical factors if we decide  
14 that the commercial application before us is a  
15 high-quality application, that we will then  
16 have to go on to decide whether to make an  
17 award.

18 And one of the critical variables in  
19 whether we make the award or not is the status  
20 of the Tribe and their proposals. And we are  
21 anxious to hear from them in one fashion or  
22 another about what their plans are. We  
23 continue to be in communication with them on  
24 that hoping that we will be able to inform our



1 decision on Region C with as much detail and  
2 understanding about not only their proposal but  
3 their whole tribal status and so forth.

4 In addition, we have this regulatory  
5 partnership which will exist between our gaming  
6 commission and their gaming commission no  
7 matter what happens. So, we are working to  
8 develop that relationship. That's all the more  
9 reason why we are anxious to hear about them  
10 and to get to know the Tribe and know their  
11 history, know their status, know their plans as  
12 best we possibly can.

13 Item 3(d) Region C schedule update  
14 is that --

15 MR. BEDROSIAN: Mr. Ziemba is going  
16 to --

17 MR. ZIEMBA: Thank you, Mr.  
18 Chairman. In regards to Region C, each of the  
19 evaluation teams continue with their reviews.  
20 In addition, on Thursday, January 28, the  
21 Commission will hold an input hearing, a public  
22 input meeting in Holbrook at the Holbrook  
23 Junior Senior High School auditorium beginning  
24 at 4:00 p.m. This is regarding the MG&E

1 proposal.

2           These public input meetings that we  
3 have offer an opportunity for community members  
4 to provide the Commission feedback on the  
5 nearby proposed resort facility.

6           This is a meeting that is not  
7 statutorily required. We added that meeting  
8 some time ago during our prior reviews in other  
9 regions. We have not yet established a date  
10 for the host community meeting hearing. That  
11 is a statutorily required meeting in Brockton  
12 itself. We are in communications to determine  
13 the availability of a good site for that  
14 meeting.

15           January 11 that marked the end of  
16 the 30-day negotiation period for surrounding  
17 communities to execute a surrounding community  
18 agreement with Mass Gaming and Entertainment.  
19 The Commission received surrounding community  
20 agreements for seven communities Abington,  
21 Avon, East Bridgewater, Holbrook, Pembroke,  
22 Stoughton and Whitman.

23           Two communities have entered into  
24 arbitration with Mass Gaming and Entertainment,

1 Easton and West Bridgewater. In accordance  
2 with our current timeline, the parties have  
3 exchanged their best and final offers and have  
4 selected arbitrators for their arbitration.

5 The arbitration period is January 19  
6 through February 8 of this year. The  
7 arbitration report must be received by the  
8 Commission and distributed to the parties by  
9 February 8. And that will specify the terms of  
10 the surrounding community agreement.

11 One final item, parties in  
12 arbitration may also file what is called a  
13 fundamental inconsistency petition with the  
14 Commission by January 26. The FIP, as we call  
15 it, is filed if a party believes that a  
16 provision or provisions of the other party's  
17 best and final offer contains provisions that  
18 are fundamentally inconsistent with the Gaming  
19 statute. It's unclear whether or not we will  
20 have any FIPs this round. That deadline is  
21 upcoming. If there is a FIP's filing, then  
22 that requires action by the Commission.

23 But those are the major occurrences  
24 on Region C.

1                   COMMISSIONER ZUNIGA:  When is that  
2                   deadline for the fundamentally inconsistent --

3                   MR. ZIEMBA:  January 26.

4                   COMMISSIONER ZUNIGA:  January 26?

5                   MR. ZIEMBA:  Yes.  And we've been in  
6                   communication with the applicant and the  
7                   communities regarding the requirements under  
8                   that section.

9                   CHAIRMAN CROSBY:  We are still  
10                  targeting and expect to meet the target of  
11                  having a decision made on Region C by the end  
12                  of March, right?

13                  MR. ZIEMBA:  That's exactly right.  
14                  Our projected date is March 31, a decision on  
15                  that.

16                  CHAIRMAN CROSBY:  Anything else  
17                  about Region C or any of these prior topics?  
18                  Okay.  Executive Director, anything else on  
19                  your agenda?

20                  MR. BEDROSIAN:  Not at this point.  
21                  Thank you.

22                  CHAIRMAN CROSBY:  There might be a  
23                  disconnect between those of you who are  
24                  following our sequence of our agenda online and

1 what we have in our binders.

2 The next item for us, number four,  
3 is the workforce supplier and diversity  
4 development.

5 MS. GRIFFIN: John can actually  
6 continue.

7 CHAIRMAN CROSBY: So, are you just  
8 going to give me a heads-up when you want to  
9 interrupt?

10 MS. GRIFFIN: No need to interrupt  
11 you.

12 CHAIRMAN CROSBY: Fine. Okay. Then  
13 we go to the either four or five, Ombudsman  
14 Ziemba.

15 MR. ZIEMBA: Great. Thank you, Mr.  
16 Chairman. Chairman and Commissioners, today we  
17 are joined by Lance George, Plainridge Park  
18 Vice President and General Manager, Roberta  
19 Gregoire, Compliance Manager and Eli Huard, our  
20 Purchasing Manager for Plainridge Park for  
21 Plainridge Park's second quarterly report since  
22 it began operations. Now I turn the  
23 presentation over to Lance.

24 MR. GEORGE: Good morning,

1 Commissioners. Thanks, John. We'll jump right  
2 into it. First slide, I'll probably move  
3 fairly quickly. So, please slow me down.

4 Employment, no material changes from  
5 previous updates in this area. Full-time/part-  
6 time mix remains steady at 70/30. And the  
7 number of employees is down slightly from our  
8 Q3 update to 532.

9 The decrease is driven largely by  
10 the end of live racing. Seasonal employees  
11 dedicated to our racing operation, identifier,  
12 paddock judge, starter, etc., departed in  
13 November. We'll obviously ramp back up prior  
14 to the opening of the 2016 season.

15 Further breakdown of employment,  
16 diversity information. Continued good news as  
17 it relates to diversity hiring. As you can  
18 see, at the end of Q4 the property was at 16.7  
19 percent exceeding a goal of 10 percent. In  
20 addition, Massachusetts residents comprise just  
21 over 74 percent of Plainridge Park's workforce.

22 The property continues to place a  
23 priority on diversity hiring and hiring in-  
24 state. And the results to date have been

1 encouraging. I spoke with Jill a little while  
2 ago. I know there will be some additional  
3 reporting requirements. Certainly, look  
4 forward to providing whatever level of detail  
5 is needed.

6 COMMISSIONER STEBBINS: Lance, quick  
7 question. How do you break out female  
8 employees, women employees?

9 MR. GEORGE: That's actually what  
10 Jill was telling me is headed down the  
11 pipeline. No issue reporting that information.  
12 It's not something we included for the first  
13 two quarterly reports but it sounds like  
14 something they'll be included.

15 CHAIRMAN CROSBY: Diversity here  
16 means ethnic minorities. It doesn't include  
17 women?

18 MR. GEORGE: That is correct, yes.  
19 Certainly, female, male, whatever information  
20 will be required going forward, it sounds like  
21 that will be for the Q1 update.

22 COMMISSIONER STEBBINS: Okay. Thank  
23 you.

24 MR. GEORGE: We've added a slide

1 here into employment. You'll see two rows  
2 within the slide, both indicate good news.  
3 Promotions very straightforward as the property  
4 has matured over the first six months, talented  
5 aspiring employees were promoted into positions  
6 of greater responsibility. That occurred for  
7 13 individuals.

8 Internal transfers largely comprised  
9 of two different groups there. Individuals who  
10 wanted to get their foot in the door and wait  
11 for the right opportunity or individuals who  
12 realized that they were better suited for a  
13 different position. Good news for both of  
14 those that occurred for 10 individuals in Q4.

15 COMMISSIONER ZUNIGA: So, an  
16 internal transfer would not constitute other  
17 properties?

18 MR. GEORGE: Correct, this is local  
19 only.

20 COMMISSIONER ZUNIGA: From one  
21 department to another, let's say.

22 MR. GEORGE: Accurate. Spending and  
23 procurement information in Q4, property had a  
24 total of \$2.6 million in eligible spend. Of



1 that just over 60 percent or \$1.47 million was  
2 spent in-state. The remainder was split  
3 amongst several other states.

4 Again, the property continues to  
5 make A focus and spending in Massachusetts a  
6 priority. The purchasing team along with the  
7 Commission staff has done a tremendous job of  
8 identifying vendors and shepherding them  
9 through the licensing process. No issues  
10 there.

11 Digging deeper into property  
12 procurement for Q4, we've got a breakdown of  
13 local spending. As a reminder, our host and  
14 surrounding communities are Plainville,  
15 Wrentham, Foxboro, Mansfield, Attleboro and  
16 North Attleboro. Just under \$106,000 spend  
17 amongst those communities with a fairly even  
18 distribution between each town. Mansfield and  
19 Attleboro being the outliers. Mansfield higher  
20 and Attleboro little bit lower.

21 Vendor diversity spend, overall  
22 encouraging results in the area of vendor  
23 diversity. With that said, there continues to  
24 be an opportunity, particularly in the area of

1 MBE spend that is minority business enterprise.

2 To that end, the property's  
3 diversity committee is in place with  
4 representation from marketing, food and  
5 beverage and facilities. These are the  
6 departments with the largest budgets and who  
7 provide the greatest opportunity for us to  
8 improve those numbers.

9 Following up on the previous slide,  
10 how we are going to improve those numbers. As  
11 you can see, the property has a variety of  
12 initiatives targeted towards this effort. I  
13 won't read all of them but continued support of  
14 diversity groups through sponsorships and  
15 donations, working with the Center for Women  
16 and Enterprise in hosting an upcoming event at  
17 the property; the formation of the property's  
18 diversity committee, as I just mentioned.  
19 Finally, tracking of bids lost by vendors and  
20 ensuring there is good guidance and  
21 communication as we move forward.

22 Revenue and taxes, you see a  
23 breakdown of revenues by month as well as the  
24 quarterly total and finally a 2015 total. All

1 in for 2015 taxes paid to the Commonwealth and  
2 fees paid to horsemen at 49 percent total over  
3 \$43 million with gaming revenues of over \$88  
4 million.

5 I did want to take a moment to  
6 discuss fourth-quarter revenues and performance  
7 to date. I believe in your packet, I've  
8 included and op-ed from our CEO, Tim Wilmot.  
9 I'm not going to read the entire op-ed. I do  
10 think there are some highlights worth  
11 commenting for this group.

12 The average win per unit on the Las  
13 Vegas strip is \$178.90. Net win per unit for  
14 Plainridge Park for our first six months of  
15 operation was \$369.44. Penn National operates  
16 27 facilities in 17 different jurisdictions.  
17 Plainridge Park ranks number one in win per  
18 unit.

19 To date, the Commonwealth has  
20 received over \$55 million in taxes and fees  
21 from Penn National and the property. Moving  
22 beyond revenue and taxes generated, harness  
23 racing is being rejuvenated in Massachusetts  
24 with annual purses of 65 percent. Hundreds of

1 jobs saved, thousands of acres of green space  
2 throughout the Commonwealth has been preserved.

3 To date the property has contributed  
4 over \$150,000 to local charities and civic  
5 organizations. Through our first six months of  
6 operation, we've purchased over \$4 million in  
7 goods and services from minority, veteran,  
8 woman-owned and Massachusetts-based companies.

9 The town of Plainville has received  
10 \$2.4 million in host community benefits and  
11 will receive more than \$4 million annually.  
12 Our project led to the creation of over 1600  
13 construction and permanent jobs in  
14 Massachusetts.

15 Finally, late last week we received  
16 our LEED Gold certification. We are proud to  
17 be the only casino in the Northeast to earn  
18 this prestigious designation and one of only a  
19 handful in the country.

20 Our COO Jay Snowden stated the  
21 following: Massachusetts is a leader in  
22 sustainability programs, and the Commonwealth's  
23 requirements for new gaming licensees to  
24 develop energy efficient and environmentally

1 conscientious facilities reflects this  
2 commitment.

3           These are accomplishments we're  
4 proud of, even so, we are continuing to make  
5 adjustments to our gaming floor based on  
6 customer feedback and preferences. Promotions  
7 and advertising are ramping up. We are working  
8 with Dunkin Donuts to potentially open a  
9 location in the facility.

10           In sum and to try to wrap this up,  
11 we are delighted to be open and operating in  
12 the Commonwealth. The property will be  
13 successful for years to come. We look forward  
14 to a long and a mutually beneficial  
15 relationship.

16           I borrowed largely from our Chairman  
17 and CEO's comments, but that's certainly  
18 something I wanted to get on the record.

19           CHAIRMAN CROSBY: I use a lot of  
20 those same talking points when I'm dealing with  
21 the same issues that you are dealing with.

22           Just to highlight, we've heard a lot  
23 about it's not as much money as we would have  
24 liked to have, but \$43 million going just to

1 the Commonwealth, never mind all of the other  
2 benefits you talk about that's real money by  
3 any standard, speaking as a former  
4 Administration and Finance Secretary. This has  
5 been an extraordinary economic benefit for the  
6 Commonwealth, period. There is no ambiguity  
7 about that point.

8 MR. GEORGE: Thank you.

9 COMMISSIONER ZUNIGA: Yes. This is  
10 all great news and great statistics. We  
11 recently issued the annual report for the  
12 Commission. And some of the things that our  
13 own Communications Director is thinking about  
14 for the next one and actually in between is  
15 perhaps examples or success stories.

16 Because numbers tell a lot, but if  
17 there is a company in Massachusetts that can  
18 offer a testimonial that says my business went  
19 from X to Y as a result of my relationship with  
20 the casino. Or I was promoted. I came in,  
21 acquired some certain skills and I am now the  
22 supervisor, etc. may go a long way to putting a  
23 picture and an image to the numbers that tell a  
24 lot but that the public also relates to a great

1 degree to the individual anecdotal example.

2           So, as you prepare the next report  
3 or continue to think about telling the side  
4 that's behind these numbers, I encourage you to  
5 consider that or let us know about those  
6 success stories as they come along.

7           MR. GEORGE: Fair.

8           CHAIRMAN CROSBY: That's a really  
9 interesting point. Some of the most powerful  
10 information or feedback that we received in any  
11 of our meetings has been from the GameSense  
12 agents who come in here. And rather than just  
13 recounting the facts of how many contacts  
14 they've made and so forth, they talk a little  
15 bit about their experiences. And it's quite  
16 striking, quite interesting.

17           So, Enrique's point that personal  
18 anecdotes and personal stories sometimes are a  
19 more compelling way of telling the story. So,  
20 that's a really interesting point.

21           MR. GEORGE: Compliance with  
22 regulations, continued good work by the team in  
23 the prevention of underage gaming. As you can  
24 see from the table, there are a lot of numbers

1 up there, but we had a very clean quarter. No  
2 underage gaming nor underage drinking  
3 occurring.

4 Two individuals who made it onto the  
5 gaming floor were identified within minutes and  
6 escorted from the facility. So, great work by  
7 all involved. Coordination and cooperation  
8 between the property, Commission agents and MSP  
9 has been tremendous. I expect to see that  
10 relationship to strengthen as the property  
11 continues to mature. Great work by everybody  
12 involved and very clean quarter. So, it's  
13 something we are very proud of.

14 CHAIRMAN CROSBY: There were almost  
15 1100 folks that were caught at the door who  
16 tried to get in that were underage. And maybe  
17 six or eight or 10 out of 1100 that got in and  
18 were caught.

19 MR. GEORGE: Six made it into the  
20 facility, only two were from gaming.

21 CHAIRMAN CROSBY: Six, right.

22 MR. GEORGE: Correct, good work.  
23 Take the job for granted but given the serious  
24 nature of what it is that they do for us at



1 those doors, great work.

2 COMMISSIONER ZUNIGA: This is a very  
3 small percentage and I agree with that. Would  
4 you be in a position to try to detect a trend  
5 as to whether it's a particular hour or a  
6 particular event?

7 MR. GEORGE: I think anecdotally  
8 what we had at the beginning is you can game if  
9 you are 18 20 minutes down the road. So,  
10 insuring that people understood that that was  
11 Rhode Island and the law in Massachusetts is  
12 21. And it probably took a little while for  
13 that word to get out. That's probably gone a  
14 long way.

15 I also think that given how  
16 seriously we are taking this, that word is out  
17 as well. And the assistance from the state  
18 police and from the gaming agents -- I've seen  
19 some comments online, I think it's recognized  
20 that we take this very seriously.

21 CHAIRMAN CROSBY: Great.

22 MR. GEORGE: Compliance with  
23 agreements, lottery, quick update. No big  
24 surprise here, the news is good.

1           Our quarterly results came in at  
2 just shy of \$480,000, full year results  
3 eclipsed \$1.3 million. In addition to these  
4 sales, we partnered with the lottery a few  
5 weeks ago to give away Powerball tickets for  
6 the jackpot that exceed \$1.5 billion. The  
7 response was overwhelming and truly a great  
8 example of how the casinos can partner with the  
9 lottery in a way that is mutually beneficial.

10           CHAIRMAN CROSBY: Do you have any  
11 idea, Lance, what that would compare to last  
12 year just when it was only the racing facility?

13           MR. GEORGE: We can certainly pull  
14 those numbers. I am not sure what the  
15 percentage or dollar amount increase is off the  
16 top of my head.

17           COMMISSIONER ZUNIGA: I remember a  
18 figure in the hundreds of thousands for the  
19 year when it was only a racing operations.  
20 It's a multiple of about 10 at a minimum.

21           CHAIRMAN CROSBY: That's my point.  
22 Good.

23           MR. GEORGE: Quickly, company  
24 overview, no issues or changes to the company.

1 The company remains in a strong financial  
2 position.

3 Customer satisfaction data continues  
4 to trend positively. We touched on this at the  
5 last meeting. However, given the importance of  
6 service in our industry, Penn keeps close tabs  
7 on the level of service provided at all our  
8 properties through surveys and blind shopping  
9 programs.

10 As discussed, there is of course a  
11 great deal of pride involved for every  
12 property. In advance of Commissioner Cameron's  
13 likely question, we track the top five for the  
14 company. We currently sit in fourth position.  
15 I know we had a conversation about this last  
16 time. I believe last time we sat in sixth  
17 position. So, I'm not sure that we can get to  
18 first. Fourth is good. I think the property  
19 knows the mission.

20 COMMISSIONER CAMERON: Excellent.  
21 Could you also just elaborate on some of the  
22 concerns that customers had and examples of how  
23 you in fact alleviated those concerns?

24 MR. GEORGE: That's a good question.

1 I think largely it's organic. I think that two  
2 things happened. One, business volume calmed  
3 down to a more reasonable level and people have  
4 become more proficient at their job as the  
5 property has undergone six and a half months of  
6 operation.

7 Wait times is something we measure  
8 as you might imagine. Whether it's at the  
9 cage, whether it's for a jackpot hit, whether  
10 it's in our food outlets, all of that is  
11 measured. And you can see those numbers going  
12 down in every area.

13 So, it's largely a combination of  
14 two factors, job proficiency and more  
15 reasonable levels.

16 COMMISSIONER CAMERON: Thank you.

17 MR. GEORGE: The last bullet, I just  
18 spoke to the jackpot processing time and wait  
19 times at player services for cards, for check-  
20 cashing, whatever it is, all of those  
21 transaction times are going down along with  
22 jackpot processing times as well.

23 Events and promotions, spend a  
24 little more time than normal on this one.

1 Short order, a lot going on at the property for  
2 Q4 culminating on New Year's Eve, complete with  
3 showgirls, balloon drop, champagne toasts.

4 Also in Q4 on lucky customer won a  
5 brand-new silver Audi A6. In addition to the  
6 more traditional marketing events and  
7 giveaways, we sent 10 Plainridge Park patrons  
8 to one of our sister properties in Las Vegas,  
9 the M Resort, to enjoy a Las Vegas weekend and  
10 to participate in a \$350,000 slot tournament.  
11 All expenses paid courtesy of Plainridge Park.

12 The feedback from our customers was  
13 fantastic. So, a good quarter, certainly a  
14 difference from Q3 s we look into Q4 as far as  
15 ramping up. The same can be said from Q4 to  
16 Q1.

17 A sampling of events for Q1, as I  
18 mentioned, the Powerball promotion earlier  
19 which given the \$1.5 billion that was up for  
20 grabs was well received. Two radio stations  
21 were on property broadcasting live, covering  
22 the event, long lines almost out the door. And  
23 a lot of people discussing how they would spend  
24 \$1.5 billion including all of us I'm sure.

1                   COMMISSIONER STEBBINS: Still  
2 discussing it.

3                   MR. GEORGE: I am as well. The tax  
4 burden would be significant, I think, I'd still  
5 survive. We will also partner with the lottery  
6 going forward for an additional ticket giveaway  
7 and look to host an official drawing on  
8 property. A unique idea that they offered up  
9 which I like.

10                  Q1 is good time to travel to a  
11 warmer climate. We'll be sending some of our  
12 customers to the tropics via Carnival Cruise  
13 Lines. In March, we'll continue with our live  
14 entertainment schedule. Set to join us in the  
15 Revolution Lounge will be the Doug Flutie Band.  
16 We'll see how that goes. I've heard mixed  
17 results. We'll see how that goes.

18                  CHAIRMAN CROSBY: It doesn't matter.  
19 This is not about music.

20                  MR. GEORGE: You got it. At the end  
21 of Q1, we'll qualify our first five patrons who  
22 we will send back to Las Vegas to participate  
23 in the Millionaire Maker slot tournament.  
24 There will be a total of 200 patrons for all of

1 Penn, five of whom will be from Plainridge  
2 Park. One of these 200 individuals will return  
3 home with \$1 million.

4 So, my assumption is these folks  
5 will be very satisfied at a one in 200 chance  
6 of winning \$1 million.

7 Finally, late addition, I think you  
8 guys will enjoy this one. This is a pack your  
9 bags promotion. If the Patriots win this  
10 Sunday, we'll invite our customers in on  
11 Friday, February 5 with their bags packed. One  
12 lucky couple will be whisked away to the  
13 airport and on their way to Santa Clara,  
14 California for Super Bowl 50, two tickets,  
15 airfare and hotel accommodations.

16 As you might imagine, there's a lot  
17 of enthusiasm. We are having a lot of fun with  
18 this. Now all we need is for the Pats to win  
19 on Sunday. So, that will occur --

20 COMMISSIONER ZUNIGA: Chances are  
21 good, chances are looking good.

22 MR. GEORGE: You are on the record  
23 with that. Do you feel good about that?

24 COMMISSIONER ZUNIGA: Probability,

1 yes.

2 MR. GEORGE: Two and half point  
3 favorite I saw. Okay, don't jinx it. Okay.  
4 So, that will occur Super Bowl weekend folks  
5 come in, suitcases ready to go. We're going to  
6 draw the winner. And we're going to drive them  
7 right to the airport and away they go.

8 CHAIRMAN CROSBY: That's cool.

9 MR. GEORGE: It will be fun, yes.  
10 Last slide, current projects only two that are  
11 on the radar right now.

12 Play management expected install in  
13 Q1. I believe the latest update has it in  
14 March. I think everybody is feeling good about  
15 that. Good work by the Commission, good work  
16 by the on-property folks and good work by  
17 Bally. So, good coordination by everybody.

18 And we are in the closing stretch or  
19 the homestretch right now. I believe it is the  
20 first third of March. I'm sure there's some  
21 fluidity there, but it's going to happen and  
22 we're closing in on it.

23 And then finally, central monitoring  
24 system, fully installed. Target for the



1 cutover to be the system of record, if you  
2 will, is early February. So, that's on-track  
3 as well.

4 CHAIRMAN CROSBY: Good.

5 MR. GEORGE: That's all I got for  
6 you.

7 CHAIRMAN CROSBY: Any questions or  
8 follow-up?

9 COMMISSIONER CAMERON: No. Good  
10 report, thank you.

11 MR. GEORGE: Thank you.

12 MR. ZIEMBA: Mr. Chairman and  
13 Commissioners, today MGM will present its  
14 quarterly report for the fourth quarter of  
15 2015. I'm going to ask them to join me now,  
16 but there are a number of individuals who will  
17 be part of their presentation. So, I'm going  
18 to sort of fade into the background to give up  
19 my seat.

20 MGM will provide the Commission with  
21 an update regarding the reviews of its design  
22 by the city of Springfield and by the  
23 Commission's architectural consultants. As you  
24 are aware, on December 17 the Commission

1 approved so-called Section 61 Findings for the  
2 MGM Springfield project pursuant to the  
3 Massachusetts Environmental Policy Act, MEPA.

4           These findings followed a MEPA  
5 review of proposed changes made to the project  
6 including the shift of hotel rooms from a tower  
7 on State Street to a new location integrated on  
8 Main Street. As noted at the time of the  
9 Commission's Section 61 approval, this signaled  
10 an approval of the fundamental elements of the  
11 redesign such as the hotel relocation of MGM's  
12 proposed redesign.

13           However, the review and approval of  
14 MGM's final design was still outstanding on  
15 December 17 and is not before the Commission  
16 today. We are carefully monitoring the very  
17 thorough review of the design by the city of  
18 Springfield and will benefit from their  
19 determinations in our review.

20           As noted by the Commission in the  
21 past, the precept of home rule is a central  
22 element in the Expanded Gaming Act. As such,  
23 the Commission has and will continue to value  
24 the thoughts and determinations at the local

1 level.

2 Our reviews with our consultants  
3 will continue. Our consultants are here today  
4 for any questions of the Commission but with  
5 that as a context, I ask Brian Packer, MGM  
6 Director of Design and Construction, Mike  
7 Mathis, MGM Springfield President and COO to  
8 begin their presentations on the quarterly  
9 report and the design review, and to introduce  
10 their teams. I will give up my seat to whoever  
11 you need.

12 MR. BEDROSIAN: Mr. Chairman, if I  
13 could just interrupt briefly. I just wanted to  
14 put on the record something that you may all  
15 know. Mr. Nosal who represents MGM and I  
16 worked together in the Attorney General's  
17 office for years.

18 I still consider him a friend. What  
19 that entitles him from me is just an extra  
20 level of scrutiny. But I want folks to know I  
21 think what a lot of people might have known.  
22 Thank you.

23 CHAIRMAN CROSBY: Thank you.

24 MR. PACKER: Good morning. So, we

1 will start with the quarterly construction  
2 report and then Mike will join us and introduce  
3 some of our design team and give you an update  
4 on the latest local discussions we've been  
5 having at city council this week. Some good  
6 progress there. So, I will start with this and  
7 then we'll transition to Mike.

8 CHAIRMAN CROSBY: Mike's right  
9 behind you, if you want.

10 MR. PACKER: The first part of the  
11 quarterly report was an update on schedule. We  
12 provided our final schedule to MGC on November  
13 6, 2015. What that kicks off is we owe a  
14 monthly update on our progress on real-time  
15 events. So, we provided that in December and  
16 then as well in January. We will continue to  
17 do so each month now towards the end of the  
18 project.

19 So, I think we are getting very  
20 close here to being able to have the dialogue  
21 about the approval of the final schedule. I  
22 think the Commission has what they need from  
23 us, and we look forward to wrapping that  
24 dialogue up. And hopefully here in the next

1 month or so getting past the final schedule.

2 CHAIRMAN CROSBY: Have you got the  
3 clicker?

4 MR. PACKER: Yes, I didn't realize I  
5 had a clicker.

6 CHAIRMAN CRSOBY: I was waiting on  
7 Amy. Okay.

8 MR. PACKER: The second part of the  
9 quarterly update is our diversity update. By  
10 the plan, we are required to report combined  
11 design and construction commitments. However,  
12 in the report, we'll walk through design and  
13 construction separately so we can have that  
14 discussion as well. But combined commitments  
15 to date, our project goals for WBE are 10  
16 percent, we are currently at 10.3 percent on  
17 the project. MBE five percent, we are  
18 currently at 12.1 percent, and VBE, the project  
19 goal is two percent, we are currently at 2.2  
20 percent.

21 CHAIRMAN CROSBY: That's great.

22 MR. PACKER: The company counts, 22  
23 WBEs, 12 MBEs and six VBEs to date. These are  
24 companies that have either been working on the

1 project or commitments looking forward. And  
2 there's been some questions recently about who  
3 has worked on the project versus what's a  
4 commitment. In a slide or two, I'll show you  
5 that.

6           On our outreach update, last quarter  
7 we held introductory meetings and contacts with  
8 29 new diverse companies. This is part of our  
9 effort to reach out to companies that may be on  
10 our bid list or may not be and work with them  
11 to continue to have an opportunity to bid.

12           We've had 27 meetings with community  
13 organizations. Sometimes, it's multiple  
14 meetings with different organizations. We have  
15 once a month check-ins with certain groups.  
16 Others are one time meetings that lead to  
17 contacts for us, whether it be an MBE or VBE  
18 business or how to expand our workforce on the  
19 site.

20           We've launched the construction  
21 portal on the MGM website. So, if you are a  
22 resident and you are interested in joining the  
23 union workforce, we provide a form where you  
24 can fill that out. We will then contact you,

1 find out what is your strength? Are you a  
2 carpenter? Are you a plumber? Do you like to  
3 frame? Then we try to match that person with  
4 the proper union official to get them in the  
5 apprenticeship program.

6 So, we have a portal for that. To  
7 date, it's probably around 35 to 50 hits. And  
8 we've had some referrals already take place out  
9 of this.

10 After the referral takes place,  
11 there is a bit of time to join the  
12 apprenticeship and get through the program.  
13 But this is a very important first step.

14 CHAIRMAN CROSBY: Do you have a  
15 tracking ability there? You make the referral.  
16 Is that the end of it? Or do you then -- Will  
17 you be following up to find out what happened?

18 MR. PACKER: We have a follow-up  
19 process that once we refer someone to that  
20 union official, we will check back to see how  
21 that person is going. So, it just does not --  
22 The referral form doesn't sit on a desk at the  
23 unions and get lost.

24 CHAIRMAN CROSBY: That's really

1 important. I think we talked a lot with the  
2 access and opportunity committee that a lot of  
3 this will take some handholding for two  
4 reasons. Sometimes the applicants need the  
5 help; sometimes the unions need the help. So  
6 either way, if you follow through and have a  
7 commitment to following through and following  
8 up that would be tremendously helpful.

9 MR. PACKER: And that helps us get a  
10 little insight too on if we refer someone and  
11 six months from now they haven't joined the  
12 union or it didn't work out, why? Then we can  
13 adjust accordingly to hopefully help that  
14 situation in the future.

15 CHAIRMAN CROSBY: That's great.

16 COMMISSIONER ZUNIGA: Brian, the  
17 referral includes ethnicity, gender and address  
18 to capture local or surrounding community  
19 referrals?

20 MR. PACKER: So, on the referral  
21 form we would capture that information.

22 COMMISSIONER ZUNIGA: You capture  
23 all that information.

24 MR. PACKER: Yes.



1                   COMMISSIONER ZUNIGA: Great.

2                   MR. PACKER: Then we've had some  
3 targeted outreach to VBE companies and veteran-  
4 related organizations because that is probably  
5 the part of our plan right now that needs some  
6 work. So, we are really trying to increase our  
7 efforts there. And especially as it relates to  
8 local Springfield veteran residents, and how do  
9 you flush out that involvement and connect  
10 those members of the community to the unions.  
11 So, we started a special push on that specific  
12 topic.

13                   So, design commitments, WBE 4.4  
14 percent, MBE 2.6 percent and VBE, the value  
15 here shows it's zero percent, but we have one  
16 company. The reason for that is this one  
17 company and the value of that is covered under  
18 Tishman.

19                   So, this is an award relating to the  
20 preservation of Union Chandler façade. And  
21 because that is more of a design/build type  
22 situation that heavily overlaps with what  
23 Tishman is doing, we have that designer under  
24 Tishman. So, the value is carried under the

1 Tishman amount but since they are a designer,  
2 we mention them here.

3 It's important to note that the  
4 company count for design commitments does not  
5 currently include the award that we made to  
6 Friedmutter. Mike will introduce Friedmutter  
7 in a little bit. But since Friedmutter is  
8 operating under a letter of intent for us, the  
9 minute we get the contract done, you will see  
10 that the companies on this list probably grew  
11 by four to six more companies, but we haven't  
12 listed them yet because I don't have that  
13 official contract completed.

14 COMMISSIONER ZUNIGA: So, when you  
15 talk about commitments in your presentation,  
16 there's usually an executed contract or a  
17 letter of intent?

18 MR. PACKER: When I speak about a  
19 commitment, it's a formal document that's been  
20 signed between MGM and the consultant. So,  
21 whether it's Friedmutter or Tishman or one of  
22 our consulting engineers, that would be signed  
23 and executed.

24 Sometimes there's a delay between

1 they will get that approval from me and then  
2 they have to go get contracts done with their  
3 subcontractors.

4 So, I report it once I've committed.  
5 Then sometimes you'll see two to three months  
6 before the folks may actually start working on-  
7 site.

8 COMMISSIONER ZUNIGA: All right.  
9 Thank you.

10 MR. PACKER: Then just briefly the  
11 list, this is a list of the current companies  
12 that are in the counts on the previous page we  
13 just went through.

14 Construction commitments, 12.1  
15 percent WBE, 15.2 percent on MBE and VBE is at  
16 2.9 percent. Company counts WBE 17, MBE 11 and  
17 VBE five. So, I think since the last time we  
18 were here, really made improvement the VBE  
19 section of this report.

20 So, here's a list of the companies  
21 that make up the construction list. And in  
22 green are companies that we have made payments  
23 to to date. So, it doesn't mean that  
24 necessarily this company is complete, but that

1 they are on-site and they have been paid and  
2 they have confirmed payment to us.

3 So each month, we ask the companies  
4 to notarize and sign with their CFO the amount  
5 of money that they've received from the general  
6 contractor. So, we are tracking not only my  
7 payments to say Tishman but then Tishman to  
8 their subs. And then we ask the subs to  
9 confirm that back.

10 So, the green here shows you that  
11 they've worked on-site but that they have also  
12 been paid to date. So, sometimes there may be  
13 a one-month lapse. Someone is not shown on-  
14 site, but they're working today and they'll get  
15 paid next month.

16 But I thought this was a good way to  
17 illustrate how many folks have actually  
18 participated on the project. And it tracks  
19 payments as well.

20 MR. MATHIS: Commissioners, Michael  
21 Mathis. I'd just like to call out when we do  
22 these slides, sometimes we color-code it by  
23 geographic. And to Commissioner Zuniga's  
24 point, what I'm really proud of when I look at

1 this list and the great work of Brian Packer is  
2 how many of these are Massachusetts companies,  
3 and beyond that, how many are Western Mass. and  
4 Springfield companies.

5 So, we continue to strive very hard  
6 to make sure that these dollars and the  
7 economic benefit is spent in the Commonwealth  
8 and in Western Mass. As you can see by the  
9 companies listed, we are really achieving that.

10 COMMISSIONER ZUNIGA: You sure are.

11 MR. PACKER: Then one more slide  
12 continuing listing the companies.

13 Next, workforce diversity. So, this  
14 is really the percentage of hours worked on the  
15 site by different groups. And here we have for  
16 women, we have 6.9 percent goal and project to  
17 date is 9.9 or almost 10 percent really.  
18 Minority at 15.3 percent and the project to  
19 date is 29.23 percent, and then on veteran, the  
20 goal is eight percent and we are currently at  
21 7.15 percent.

22 Not too long ago that was around two  
23 percent. So, we tried to make an effort here  
24 to continue dialogues with the subs so the subs

1 understand where we are at in terms of core  
2 crew makeup and that type of thing.

3           We still have more work to do here,  
4 but we are moving in the right direction,  
5 especially given that over the last three  
6 months the number of workers on-site hasn't  
7 been that great. So, we'll continue to push  
8 this here as we're ramping back up.

9           Then on our design and construction  
10 update, we have two contracts that were  
11 executed. The first one here for Friedmutter  
12 and Associates, this was for the enabling work  
13 portion of Friedmutter's scope.

14           There will be a second contract that  
15 I spoke about earlier that will be for the  
16 architect of record services. So, there's  
17 going to be two contracts for Friedmutter.  
18 This is one of the early ones. And the diverse  
19 companies I spoke about will come on the second  
20 one, hopefully you'll see here by next  
21 quarterly update.

22           And then the Chursciel Group  
23 Consulting, Steve Chursciel, a local, grew up  
24 in Springfield, very knowledgeable from a

1 construction management standpoint. So, Steve  
2 is helping us review bids and just give us some  
3 general local knowledge that I don't have. So,  
4 Steve's a good asset to the team and helps us  
5 on a bunch of special projects as it relates to  
6 construction.

7           So, on the construction side, final  
8 punchlist activities were completed at 10 Mill  
9 Street. Once we came to agreement that the  
10 punchlist was complete we were able to have the  
11 Mission occupy the new building and they  
12 vacated the old building on-site at the end of  
13 the year.

14           Once New Year's hit, we were able to  
15 get into the building and start to take  
16 abatement samples so that we can start the  
17 abatement work before we are able to demolish  
18 the old Mission.

19           Exterior abatement was completed  
20 along Main, and interior abatement along Howard  
21 Street which is the YWCA building. We  
22 completed the interior abatement there. So,  
23 what's left on YWCA is, if you remember, we  
24 have some coins and certain architectural

1 features that we're taking samples of off of  
2 the façade. So that when we do the replicated  
3 façade later, we'll have the exact dimensions  
4 we need to build a new façade. We are  
5 currently working on pulling those materials at  
6 the YWCA.

7 We completed the haul road for the  
8 church. We are planning on moving the church  
9 here early spring. But getting the roadway and  
10 the exact percentage of slope down is key,  
11 because as you can imagine you can't just roll  
12 the church down a hill.

13 MR. MATHIS: At least on purpose.

14 MR. PACKER: So, that was a good  
15 piece of work we could get out of the way here  
16 kind of in a downtime. As well as all of the  
17 salvage that you've heard about before in our  
18 historical presentations and getting all that  
19 material wrapped up out of these buildings and  
20 signed off. So, that when demolition abatement  
21 continue, we're complete.

22 COMMISSIONER STEBBINS: How is the  
23 dome removal coming?

24 MR. PACKER: The dome removal is



1 complete. It's boxed up, crated with a  
2 specialty stained-glass specialty manufacturer,  
3 if you will. So, some of that will have to get  
4 restored. And we obviously want to store it in  
5 a controlled environment. So, we're leaving it  
6 with the stained-glass guy until it comes back  
7 out on-site.

8 COMMISSIONER ZUNIGA: Remind me how  
9 much is the church going to move? Do you have  
10 an idea?

11 MR. PACKER: Distance?

12 COMMISSIONER ZUNIGA: Yes, what is  
13 the distance?

14 MR. PACKER: A city block maybe,  
15 three or 400 feet, something like that.

16 COMMISSIONER ZUNIGA: I'd love to  
17 take pictures or I'm sure you'll take plenty of  
18 pictures to see the whole move.

19 MR. PACKER: Absolutely. So,  
20 obviously at the end of the quarter, once we  
21 completed Section 61 and some approvals from  
22 the city, we were obviously mobilizing here to  
23 get ready for the Zanetti School. As you know,  
24 we started that on January 11. As I left this

1 morning, about three quarters of the building  
2 is down. So, that's a positive and a long time  
3 coming.

4 We've also been performing a good  
5 amount of off-site utility work along Union  
6 Street and along State Street. So, a lot of  
7 work at night, the roadways either get shut  
8 down one way or shut down at night in both  
9 directions to allow this work to happen. A lot  
10 of this work is out of our requirements to  
11 cooperate with Springfield Water and Sewer on  
12 certain upgrades for the infrastructure of the  
13 city.

14 So, while we had the time and we  
15 knew we had to do these upgrades, we are  
16 starting to try to get that out of the way.

17 Some additional disconnects  
18 obviously at the VFW and the Mission and the  
19 Edsonia Theater block along Main. We could do  
20 that once the Mission was almost vacated.

21 We've installed utility monitoring  
22 points just basically to understand hey, if we  
23 are doing work around these utilities, is there  
24 any settlement or vibration, excessive

1 vibration that we need to control. So, these  
2 monitoring points help do that.

3 Garage bid packages were opened. We  
4 are excited and we're going to be able to  
5 announce here a successful bidder we hope in  
6 the next three to four weeks. That will really  
7 get the first quarter of '16 moving.

8 We've also submitted petition to  
9 discontinue portions of Bliss and Howard  
10 Streets because as you know, they are going  
11 right through the center of the site. So, once  
12 we're here at the end of the month early  
13 February that's key to get past so that we can  
14 really close off the site, take complete  
15 control of the fencing and the barriers to move  
16 the work forward.

17 COMMISSIONER ZUNIGA: Brian, is the  
18 bid package for the garage a construction  
19 package only or design/build?

20 MR. PACKER: It's a design/build  
21 package. On the diversity side, Desmond and  
22 Associates out of Boston helped us prepare what  
23 they call bridging documents. So, not a full  
24 design set but a set that at least lets the

1 bidders know that they are all competing on the  
2 same level.

3           So, then the successful bidder will  
4 then have to refine that design, get the  
5 structural foundation package in and submit  
6 that to the city and then start work.

7           COMMISSIONER ZUNIGA: And they're  
8 able to comply with the schedule as you have  
9 it?

10           MR. PACKER: Currently, what is  
11 going to drive that will be either (A) when we  
12 actually issue the award or (B) when we  
13 actually get released on site plan approval.  
14 So, those are the two factors right now.

15           If we obtain site plan approval in  
16 the next week or so, everything is okay. You  
17 start getting into February, there may need to  
18 be some adjustments. Generally all bidders, we  
19 are still leveling some bidders, all bidders  
20 are still working with that December '17  
21 completion kind of timeline that I believe is  
22 in our schedule with you.

23           On the design side, as you are  
24 aware, most of this we provided a project

1 update to the city in November and then also to  
2 the MGC here early December. We've submitted  
3 the application for site plan review. Mike is  
4 going to update you a little bit on our  
5 discussion there.

6 Then we've also provided some  
7 answers to your consultants regarding certain  
8 design questions that Friedmutter will be able  
9 to speak to today.

10 Last, we have revised site  
11 improvement plan which really is the civil,  
12 storm water, drainage type work that also went  
13 in at the end of the month. We've completed  
14 our commitment for the archival photographs of  
15 the historical structures that's required in  
16 the MOA. So, we've completed that photography  
17 and submitted those for record to the  
18 Springfield Historic Commission.

19 As well as for the off-site work  
20 related to intersection improvements, and some  
21 of the MassDOT work we need to do, we needed to  
22 complete our road safety audits which helped  
23 drive the design of those intersection  
24 improvements. Those road safety audits were

1 completed in December. And the final package  
2 submitted to MassDOT, I believe, on the 23  
3 December. So, we are awaiting that review.  
4 And that's part of MassDOT's Section 61  
5 Findings.

6 So, that concludes the design and  
7 construction update for the last quarter of  
8 last year.

9 CHAIRMAN CROSBY: Questions, any  
10 other questions or follow-up?

11 COMMISSIONER ZUNIGA: What is the  
12 target date for MassDOT's Section 61, do you  
13 have one yet?

14 MR. PACKER: We don't. I checked  
15 with our engineer yesterday on that exact  
16 subject. It is in MassDOT's hands.

17 One thing that our next step is to  
18 submit our 25 percent documents that are ready  
19 or that come out of this road safety audit  
20 review. Those plans are more than likely going  
21 to get submitted towards the end of next week.  
22 So, I understand typically the Section 61 would  
23 come out and then the plans would go in soon  
24 thereafter.

1           So, we are coordinating to either  
2 keep that same arrangement or deal with them  
3 concurrently. Then once that sets in, it sets  
4 off a certain amount of review period for  
5 MassDOT and commentary. Haven't gotten direct  
6 feedback if MassDOT's responding this week or  
7 next week. It's in the hopper and they are  
8 aware of it.

9           COMMISSIONER ZUNIGA: Fair enough.

10          COMMISSOINER STEBBINS: Brian, I  
11 can't find it in the presentation, maybe you  
12 haven't come to it yet, but you talk about a  
13 construction workforce task force. Can you  
14 explain what your plan is for that?

15          MR. PACKER: Yes. So, I think that  
16 came up in the AOC meeting recently this month.  
17 So, the AOC task force what we are looking to  
18 do is we've had a lot of community members  
19 reach out to us that want to work and meet  
20 directly with the unions. Springfield has a  
21 large number of community groups that would  
22 have input into that interaction.

23          So, they've asked us could we help  
24 broker some discussion with the unions. So,

1 where we are at with the idea and the concept,  
2 we don't have all parties completely bought-in  
3 yet, but we do have a buy-in from the community  
4 groups that they would provide three  
5 representatives that would try to really  
6 combine and elevate the highest priorities from  
7 the community groups. So, that then we could  
8 discuss with the unions how do we get some of  
9 those concerns addressed.

10 I think historically, each community  
11 group has tried to have the dialogue direct and  
12 it's probably overwhelming for the unions,  
13 cross messaging. So, if we can get involved in  
14 that and help that dialogue and then maybe the  
15 idea of this group, three representatives on  
16 either side continues after even MGM  
17 Springfield is complete. So, very early stages  
18 but that's the concept around it.

19 COMMISSIONER STEBBINS: Okay, great.

20 MR. MATHIS: Okay. I think at this  
21 time, we're going to roll into our presentation  
22 that we did in front of the city council.

23 Allow me to introduce the rest of  
24 our team. You've met Brian Packer, our Vice



1 President of Development. To his right is  
2 Albie Colotto from the Friedmutter Group. I  
3 think he's been in front of you before, but  
4 certainly your staff knows him from many of the  
5 discussions and presentations we've had in  
6 Springfield. And to his right is our Vice  
7 President General Counsel, Seth Stratton.

8 So, we're available for any  
9 questions. Albie's got colleagues from his  
10 team that are here that he can introduce as  
11 necessary.

12 Also want to welcome Executive  
13 Director Bedrosian. Congratulations on the  
14 appointment. He was out to Springfield earlier  
15 this week. He can attest to the activity on  
16 the site. It was really nice to --

17 MR. BEDROSIAN: It was a warm  
18 welcome on a cold day.

19 MR. MATHIS: That is correct. We're  
20 starting to pay for some of those warm December  
21 days, certainly.

22 But it's an exciting time in  
23 Springfield. We are heavy in construction. I  
24 toured around with some of the media. I was

1 doing an interview on Tuesday and my voice was  
2 being drowned out by heavy equipment in the  
3 background, which was something we were all  
4 waiting for.

5           So, we're excited about the progress  
6 we are making. We want to thank the Commission  
7 for the Section 61 approvals that allowed  
8 demolition to take place while you were looking  
9 at our detailed design. Similarly, the city  
10 council of Springfield released us on a casino  
11 zoning overlay that allowed that same  
12 demolition to take place.

13           So, everyone is obviously very  
14 excited about us getting construction going.  
15 And I'm going to hand it off to Albie in a  
16 moment to walk through briefly what we showed  
17 the city council in terms of the site plan.  
18 Many of these images, renderings you've seen  
19 before, site plans you've seen before. But we  
20 can speak to it sort of more cohesively.

21           What I remind the city council of  
22 and what I'll remind this group of is really  
23 the overarching goals of this casino initiative  
24 in Massachusetts and particularly our project.

1 We are at \$950 million as a development  
2 project. That is by far and away the largest  
3 development project in that region's history.

4 And if you'll forgive me for playing  
5 a little East versus West, for the longest time  
6 each year the Commonwealth lists in various  
7 forms the largest construction projects in the  
8 Commonwealth. They are always Boston or  
9 Cambridge projects. They are hospital  
10 buildings. They are the different public  
11 projects.

12 At \$950 million, we would be putting  
13 Springfield on the top of that list for the  
14 first time, putting that region on the top of  
15 that list until our friends at Wynn start  
16 going. And I'm sure they're going to blow  
17 through that number.

18 But again, it's really a significant  
19 investment and really what this legislation is  
20 about. A billion dollars of cash payments to  
21 the city of Springfield over the 40 years of  
22 our host community agreement.

23 That is based on a piece of property  
24 that I'll remind you generates \$634,000 a year.

1 This is where the tornado touched down,  
2 dilapidated buildings. There are some  
3 businesses that are still performing on the  
4 site. But that's a significant amount of  
5 investment for the city of Springfield and all  
6 of the things they can do with that including  
7 public safety and early childhood development.

8 Two thousand construction workers  
9 that workforce has been going strong whether  
10 it's on Mill Street --

11 CHAIRMAN CROSBY: Can I just clarify  
12 something? Were you saying that that property  
13 now generates \$643,000 in property taxes? Is  
14 that what you were saying?

15 MR. MATHIS: Combined.

16 CHAIRMAN CROSBY: Combined. So,  
17 over 40 years that would be like \$24 million.

18 MR. MATHIS: The 634?

19 CHAIRMAN CROSBY: Yes.

20 MR. MATHIS: That's some quick math,  
21 I hadn't run it, but yes.

22 CHAIRMAN CROSBY: But you're talking  
23 about a contrast between \$1 billion and \$24  
24 million?

1 MR. MATHIS: That's right.

2 CHAIRMAN CROSBY: That's a multiple  
3 of whatever it is, 40 -- That's mind-boggling.

4 MR. MATHIS: Yes. It's significant.  
5 I tell you I always have mixed emotions about  
6 bragging about how bad a deal we cut, but so be  
7 it.

8 2000 construction workers building a  
9 facility that will employ 3000 men and women.  
10 And I know this particular important,  
11 Commissioner Stebbins, but we made a commitment  
12 of \$50 million of local regional spend, which  
13 represents about half of our annual spend on  
14 goods and services.

15 Many of those are not biddable.  
16 They are sourced out of our corporate deals.  
17 But we believe there is \$50 million that we can  
18 go spend in that area. And we've got strong  
19 relationships with the local chamber. Brian  
20 has met many of the businesses that will be  
21 able to take advantage of that.

22 We are certainly going to take  
23 advantage of the Berkshire, proximity to the  
24 Berkshires and that brand. There's some really

1 great manufacturing companies that come out of  
2 that area including -- what are the hairdryer  
3 guys, the hand dryer? XL for example who we  
4 use in Las Vegas, we use them at a lot of our  
5 other properties are right around the corner  
6 from us. So, we've been in touch with them  
7 spec'ing their product for the bathrooms and  
8 public ways.

9 I think with that I'm going to hand  
10 it off to Albie but we can certainly answer any  
11 of the questions that come up. And feel free  
12 to stop us along the way. Without further ado,  
13 Albie.

14 CHAIRMAN CROSBY: Excuse me. I  
15 don't know when this would fit. What is the  
16 status of the housing units, is that going to  
17 come up sometime?

18 MR. MATHIS: Now is as good a time  
19 as any, I think. We are in discussions with  
20 the city of Springfield over it's going to land  
21 in the form of a host community agreement  
22 amendment that will be presented to the city  
23 council.

24 We are working out the language.

1 But essentially the mayor's office embraces us  
2 bringing our residential off-site. They  
3 believe it is a positive to bring some of that  
4 economic development outside of our four  
5 borders.

6 Right now, we are just putting in  
7 some placeholder language that commits us to  
8 provide the 54 market-rate units, high-quality  
9 in locations, and we've drawn a radius of about  
10 a half-mile from the project site to allow us  
11 the flexibility to go find these sites.  
12 Locations and quality that needs to be approved  
13 by the city.

14 It's a little bit of a placeholder.  
15 We've already identified a site that we are in  
16 the process of closing on that would represent  
17 about half the units. And we're talking with a  
18 couple of other landowners, particularly on  
19 Main Street, which is what we'd like to  
20 activate. That would help fill out the  
21 balance.

22 So, those discussions are under way.  
23 We've been keeping the city up to speed. And  
24 they thought the best way to handle it in terms

1 of contractually was to put in some placeholder  
2 language.

3 CHAIRMAN CROSBY: Okay. One of the  
4 things that was important to me when you went  
5 through, and we still are, the design changes  
6 was despite the changes in space and so forth  
7 that none of the critical features that you all  
8 proposed in this multifaceted development was  
9 being compromised in any serious way.

10 The only really material change  
11 other than the tower going down sideways was  
12 moving the units off-site. For what it's  
13 worth, I think there is a tremendous -- there  
14 was a tremendous synergy to having the units in  
15 the site. I understand that there is some  
16 benefit theoretically sort of extending the  
17 reach of the redevelopment.

18 But I hate to see the loss of that  
19 synergy. You are trying to create an ongoing  
20 life this that fabulous mixed-used development  
21 in this little tight area which then presumably  
22 will ripple. For what it's worth, I wouldn't  
23 want to see those go very far away.

24 It sounds like you do have a radius



1 and you're targeting well within that radius.  
2 I think that was an important part of the  
3 creativity of this proposal was the integration  
4 of market-rate housing into the fabric of this  
5 project. And I'd hate to see it go very far  
6 away.

7 MR. MATHIS: Understood. We  
8 obviously are incentivized to create as much  
9 critical mass down near our site as possible.  
10 So, we are conscious of that as we select  
11 different sites that potentially would fulfill  
12 this requirement.

13 I will tell you that I think the  
14 concept of our investment and the catalytic  
15 impact it has is starting to bear fruit. I've  
16 been touring folks that are interested in  
17 property on the other side of Main Street for  
18 example, that I use colloquy as the other side  
19 of Main Street.

20 So, I think your concern about how  
21 some of that synergy sort of infills is going  
22 to become a reality. By placing a couple of  
23 these opportunities a little bit away from the  
24 project, I think creates a little bit of a

1 bookend. And we were seeing some interest on  
2 the property in between.

3 So, we will continue to keep you  
4 apprised of that. The city is comfortable with  
5 the efforts we have to date.

6 CHAIRMAN CROSBY: Great.

7 MR. MATHIS: Albie.

8 MR. COLOTTO: Good morning, Albie  
9 Colotto with the Friedmutter Group. One thing  
10 that was very interesting and great that  
11 happened two days ago is we were able to take  
12 the commissioners and the Mayor and about 36  
13 other folks on a tour bus and actually go  
14 around the site and them to be able to  
15 experience what is going on on the site.

16 CHAIRMAN CROSBY: You said  
17 Commissioners, you meant the councilors?

18 MR. COLOTTO: I'm sorry, the council  
19 members. I am sorry about that. It was great  
20 being on the bus. It was supposed to be a  
21 walkaround tour, but we ended up doing it on  
22 the bus because of how cold it was outside.

23 But it really helped, because on the  
24 bus we're elevated. And everyone was able to

1 see over the construction fencing and see all  
2 of the activity that is going on.

3           During that tour, President Fenton  
4 had asked, almost to answer your question on  
5 has anything on the site changed. He asked  
6 besides our property, what is going to impact  
7 the rest of the community? What is going to be  
8 the economic development that is going to  
9 happen around the site?

10           And one thing that we feel that is  
11 very strong especially in moving the  
12 residential units down to a different location  
13 that really are going to help activate all of  
14 the downtown area. It's getting these mass  
15 areas and just a little different counterpoints  
16 along the site which give nodes in that  
17 community to really help elongate and help the  
18 economic development, not just in our blocks of  
19 area but along the blocks all of the way in the  
20 downtown.

21           So, the council also has a  
22 consultant on board. And he had pointed out  
23 that he felt that by moving those units, it  
24 actually made the overall development stronger.

1 He actually liked also the movement of the  
2 rooms that were off of State Street onto Main  
3 Street. That was actually going to help  
4 activate the whole project more. And into the  
5 community, be able to reach out and really help  
6 develop that whole community.

7 MR. MATHIS: Albie, if I can just  
8 add one thing. Sorry to interrupt. You are  
9 familiar with the Red Rose Pizzeria, a very  
10 famous local institution. They're one of the  
11 few existing businesses that are in the block  
12 that are carved out from our development.

13 I think January 12, they announced  
14 that they've got a couple of tenants, Caring  
15 Health that they were terminating the lease and  
16 they were going to find a new location. But  
17 the reason that they were terminating that  
18 lease is because they are expanding their  
19 pizzeria to do banquets and conference groups.  
20 So, that's a tangible evidence not only that  
21 our project is helping our neighbors but that  
22 you are feeling that spillover impact of our  
23 investment.

24 Similarly, we've been in

1 conversations with the Colaccino Group which is  
2 the business owner off of Columbus to the  
3 bottom right of the screen. They've gone in  
4 for additional zoning so that they can better  
5 utilize their property. They've been in  
6 conversations with us about potential office  
7 building, a high-rise office building.

8 So, very proud because that's again  
9 tangible proof that this is doing what it was  
10 meant to do, which is to create economic  
11 benefits outside of our boundaries.

12 COMMISSIONER ZUNIGA: That last  
13 anecdote is that the site of the corner of  
14 Columbus and Union?

15 MR. MATHIS: That's right. The  
16 Berkshire Bank building we call it, Frank  
17 Colaccino's group. Just wanted to give a  
18 couple tangible examples of what Albie was  
19 describing.

20 MR. COLOTTO: And I'll do a  
21 condensed version of what we walked the council  
22 members through for the project. With MGM, the  
23 whole idea of this resort was to make sure that  
24 it was a destination resort.

1           That one, people in the local area  
2 come to it, but also we're attracting people  
3 from miles and miles away that want to come  
4 here, stay here. We want to make sure that we  
5 are able to leverage the rooms. We are able to  
6 leverage the other F&B outlets that when people  
7 are coming here they are able to make an  
8 extended stay on this property.

9           That it is not a property that you  
10 go into for just a few hours and you want to  
11 leave. We want to be able to attract all folks  
12 that want to stay there for a few hours, people  
13 that want to stay there for the weekend. And  
14 then people coming for conventions that might  
15 want to stay there for several days during the  
16 week.

17           We also talked to them about this  
18 project is not a daytime project, a nighttime  
19 project, a midday project. It's a destination  
20 project. What that means to us and to MGM is  
21 that no matter what someone wants to do during  
22 the day, if they want to go and have a picnic  
23 in the park, they can go to da Vinci Park have  
24 a picnic, get their food from one of the food

1 and beverage places, go out there and have a  
2 great time.

3           If they want to go shopping, they  
4 could do that. They could then go in and  
5 experience the food and beverage outlets there.  
6 If they wanted to come there for a convention,  
7 they're staying for three or so days, they're  
8 able to visit the four-star rooms, experience  
9 all of the food and beverage outlets that we  
10 have around the property including the outdoor  
11 experiences that we have.

12           So, it really makes this property a  
13 place that you can go to. You don't have to  
14 know what you want to do but you just say hey,  
15 if I want to go and have a good time, I'm going  
16 to go over to the MGM Springfield property.  
17 So, we are very proud of how that is laid out.

18           The floor plan, we have the food and  
19 beverage that's all on the first level. We  
20 have outdoor terraces on the first level. The  
21 plaza areas that we have. Easy parking, when  
22 you get out of the parking structure you are  
23 right into the casino property. So, it makes  
24 it very easy for our guests to get around and

1 circulate around the project.

2 One of the things that we will be  
3 pointing out in a little bit and we also had  
4 given you some exhibits, around the perimeter  
5 where we have all the food and beverage, the  
6 retail and other components, we have a very  
7 distinct border of a walkway material that  
8 we're going to make a distinct material,  
9 distinct color that is separate from the casino  
10 area.

11 So, when a guest does come onto the  
12 property, they have almost a yellow brick road  
13 to be able to circulate around and not go  
14 through the casino area if they shouldn't be  
15 there or if they desire not to be there. So,  
16 we'll cover that in a little bit also.

17 The other thing is that on the  
18 second-level with the banquets being up there,  
19 we have a pool area, terrace areas. We've been  
20 meeting with the city development agency and  
21 planning for over two months. We have a weekly  
22 meeting with them.

23 We're making sure that anything that  
24 they had concerns about, we were able to



1 address. So, in the presentation that we're  
2 going to show you shortly, there's a lot of  
3 renderings that were specific to what they  
4 requested and wanted to see.

5 Then we had also provided you with  
6 about five additional renderings that we did  
7 actually show them previous to coming here.  
8 So, they would be aware of the images that we  
9 were showing the Commission also.

10 So far, their city planners and  
11 their consultants that they hired are very  
12 happy with all of the modifications that have  
13 been made on the project up and to this date.

14 MR. MATHIS: Albie, if I can just  
15 add, obviously the hotel redesign has been a  
16 topic of much discussion. And one of the very  
17 large benefits of bringing the hotel to a mid-  
18 rise structure is the engagement with the  
19 rooftop, the number of rooms that we are now  
20 able to engage with the rooftop.

21 In our business, we've seen premiums  
22 as much as \$50 a night to allow rooms to have  
23 access to outdoor space. So, when you think  
24 about what used to be the 25th, 24th floor

1 premium suites in the old tower, where are  
2 those now? Part of those premium suites or  
3 product are on this level engaging with the  
4 swimming pool and engaging with that green  
5 space behind it.

6 So, we think the value of creating  
7 outdoor space and linking those to high-end  
8 rooms is a big benefit and would be something  
9 that our guests will really value.

10 CHAIRMAN CROSBY: Where will the  
11 premiums be in the winter?

12 MR. MATHIS: Fair question. So, one  
13 of the things that we always analogize our  
14 harsh winters to are the harsh summers of Las  
15 Vegas. Some of you have been out there in July  
16 and August, and they can be very uncomfortable.

17 We handle that with misters in  
18 Vegas. We handle it with heaters, for example,  
19 here. New England guests are very hardy as  
20 I've seen. I've been out in some outdoor areas  
21 bundled up and they're in shorts. So, we're  
22 learning our customer. But I think that's one  
23 of the ways we'll handle that.

24 MR. COLOTTO: With the urbanization

1 of trying to create this real distinct district  
2 here, the hotel being off of Main Street, it  
3 really does engage from a pedestrian level  
4 everybody on Main Street much more than it  
5 would have where we were at off of State  
6 Street.

7 So, it seems like it's a strong move  
8 to really put that there. One from people that  
9 are passing by the site and then also for the  
10 folks that are visiting the site.

11 CHAIRMAN CROSBY: I don't quite  
12 understand that. On Main Street, what is the  
13 difference to Main Street from having a hotel  
14 there as opposed to having your condo units  
15 there?

16 MR. COLOTTO: Just the amount, the  
17 quantity. So, there we have 250 visitors that  
18 going to be changing daily on it. So, if you  
19 imagine that just over 365 days, all of the  
20 different faces and people that will be doing  
21 the retail shopping and visiting the  
22 restaurants as opposed to the smaller apartment  
23 units. And that's someone that is there,  
24 living there daily.

1           We just feel it just gives a better  
2 attraction for all of the retail and the food  
3 and beverage components that are in Main Street  
4 and in the entertainment block around that.  
5 So, it really does help with the quantity.

6           And with our elevators being, for  
7 the lobby, located right on that corner of Main  
8 and Howard, it gives those guests that option  
9 right when they come down from those elevators  
10 that they can go and experience the local  
11 retail as well as visiting the entertainment  
12 component that we have set up inside.

13           CHAIRMAN CROSBY: Is there any  
14 ingress or egress along Main Street?

15           MR. COLOTTO: Yes, there is. If you  
16 see on the upper left-hand side, there are  
17 three orange retail stores. Then there is a  
18 purple line going up to Main Street. There is  
19 one entry right there.

20           So, there's two very strong entries  
21 off of Main Street. Then there will also be  
22 entries to the restaurants off of Main Street  
23 also. It's a very powerful plan because it  
24 allows that two-sided access for all of the

1 guests.

2 COMMISSIONER ZUNIGA: Can somebody  
3 from Main Street access the casino by going  
4 through the retail and the restaurants?

5 MR. MATHIS: They can through the  
6 restaurants, not necessarily through the  
7 retail. Some of the retail won't be double-  
8 sided.

9 COMMISSIONER ZUNIGA: Okay.

10 MR. MATHIS: But I think the plan  
11 that we are talking about in terms of the  
12 casino layout that we'll get into more detail,  
13 this perimeter reinforces the concept. We do  
14 it in Vegas, as you know, through signage and  
15 patrolling guards to make sure that we maintain  
16 the protections around underage access.

17 COMMISSIONER ZUNIGA: Under 21, yes.  
18 I see the Gaming Commission space is in what is  
19 now 101 Federal that corner. Have you  
20 programmed or remind me where the GameSense  
21 space may be?

22 MR. MATHIS: I think it's in that  
23 same area. I don't know if we have the ability  
24 to blow it up. But it's on that floor in that

1 corner is where we currently have it planned.  
2 We've gone through I think the layout with your  
3 consultants and your staff. And they're  
4 comfortable with the way we've laid it out.

5 COMMISSIONER ZUNIGA: Thank you.

6 MR. COLOTTO: Just blowups of the  
7 plans and we just showed all of the suite count  
8 and mix count. There has been no change in the  
9 actual change of the rooms. So, the city of  
10 Springfield is still getting the 250 -- it's  
11 actually 252 now. So, that hasn't been  
12 modified.

13 We needed to submit landscape plans.  
14 So, we submitted those. We went through the  
15 planning and development meetings with them to  
16 show them where we are at with that. Those  
17 have gone very well.

18 Then what we'd like to show you  
19 right now is this is a directory of a  
20 walkaround of the MGM Springfield project. So,  
21 on this plan certain numbers relate to the  
22 renderings that we are going to show you. But  
23 basically what we're going to do is start out  
24 at Main and Howard. And then we're going to

1 work our way around through our entertainment  
2 block, come back around by the South End market  
3 and where we have our bus drop-off area and  
4 then continue up State Street. So, it's kind  
5 of like a day in the life of being able to  
6 experience this project.

7 So, the first view that we show is  
8 an aerial view. No one really sees it from  
9 this view, but we like to show a diagram like  
10 this because then it's very easy to kind of get  
11 oriented and walk around the site visually for  
12 people that really can't read plans that well.

13 CHAIRMAN CROSBY: Are those little  
14 park areas on the top floor? Is that for real?

15 MR. MATHIS: Yes.

16 COMMISSIONER ZUNIGA: That's the  
17 pool area.

18 MR. MATHIS: That's off our banquet  
19 space.

20 CHAIRMAN CROSBY: That's all the way  
21 down on the second floor. I was looking from  
22 the top of the hotel you see like a cutout  
23 where you can see a green space below that.

24 MR. COLOTTO: Those are below on the

1 second level.

2 MR. MATHIS: That's the pool area  
3 and green space.

4 COMMISSIONER ZUNIGA: The pool isn't  
5 showing because --

6 MR. MATHIS: That's right.

7 MR. COLOTTO: But what's interesting  
8 about that is from this angle you can see that  
9 they are very large spaces, because from this  
10 angle, the hotel is covering up most of them,  
11 but you still are able to see that.

12 So, we have the three terraces that  
13 are up on the roof deck. One of them actually  
14 overlooks the plaza area, overlooks da Vinci  
15 Park, Armory and our whole entertainment block.  
16 So, it really helps engage guests.

17 If you are having a wedding upstairs  
18 and you're having a little pre-functionary  
19 that's actually on the terrace, it just really  
20 makes a lot of spaces for the ability to have  
21 multiple different style events.

22 This view is from Main and Howard  
23 Street. So, you see Red Rose on the left. And  
24 then what a guest would experience from eye



1 level now as they're coming down on Main  
2 Street.

3 MR. MATHIS: Incidentally, the  
4 suites that you see in this rotunda on the  
5 corner of our building, give me the right  
6 numbers Albie, but one of the benefits of this  
7 plan is we took what would have been a 900  
8 square foot suite in the old tower plan, and  
9 now this product is close to 1800 square -- We  
10 doubled the size of our top product with this  
11 new layout, which is a huge benefit to our top-  
12 end customers.

13 MR. COLOTTO: And it's iconic, right  
14 on the corner, the whole viewing experience.  
15 So, we are giving guests the opportunity that  
16 they can activate and look down Main Street or  
17 they can look on our terrace areas or they can  
18 look on the pool deck area.

19 Next is just slides of we wanted to  
20 show at scale, and it as part of the submission  
21 to the city, was all of the materials that we  
22 are going to use and at scale how they look on  
23 the project.

24 This view is taken from about the

1 fifth floor of the hotel what a guest what  
2 experience when they're looking out towards the  
3 entertainment plaza. The entertainment plaza  
4 is going to be used for many things, seasonal  
5 style events. We are going to have pop-up  
6 retail in here where that allows along with the  
7 retail that is more steady and is there all  
8 year that some folks might want to come here  
9 and for different seasons have a retail store  
10 that comes up for that season. And then is  
11 able to be changed out.

12 We'll have concerts on this plaza.  
13 We'll be able to stage people on the banquet  
14 terrace overlooking this. It just really helps  
15 activate this.

16 The Armory, which is going to be a  
17 food and beverage outlet, will have very strong  
18 presence off of this along with all of the  
19 other entertainment. The ice-skating rink that  
20 you can see right in front of the relocated  
21 French church along with the park. So, just  
22 from this one view, all of the amenities that  
23 this project has is really seen in here.

24 You have a park. You have a plaza.

1 You have retail. You have food and beverage.  
2 And then on the left-hand side that you can't  
3 see but now in this view you can, we have the  
4 rest of the resort, more of the indoor portion  
5 of the resort.

6 So, we have great outdoor  
7 experiences and we have great indoor  
8 experiences.

9 CHAIRMAN CROSBY: What is on the  
10 screen on the YMCA facade?

11 MR. MATHIS: That would be promoting  
12 the cinema.

13 CHAIRMAN CROSBY: That's a live --

14 MR. MATHIS: It will be a live  
15 dynamic video. Just while we're on this  
16 screen, I just want to call out on a couple of  
17 things. One is the plaza and the outdoor space  
18 are really an important part of our business  
19 plan.

20 I've been talking to our promotions  
21 folks. And coupled with the MassMutual Center,  
22 which is catty corner to our project, we are  
23 thinking about things like you can do a car  
24 show with outdoor cars out there and really

1 take the MassMutual Center from an indoor  
2 program and extend it to an outdoor program.

3 So, we're going through our rolodex  
4 and looking at all of the opportunities that an  
5 outdoor plaza like that creates.

6 Secondly, if you look to the  
7 right -- This is what I thought you were asking  
8 about earlier, Chairman. -- is that you can see  
9 the terraces that are on the second floor  
10 looking down on the plaza. That's right next  
11 to our banquet space.

12 And we think there's a lot of  
13 opportunity, for example, on the wedding side  
14 to host events up there, bring them down for a  
15 reception on the plaza. Ironically, even  
16 though we have a church on the site, it  
17 probably won't be used as a chapel. We'll  
18 probably take advantage of this space to do  
19 things like that.

20 So, a lot of functionality,  
21 flexibility comes from this design.

22 COMMISSIONER MACDONALD: Albie, what  
23 are the dimensions of that plaza?

24 MR. COLOTTO: I'm going to refer to

1 one of my colleagues. His name is George  
2 Sovich. He's in the crowd real quick. And he  
3 knows a little bit more about the technical.

4 MR. SOVICH: From the doors of the  
5 Armory to the doors of the banquet space that's  
6 120 feet wide.

7 COMMISSIONER MACDONALD: What about  
8 on the other axis?

9 MR. SOVICH: It's relatively square  
10 but it comes a little bit more in this way.  
11 So, it's more like 125 by 180 to our hotel  
12 lobby.

13 COMMISSIONER MACDONALD: What was in  
14 my mind in asking that question, but that  
15 actually doesn't same very large, but having  
16 lived through the urban renewal experience in  
17 Boston and the ongoing burden of the barrenness  
18 of City Hall Plaza and recalling how everybody  
19 thought at the time it was designed that this  
20 was going to be a lively urban space, and  
21 instead is like a big graveyard in spite of a  
22 number substantial improvements that have been  
23 over time.

24 Have you thought about the risk of

1 this plaza becoming a more empty space in fact  
2 as opposed to an alive space?

3 MR. MATHIS: Yes. That's certainly  
4 something we have to be vigilant about. I  
5 think Jed, is this the comparison? Why don't  
6 you help me with this?

7 MR. NOSAL: Sure. Staff had asked  
8 us just using basic sort of Google mapping sort  
9 of compare specifically da Vinci Park to some  
10 other spaces in Boston, Boston City Hall,  
11 Central parcel in the Rose Kennedy Greenway as  
12 well as I think we also did Post Office Square.

13 So, you see a comparison. Again,  
14 it's just on da Vinci Park not the entire  
15 plaza. That's actually Exhibit K to the letter  
16 we submitted in your book. You can get a sense  
17 of I think the size of at least da Vinci Park  
18 in comparison to some of those other open  
19 spaces.

20 MR. MATHIS: We certainly are  
21 conscious of the fact that we've got to keep  
22 that plaza active. I think one rendering shows  
23 that we've got umbrellas that sort of spill out  
24 retail patio space for restaurants. So, you've

1 always got the ability to fill the space with  
2 actual patrons from the adjoining retail and  
3 restaurants.

4 I've literally got 100-page deck  
5 that I can share with you. We are starting to  
6 brainstorm some of the ideas around how to fill  
7 that program even with a sample calendar.

8 Before your time, we talked to this  
9 Commission about an event we did in Court  
10 Square, which you've seen, beautiful historic  
11 Court Square. We did an outdoor -- we called  
12 it a downtown dinner table. We had 200 people  
13 come out and banquet style tables. And we had  
14 our celebrity chefs from Vegas come out and  
15 work with a local Putnam Vocational School.  
16 And we filled that entire square with music  
17 from the community school, dining and helped  
18 raise some money for some local charities.

19 So, the point is there's all kinds  
20 of great programming you can put in there. I'm  
21 not worried about not being able to fill it,  
22 I'm just worried about how many competing uses  
23 we'll have for it. We will show you that  
24 calendar because I believe that's important to

1 keep that square active. And we've got a very  
2 specific plan around that.

3 COMMISSIONER MACDONALD: Thank you.

4 MR. COLOTTO: So, then again what we  
5 did is this is more of the pedestrian view. As  
6 you do get down on there, some of those views  
7 that we show you, they are almost like fish-eye  
8 lens views because trying to get specific  
9 things in that view to show you. So, they do  
10 look a little distorted.

11 From a guest point of view, this is  
12 more how you'd experience the first part or  
13 portion of the plaza. This overall plaza is  
14 about 27,000 square feet which does include in  
15 front of the French church, the ice-skating  
16 rink and then all of the space in between the  
17 retail that's off of Union Street leading all  
18 of the way down into the entry to our cinema  
19 complex there. So, this we feel is going to be  
20 very active and animated.

21 Just a quick shot showing the pool  
22 and the other two terraces. One thing we are  
23 going to be able to do is with the pool being  
24 right there on that second level adjacent to



1 these other two terraces, we'll be able to have  
2 different function events in there. With the  
3 banquet space that is interior, during the  
4 great weather, we will be able to have events  
5 going on out in the pool area, events going on  
6 on this terrace. Then you could have -- It's  
7 almost like breakout session. You have  
8 something in the interior but then you're able  
9 to spill out into these outdoor areas.

10           Then just some more elevations that  
11 are just more in detail. It does show all of  
12 the materials that we are planning on using on  
13 this. We have worked with the planning  
14 department and their consultant going through  
15 all of the materials on this. And we'll show  
16 you a material list at the end.

17           A shot of the area where the ice-  
18 skating rink would be during a seasonal time  
19 but then on other weekends farmer's market and  
20 other events that would go on in this portion  
21 of the plaza area in front of the retail.

22           The relocated French church with  
23 that farmer's market going in the background  
24 there and seeing this end of the Armory.

1                   CHAIRMAN CROSBY: Have you said this  
2 or have I forgotten, what is use of the church?  
3 What is going to be in there?

4                   MR. MATHIS: We're still trying to  
5 figure it out. We think it's got to complement  
6 the ice rink in the winter and the farmer's  
7 market. So, it feels like a hot-chocolate  
8 confection type of program in that corner is  
9 where we are leaning.

10                  MR. COLOTTO: The great thing too is  
11 with having the cinema complex on the property  
12 and adjacent, it is really nice that we're  
13 going to have all those guests that are able to  
14 go and experience the cinema. It does bring a  
15 lot of folks on there at scheduled times.

16                  So, one thing even with that plaza,  
17 people spilling out and coming from the movies,  
18 going back and forth to the Red Rose Pizzeria,  
19 going to the food and beverage that we have.  
20 At certain times on the hour when things are  
21 released, like the movie gets out or the movie  
22 is about to start, it does create these great  
23 congregation spots for people to experience the  
24 property in different ways than just going into

1 a casino.

2 CHAIRMAN CROSBY: That's great.

3 MR. COLOTTO: Now we've kind of come  
4 around and we are on State Street. We are  
5 looking at the façade that we're going to be  
6 saving. That was the old electric building,  
7 the historical building. We have the South End  
8 market here. We have our bus drop-off area.

9 We are going to be showing you in an  
10 exhibit in a little bit also, we have three  
11 lanes that people are able to come by bus in  
12 two of the lanes. And then you are able to  
13 drop off on the other. This is really the  
14 creation of MGM Way now. And it is one of the  
15 ways that you will be able to get into the  
16 valet portion and the self-parking portion of  
17 the garage.

18 Just a real beautiful view, on the  
19 left-hand side more towards the middle, you're  
20 starting to see a little bit scattering of  
21 umbrellas. One thing that this plan does is it  
22 activates all of the streets in this project.  
23 We don't have a front. We don't have a back.

24

1                   What we have are activated streets,  
2 State Street, Main Street and Union Street,  
3 which was very important to the city because  
4 that does help people in the future say okay,  
5 we want to build something. I don't want to be  
6 on the backend of something. I want to be in  
7 the front-end. We have a lot of front-ends on  
8 this project.

9                   Right off of the entry off of the  
10 marketplace you have the Starbucks with their  
11 outdoor terrace. Right across the street we  
12 have a lot of office space and businesses that  
13 people can come now and experience this. So,  
14 it's just very activated. It's very animated.

15                   And it really relates to the  
16 neighborhood and allows people to come visit it  
17 on a lot of different terms. You can come  
18 here, have a coffee, a little pastry and not  
19 even go into the rest of the resort. Or you  
20 can then go in and experience more if you would  
21 like.

22                   Some more elevations.

23                   MR. MATHIS: I'm going to step in.  
24 I think we are introducing our proposal for our

1 new iconic sign. What we did is we took  
2 inspiration, as we often do, from the area.

3           You'll recognize these without even  
4 citing them but this really believe sort of the  
5 throwback to the steel structural support for a  
6 bulb-lit sign is really iconic. It's something  
7 we don't do in Las Vegas. We hit you over the  
8 head with neon because we are competing with  
9 everybody else who has hit you over the head  
10 with neon.

11           So, this we think is a different  
12 opportunity. You've got the three signs that  
13 are in the Boston area. And we also showed you  
14 the public market which is the Seattle Fish  
15 Market sign. So, that was our inspiration for  
16 the sign that we are proposing to the city  
17 council and to the Mayor's office, which we've  
18 received some good reviews over it.

19           So, this is the MGM Springfield  
20 sign. Same style, the structural support  
21 behind it, sort of a throwback in terms of the  
22 lettering and style. Sits prominently above  
23 the garage structure.

24           Some of things we're playing with in

1 terms of technology is you'll see the two  
2 columns that support the sign are slightly lit.  
3 And we're trying to figure if there's something  
4 we can do at night that would be dynamic in  
5 terms of lighting.

6 I don't want overpromise because  
7 we've fallen into that trap a couple of times,  
8 but the Luxor being, for example, is something  
9 that if we could do a less ambitious version of  
10 that that would really highlight what's a  
11 pretty cool sign. Then our iconic lion in the  
12 center with a clock, which again is sort of a  
13 throwback from what we do in Vegas.

14 So, really excited about it. The  
15 two panels left and right would be static, but  
16 the center one which isn't shown -- the center  
17 panel with MLife is actually a dynamic video  
18 board.

19 And we've got to work through  
20 MassDOT because there's special rules about  
21 dynamics signage adjacent to a highway. So, it  
22 will be subject to that discussion and  
23 approval. But this is our proposed new iconic  
24 sign.

1 MR. COLOTTO: One thing that's  
2 really great also is with the history of  
3 Springfield, we wanted on this whole project  
4 it's really meant to show some of the heritage  
5 of Springfield but then also to show the  
6 progress moving forward in Springfield.

7 So with this, there's a nod to the  
8 heritage side. It's classical. It will be  
9 long-lasting. It's not going to go out of  
10 style. But at the same time, with the dynamic  
11 of the moving video portion and on the MGM  
12 letters themselves, they actually are going to  
13 be changing colors and tying into the movement  
14 that is shown on the video.

15 It really just shows the innovation  
16 and the next level of design on these signs  
17 also. So, it really does tie in well with the  
18 overall project.

19 COMMISSIONER ZUNIGA: So, the one in  
20 the middle is going to be moving -- is a video,  
21 right?

22 MR. COLOTTO: Video, correct.

23 COMMISSIONER ZUNIGA: And the other  
24 two are static?

1 MR. COLOTTO: That's correct.

2 MR. MATHIS: That's correct.

3 COMMISSIONER ZUNIGA: But also  
4 illuminated much like you see there.

5 MR. MATHIS: You can see the  
6 perspective from the Viaduct. The Viaduct is  
7 very unique because it starts already 40 feet  
8 up in the air. But you can see our garage is  
9 going to be a very prominent structure. And  
10 the sign on top of it will make it that much  
11 more prominent.

12 And then you can see some of the  
13 other advertising opportunities we have along  
14 the garage that we are showing, which wouldn't  
15 be just limited to our building. We are  
16 promoting City Stage MassMutual Center,  
17 potential retailers on-site.

18 MR. COLOTTO: And then this shot is  
19 shown from Columbus. So, it does show how the  
20 garage portion how it also does address the  
21 Union Street façade. You can see in the upper  
22 right-hand corner how the cinema and the  
23 entertainment block is also activating the  
24 Union Street.



1                   Then there's the material board.

2                   What we did is we worked out a material matrix  
3                   that we wanted to work with the city on, making  
4                   sure that the quality of this project is what  
5                   Springfield deserves.

6                   So, what we did is we worked out a  
7                   lot of different material and components that  
8                   will be on the project. The elevations that we  
9                   show show the scale of what they are going to  
10                  be on the project. So, on this you might have  
11                  something with the EFIS material or a plaster  
12                  material that really isn't say more of a  
13                  Springfield heritage style material. It is a  
14                  little bit more contemporary, a little more  
15                  modern.

16                  But the scale of it on the overall  
17                  project is very small. It's probably less than  
18                  say five percent. But the brick, the stone and  
19                  the other components make up the majority of  
20                  the façades.

21                  So, what we did is we showed them  
22                  this. We'll be working through this with them  
23                  during pretty much all through construction.

24                  They're getting promises and this is

1 what we're going to deliver. On the bottom  
2 portion of this slide, you can see the heritage  
3 light lamps that are out there. And we'll be  
4 using that and tying that in with the rest of  
5 our landscape and hardscape program for the  
6 project.

7 MR. MATHIS: I think that's the  
8 conclusion, right, Albie?

9 MR. COLOTTO: Yes.

10 MR. MATHIS: So, I don't know if you  
11 have any other questions. I think it'd be  
12 important to conclude here with what the city  
13 -- what the Mayor's office and what their  
14 consultants have said about our new design.  
15 And to quote them, it's brilliant.

16 They said that they wish we had  
17 started with this design initially, and we  
18 could've avoided a lot of the controversy  
19 created by changing out the tower. But they  
20 feel very good about this design. And we do  
21 believe this is more in keeping with trying  
22 what we're trying to achieve in the downtown in  
23 terms of an integrated architecture.

24 I'll remind you again that your own

1 consultants, we dug it up in the archives, had  
2 only one critique of our design. And it was  
3 the tower because it felt out of place.

4 So, we are excited about it. We got  
5 here through cost concerns. And as you said,  
6 Chairman, just because it was driven by a cost  
7 evaluation doesn't mean that the end product  
8 isn't better for it. We feel very strongly  
9 that it is.

10 So, I think we the quarterly report.  
11 Is that part of the presentation? I think we  
12 are largely concluded.

13 CHAIRMAN CROSBY: Do you guys want a  
14 break or keep going? Keep rolling.

15 MR. MATHIS: That's the part I  
16 missed. So, I think we are done.

17 MR. BEDROSIAN: I guess the  
18 Commission's satisfied they've gotten the  
19 quarterly report and the update.

20 COMMISSIONER ZUNIGA: You know what  
21 might be useful just to highlight perhaps just  
22 for the benefit of the record, your responses  
23 to the abutters' concerns. I think they are  
24 very much on point, but if you can highlight

1 one or two from your perspective. That's also  
2 part of the packet. I know we heard some of  
3 those concerns in the last time we were around,  
4 we were there. I think it's page 41.

5 MR. PACKER: While we're looking  
6 here, I can kind of walk you through a macro  
7 level from my standpoint on how we interact  
8 with abutters, what we've gone through to date  
9 and probably what's ahead of us in the site  
10 plan review process.

11 One of which is how do we  
12 communicate with the community? So, you kind  
13 of have immediate abutter communications and  
14 then you have a little more global. One is,  
15 and I believe it's in the packet, it talks  
16 about us and certain community groups,  
17 especially ones adjacent to the project.

18 And whether it's us attending and  
19 participating in their meetings, dealing  
20 directly with the community group presidents.  
21 We had three groups we cited in the report that  
22 we work closely with, not only for feedback but  
23 also to gets our messaging out. That's kind of  
24 the first stage of how we look at communication

1 with the neighborhood.

2           The second would be how do we  
3 communicate what's going on on-site and what's  
4 coming up and what kind of disruptions might  
5 take place. I think in the last presentation,  
6 I covered it a little bit. We have biweekly  
7 emails that go out. There's a map. It's coded  
8 to all of the activities. So, they continue  
9 and they're also available on MGM's website.

10           The third piece is some direct  
11 abutters especially the Colvest Group and the  
12 five representatives there. We've met a series  
13 of five or six times over the last year, year  
14 and a half to review our design.

15           Most recently the last couple of  
16 meetings obviously had a lot of dialogue in  
17 which the design was much more refined. And  
18 have heard their concerns and tried to address  
19 the majority of their questions. Are there  
20 still some open issues, yes, and you'll hear  
21 about those as we get through site plan.

22           Then in summary, we kind of just for  
23 talking to city council wanted to walk through  
24 some examples of maybe how we're handling

1 things or what have done or what comments have  
2 we addressed that we would not have addressed  
3 if it wasn't for abutter feedback.

4           So for instance, speaking with Red  
5 Rose in one of the previous designs you've  
6 seen, the cul-de-sac you would come down and it  
7 was asphalted on Howard to a point right at the  
8 edge of Red Rose Pizza's lot. So, the only  
9 asphalt portion was down and you'd turn into  
10 his lot.

11           He was concerned that by the surface  
12 of the paving, a customer of ours potentially  
13 or somebody who is lost comes down and they  
14 just follow the asphalt into his lot, which is  
15 a dead-end lot. So, we worked with him to  
16 change that paving to continue the asphalt and  
17 continue that look to the cul-de-sac so that  
18 it's more of a normal right-of-way experience.  
19 So, that's one concern of his that we've  
20 addressed.

21           Folks have brought up noise and  
22 vibration concerns. Our old central plant used  
23 to be behind the garage. Currently, we  
24 relocated central plant to inside the casino on

1 the second floor. So, what remains now are  
2 generators, which could sound concerning but  
3 they're the backup generators. And for  
4 maintenance, they only need to be run 15  
5 minutes a month. And we plan on coordinating  
6 with the abutters on the time that we run them.  
7 But 15 minutes a month is way different than  
8 having you central plant there originally.

9           Also, along the garage back edge,  
10 along Colvest there wasn't previously a  
11 landscape buffer. We have changed the design  
12 slightly to allow for that edge. The bus drop-  
13 off was a big point of discussion with Albie  
14 and the team and city's consultants.

15           It used to be inside the garage.  
16 The abutters didn't really like that. As you  
17 know, we moved it but was also there were  
18 concerns about circulation there. A but would  
19 pull in at an angle, back up. We've now made  
20 that more of a drive-through scenario. And by  
21 doing that we've addressed two concerns.

22           The city also had a concern that we  
23 didn't have enough drop-off space. That one  
24 would have to go into the garage to drop

1 someone off. And since our bus program,  
2 average of 10 buses a day. They're going to be  
3 dropping off for 15 minutes and going to  
4 another location. That same area for buses can  
5 be used for local resident drop off. So, we've  
6 kind of killed two birds with one stone based  
7 on that feedback.

8 Da Vinci Park, the concern was da  
9 Vinci while it's federal property and we're  
10 improving it should have its own identity, its  
11 own kind of look. In particular it's adjacent  
12 to Red Rose parking. So, you want to fence it  
13 and we have certain commitments to the city  
14 related to topiaries in the garden. So, that  
15 will be more of a formal distinguished look  
16 from some of the rest of the project. That was  
17 based on feedback we also got.

18 Curb cuts along Bliss Street and  
19 State Street basically along Bliss right now,  
20 which will become MGM Way, our exit to our  
21 parking garage aligns with the abutter's  
22 driveway curb cut on the other side. The  
23 abutters have a concern that somebody comes out  
24 of our parking garage, goes over the street and



1 goes right through their parking lot to State  
2 Street.

3           So, what we've offered -- The  
4 abutters have suggested that we shift our  
5 entrance. If we do that the only spot to  
6 really shift is towards the casino which then  
7 we think now creates a situation where cars are  
8 stacking off of State Street. That's not ideal  
9 at all.

10           But what we've offered is we will  
11 work with the abutter to either re-stripe their  
12 lot or change their curb cut for them and shift  
13 it down a bit so that that alignment no longer  
14 takes place and that concern could be  
15 alleviated.

16           So, we've offered to do that,  
17 haven't heard back whether that would be  
18 acceptable or not. That's one of the other  
19 offers we've made. So, we are willing to alter  
20 that abutter's existing curb cut.

21           Placement of dynamic signage  
22 distracts from abutting properties.  
23 Originally, we were looking to potentially have  
24 the video screen closer to Colvest. We have

1 located it where it currently is which is away  
2 from Colvest. Obviously, the Michelman  
3 property is in front of the sign. So, we still  
4 have some site plan review discussion to take  
5 care of there.

6 That was one of the concerns brought  
7 up last night. But we did shift the sign based  
8 on certain feedback from Colvest.

9 Potential for patrons to cut through  
10 Red Rose parking lot onto Union Street. We've  
11 also agreed that while patrons may try to do  
12 that it's physically kind of impossible with  
13 this design. But we will have signage there  
14 that the Red Rose lot is for Red Rose parking  
15 only.

16 CHAIRMAN CROSBY: I was going to ask  
17 that. That lot behind Red Rose that's an L  
18 that's all Red Rose?

19 MR. PARKER: That's correct, yes.

20 CHAIRMAN CROSBY: I can imagine  
21 that's going to be a constant battle.

22 MR. MATHIS: It will. We'll help  
23 them police it and we'll certainly have the  
24 ability to potentially enforce, especially if

1 it's employees or anyone that we have control  
2 over, tenant employees. Those are probably  
3 going to be the more common offender. So,  
4 we'll work with them on that.

5 CHAIRMAN CROSBY: You don't have --  
6 Obviously, they'll have to be some signage  
7 somewhere which is kind of unruly signage. And  
8 trying to figure out how you notice people that  
9 this lot right to left off Howard as you're  
10 coming in is only Red Rose without putting up  
11 some ugly sign right entering your plaza.

12 MR. MATHIS: They currently have  
13 that problem because of the paid parking that's  
14 in the downtown. They have a gentleman that  
15 mans that lot and they enforce it already. So,  
16 I don't think it's a new problem. It's just  
17 potentially different.

18 CHAIRMAN CROSBY: They have somebody  
19 there basically all the time?

20 MR. MATHIS: That's right, largely,  
21 especially during the peak days, peak time.

22 MR. PACKER: The one advantage of  
23 the cul-de-sac, obviously, is I think if you do  
24 turn down Howard and you're not meant to be

1 there, you're going to see the cul-de-sac. And  
2 it's a clear turnaround versus trying to turn  
3 into a parking lot you are unfamiliar with.  
4 So, I think the cul-de-sac does aid in a little  
5 bit of that.

6 The perimeter of the site is not  
7 pedestrian friendly. Early on in certain  
8 designs down by Columbus or along Bliss there  
9 weren't sidewalks necessarily adjacent to the  
10 roadway. So, we've improved that in the  
11 current design as well.

12 And then one of the last comments  
13 was pedestrian access to da Vinci was not  
14 delineated. That was a dialogue we also had  
15 with Red Rose was Red Rose did not want a  
16 sidewalk along their parking lot because they  
17 were afraid then people would park, use the  
18 sidewalk to our site.

19 So, in that dialogue we worked to  
20 put the sidewalk in front of da Vinci along the  
21 cul-de-sac and not along Red Rose's lot.

22 This list is not meant to be all-  
23 inclusive. Obviously, we still have some  
24 issues to review during site plan. But it

1 shows you a little bit of the dialogue, a  
2 glance into the dialogue we've had with the  
3 abutters on some of their concerns.

4 MR. MATHIS: I just add the ultimate  
5 protection I think for the abutters is  
6 something we discussed with the city, it came  
7 up last night during city council hearings,  
8 which is we've agreed to a condition of our  
9 site plan that allows the city to continue to  
10 be the arbiter of different requests that come  
11 from our abutters.

12 We can't unilaterally accept all of  
13 their requests because they are not all  
14 reasonable. I think they would even admit  
15 that. We can't unilaterally reject them all.  
16 We've allowed the city to be the independent  
17 party that can condition our further permits  
18 and ultimately our certificate of occupancy on  
19 our agreement with reasonable conditions.

20 So, their list continues to change.  
21 They brought up new issues. We'll look at them  
22 as they come up but that's the mechanism to  
23 resolve them going forward.

24 MR. BEDROSIAN: Commissioners, if I

1 could, now that we've got the substantive  
2 presentation, might just review in process, if  
3 I'm correct, you have some work to do with the  
4 city council still. You're waiting for some  
5 approvals from MassDOT. And then you will at a  
6 time to be determined with staff shortly come  
7 back to the Commission for final design  
8 approvals but while there are no absolutes what  
9 you presented today you would anticipate would  
10 be pretty close to the final design.

11 MR. MATHIS: That's all accurate.  
12 This Commission has been very clear that you  
13 want to defer certainly in the first instance  
14 to the host community.

15 They are going through their  
16 process. We believe that timing is the next  
17 two to three weeks. They want some more public  
18 comment. The public comment that they've  
19 received so far, by the way, has been  
20 overwhelmingly supportive of our design. Rave  
21 reviews, I think according to Mass Live. So,  
22 from time to time, Mass Live does get the  
23 headline right. And that is the case with what  
24 happened this week.

1                   So, we'll come back to you and let  
2                   you know where we stand on the status of that,  
3                   but so far very positive.

4                   CHAIRMAN CROSBY: Any other  
5                   questions or comments?

6                   COMMISSIONER CAMERON: I thought it  
7                   was an excellent presentation. The detail is  
8                   very helpful and good luck with the city  
9                   council.

10                  MR. MATHIS: Thank you.

11                  COMMISSIONER ZUNIGA: I may not need  
12                  to remind you that I was a very big skeptic of  
13                  your design changes when you first presented  
14                  them. But there's clearly a lot of work that  
15                  you've done since then. A lot of responses  
16                  that you've gotten either positive from the  
17                  community and from abutters as well. So, thank  
18                  you for a very thorough report.

19                  MR. MATHIS: Thank you.

20                  CHAIRMAN CROSBY: Thank you very  
21                  much.

22                  COMMISSIONER MACDONALD: Thank you.

23                  CHAIRMAN CROSBY: We'll take a quick  
24                  five- or 10-minute break.

1 (A recess was taken)

2

3 CHAIRMAN CROSBY: We are reconvening  
4 at about 12:10 to 175th meeting of the Gaming  
5 Commission. And we are back to Ombudsman  
6 Ziemba.

7 MR. ZIEMBA: Mr. Chairman and  
8 Commissioners, now we are joined by Robert  
9 DeSalvio, President of Wynn Everett, Jacqui  
10 Krum, Wynn's Senior VP and General Counsel, and  
11 Chris Gordon, President of the Dirigo Group to  
12 present Wynn's fourth-quarter report. Welcome,  
13 Bob.

14 MR. DESALVIO: By the way let me  
15 first start by saying good morning, Mr.  
16 Chairman, Commissioners but also that Chris  
17 Gordon has now actually joined the Wynn team as  
18 an employee of Wynn Design Development as  
19 President of WDD Massachusetts for us. So,  
20 congratulations to Chris.

21 Today we're going to cover seven  
22 different topics. We're going to cover  
23 permitting, site remediation, design,  
24 construction, project schedule, diversity and



1 community outreach. And happy to report that  
2 all of the news is good today. We're going to  
3 jump right into it and Chris is going to start  
4 off with permitting.

5 MR. GORDON: Thank you, Bob. And  
6 thank you for having us. On the permitting, as  
7 you see from the slide I won't go permit by  
8 permit, but there's several big permits we're  
9 still pursuing. Most of our permits are done,  
10 but we're still working on our Chapter 91  
11 permit, which we have been told by the DEP  
12 we'll get the draft which is the last step  
13 before our review process tomorrow. That's  
14 good news on schedule.

15 There's then a review process for  
16 the next 21 days. And we hope to have that  
17 finalized in February. So, that's a big step.

18 Also, on the Section 61 Findings,  
19 which is the last step in the MEPA process,  
20 we're working very hard to get all those  
21 completed. Those involve a number of state  
22 agencies. We've had numerous meetings.

23 As John knows, we're tracking to get  
24 those to the Gaming Commission because you have

1 the final step in that process where you have a  
2 public meeting and another comment period on  
3 that. So, we're trying to line those arrows up  
4 so that'll be done by roughly April 1 with the  
5 Section 61 Findings.

6 In the middle of that we have Army  
7 Corps approvals to get. We have the water  
8 quality cert. and a number of things but those  
9 are the two big ones that we're tracking and  
10 we're still on schedule for those.

11 Next slide, site remediation. As  
12 you know the remediation is well underway. We  
13 have a large amount of work going on. Charter  
14 Contracting was picked. They're a local firm  
15 in Massachusetts, a minority-owned company that  
16 is doing our remediation. I would say they are  
17 doing a very good job.

18 We have a tremendous amount of work  
19 going on. We'll show you some photos in a  
20 minute. We started in October. If you know  
21 how our remediation works, there's two problems  
22 with the site. One is contaminated soil. And  
23 one is what is known as a low pH, which means  
24 it's a very high acidic area.

1           So, when you think about remediating  
2 soil, most of that is counted by how many  
3 trucks of soil you can get to a certified  
4 landfill. So, not to use too basic of a metric  
5 but last week we had about 52 trucks of soil  
6 leave the site. This week we'll be up over 80.  
7 And next week we might be up over 100. So, the  
8 trucks with the soil is moving very well.

9           Most of it is going to a landfill in  
10 New Hampshire. We also have trucks this week  
11 leaving for Michigan. We'll probably have  
12 trucks leaving for Quebec. So, depending on  
13 the types of soil, it goes where it's supposed  
14 to go. All certified, all heavily regulated  
15 and we're quite pleased how that's going. We  
16 do expect them to finish on time, which means  
17 the first quarter of '16 we'll be done with the  
18 remediation.

19           As you know, this is the first phase  
20 of remediation. The rest of it happens during  
21 the actual excavation, but this is by far the  
22 worst part of the remediation. So, we expect  
23 to wrap that up this quarter and be done.

24           CHAIRMAN CROSBY: Do you bring in

1 soil to fill if you take out that much soil,  
2 before you're going to do an excavation?

3 MR. GORDON: There's some soil on-  
4 site. There's some large stock piles of soil  
5 that were already on-site that we can use.  
6 We're also going to be bringing in some new  
7 soil to level out the site.

8 The other area, the low pH area,  
9 you're just mixing soil. So, that area you  
10 don't lose any soil. Yes, there will be  
11 volumes, large volumes of soil brought in to  
12 backfill those.

13 Ironically, some of it gets taken  
14 back out again later when we excavate the  
15 foundation. But we do not want to leave large  
16 open holes in the site for the early part of  
17 construction.

18 It's also a PIP site as you know,  
19 which is a public involvement processing. So,  
20 we've been holding meetings and sending out  
21 emails and sending letters, keeping the folks  
22 involved in that process very informed. And  
23 we've received great feedback on those regular  
24 updates.

1                   Briefly some photos. You've seen  
2 this one before, but this is site in the old  
3 days, the Monsanto. The reason we brought it  
4 up again is if you look sort of in the middle  
5 of the site where the two parts there's sort of  
6 a 90-degree angle in the water, you'll see some  
7 tanks and some processing buildings there.  
8 That's where the worst of the contamination is.  
9 Ironically, those tanks were probably leaking.  
10 And we'll show you photos now of that today but  
11 that's being excavated.

12                   CHAIRMAN CROSBY: Where are you  
13 talking? I'm not quite sure.

14                   MR. GORDON: The pointer doesn't  
15 work, but see where the waterfront comes to a  
16 90-degree angle right in the middle of that  
17 photograph?

18                   CHAIRMAN CROSBY: Yes.

19                   MR. GORDON: See there's tanks and a  
20 big like processing building there?

21                   CHAIRMAN CROSBY: Yes. Isn't that  
22 the other side of the tracks?

23                   MR. GORDON: On our side of the  
24 track is our site. On the other side of the

1 tracks is where --

2 CHAIRMAN CROSBY: I see.

3 MR. GORDON: And then to the far-  
4 right you'll see the large crane. We are now  
5 uncovering all the foundations that are still  
6 there for those cranes. One foundation is 20  
7 by 20. They're big, big foundations. So,  
8 we're finding a lot of this remnant and able to  
9 remove it.

10 If you go to the next photo that was  
11 before we started remediation. As you can see,  
12 the site was quite barren. The waterfront is a  
13 bit irregular with debris, discoloration. And  
14 at low tide there is a lot of what you just  
15 call junk, if you will, along the waterfront  
16 that's been left behind by hundreds of years of  
17 use.

18 The good news is it as you start  
19 looking at the rest of these photos, this is  
20 the low pH area where we're mixing. This is  
21 out at the peninsula. This was a few weeks  
22 ago.

23 This where you mix the low pH soil  
24 with an additive which actually neutralizes it

1 and makes the soil much better, much safer.  
2 So, they've got about 190 of the 360 cells  
3 already mixed. So, we're making good progress.

4 You can also see in the foreground  
5 there are timbers and granite blocks and  
6 everything you ever lost in your life is now on  
7 this site. So, we've uncovered many things  
8 that we're able to deal with.

9 This is typical excavation area. We  
10 put sheathing down and we start digging deeper  
11 and deeper. This is about a quarter of the way  
12 down. The large pipe is just supporting the  
13 excavation. There's nothing in it.

14 A little below this level we start  
15 to hit water. So, if you went out there today,  
16 you'd see this hole about 20 feet deep with a  
17 significant dewatering pumps going on to keep  
18 it dry because they have to carefully remove  
19 the soil. They have to test it, stockpile it  
20 and then eventually it goes on the trucks.

21 Again, there's three of these areas  
22 that are being worked on. This photo is  
23 similar. You can see they're getting deeper  
24 and deeper with the excavation as the sheathing

1 goes down. This one is actually a little bit  
2 more illustrative because it's bigger. If you  
3 look on the left, it looks like an excavation,  
4 a bit of a bowl. That is the dewatering bin  
5 where we pump out the water for the dewatering.

6 We first put it in frac tanks and  
7 clean up the basic material. It's then pumped  
8 into these pits and then eventually recharges  
9 into the site through infiltration. So, we're  
10 getting about 22,000 gallons of water a day,  
11 which is all being treated and put back into  
12 the site.

13 Just to the right of that you see  
14 what looks like bins if you will. They are  
15 white tarps over individual bins. Depending on  
16 the soil we find, it's put in a bin. It's  
17 tested. In some cases, it's treated. And when  
18 it's ready, when it passes the appropriate  
19 test, it can then be put on trucks and taken  
20 away.

21 To the lower left, you see bigger  
22 stockpiles that are getting ready to go into  
23 the bins. And then in various places you see  
24 excavation underway on the site. So, it's a



1 very active site today. And it will continue  
2 that way for the next few months to finish up  
3 the remediation.

4 This little closer view. In the  
5 bottom part of that photo is where you have a  
6 large utility line, 115K the utility line. But  
7 most important, if you see where that orange  
8 fence is on the bottom of the page, that is  
9 around the pit that we took PCBs out of.  
10 They're the worst of the contaminates and those  
11 are going to be leaving this week for Michigan.  
12 That'll get the worst of the contaminants off  
13 the site and gone, which is a good sign.

14 COMMISSIONER MACDONALD: Were your  
15 PCBs restricted to that part of the site?

16 MR. GORDON: Yes. We did about 2000  
17 site investigation borings, either borings or  
18 test pit. And that was the area, the only  
19 place we found PCBs. As you know, during the  
20 actual excavation we'll keep an eye out for any  
21 others because we'll continue to be testing.  
22 Those are the only ones that we found during  
23 pre-characterization.

24 COMMISSIONER ZUNIGA: Chris can you

1 point that on the larger map maybe?

2 MR. GORDON: It doesn't show. If  
3 you go to the phot right before that off to the  
4 top of that page, way up by the MBTA in the  
5 very corner is where that is. It doesn't show  
6 on this site plan, but it's as far north on the  
7 site as you can go.

8 And finally, this is another photo  
9 showing the area. To the left is where we are  
10 excavating right along the waterfront there.  
11 And then on the right is another one of the  
12 infiltration basins.

13 The point of those photos is to show  
14 you that there's a tremendous amount of work  
15 going on for remediation. You never want to  
16 curse yourself, but it's going very well. It's  
17 on schedule. The DEP has been out a number of  
18 times and have been, I think, satisfied. The  
19 city has been out of course on a regular basis.  
20 So, we're in a good position in getting all  
21 that done.

22 COMMISSIONER ZUNIGA: Any winter  
23 conditions?

24 MR. GORDON: All of the pumps froze

1 up yesterday. So, yes. It doesn't slow down  
2 the remediation but they did have -- The  
3 dewatering pumps froze up. And once they  
4 freeze up, you have to stop. So, they got  
5 about a half-day's worth of work in yesterday.  
6 And they're going to take some other measures  
7 to try to keep it thawed out.

8           It actually is better for the soil  
9 excavation because it stays quite contained  
10 when it starts to be a little bit more solid.  
11 But the dewatering, the real cold weather, not  
12 below freezing but when it gets really far  
13 below freezing like yesterday, it does cause  
14 problems with the dewatering.

15           As Jacqui mentioned, we also have  
16 eight air monitoring stations around the site  
17 that are checking for -- And I can't see one in  
18 this photograph. There's one way up in the  
19 upper left, but it's so small you can't see it.  
20 They're solar powered dust measuring systems,  
21 if you will.

22           Those look for any dust that might  
23 be migrating off the site which the community  
24 had asked for. They're working great. We test

1     them all of the time. And we've not had one --  
2     none of them have been triggered yet. Nothing  
3     has happened. They have gone off because on a  
4     cloudy day when one monitor can't see the  
5     other, it breaks the beam but there's been no  
6     dust migration of any sort at all.

7                   CHAIRMAN CROSBY: Great.

8                   MR. GORDON: Next we want to give  
9     you a quick update on design. As you know, the  
10    building is divided into really four different  
11    programs for the on-site work. The foundation,  
12    the garage, those plans have been independently  
13    peer-reviewed. Now they're with the city to be  
14    reviewed for the building permit.

15                   We got the city's comments  
16    yesterday. They were good normal comments. We  
17    responded to those. And we will certainly be  
18    hoping to get the building permit for the  
19    foundation in the next few weeks from the city  
20    of Everett, which is a big milestone. It's the  
21    first building permit they'll issue on the  
22    project. So, we are excited about that.

23                   The hotel tower is also under  
24    review. That will take longer because we

1 submitted it later. But that is the hotel  
2 tower structure and egress issues that are  
3 under review now. The city of Everett has  
4 hired a company named Four Leaf who is out of  
5 California that do this on some of the bigger  
6 projects around the world.

7 They're doing for example the new  
8 Google campus. They're doing that view. So,  
9 they are thorough. They're good. And they're  
10 putting us through the ringer and it's going  
11 well. So, we hope to be getting the tower  
12 building permit soon thereafter.

13 A little later will be the podium  
14 and the site. Those are the last two we'll  
15 get. And they'll take longer because we  
16 haven't submitted all that information yet.  
17 So, good news is we are headed toward building  
18 permits.

19 Off-site infrastructure, as you  
20 know, we have a very large off-site portfolio  
21 of projects, roadways, turning lanes, signals,  
22 T stations. We have an awful lot of off-site  
23 work to do. We have hired AECOM, which a  
24 national, international firm with a large

1 Boston office. They are far into the design  
2 process.

3           They've done their surveys. We're  
4 doing the roadway safety audits now. They  
5 started preliminary design. So, a very big  
6 amount of work but it's all going along quite  
7 well. We'll now start meeting with the cities  
8 and towns where the projects are, public  
9 meetings and design meetings and that sort of  
10 thing so that we can work through the approval  
11 process for those individual projects.

12           Sullivan Square is the biggest part  
13 of that. I am pleased to report that Jacqui,  
14 Bob and I have been meeting with the city of  
15 Boston's transportation on a more regular  
16 basis. We met last Friday. We are meeting  
17 again tomorrow.

18           And the engagement on Sullivan  
19 Square is guardedly going well. They have a  
20 lot of questions. So, we are making sure we  
21 work methodically. A lot of it is traffic  
22 modeling. It's design options. And the  
23 engagement right now is going very well.

24           COMMISSIONER ZUNIGA: Any of that

1 for the short-term process?

2 MR. KRUM: That is short-term.  
3 Separately Bob is meeting as part of the  
4 Sullivan Square Rutherford Avenue regional  
5 working group.

6 MR. DESALVIO: The regional working  
7 group, which I've been attending those  
8 meetings.

9 MR. GORDON: Construction, as you've  
10 all read in the paper, I think, we went through  
11 a very rigorous selection process and picked  
12 Suffolk Construction to be our contractor. It  
13 was a rigorous process.

14 We started many months ago and put a  
15 number of firms through their paces. And we  
16 did everything we could. We checked all of  
17 their information. We asked for detailed  
18 proposals. We did interviews. We did site  
19 visits. Suffolk did a great job.

20 We are pleased they are a  
21 Massachusetts based company. They're the  
22 largest builder in the region. They have a  
23 great network of subcontractors and  
24 relationships with unions. They did a very,

1 very good job. We also are pleased to say we  
2 have signed their construction contract. It's  
3 not just proposed. It actually is signed and  
4 done.

5           So, last Friday it was put in place.  
6 So, they actually have been on-site for a  
7 couple weeks at their own expense. Now they  
8 are on our tab but they are now working. The  
9 staffing is ramping up. We've got schedulers  
10 and estimators and all the usual  
11 preconstruction kind people are involved. And  
12 we're excited about that partnership.

13           We are now getting more specific  
14 with subcontractors. I gave a presentation to  
15 about 200 representatives of subcontractors  
16 last week who were very anxious to talk to us  
17 and talk to Suffolk and get involved. So,  
18 we're quite happy about that.

19           COMMISSIONER ZUNIGA: Chris, is that  
20 a GMP type contract?

21           MR. GORDON: It will be. It's not  
22 yet. Right now they're not at-risk. Right now  
23 we've locked onto their fee. We've locked onto  
24 the insurance. We've locked onto the overhead,



1 and we've locked onto their staffing. And I  
2 say locked on, we had quite a negotiation to  
3 make sure it all worked out well.

4 But the GMP portion of it, which is  
5 the guaranteed maximum price for the  
6 construction price, they owe us a submittal by  
7 July 1 of that proposal. We are then going to  
8 review it obviously carefully and negotiate it.  
9 And we hope by roughly September 1 we'll have a  
10 guaranteed maximum price in place.

11 In parallel with that we have two  
12 estimates going on today. One is being done by  
13 Suffolk to propose what they think it's going  
14 to cost. And we have an independent cost  
15 estimator who is doing an independent cost  
16 estimate, Vermeulens out of Canada who is doing  
17 that. And we'll be reconciling those two. So,  
18 long before the GMP negotiation, we think we'll  
19 have a good idea of what it'll cost.

20 CHAIRMAN CROSBY: Chris, did your  
21 subcontractor meeting include discussion about  
22 the diversity goals and strategies?

23 MR. GORDON: Oh, yes. We were very  
24 clear that we want to far exceed those numbers.

1 We explained to them what the numbers were.  
2 And then we said we don't want to barely squeak  
3 by. We want make sure we do well.

4           There were a number of minority  
5 firms and woman-owned firms in the room. I  
6 don't know if there was a veteran-owned firm  
7 there. I'd have to check. But they were very  
8 interested and we were interested in them. So,  
9 yes.

10           With the Suffolk negotiation, one of  
11 the things that we pushed hard on is that they  
12 can't just notice that they've actually got to  
13 pay close attention to it. And they've done a  
14 lot of this. They've done a lot of work in the  
15 state. And they understand who these  
16 subcontractors are and how to find them, how to  
17 recruit them, how to get them on the job. So,  
18 that was a plus for them.

19           Project schedule, as you'll see  
20 there's a bunch of pages of the schedule which  
21 I'm happy to go through but I won't unless you  
22 want to. But in summary, I'll give you a  
23 couple of bullets as you can see here.

24           The remediation we do expect to be

1 done by March. That's an important step for  
2 us. Chapter 91, we certainly hope that will be  
3 done in February. Section 61 Findings will  
4 hopefully be early April at the latest.

5 Service road construction, there's a  
6 separate project we're doing to put in a fairly  
7 significant service road into the back of the  
8 property, but that also carries most of our  
9 utilities.

10 CHAIRMAN CROSBY: Will that be the  
11 permanent service road that goes around?

12 MR. GORDON: Exactly, permanent  
13 service road around the MBTA. But again, the  
14 other thing is it's more than a road. It  
15 carries most of our utilities under that road.  
16 We want to start that in May as well. That's a  
17 big project we have to get going on quickly.

18 The off-site infrastructure, as I  
19 mentioned, that design is underway. We are  
20 showing a May start of construction. To be  
21 honest, we'd like to start that in April. So,  
22 we'll be working closely with the Commission on  
23 how we would do that. But if we can get all  
24 of our permits in place, we'll be ready and

1 Suffolk will be ready to start construction in  
2 April, which is really what we want to do.

3           Again, we don't want to be  
4 presumptuous, but that will be something we'll  
5 talk more about in the near future. I wasn't  
6 going to go through all of these pages of the  
7 schedule but we're happy to have a detailed  
8 meeting on any of the schedule aspects if you'd  
9 like to.

10           Before I turn it over to Bob, any  
11 questions on the development issues?

12           MR. DESALVIO: Thanks Chris. I'm  
13 happy to report this morning that we've made  
14 some additional progress on the diversity  
15 numbers.

16           And starting out on the design phase  
17 of the project, as you recall from our last  
18 update, this work represents a little over \$50  
19 million worth of work. As of right now, to  
20 give you the highlights on the MBE front, when  
21 we look at what is already in place and what's  
22 in the pipeline, we're expecting a 10.3 percent  
23 versus a goal of 7.9 percent. So, certainly  
24 some very good results there.

1           On the WBE front, right now  
2 including what we have and what's in the  
3 pipeline, we're looking at 7.5 percent on a  
4 goal of 10. So, we still have some work that  
5 we've got to do there. But we've been very  
6 aggressive on that front trying to find  
7 additional folks to participate.

8           And of course on the veteran side,  
9 we did really well with one in particular large  
10 contract. So, it looks like it will be about  
11 6.5 percent on a goal of one percent. So far  
12 exceeding on the veteran front.

13           In summary, when you look at the  
14 overall of about \$50 million worth of work and  
15 what's in the pipeline, just about a quarter of  
16 that work looks like will be done by either  
17 MBEs, WBEs or VBEs and that goes well above our  
18 goal of 18.9 percent. So, really some very  
19 good results on the design front.

20           Turning now to the construction  
21 phase. This particular page really represents  
22 the work of Charter on remediation, since Chris  
23 just mentioned we just signed on with Suffolk.  
24 So, this is really a snapshot of the

1 remediation work.

2           Of course, Charter is a Boston-based  
3 minority-owned business. So, in this  
4 particular case on a goal of 5 percent, we're  
5 at 91.3 percent. But don't hold me to that for  
6 future meetings, please. But certainly it was  
7 great to get Charter on board.

8           As a matter of fact, this morning El  
9 Mundo put out a nice story about Charter and  
10 the owner and them getting the contract and how  
11 big it was, a really big thing for the Latino  
12 community. So, really exciting to see that  
13 come out this morning in El Mundo.

14           On the WBE front, it looks like we  
15 are about 5.1 percent on the goal of 5.4. So,  
16 relatively close. Then on the veteran side .4  
17 percent on the one percent goal. So, again  
18 this is just a snapshot of remediation. And  
19 this will change radically as we move into the  
20 actual construction, main construction phase.

21           Next, I wanted to talk about the on-  
22 site participation. Again, this is mainly the  
23 work of Charter who is currently out there.  
24 Some improvement over the last report that we

1 had.

2           Currently, they've got 15 workers in  
3 the minority category representing about 22.6  
4 percent of the hours against a goal of 15.3.  
5 Three female workers out on the site, two  
6 percent against a goal of 6.9. So, we're  
7 working with them to see if we can increase  
8 participation on the female front.

9           And on the veteran side about 2.1  
10 percent against a goal of three percent. Also,  
11 added to the site just new in the last week is  
12 Alliance Security who will be doing 24-hour  
13 monitoring on the site. That's also that's a  
14 female-owned business out of Everett. So, it  
15 was great to get a local contractor on board as  
16 well. So, that certainly will impact our  
17 numbers on a going forward basis. So, good  
18 news to report on that front.

19           I wanted to spend a couple of  
20 minutes on community outreach. I won't read  
21 all of these but certainly as you'll see from  
22 the next few slides we've been extremely  
23 active. I will go through a couple of  
24 highlights.

1           Just prior to remediation, we had  
2 made a commitment about making sure that we got  
3 back to both the communities of Everett and  
4 Charlestown to make sure that they understood  
5 what the remediation plan was going to be like.  
6 So, we did hold those public meetings.

7           And on top of those meetings, we've  
8 been following up with regular weekly updates  
9 that are available. They're on both our  
10 website and also through the Mystic River  
11 Watershed Association has been following along  
12 with us and doing a great job cataloguing what  
13 we've been doing on the site.

14           Also Wynn Resorts made a substantial  
15 contribution to the Krystal Campbell Peace  
16 Garden, groundbreaking project in Medford,  
17 really a very, very nice project. And we were  
18 happy to part of that. That was part of our  
19 surrounding community agreement that we had  
20 with Medford.

21           Some more building trades meetings  
22 that we've been involved in, additional Mystic  
23 River Watershed meetings. On the next slide,  
24 some Chamber of Commerce meetings. We had an



1 update for the Hispanic American Institute over  
2 in our offices in Medford.

3           We attended a dinner for Southcoast  
4 Manor, which is something that is very  
5 important to the Asian community in Boston.  
6 So, we've been trying to make some friends in  
7 that community as well. And then a really I  
8 thought a great event that we did in  
9 conjunction with the Boston Bruins foundation  
10 as part of our commitment over with TD. That  
11 was to -- We purchased a significant number of  
12 helmets for the hockey programs. As you know,  
13 there's so much focus right now on head  
14 injuries, concussions, on this topic whether  
15 it's hockey, football. So, we thought this  
16 would really be timely and it would be  
17 important.

18           So, as you can see from the photo  
19 that's up there now on the screen, it was all  
20 of the high school teams that we could gather  
21 in our surrounding communities. And we made  
22 this distribution of the helmets along with a  
23 training program that they did on the ice over  
24 at TD Garden which was great.

1           Because for a number of these young  
2 athletes, can you imagine going out and  
3 actually practicing on the ice at TD Garden  
4 with some of the ex-Bruins were there. So,  
5 really a great community event. It was very,  
6 very positively received out in the community.

7           So, we are going to continue to do  
8 this all of the way through. Like I said, I  
9 won't go through every event, but to let you  
10 know we are active. Here's our name up in  
11 lights up on the TD Garden Jumbotron. Again,  
12 it was just a really good feeling out on the  
13 site.

14           That really concludes the formal  
15 presentation but we are certainly available for  
16 any questions the Commission might have.

17           MR. BEDROSIAN: Commissioners, if I  
18 could just interrupt one point that I want to  
19 make from staff's perspective about the  
20 awarding of the Suffolk contract is Director  
21 Griffin is here who is going to forego her  
22 formal presentation was encouraged. She has a  
23 counterpart at Suffolk on diversity issues who  
24 she has worked well with and is encouraged that

1 Suffolk got that award for diversity purposes.

2 So, we are looking forward to  
3 working with Suffolk specifically on those  
4 issues.

5 MR. DESALVIO: Great, thank you.

6 COMMISSIONER STEBBINS: Just one  
7 question I guess for Chris, you very  
8 thoughtfully laid out your total number of  
9 construction positions hours by trade. You've  
10 had some meetings with some of the building  
11 trade training directors because as you now  
12 begin to look at a construction calendar, you  
13 can almost back out when you're going to need  
14 some of those folks.

15 What was their response, their  
16 reaction, understanding big push for minority,  
17 women and veterans in the construction  
18 workforce? What was their reaction --

19 MR. GORDON: Well, their reaction  
20 and our reaction was slightly different. We  
21 have had extensive discussions and good  
22 discussions with mostly the labor unions which  
23 is where the workforce would come from. And  
24 they are very confident they can provide not

1 just enough workers but highly skilled workers  
2 for the kind of work we're going to do, the  
3 goals we want to achieve for diversity and also  
4 the host community and surrounding community  
5 objectives.

6 We're not taking that for granted.  
7 We think it's more difficult than they think.  
8 So, we're setting up internal meetings. Bob  
9 and I and Jacqui are sitting down again this  
10 week to talk about local hiring. We are  
11 reaching out as best we can to the minority  
12 community.

13 I think as busy as the Boston  
14 construction market is, it will be certainly  
15 achievable but it will not be easy. So, we  
16 have to make this a very popular project. We  
17 have to make it an easy project to get to. We  
18 have to make it a good place to work which we  
19 will.

20 Safe site is another thing they  
21 always look for. So, part of the meeting we  
22 had with the subcontractors last week was how  
23 do we make this the first stop for a lot of  
24 these workers. We don't want to take away from

1 other projects but we do want to get great  
2 workers.

3 So, I will say to summarize that the  
4 trades think this is fine; this is easy. We  
5 think it's more of a challenge. So, we're  
6 working very hard on that.

7 For example, I think, as some of the  
8 Commissioners know, we're looking for at about  
9 4000 total construction jobs. We peak at about  
10 2200. For example, that's 500 electricians.  
11 There's some big numbers here. The number of  
12 carpenters is huge. So, we're going to  
13 continue to aggressively recruit.

14 COMMISSIONER STEBBINS: Thank you.

15 CHAIRMAN CROSBY: Excuse me, you had  
16 something?

17 COMMISSIONER CAMERON: You first,  
18 Sir.

19 CHAIRMAN CROSBY: MGM has gone  
20 through some significant cost issues. Have you  
21 seen anything in the way of inflationary  
22 pressures on your budget?

23 MR. GORDON: The last couple of  
24 weeks, the stock market may help. But kidding

1     aside, no, we have not seen the prices go down  
2     in Boston. We haven't seen them go up. But  
3     the market is pretty hot in Boston and we track  
4     that closely.

5             Luckily our estimates are based on  
6     the level of economic activity we've over the  
7     last couple of years, and we built inflation  
8     in. We do have the dueling estimates we  
9     mentioned. We've got the Vermeulens and the  
10    Suffolk estimates going on right now. So, we  
11    don't expect any surprises.

12            We know how big the building is. We  
13    know what it costs to build our kind of  
14    buildings. But no, we haven't assumed the  
15    market is going to slow down and we're going to  
16    get better prices. We've assumed the market is  
17    going to stay hot and the escalation we have  
18    and the budget we're going to need.

19            So, the estimates are all due in  
20    February. And then we'll have all the  
21    appropriate eyes on it to see where we are.

22            MR. KRUM: It is something that we  
23    have been working on throughout the duration of  
24    this preconstruction period. This is an

1 update. It's not the first time we're looking  
2 at it after two years.

3 CHAIRMAN CROSBY: Right. The number  
4 that's been thrown around, \$1.7 billion to  
5 maybe \$1.8 billion has been around for quite a  
6 while. And a lot of things have happened since  
7 that number was first floated. So, just  
8 looking for early warning signs.

9 MR. GORDON: As Jacqui said, we have  
10 an ongoing -- We have a cost estimating firm  
11 that works for us on an ongoing basis,  
12 Vermeulens. And they've been doing cost  
13 estimates. So, yes, a lot of things have  
14 happened but there's been enough puts and  
15 takes. So, we don't think that overall number  
16 has changed much, but again we'll know very  
17 soon. And we'll make sure we manage to that.

18 CHAIRMAN CROSBY: Great.

19 COMMISSIONER CAMERON: Mr. DeSalvio,  
20 I know you went through a similar experience  
21 earlier with a site in Pennsylvania with major  
22 remediation. Is this similar so far what's  
23 going on in Everett?

24 MR. DESALVIO: We have gotten a few

1 surprises along the way. Actually, I remember  
2 the day Chris was telling me about finding a  
3 foundation that might not have been previously  
4 known about. It's exactly the same thing we  
5 found in the Bethlehem Steel site, for example.  
6 You'd start digging and the next thing you  
7 know, oh, there's something that was buried.

8 So, we expect some of that along the  
9 way, but I don't think there's been anything  
10 that's really thrown us for a loop, just a few  
11 surprises. And that's really what we found as  
12 well there.

13 COMMISSIONER CAMERON: Thank you.

14 CHAIRMAN CROSBY: Anybody else?  
15 Great. Thank you very much. Ombudsman,  
16 anything else?

17 MR. ZIEMBA: That concludes the  
18 reports for today.

19 CHAIRMAN CROSBY: Thank you very  
20 much. That's great stuff. We now have our  
21 legal division, Catherine Blue, General  
22 Counsel.

23 MS. BLUE: Good afternoon. The  
24 first item in our section is the



1 confidentiality agreement. That will be led by  
2 Mr. Grossman.

3 MR. GROSSMAN: Good afternoon. We  
4 have before you a consideration of two requests  
5 that were submitted by Plainridge Park Casino  
6 for a nondisclosure agreement for certain  
7 information.

8 You'll recall we were before you  
9 once before to discuss this in brief. And  
10 we've now brought it back before you with  
11 recommendations from the legal department in  
12 consultation with our colleagues in the IEB,  
13 here to answer any questions you may have.

14 As a backdrop, I would just quickly  
15 remind the Commission of the standard and where  
16 this all comes from. It comes from Chapter 23K  
17 § 21(a)(7) which creates essentially a  
18 statutory exemption to the public records law.

19 And it provides that material that  
20 the gaming licensee considers a trade secret or  
21 detrimental to the gaming licensee if it were  
22 made public may, with the Commission's  
23 approval, be protected from public disclosure.  
24 And the gaming licensee may require

1 nondisclosure agreements with the Commission  
2 before disclosing such material.

3           We've crafted a regulation that  
4 incorporates that and sets out a process. The  
5 licensee here has followed that process. They  
6 have made it looks like 28 separate requests.  
7 We've made recommendations on each of them.  
8 Most of them we would recommend approval on,  
9 some we did not. I'm happy to go through this  
10 in any manner that would be most beneficial for  
11 the Commission.

12           CHAIRMAN CROSBY: Just to clarify,  
13 I'm not sure I read this right. Your  
14 recommendation, take item number one, annual  
15 business plan. This says redactable, yes/no.  
16 It says no. Is that your recommendation?

17           MR. GROSSMAN: Our recommendations  
18 are on the form with our logo on it. What you  
19 are looking at is the actual requests submitted  
20 by the licensee.

21           CHAIRMAN CROSBY: I see. Questions,  
22 comments?

23           COMMISSIONER ZUNIGA: I had the  
24 benefit of just chatting with you earlier about

1 this. It may be a good idea just to highlight  
2 the reasons for the denials as you have  
3 stipulated them here mostly under the purview  
4 that we don't take all of that documentation to  
5 begin with of what's being requested. So, just  
6 your approach in summary to that.

7 MR. GROSSMAN: Sure. The general  
8 approach was that to the extent that we did not  
9 receive certain categories of information on a  
10 regular basis, at the moment we are  
11 recommending against entering into a  
12 nondisclosure agreement with the licensee with  
13 the understanding that at any time if we were  
14 to get a public records request for that  
15 information, we could review it on a case-by-  
16 case basis under the public records law. Or  
17 come back before the Commission and request  
18 that a nondisclosure agreement be entered into.

19 But the categories that we have  
20 recommended denial are ones in which we  
21 understand that we don't actually take that  
22 information in. It might be information that  
23 we just look at at the casino but we don't come  
24 into possession of it. So, we don't have a

1 reason to protect it.

2           It's also worth note that just  
3 because again we don't enter into a formal  
4 nondisclosure agreement relative to certain  
5 categories of information does not  
6 automatically mean we would publicly disclose  
7 or disseminate the information. It may still  
8 be subject to protection under the public  
9 records law itself.

10           COMMISSIONER MACDONALD: Todd, you  
11 mentioned this is not the first time that this  
12 subject has come before an open meeting. I'm  
13 curious as to whether or not there's been any  
14 pushback from any interested parties, the media  
15 included on a more general level as to the  
16 scope and content of these nondisclosure  
17 agreements?

18           MR. GROSSMAN: I haven't heard any  
19 pushback. This is really the first formal  
20 application we've gone through. We've  
21 discussed kind of generally how the process  
22 would work. But never before has the  
23 Commission considered the specific categories  
24 of information. So, while we have not received

1 any comment on that at the moment, it's  
2 certainly possible.

3           Ultimately though I believe we are  
4 just fairly implementing what the statutory  
5 exemptions of the law is. People could  
6 certainly take issue with some of the  
7 recommendations, I suppose.

8           COMMISSIONER ZUNIGA: But we went  
9 through the process of promulgation of  
10 regulations which effectively puts the onus on  
11 the applicant to request these items to be  
12 entered into in the nondisclosure agreement  
13 which is what they are now doing for the first  
14 time.

15           MR. GROSSMAN: That is correct.

16           CHAIRMAN CROSBY: Anybody else? 15  
17 and 18, 15 is quarterly report covering all  
18 complimentary services; 18 is value of  
19 promotional credits offered or used. I think  
20 you are recommending approving those requests.  
21 Bruce, maybe you know what the industry  
22 standards are.

23           MR. BAND: A lot of these I think  
24 the concern is more that it gives the

1 competition unfair advantage. If you know how  
2 much I'm giving out in promotional credits, it  
3 gives you a real competitive edge. So, that is  
4 kind of an industry-standard I know in most  
5 jurisdictions.

6 CHAIRMAN CROSBY: That they don't.

7 MR. BAND: Don't share it.

8 COMMISSIONER ZUNIGA: Don't disclose  
9 them, especially when you can relate them to  
10 promotions and results of gaming revenue. When  
11 you cross-reference them then that's the real  
12 disadvantage. I agree with the recommendation.

13 CHAIRMAN CROSBY: And the player  
14 card data derived from PPC player card loyalty,  
15 that also is approved but I assume that the  
16 approval is compatible with the statutory right  
17 for us to access all of their player card data,  
18 anonymize it and analyze it. In fact, we are  
19 mandated to do that.

20 MR. BAND: Yes.

21 CHAIRMAN CROSBY: So, the way it  
22 reads here --

23 COMMISSIONER MACDONALD: What number  
24 is that?

1           CHAIRMAN CROSBY: It's number eight.  
2 What have we approved here?

3           MR. GROSSMAN: I think this kind of  
4 gets in a little bit to the actual agreement  
5 that we would enter into, which is in the  
6 packet as well. It looks like this. It's the  
7 actual contract.

8           One of the provisions, provision six  
9 is entitled use by the Commission. That would  
10 allow the Commission to use the materials  
11 ourselves essentially for any purpose that we  
12 needed to, including any manner really deemed  
13 necessary by the Commission. Certainly, to  
14 comply with the General Laws would be one of  
15 those reasons. And we could even clarify that.

16           CHAIRMAN CROSBY: It's pretty  
17 obvious. And I think everybody knows it, but I  
18 don't see any reference to it. I don't know  
19 whether it's worth buttoning up or not. But  
20 that is a very significant and I think unusual  
21 -- If I'm not mistaken that's atypical if not  
22 unique that the Commission has the right to  
23 take anonymized player card data in its  
24 totality and farm it out for research.

1                   COMMISSIONER ZUNIGA: Yes. But the  
2 use is very specific and the statute does talk  
3 about that.

4                   CHAIRMAN CROSBY: Yes. As I say, I  
5 don't think any licensee doesn't know about it,  
6 but it's such a big deal. There's no language  
7 of it in this discussion, which I thought --

8                   MR. BAND: In just about every  
9 jurisdiction, we'd have unfettered access to  
10 all of their information and data as part of  
11 our investigative --

12                  CHAIRMAN CROSBY: For part of the  
13 investigative purposes, right. Can other  
14 jurisdictions take it in its totality and send  
15 it out for research?

16                  MR. BAND: They don't have to make  
17 it public by any means, no.

18                  CHAIRMAN CROSBY: That's what I'm  
19 saying. What our statute calls for is in the  
20 nature of unique. And we just don't want there  
21 to be any confusion about that point.

22                  MR. GROSSMAN: I'll add that into  
23 the agreement.

24                  CHAIRMAN CROSBY: Okay. Any other



1 thoughts, questions?

2 MR. GROSSMAN: The only last point I  
3 would make if there are no further comments is  
4 on number 16 we just added in on our own the  
5 slot machine master list, which is a document  
6 that contains a lot of highly sensitive  
7 information that really should be protected.  
8 It includes all of the hold percentages for  
9 each of the machines and all that. So, that  
10 should be subject to an agreement as well.

11 CHAIRMAN CROSBY: So, what is the  
12 procedure here? Is this coming before us on an  
13 FYI basis? Do we have to approve it? What is  
14 the process here?

15 MS. BLUE: So, right now, this is  
16 your first look at the types of categories.  
17 The question that we raised I think in our  
18 prior discussion was whether the Commission  
19 wanted to have these agreements to come before  
20 them every time there was a request or whether  
21 the Commission wanted to delegate authority to  
22 staff to address them.

23 We have not asked you for a vote on  
24 that today. So, I think that is something we'd

1 like you to think about. And then we can come  
2 back if you are interested in a delegation and  
3 discuss that further.

4 Right now, we just wanted you to see  
5 these are the types of categories; these are  
6 our recommendations. If the Commission is  
7 comfortable with that staff will go back and  
8 put together a draft delegation or a  
9 recommendation on that point.

10 CHAIRMAN CROSBY: What do you folks  
11 think about this?

12 COMMISSIONER ZUNIGA: I was  
13 initially and I remain comfortable with the  
14 legal department making that -- ultimately that  
15 call for the purpose of expediency and  
16 workability.

17 I would like it to be the legal  
18 department as opposed to the IEB, because the  
19 IEB is in the thrust of accessing that  
20 information. And that's important. The  
21 separation of duties may be really a good one  
22 just for internal control purposes.

23 If that works that's where I stand.  
24 Otherwise, we could also look at each one of

1 the different recommendations but that could be  
2 just timely and unnecessary.

3 CHAIRMAN CROSBY: Anybody else have  
4 thoughts?

5 COMMISSIONER MACDONALD: Yes, I do.  
6 I would be reluctant at this formative stage of  
7 the implementation of this policy to have it  
8 delegated to the staff.

9 I think that as we are going through  
10 the first of these agreements, it's important  
11 for us as Commissioners to be personally  
12 familiar with what it is that's being asked and  
13 making the judgments that in effect establish  
14 the parameters going forward. That would be my  
15 inclination.

16 CHAIRMAN CROSBY: I am inclined to  
17 agree with that for a while. At some point, I  
18 am sure this would get delegated. But there  
19 are issues we've talked about as we're  
20 learning. We went through this with the  
21 redaction issue. We had differences of  
22 opinions about how much redaction we should do.

23 I agree with Commissioner Macdonald.  
24 I'd like to have us retain the authority to

1 make these approvals for a while until we get  
2 comfortable with it. It'll still come to us in  
3 a recommendation form but give us the authority  
4 to make these decisions.

5 MS. BLUE: It'll come to you with an  
6 actual agreement. So, the agreement will have,  
7 I think, Todd will have the request with the  
8 recommendation. If you want to review that we  
9 will submit to you an agreement that you can  
10 then review the agreement and then approve it,  
11 yes.

12 CHAIRMAN CROSBY: It will look like  
13 what you've done here, right?

14 MS. BLUE: It'll look something like  
15 what we've done there, but it'll be more formal  
16 and obviously cleaner for you to see.

17 MR. BEDROSIAN: I suspect what  
18 Commissioner Macdonald said may hold is once  
19 you get familiar and comfortable with the type  
20 of information you are comfortable protecting  
21 under an NDA, so will the industry. And we'll  
22 all have a basis of knowledge which maybe at  
23 that point you'll feel more comfortable  
24 delegating that authority to the appropriate

1 staff.

2 COMMISSIONER STEBBINS: The  
3 expectation here is that the number of requests  
4 will gradually go down over a certain period of  
5 time. And even when our new licensees begin  
6 operations, we won't be getting the request to  
7 protect the annual business plan, because we've  
8 kind of set --

9 MS. BLUE: To some degree, I think  
10 that's true. We have some lead time between  
11 Category 1s coming online. I think for our  
12 current licensee, we will work out much of that  
13 and you will at some point not see much more.

14 I think the Category 1s bring a  
15 whole host of different issues with them. So,  
16 I think you'll see a ramp-up for the Category  
17 1s and then some kind of settling into place.

18 COMMISSIONER STEBBINS: At some  
19 level, precedent kind of takes over and we get  
20 a request or we wouldn't get a request based on  
21 our previous action.

22 MS. BLUE: Right. I think that  
23 would be the hope. We've worked with our  
24 licensees a long time. And we know that they

1 have differences of opinions on their own  
2 information. I think just because we've said  
3 in this setting for the Category 2 that this is  
4 something that either is or isn't confidential,  
5 our Category 1 licensees may feel somewhat  
6 differently.

7 So, I think we'll see kind of ramp-  
8 up. Then we'll get it settled and then we'll  
9 see it again. What we will do here is we will  
10 prepare this agreement for Plainridge. And  
11 then we'll submit it in the next Commission  
12 meeting for your review and approval.

13 COMMISSIONER ZUNIGA: Fundamentally,  
14 we'll be approving categories as opposed to  
15 every instance of one category, which was part  
16 of Commissioner Stebbins' point.

17 MS. BLUE: Yes. And you will be  
18 approving next time an agreement, a formal  
19 agreement and these are the categories.

20 COMMISSIONER ZUNIGA: With  
21 categories, not instances of each of those  
22 categories.

23 MS. BLUE: That's right.

24 CHAIRMAN CROSBY: Okay. Other

1 questions, thoughts? Okay. Are you done with  
2 that?

3 MR. GROSSMAN: Yes.

4 CHAIRMAN CROSBY: Thank you, folks.  
5 And we are onto the Race Horse Development  
6 Fund, Catherine.

7 MS. BLUE: In your pack is our  
8 regulation 205 CMR 149. You will see in there  
9 redline changes based upon the conversation  
10 that we had at our Commission meeting in  
11 December.

12 I took into account some of the  
13 concerns about majority of horsemen and  
14 questions like that. So, what this regulation  
15 basically does is it says that the Commission  
16 will pay purse money to the licensee who will  
17 then into a purse agreement with the horseman's  
18 group. There can be a separate horseman's  
19 group per track. And whoever is entering into  
20 -- whoever is the horseman's group that has the  
21 purse agreement will be the horseman's group  
22 that gets the money under that purse agreement.

23 So, for example, if one group enters  
24 into a purse agreement with Suffolk Downs and

1 they come to terms about how that purse money  
2 should be shared, the Commission will send that  
3 money to Suffolk Downs. And it will be shared  
4 in accordance with that purse agreement.

5 If there's another track who enters  
6 into a purse agreement with another horseman's  
7 organization, pursuant to that purse agreement,  
8 the Commission will send the purse money to  
9 that racing association. And it will be  
10 divided in accordance with that purse  
11 agreement.

12 So, you're not recognizing a  
13 particular horseman's group, but what you're  
14 basically saying is when a horseman's group  
15 enters into a purse agreement we'll honor that.  
16 And we'll pay purse money to the racing  
17 association accordingly.

18 COMMISSIONER ZUNIGA: This may not  
19 be the case for this year, but is it at least  
20 conceivable that having more than one purse  
21 agreement that could end up totaling more than  
22 monies available at the Race Horse Development  
23 Fund?

24 MS. BLUE: No, no. There's other



1 language in this amendment too that allows the  
2 Commission to make a determination as to how  
3 much of the purse money goes out as you did  
4 last year.

5 The Commission did not release the  
6 full amount in the Race Horse Development Fund  
7 at that point because we were allocating a  
8 certain amount per day. No. And you're never  
9 required to allocate more money than you have  
10 under any circumstances, more than one group  
11 notwithstanding.

12 So, this language allows the  
13 Commission to determine how much you're going  
14 to pay out to purses per track. And then the  
15 purse agreement will take that and distribute  
16 it.

17 The second piece that the Commission  
18 pays out is what I call health and welfare  
19 benefits. And this language says if there's  
20 more than one horseman's organization, we're  
21 going to split it evenly.

22 CHAIRMAN CROSBY: Is that the 20  
23 percent?

24 MS. BLUE: It's the 16.

1                   CHAIRMAN CROSBY: There's an 80, a  
2 16 and a four?

3                   MS. BLUE: Yes. This is the four,  
4 actually. So, we just split that. And if  
5 there's two horseman groups, they'll split that  
6 money.

7                   COMMISSIONER ZUNIGA: Evenly.

8                   MS. BLUE: Yes, evenly.

9                   COMMISSIONER ZUNIGA: If there's  
10 three, same thing.

11                  MS. BLUE: Yes, same thing. What  
12 this language doesn't do is it doesn't address  
13 the other topic we discussed which was changing  
14 our horse racing regs. to require that you  
15 can't get an owner's license unless you own at  
16 least 20 percent of a horse.

17                  That's a different set of  
18 regulations to amend. That's the actual racing  
19 regs. themselves. That's a very easy amendment  
20 to do. So, we can get that in front of and you  
21 can consider that. This was the more  
22 complicated. This is a gaming regulation. So,  
23 we have a little more flexibility and we can  
24 work these amendments a little quicker.

1                   COMMISSIONER ZUNIGA: You are  
2 presenting them here to start the formal  
3 process or informal process? Remind me where  
4 are we on this.

5                   MS. BLUE: Whichever you prefer.  
6 This is the first time they are out there. We  
7 can certainly put them out for informal comment  
8 for a couple of weeks, consider what we get,  
9 maybe make some revisions. If you're  
10 comfortable with that, bring them back to you.  
11 And then get permission to start the formal  
12 process.

13                   We also would ask you at that time  
14 and Alex will help us with that if we need to  
15 pass them by some emergency measure first if  
16 the timing is getting a little close, but we  
17 can certainly do some informal comment now if  
18 that is helpful.

19                   COMMISSIONER CAMERON: I think that  
20 that's in keeping with how we do business as to  
21 receive comments. I know we got one late last  
22 night that staff has not had a chance to  
23 analyze yet. So, I think comment period for a  
24 couple of weeks would be appropriate.

1 MS. BLUE: Yes. We can put them on  
2 our website.

3 CHAIRMAN CROSBY: Other questions?

4 COMMISSIONER STEBBINS: Maybe I'm  
5 just not reading it correctly. Under the  
6 definition on the first page, don't you enter  
7 into a purse agreement with a track as opposed  
8 to another association?

9 MS. BLUE: Under the definitions in  
10 128A that's how they define -- that tracks the  
11 definition. It's not a track under 128A. It's  
12 an association. So, it's a little awkward but  
13 we tried to track the definition so they would  
14 hold true.

15 CHAIRMAN CROSBY: Yes, it's  
16 confusing.

17 COMMISSIONER ZUNIGA: So, the track  
18 is referred to as a harness racing association  
19 or a horse racing association.

20 COMMISSIONER STEBBINS: Not to be  
21 confused with a horseman's association.

22 MS. BLUE: Yes, that's right.

23 CHAIRMAN CROSBY: Others? On the  
24 next to last page (c), the Commission may

1 distribute less than the entire amount of the  
2 funds if the Commission determines that the  
3 horse racing association or -- harness or horse  
4 racing association is running a smaller meet  
5 then is required or if a lesser amount is  
6 requested. Are those the only conditions under  
7 which we can allocate less than the full  
8 amount?

9 MS. BLUE: Allocating less than the  
10 full amount is something we've done, but it's  
11 unusual because the way the statute is set up  
12 there's an assumption that there is a full meet  
13 whatever that would be defined. So, on the  
14 harness side, it's up about 115. On the horse  
15 racing side it was somewhere between 65 and 80.

16 I put this language in there so that  
17 we could actually have a regulation to support  
18 what we've already done, which is someone comes  
19 in and says I only want X dollars per day, and  
20 we give it to them. So, we can play with this  
21 language, but the statutes both sort of assume  
22 that there is a full racing schedule and that  
23 all of it would go out based upon the split. I  
24 wanted to give us some flexibility.

1                   COMMISSIONER ZUNIGA: Except for the  
2 thoroughbreds of last year, which is what  
3 you're alluding to.

4                   MS. BLUE: Yes, because last year we  
5 got a request for less than the full amount.

6                   CHAIRMAN CROSBY: But the new law  
7 lets the full amount be anywhere from 1 to 50.

8                   MS. BLUE: Yes, the number of days.  
9 But under the Race Horse Development Fund, it  
10 sort of assumes -- The Race Horse Development  
11 Fund language and our Gaming Act really doesn't  
12 sync up well with the amendments to 128A. So,  
13 it sort of assumes that you just give a whole  
14 chunk to what would be potentially one track,  
15 and then another chunk to the harness side, the  
16 harness and the horse racing.

17                   So, what I wanted to do was make  
18 sure that you had the ability in a regulation  
19 to give out less than the whole amount to  
20 support that response.

21                   COMMISSIONER ZUNIGA: On that note,  
22 which appears to be your question Chairman,  
23 could we insert wording to the effect of as  
24 determined to be beneficial by the Commission

1 or something to that effect?

2 MS. BLUE: We certainly can.

3 CHAIRMAN CROSBY: That's my point.  
4 I think I'd like to retain as much discretion  
5 as we possibly can for as long as we can. The  
6 industry is in such a state of flux, and the  
7 Race Horse Development Fund is such a tool.  
8 And hopefully trying to get it out of flux and  
9 into some kind of steady-state operation that  
10 we want to retain the flexibility to be  
11 strategic about that resource. So, I would  
12 like to see that rewritten.

13 MS. BLUE: I'll make that change.

14 COMMISSIONER ZUNIGA: Especially  
15 that too as it potentially accumulates over one  
16 or more years.

17 CHAIRMAN CROSBY: You just can't  
18 foresee what all is down the road. And having  
19 us being able to call the shots on that within  
20 the law is important. Okay. Great.

21 MS. BLUE: Okay. We can do that.

22 CHAIRMAN CROSBY: Anything else on  
23 this issue anybody?

24 COMMISSIONER CAMERON: Dr.

1 Lightbaum, you've had a chance to review. And  
2 I know that you worked collaboratively on this.

3 DR. LIGHTBAUM: Yes, exactly.

4 COMMISSIONER STEBBINS: You're  
5 thinking of a two-week comment period and then  
6 we can have these ready to begin the  
7 promulgation process?

8 MS. BLUE: I think that would be  
9 good. What we'll do is we'll make this change.  
10 We'll get it posted tomorrow, Monday at the  
11 latest, put it out for comments and then be  
12 able to come back to you at the next meeting  
13 with the comments as well so you can see that.

14 COMMISSIONER ZUNIGA: And the  
15 clarification that there will be plenty of  
16 formal comments there, but this is simply the  
17 extra period we give ourselves to hear from  
18 folks.

19 MR. BEDROSIAN: I just want to be  
20 clear. You're talking about two comment  
21 periods, the informal comment period and then  
22 the regulatory comment period?

23 COMMISSIONER ZUNIGA: Precisely.

24 MR. BEDROSIAN: Okay. Thank you.



1 CHAIRMAN CROSBY: Which is what  
2 we've routinely done on our own anyway.

3 MS. BLUE: We will get that posted  
4 and up to go.

5 COMMISSIONER CAMERON: Thank you.

6 CHAIRMAN CROSBY: We are onto to  
7 Director Wells of the IEB.

8 MS. WELLS: Good afternoon, Mr.  
9 Chairman, members of the Commission. The first  
10 item on the agenda under the IEB section are  
11 two qualifiers, one for Wynn Resorts and one  
12 for Penn National for your approval for final  
13 suitability determination.

14 Both candidates or applicants had no  
15 issues. So, my recommendation is I run through  
16 both of them and you vote on them at the same  
17 time if that's agreeable with the Commission.

18 The first is a Wynn qualifier, Mr.  
19 Stephen Cootey. He is the Senior Vice  
20 President, Chief Financial Officer and  
21 Treasurer of Wynn Resorts. He got his BA from  
22 Bowdoin in 1991, his bachelor of science from  
23 Columbia in 1993 and an MBA from Columbia in  
24 2001.

1           Prior to working for Wynn Resorts,  
2 he'd been at Las Vegas Sands as the Senior VP  
3 of Corporate Finance, Pride Capital as a  
4 Financial Analyst, Credit Suisse as VP  
5 Investment Banking. Corporate Staffing  
6 Alternatives, he worked as an IT consultant.  
7 He's also worked at Goldman Sachs and Paywire.

8           He does have a gaming license in  
9 Nevada, non-restricted officer license. He was  
10 previously a gaming employee license under  
11 Sands but then upgraded to the higher license  
12 level when he went Wynn Resorts. Also when he  
13 was at Sands, he was in the process of  
14 obtaining a special employee license in  
15 Singapore but that application was withdrawn  
16 when he moved over to Wynn Resorts.

17           The financial analysis on him came  
18 back suitable. All of the other standard  
19 checks regarding the background, including his  
20 criminal history and media checks, etc. came  
21 back with no derogatory information on him.  
22 And there were absolutely no significant issues  
23 to report to the Commission on his background.  
24 So, the recommendation for Mr. Cootey is that

1 he be found suitable as a qualifier for Wynn  
2 Resorts.

3           The other matter before the  
4 Commission is the Penn National qualifier, Mr.  
5 Ronald Naples. He's a member of the Penn  
6 National Board of Directors. This invest.  
7 actually had been done by Spectrum Gaming  
8 contemporaneously at the end of the suitability  
9 investigation for Penn National.

10           So, my apologizes. This should have  
11 been before the Commission earlier, but had  
12 done an audit and this never got the final  
13 approval from the Commission. So, the report  
14 you received had been done previously. The  
15 investigators did do some refreshing and  
16 rechecking the open-source and media checks,  
17 the criminal background. And there were no  
18 issues there.

19           Mr. Naples graduated from West Point  
20 with a BS in engineering, the Fletcher School  
21 of Law and Diplomacy with a master's in  
22 international economics and finance, and then  
23 an MBA from Harvard.

24           He retired in 2008 from the Quaker

1 Chemical Corporation where he had worked from  
2 1995 to 2008, obtaining the rank of CEO, a  
3 member of the board of directors there. Prior  
4 to that employment he had worked for Hunt  
5 Manufacturing from 1982 to 1985 eventually  
6 becoming the CEO.

7           Something I found interesting, after  
8 retirement from the Quaker Chemical Corporation  
9 he was appointed by the governor of  
10 Pennsylvania, Governor Rendell, as the Chief  
11 Accountability Officer for Pennsylvania from  
12 2009 to 2011, responsible for monitoring the  
13 spending of all the federal stimulus money in  
14 Pennsylvania.

15           Since the investigatory report that  
16 was provided to you was completed, he's  
17 obtained gaming licenses in Maine, Mississippi,  
18 Ontario, Kansas, West Virginia, Louisiana,  
19 Ohio, Missouri, New Mexico, Maryland, Indiana,  
20 Florida and a racing license in Pennsylvania  
21 and has a pending license in California.

22           There were absolutely no issues with  
23 Mr. Naples. So, like Mr. Cootey, I'd recommend  
24 that the Commission find both of them suitable.

1                   CHAIRMAN CROSBY: Questions or  
2 thoughts? We need a motion right,  
3 Commissioner?

4                   COMMISSIONER CAMERON: Mr. Chair,  
5 I'd move that we approve the suitability for  
6 Mr. Cootey, Mr. Naples. We've had a chance to  
7 review the reports. they are clean. And I  
8 make that motion that we approve suitability  
9 for licensure.

10                  CHAIRMAN CROSBY: Second?

11                  COMMISSIONER MACDONALD: Second.

12                  COMMISSIONER ZUNIGA: Second.

13                  CHAIRMAN CROSBY: Further  
14 discussion? We have a second from Commissioner  
15 Macdonald or a third. Further discussion? All  
16 in favor, aye.

17                  COMMISSIONER MACDONALD: Aye.

18                  COMMISSIONER CAMERON: Aye.

19                  COMMISSIONER ZUNIGA: Aye.

20                  COMMISSIONER STEBBINS: Aye.

21                  CHAIRMAN CROSBY: Opposed? The ayes  
22 have it unanimously for both nominations.

23                  MS. WELLS: Thank you very much.  
24 The final item on the agenda for today just

1 with the discussion, Chairman you had mentioned  
2 earlier today the comment you made about when  
3 to license employees.

4           So, just looking at the regs., I  
5 have 134 in your packet. So, the regs.  
6 particularly for the key gaming employees and  
7 the gaming employee licenses who need to be  
8 licensed before they can get to work. It talks  
9 about how no individual shall be employed by or  
10 perform services as a key gaming employee and  
11 then it goes on.

12           It describes those key gaming  
13 employees as an individual holding one of the  
14 following positions at a gaming establishment.  
15 So, it's a little -- To use my colleague Ms.  
16 Blue's term. -- squishy as to when people  
17 really should be licensed. What we found is  
18 that prioritization in the IEB has been really  
19 important to make sure that we get particularly  
20 Penn National up and running.

21           So for example, the potential key  
22 employees for say MGM kind of get put at the  
23 back of cue in order to get the Penn National  
24 folks licensed and working. So, this is

1 definitely something for the Commission to look  
2 at and consider. As far as specific protocols  
3 for when employees for say MGM and Wynn should  
4 be submitting their licenses and when they can  
5 get to work.

6           So, given that we have sort of  
7 passed over the bubble in the Penn National  
8 licensing, we are still really involved in the  
9 background investigations for those primary  
10 vendors. Those are being done and the reports  
11 are being written right now. So, that will  
12 take up a lot of our time over the next several  
13 months. I'd like to get that stack of, I think  
14 there's about 12 or 16 of those done over the  
15 next several months.

16           But my recommendation sort of as a  
17 policy guide for the Commission is that when  
18 the MGM and Wynn employees, when they're going  
19 to be keys, they should submit the application  
20 and we can now get going on them. Because for  
21 the work in the IEB, as many of these as we can  
22 get going now while we are sort of passed that  
23 bubble before we hit the other giant bubble in  
24 2018 is better for us in getting those done so

1 we can process things more efficiently and sort  
2 of level out that bell curve.

3 My recommendation, we encourage  
4 that. The question is hypothetically say a  
5 Wynn executive comes in as a key, can they get  
6 to work where they're not working at a gaming  
7 establishment? Can they be employed and do  
8 work? Or do they have to wait for a temporary  
9 license?

10 We haven't been requiring that at  
11 this point. My suggestion is we maintain the  
12 status quo, but we periodically revisit that  
13 because as we get closer to the opening, it may  
14 be a good idea to really think about that.  
15 Because if we can require you can't even get  
16 your paycheck until you get your forms in and  
17 you get licensed that's an incentive to get  
18 things moving along.

19 So, that may be something the  
20 Commission may want to consider going forward.  
21 I just wanted to sort of lay the landscape out,  
22 and see if the Commission had any questions or  
23 any suggestions because I'm open to however the  
24 Commission thinks we should operate this.



1           COMMISSIONER CAMERON: Director, are  
2 you recommending a temporary license? And then  
3 of course when the prioritization is  
4 appropriate to complete the full investigation,  
5 which I know is timely for a key?

6           MS. WELLS: We can do it one of two  
7 ways. We could either, say Jane Smith wants to  
8 work at Wynn Resorts, the Massachusetts  
9 facility, but it's not up and running yet. The  
10 question is can that person be employed by  
11 Wynn, submit the paperwork but start working  
12 right away? And then we get to the temporary  
13 license and then later the full license and we  
14 prioritize that.

15           Or do you want to wait and require  
16 that the employee actually get a temporary  
17 license before they do anything? I would think  
18 the licensees would prefer that they could get  
19 to work, but we know who they are and we're  
20 checking and moving along in the process. It's  
21 a resource allocation issue. How important is  
22 it to the Commission that these folks have a  
23 temporary license before there's even a gaming  
24 establishment?

1                   CHAIRMAN CROSBY: You're talking  
2 about the keys now.

3                   MS. WELLS: It's keys and GELs.  
4 Gaming service employees, it's very clear that  
5 it talks about they shall register in  
6 accordance 205 CMR prior to engaging the  
7 provision of employment services.

8                   So, that one is different from the  
9 other two. And those are really easy, because  
10 once they register they can go to work. So,  
11 our turnover time has gone to a day. So, those  
12 really aren't an issue. Those aren't the kind  
13 of employees we're necessarily concerned about.

14                  COMMISSIONER CAMERON: With the new  
15 language around the temporary those are being  
16 completed in a more timely fashion.

17                  MS. WELLS: Correct. That's helpful  
18 plus we are reviewing the forms and sort of the  
19 investigatory protocol right now. So, we're  
20 three-quarters of the way done with that. If  
21 we go before the Commission, make some reg.  
22 changes on that that may improve the timeline  
23 on those as well.

24                  It's just a matter of you have to

1 understand if we are getting more of these then  
2 there are other things that won't be going as  
3 quickly. There's a certain level of staffing.  
4 So, it's helpful for me to know what the  
5 priorities of the Commission are. I can manage  
6 that accordingly.

7 COMMISSIONER CAMERON: I think with  
8 your new protocols around a temporary, I think  
9 I'd be comfortable with a temporary.

10 Actually, I don't know that I'd want  
11 to take a job from somewhere else out of state  
12 knowing I had to be licensed. I think the  
13 temporary gives everyone -- it protects the  
14 interest of the Commonwealth. It gives the  
15 individual and the company some assurances that  
16 this is very likely -- I don't want to miss  
17 whatever the new language is. If we could do  
18 that I think that that is the best solution  
19 moving forward. Personally, I'd say the  
20 temporary license allows those people in key  
21 positions to we've at least taken a look, a  
22 primary look at the individual.

23 COMMISSIONER ZUNIGA: But to take  
24 that further which I agree, take that further I

1 wouldn't want us to constrain the notion of  
2 deriving any kind of income, let's say, because  
3 they may be doing more corporate for some time  
4 and then eventually relocating to Massachusetts  
5 even though the gaming establishment doesn't  
6 exist yet. I wouldn't want to constrain that  
7 to the point of you have to get licensed  
8 temporarily even before you may be doing work  
9 in Massachusetts later.

10           So, in other words, the second  
11 option that you outlined I would say don't do  
12 that in favor of it would be up to you to  
13 recognize okay, looks like this person is  
14 coming or will be coming here. Let's get you a  
15 temporary license or let's get you a permanent  
16 license after that.

17           MS. BLUE: Mr. Chairman, if I might  
18 add a little bit of context. And this maybe  
19 explains why there is some discretion. We talk  
20 about a person being licensed who works at the  
21 gaming establishment. And the gaming  
22 establishment is a very defined term. It is  
23 that actual facility.

24           So, oftentimes before the gaming

1 establishment is built, there are people who  
2 are here. They are working. They are at an  
3 off-site office of some kind. And I think one  
4 of the things that Director Wells and I have  
5 talked about is for those people who are in  
6 this off-site office, they aren't working at  
7 the gaming establishment because it doesn't  
8 exist yet.

9           So, at what point would we prefer to  
10 have them start the licensing process? There  
11 is a benefit perhaps for them starting sooner  
12 because that allows us a little more time. But  
13 there also may be a sense of until the gaming  
14 establishment is actually closer to existing  
15 that that's when they file.

16           So, I think that's the context for  
17 the question because it is such a defined term.

18           COMMISSIONER CAMERON: But they are  
19 working for a licensed company. We have  
20 licensed whether it be Wynn or MGM. So, even  
21 though there's not a brick-and-mortar facility,  
22 they are working for a licensed entity.

23           MS. BLUE: They are, but that's not  
24 what our regulation talks about. So, that's

1 why we're coming for guidance because we could  
2 do a number of things. We could certainly  
3 change our regulation if we wanted to but part  
4 of the question is at what point should we  
5 start that knowing that they are working for a  
6 licensee but there is no gaming establishment.

7 CHAIRMAN CROSBY: Did you have  
8 something?

9 COMMISSIONER MACDONALD: Yes, I did.  
10 I haven't reviewed the text of I guess it's  
11 regulation 134.12 which deals with temporary  
12 licenses that was part of the materials that  
13 was distributed to us. But what in broad-brush  
14 does that involve? Is that a summary process,  
15 summary investigative process?

16 MS. WELLS: I think probably one of  
17 the best ways to describe it, there's different  
18 levels of licensure. There's the key  
19 executive, key standard and GEL. So, that  
20 tiered approach -- The background goes from the  
21 temporary and the full license.

22 For example, the key employees, the  
23 executives and standard, there is a financial  
24 look at them. We assign a financial

1 investigator to take a look, check the taxes,  
2 you do a check on that. The GELs we don't have  
3 the financial investigator assigned on the  
4 temporary. There is sort of that credit check.  
5 There's a review of the application.

6 In some ways, I think I can best  
7 describe it in that temporary license stage, we  
8 are looking to see in this preliminary check  
9 under the new regulation are you comfortable.  
10 So, we're sort of looking at license in other  
11 jurisdictions, in good shape with other state  
12 agencies, for example, their license as an  
13 attorney or any other issue where another state  
14 agency might take action or DOR. We ask for  
15 information on their federal taxes, criminal  
16 check, things like that.

17 So, what we are doing is sort of  
18 doing that preliminary check. Then at that  
19 point, once there is a comfort level, the  
20 temporary license issues. Then the full  
21 licensure, a lot of times that takes sort of  
22 that verification element.

23 So, as an investigator, you wouldn't  
24 just take someone puts in their application,

1 I'm licensed in six different jurisdictions.  
2 Okay, that looks good. That may get you to  
3 that temporary license level, but we've got to  
4 go back as good practice check with those  
5 jurisdictions. So, we'll send out license  
6 verification requests to those jurisdictions.  
7 That takes some time to get back.

8 So, the full licensure requires  
9 verification on the information that they've  
10 given. The temporary licenses are sort of a  
11 preliminary review. There's nothing that  
12 knocks you out of the box. There's not a  
13 felony conviction which would require that you  
14 don't get licensed, but we're looking at that.

15 That's probably the easiest way to  
16 explain it but it's different based on the  
17 different levels of licensure.

18 COMMISSIONER ZUNIGA: Could you try  
19 to come up with at a later time some threshold  
20 that does not differentiate between at the  
21 gaming establishment one that does not yet  
22 exist, but we all know it's going to one day,  
23 and perhaps one in which the majority of the  
24 time of somebody is going to be spent at the



1 future Wynn Resorts that trips perhaps a  
2 licensure.

3 In other words, a majority test that  
4 way you can recognize it when you see it. Or  
5 more importantly the licensee will recognize it  
6 in effects and then ask you for licensure  
7 temporary or otherwise.

8 COMMISSIONER CAMERON: I'm not sure  
9 what you're asking.

10 COMMISSIONER ZUNIGA: We are talking  
11 about this period between now and when the  
12 gaming establishment exists, because the  
13 regulation says working at the gaming  
14 establishment.

15 So, between now and when the doors  
16 open, there is a question as to what does it  
17 mean to be working at the gaming establishment.  
18 The principles here are clearly working for it  
19 not at their but they've already been  
20 qualified, etc. The question is as more of  
21 these employees or principles or whatever are  
22 going to need to come in, when will we require  
23 them for licensure. The temporary tool is an  
24 important one and that remains.

1           We either clarify the regulation for  
2 this period, which Counsel Blue suggested. We  
3 could do that. I'm brainstorming here. One  
4 other option could be much like the vendors we  
5 do once you reach a certain level of threshold  
6 \$100,000 or \$300,000 you become a gaming vendor  
7 primary or secondary because the level of  
8 business is going to trigger you into a level  
9 of investigation.

10           Could there be something similar on  
11 the individual front if they recognize that the  
12 majority of the time whether from a sister  
13 property or now they're going to transition  
14 into a different role now that triggers the  
15 requirement for licensure, again, temporary or  
16 otherwise.

17           MR. BEDROSIAN: You're talking about  
18 for example someone comes from the parent  
19 company in Las Vegas, comes out here for a week  
20 a year and just as 40 hours in a year that  
21 doesn't trigger.

22           COMMISSIONER ZUNIGA: That doesn't  
23 trigger it, right.

24           MS. WELLS: That's a little tricky.

1                   COMMISSIONER ZUNIGA: Establishing  
2 some kind of threshold or some kind of future  
3 threshold.

4                   MR. BEDROSIAN: You're saying, I  
5 think, I understand. Let us take a shot at  
6 developing what the floor would be to trigger  
7 that. And I suspect our licensees might even  
8 have some thoughts on that.

9                   COMMISSIONER ZUNIGA: Yes. I'm not  
10 interested in that floor being very low by the  
11 way. I'm interested in a threshold being  
12 reasonable to be recognized by the licensees  
13 and you.

14                  MS. WELLS: That's helpful.

15                  COMMISSIONER ZUNIGA: So that you  
16 can then say okay we've been seeing such and  
17 such face for a while, does that mean they're  
18 permanently here? Oh yes, after certain date,  
19 they will be. Okay, licensing required.

20                  CHAIRMAN CROSBY: It seems to me  
21 that this is a subset of a much larger issue,  
22 which is the whole licensing process.

23                  We have three different distinct  
24 phases that we are going to be going through.

1 One is the post-opening of Plainridge trickle  
2 in of the sort of steady-state operations of  
3 Plainridge for a while, for a year or two maybe  
4 with the trickling of people from the new  
5 facilities.

6           The second phase is this massive  
7 tsunami that's coming that's going to be  
8 probably in the nature of a year or so. And  
9 the third phase will be true steady-state  
10 operations once we've opened everything that  
11 we're going to open and we are in a mature  
12 phase of operations.

13           The demands on our department are  
14 vastly different in all three of those phases.  
15 We are asking two questions. One is what is  
16 the proper degree of oversight and how much can  
17 our people handle? One is totally practical  
18 and one is law-enforcement theoretical in the  
19 heart of the matter.

20           So, it seems to me, I'm okay to come  
21 up with some kind of interim something or other  
22 here if you want to, but it seems to me that  
23 pretty soon now we're going to be getting to a  
24 very big picture look at this whole licensing

1 process. And it would be easier to answer this  
2 question as we are answering all of these other  
3 questions, particularly the issue of how much  
4 can you handle. Because how much can you  
5 handle is driven by how deep do we dig, etc.

6 We talked about this with our new  
7 Executive Director. We certainly talked about  
8 it with Director Wells many times. This is an  
9 extremely high priority for us to try to  
10 refigure. You said you're three-quarters of  
11 the way through your own recommendations about  
12 how to rethink the depth of investigations.

13 So, my sense is this is really a  
14 subset of this much bigger problem. And we  
15 might be advised to continue just stumbling  
16 along here until we can look at the big  
17 picture.

18 COMMISSIONER MACDONALD: On the  
19 other hand, I think there is a risk of delaying  
20 the verification type of investigation when you  
21 are dealing with the personnel of the  
22 significance of the key gaming employees, the  
23 Chief Information Officer, the General Manager,  
24 Chief Surveillance Officer.

1 I'd hate to find a situation in  
2 which whether at Wynn or at MGM that they've  
3 got people who are inhabiting positions like  
4 these and operating only on a temporary  
5 license. And then find out that if there only  
6 had been an actual verification, it would be  
7 discovered that all of those representations  
8 that have been made in the application were not  
9 affirmed as true.

10 I would think that at the senior-  
11 level, you've got your key gaming employee  
12 license -- Oops, going the wrong way, key  
13 gaming employees and then key gaming  
14 executives, whatever that at that higher level  
15 that the numbers of people aren't that great.  
16 Is that a fair expectation?

17 MS. WELLS: Yes. So, it's sort of  
18 that trickling in the Chairman was referring to  
19 you're going to sort of more of the top-level  
20 people sort of early on, the Bob DeSalvios of  
21 the world.

22 CHAIRMAN CROSBY: I wouldn't let him  
23 in.

24 MS. WELLS: Just based on my limited

1 experience having opened Plainridge and we did  
2 thousand plus of these investigations at the  
3 upper-level, lower risk of finding that someone  
4 was unsuitable.

5 COMMISSIONER ZUNIGA: That's what I  
6 was going to say respectfully disagree with a  
7 little bit the scenario that you point out,  
8 Commissioner, which is that the issuance of a  
9 temporary license the way we've done it and  
10 with the information that we get and that  
11 information being not the case that scenario  
12 happens very rarely.

13 As you get down the scale, if you  
14 will, of people who have not been licensed  
15 before, and that could be the case for GELs but  
16 certainly because those are the ones the  
17 registrants that just get registered, that may  
18 be a little bit more of a concern but it's  
19 certainly not the case with the executives.

20 Those people are not going to come  
21 in -- The GELs come until prior to opening.  
22 They really don't come in in this period of  
23 time.

24 MS. WELLS: It's an interesting

1 issue.

2                   COMMISSIONER ZUNIGA: I do agree  
3 with you, Mr. Chairman that we need -- and we  
4 are working on this and you have been working  
5 on this for a little while. -- a holistic view  
6 of the licensing and investigations timeline,  
7 and the degradations and what we're doing and  
8 the after action as well as potential review or  
9 redline of licensing regulations in  
10 anticipation to this big, big challenge that we  
11 have. It seems far away, but it will be here  
12 before we know it.

13                   CHAIRMAN CROSBY: Is there a  
14 presenting issue that you really need resolved  
15 right now?

16                   MS. WELLS: I guess the issue would  
17 be in particularly for the licensees, and we  
18 could maintain status quo where we recommend  
19 that the licensees send their employees  
20 immediately and we move them through the  
21 process.

22                   I guess the question is at this  
23 point, do you as the Commission want to require  
24 they can't even get a paycheck, they can't do



1 anything until they have a temporary license or  
2 not because that would be a change in what  
3 we're doing right now. There's sort of a good-  
4 faith. They're moving along.

5 COMMISSIONER ZUNIGA: I don't know  
6 that we want to do that.

7 MS. WELLS: I don't know what the  
8 Commission would like to do.

9 COMMISSIONER CAMERON: Are they  
10 getting their paperwork in in a somewhat timely  
11 fashion, particularly key gaming employees?

12 MS. WELLS: Yes, the key employees  
13 they know what the process is.

14 COMMISSIONER CAMERON: I think Mr.  
15 DeSalvio may have a comment.

16 MR. DESALVIO: Just one particular  
17 comment, as the senior folks coming in,  
18 certainly nobody would resign a job, move a  
19 family, come to an area unless they had a high  
20 probability that they were going to pass  
21 licensure. And in a lot of cases if they are  
22 at the senior-level, they might be already  
23 licensed in other jurisdictions.

24 One recommendation I might -- Jacqui

1 and I were just chatting about this in order to  
2 give you some clarity is maybe the person would  
3 be allowed to start employment but we formalize  
4 the requirement that they actually must turn in  
5 the paperwork by X number of days, whatever you  
6 think appropriate, 60 days after the start of  
7 employment or whatever that number is that you  
8 feel comfortable with. At which time if they  
9 haven't submitted then it would cause some more  
10 difficulty.

11           And for those of us that do this, we  
12 have files of these disclosure forms in the  
13 basement somewhere that we start a new  
14 engagement, we take the paperwork out. We know  
15 that we've got to get them in. Maybe just  
16 putting a formal requirement that it's within  
17 so many days after they begin employment that  
18 they must produce the documentation you  
19 required. Just as a thought to throw out  
20 there.

21           COMMISSIONER CAMERON: Which would  
22 then trigger the temporary process.

23           MS. WELLS: To me that sounds like a  
24 reasonable maybe interim solution while we

1 figure out some next steps.

2 CHAIRMAN CROSBY: Say it again. It  
3 would be the delivery of documentation of  
4 licensure elsewhere and that would trigger a  
5 temporary.

6 MS. WELLS: No, fill out the  
7 Massachusetts application.

8 MR. DESALVIO: I'm using my own  
9 example. So, I came in. We had somebody in  
10 Las Vegas in the audit group or whatever that  
11 made sure that even though you didn't have a  
12 formal requirement, they told me -- I forget  
13 what it was. -- probably they said, listen,  
14 within 30 days you need to have that thing on  
15 their desk even though there wasn't really a  
16 formal requirement.

17 But internally we didn't want as a  
18 company -- you didn't want any senior folks  
19 out there without any sort of a check. Like I  
20 said, most of us have been licensed in other  
21 jurisdictions and things of that nature.

22 What I'm suggesting just as to  
23 formalize that time difference so that you're  
24 not holding up somebody so they can't get a

1 paycheck, which I agree with, because I think  
2 it's tough. If you say that you've got to get  
3 this in and go through all that before they can  
4 get let's say their first paycheck that could  
5 cause some issues. But I think it's very  
6 reasonable for the Commission to say in so many  
7 days you must have this in.

8           COMMISSIONER ZUNIGA: The other hook  
9 would be working for let's say Wynn Everett,  
10 because if you're working for Wynn Resorts then  
11 you really fall under the qualifier perhaps.  
12 If you start doing work on Wynn Everett even  
13 though you are in corporate, at some period in  
14 time you become employee of Wynn Everett then  
15 that's the juncture.

16           MR. DESALVIO: That's correct. And  
17 by the way for the senior people in Vegas, the  
18 way that we've been handling it now, the major  
19 department heads, like today you approved Mr.  
20 Cootey. So, he's the head of all of the  
21 financial group in Vegas. There's lots of  
22 people who work under him but now that  
23 department. The same thing that we've done in  
24 other areas. Kim Sinatra, for example, is

1 licensed already and head of legal. There's  
2 other attorneys that work in Las Vegas but  
3 you're not going to license all of them if they  
4 are working for Kim.

5 So, I think you've been very good  
6 about selecting the very senior people in Las  
7 Vegas that have departments that may assist us  
8 but they don't work here on a regular basis.

9 We literally use hundreds of people,  
10 give us ideas and suggestions on how to make a  
11 better operation in the Commonwealth. You're  
12 not going to turn around and license all of  
13 them in Las Vegas. It's not practical but the  
14 very senior people obviously have already  
15 been, I think, accounted for.

16 COMMISSIONER MACDONALD: I think  
17 that this is a perfect subject for the staff to  
18 take hold of to consult with our licensees, and  
19 to then come with a proposal at a later time  
20 rather than to try to de-vine it at this point.

21 MR. BEDROSIAN: Yes. I think we've  
22 obviously had preliminary comments from Mr.  
23 DeSalvio. I suspect the folks at MGM would  
24 digest those and have their own comments.

1           And as the Chairman and Commissioner  
2           Zuniga have recognized, this is a subset of a  
3           broader discussion that we are starting and  
4           recognize we've got to get too quickly. But as  
5           the subset, let us work on that and come back  
6           to you potentially at the next meeting.

7           CHAIRMAN CROSBY: Great. While  
8           looking into this, I saw some other stuff in  
9           this section that by comparison is in the  
10          nature of the detail. 134.03 gaming service  
11          employees, paragraph two talks about temporary  
12          employees. I don't see why that is under  
13          gaming service employees. It seems like that's  
14          relating to temporary. It ought to be its  
15          section relating to all employees.

16          MS. BLUE: We're looking at this  
17          reg. as a whole to make some changes to it. I  
18          know that there is a certain idea as to  
19          restructuring how this reg. is set up not so  
20          much by categories of employees, necessarily.  
21          So, we are looking at that in the broader  
22          picture.

23          If you think back, we did some  
24          particular temporary employee language because

1 we had people coming from other properties that  
2 we needed to look at.

3 CHAIRMAN CROSBY: That's fine.  
4 There is nothing wrong with the section. It's  
5 just that it's misplaced. It's not a subset of  
6 gaming service employees. It's about --

7 MS. BLUE: So, we are going to look  
8 at that because there are a number of other  
9 instances where that kind of stuff happened.

10 COMMISSIONER ZUNIGA: I think it was  
11 because the gaming service employees require  
12 only registration that may have made it under  
13 there.

14 MS. WELLS: Gaming service employees  
15 don't get a temporary license.

16 MS. BLUE: I think we may have stuck  
17 it there because we were trying to do something  
18 else and maybe we needed a place to put it, but  
19 that is something we are looking at, yes.

20 CHAIRMAN CROSBY: And there's other  
21 things in that section that don't make sense to  
22 me but we can get to that later on. Okay.

23 Is that the end of the day, General  
24 Counsel Blue, for your section?

1 MS. BLUE: That's the end of my  
2 section, yes.

3 CHAIRMAN CROSBY: Anything else  
4 anybody? Do I have a motion to adjourn?

5 COMMISSIONER CAMERON: So moved.

6 CHAIRMAN CROSBY: All in favor, aye.

7 COMMISSIONER MACDONALD: Aye.

8 COMMISSIONER CAMERON: Aye.

9 COMMISSIONER ZUNIGA: Aye.

10 COMMISSIONER STEBBINS: Aye.

11 CHAIRMAN CROSBY: Opposed? The ayes  
12 have it surprisingly unanimously.

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14 (Meeting adjourned at 1:36 p.m.)

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ATTACHMENTS:

1. Massachusetts Gaming Commission January 21, 2016 Notice of Meeting and Agenda
2. Massachusetts Gaming Commission January 7, 2016 Meeting Minutes
3. Plainridge Park Casino Quarterly Report
4. MGM Springfield Quarterly Report
5. Wynn Everett Quarterly Report
6. Massachusetts Gaming Commission Nondisclosure Agreement
7. Plainridge Park Casino Request for NDA - MGC Legal Department Recommendations
8. Redline 205 CMR 149 Race Horse Development Fund
9. 205 CMR 134

1 GUEST SPEAKERS:

2 Lance George, Plainridge Park Casino

3

4 Albie Colotto, Friedmutter Group

5 Michael Mathis, MGM Springfield

6 Jed Nosal, Brown Rudnick

7 Brian Packer, MGM Springfield

8 George Sovich, Friedmutter Group

9

10 Robert DeSalvio, Wynn Resorts

11 Chris Gordon, Wynn Resorts

12 Jacqui Krum, Wynn Resorts

13

14 MASSACHUSETTS GAMING COMMISSION STAFF:

15 Bruce Band, Deputy Director IEB

16 Ed Bedrosian, Executive Director

17 Catherine Blue, General Counsel

18 Todd Grossman, Deputy General Counsel

19 Alex Lightbaum, DVM, Director of Racing

20 Karen Wells, Director IEB

21 John Ziemba, Ombudsman

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C E R T I F I C A T E

I, Laurie J. Jordan, an Approved Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Laurie J. Jordan, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive on Transcript Format.

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

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

WITNESS MY HAND this 24th day of January, 2016.

LAURIE J. JORDAN	My Commission expires:
Notary Public	May 11, 2018