

COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #104

IN RE: CATEGORY 1 SURROUNDING *
COMMUNITY/ILEV PRESENTATIONS *

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

James F. McHugh

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HYNES CONVENTION CENTER

900 Boylston Street, Room 202

Boston, Massachusetts 02115

January 28, 2014 9:03 a.m.

P R O C E E D I N G S

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3 CHAIRMAN CROSBY: We are ready to
4 call to order the 105th meeting of the
5 Massachusetts Gaming Commission at the Hynes
6 auditorium in Boston. Today is January 29th.
7 The principal item on our agenda -- is this
8 today?

9 COMMISSIONER ZUNIGA: Yeah.

10 CHAIRMAN CROSBY: It's the 29th.

11 COMMISSIONER ZUNIGA: January 28th.

12 CHAIRMAN CROSBY: 28th, I'm sorry.
13 I take that back. Let's make it the 104th
14 meeting of the gaming commission. And I think
15 we are going to go straight to our principal
16 item which -- agenda item, which is going to
17 be orchestrated by Ombudsman Ziemba. And we
18 have some scheduling rearranging here to do,
19 but, John, why don't you take -- take the
20 lead.

21 MR. ZIEMBA: Thank you,
22 Mr. Chairman, members of the commission. So
23 today we've invited a number of communities
24 that have petitioned to be surrounding

1 communities, venues that have petitioned to
2 become impacted live entertainment venues, and
3 applicants to provide additional testimony to
4 the commission regarding the petitions as I
5 just discussed.

6 We have -- we have set out an e-mail
7 to all of the -- all of the ones that I just
8 mentioned, telling them that we are hoping
9 that we would get, approximately, 15 minutes
10 of testimony from each side. If there is a --
11 if there is a involuntary disbursement
12 petition we've asked that they could also get
13 an additional five minutes in -- to their 15
14 minutes of testimony.

15 All sides have been notified that
16 what we're hoping to hear about are impacts,
17 or potential lack of impacts, as we begin our
18 reviews, or as we continue our reviews of
19 these petitions. There's been, obviously, a
20 significant number interactions between these
21 parties, and a lot of that detail is included
22 in the petitions, and those -- that detail can
23 be useful to us when we take a look at the
24 demonstration of public outreach and other

1 activities. But for the purposes of today for
2 determining whether or not communities are
3 surrounding communities or venues are impacted
4 live entertainment venues, we're hoping to
5 just really understand some of the impacts.

6 So Mr. Chairman, as you mentioned,
7 we have changed a little bit of our order, so
8 I think we're going to start -- in general,
9 what we're doing is we're starting with the
10 MGM-related petitioners, then we're going to
11 seg-way, shortly after the lunch break, into
12 the impacted live entertainment venue
13 petitioners for all of the applicants. And
14 then finally for today, we are going to go
15 into the Mohegan Sun petitioners and
16 presentations by the applicant.

17 Tomorrow we will conclude the
18 Mohegan Sun petitioners and applicant
19 presentations, and we will finish with the
20 Wynn applications and applicant responses.
21 That's consistent with the order that we did
22 pursuant to our coin flip.

23 So I'd like to call both the -- we
24 have the applicant represented to my right,

1 and I will call Northampton to come down and
2 sit here. I will let, actually, the -- the
3 applicant introduce its team. But if I could
4 please have the representatives from
5 Northampton, Mr. Jeff Fialky and
6 Mayor David Narkewicz, and Michael N'dolo from
7 Camoin Associates to please join where I sit
8 right now and I will vacate the premises. But
9 the order of presentations is that we have
10 presentation first by the community, and then
11 we have the response by the applicant.

12 CHAIRMAN CROSBY: Do you want to
13 introduce your team?

14 MR. STRATTON: Sure. Thank you,
15 commissioners. My name is Seth Stratton, I'm
16 with -- an attorney with Fitzgerald Attorneys
17 at Law in East Longmeadow. We're local
18 counsel with MGM.

19 Sitting to my left is a face with
20 whom all of you are familiar,
21 Mr. Michael Mathis, who's the incoming
22 president of MGM Springfield. We also have
23 with us today, Kelley Tucky, sitting behind
24 me, who's vice president of community and

1 public affairs for MGM. Also with us on our
2 team today is Kevin Dandrade. He's a
3 principal with TEC, and I believe he's been
4 before the commissioners previously. He's our
5 traffic consultant and will be addressing some
6 of the traffic impacts today.

7 Sitting to my right is Jed Nosul,
8 co-counsel on these surrounding community and
9 ILE -- ILEV petitions, from Brown Rudnick. We
10 also have with us, sitting behind me, is
11 Sarah Maggi Morin. Sara, though not speaking
12 today, is a resident of Longmeadow,
13 entrepreneur, and mother, and is available
14 should the commission should seek to have any
15 questions for her about the impact to
16 Longmeadow.

17 CHAIRMAN CROSBY: About motherhood?

18 MR. STRATTON: Sorry. About the
19 positive impacts Longmeadow.

20 CHAIRMAN CROSBY: All right.

21 MR. STRATTON: Fair point. Chuck
22 Irving is here with us as well. Chuck is our
23 local development partner of Davenport
24 Properties. Also joining is us Edward Pikula,

1 city solicitor for the City of Springfield.
2 And, finally, a face with all whom you are all
3 very familiar, Marty Nastasia, of Brown
4 Rudnick. There's several other members on our
5 team supporting us here as well.

6 CHAIRMAN CROSBY: Okay.

7 MR. ZIEMBA: Mr. Chairman, the
8 Northampton team just needs a couple minutes
9 to get their multimedia equipment ready. So
10 for time purposes, perhaps I could do some of
11 the introductions now --

12 CHAIRMAN CROSBY: Good.

13 MR. ZIEMBA: -- for all of the
14 members, and then we can just simply call them
15 up when -- when they're ready.

16 CHAIRMAN CROSBY: Great.

17 MR. ZIEMBA: Great. So for Hampden
18 today. We're joined by John Flynn, board of
19 selectmen, and Vincent Villamaino, also from
20 the board of selectmen. Excuse that
21 pronunciation.

22 And from Longmeadow, we have
23 Brandon Moss, Stephen Crane, Longmeadow town
24 manager, and Marie Angelides, the chair of the

1 Longmeadow select board. I also wanted to
2 mention that we have Gary Roux from the
3 pioneer valley planning commission, and
4 Jason DeGray from grant -- Greenman-Pederson,
5 Inc. also in attendance. They aren't part of
6 the testifying order, but they have offered to
7 be in attendance and answer any questions that
8 the commission may ask.

9 As you recall, we asked the pioneer
10 val -- pioneer valley planning commission to
11 conduct and oversee an independent traffic
12 analysis that was done by GPI. We're
13 reviewing those results as part of our
14 evaluation of these applications, and they've
15 graciously said that they would be available
16 to answer any questions that we may have.

17 And then we have representatives
18 from Eastern States Exposition, Eugene
19 Cassidy, chief executive officer of Eastern
20 States Exposition; Majestic Theater,
21 Danny Eaton, president of Majestic Theater,
22 and Todd Kadis, treasurer of Majestic Theater.

23 So I'll go check to see if our
24 Northampton representatives have their

1 equipment ready. I'm sorry. We apologize for
2 the switch in the order. We just want to give
3 the team a couple minutes to get their
4 materials ready.

5 CHAIRMAN CROSBY: John, should we do
6 Eastern States while we're waiting?

7 MR. ZIEMBA: Jill, do we have the
8 Eastern States folks here?

9 MS. GRIFFIN: I don't think they're
10 here.

11 CHAIRMAN CROSBY: Okay. All right.
12 We'll just wait. That's all right. We'll
13 just take a quick break, if you guys just want
14 to -- sorry for the mixup, but it shouldn't be
15 more than five minutes.

16
17 (A recess was taken)

18
19 MR. ZIEMBA: Mr. Chairman, would it
20 be okay if we take a -- a 10-minute break.
21 I'm sorry to do this. We're trying to deal
22 with a change in the order.

23 CHAIRMAN CROSBY: Yeah.

24 MR. ZIEMBA: But the Northampton

1 team would really like to get their materials
2 ready.

3 CHAIRMAN CROSBY: Yeah. And it's
4 not fair to push them so we have to do that.
5 Let's do that. Let's just take a 10-minute
6 break and be clear about it. Thank you,
7 Mr. Mathis.

8 MR. MATHIS: Thank you.

9

10 (A recess was taken)

11

12 CHAIRMAN CROSBY: All right. By the
13 way, just to clarify, this was the 104th
14 meeting, and this was the 28th, not the 29th.
15 That was a mistake when I started. Gentleman
16 from Northampton, you're on first. Apologize
17 for the confusion, please go ahead.

18 MR. FIALKY: Thank you. Good
19 morning, Mr. Chairman, commissioners. My name
20 is Jeffrey Fialky, I'm an attorney with the
21 law firm of Bacon Wilson. It is my pleasure
22 today to represent the City of Northampton as
23 petitioner for designation as a surrounding
24 community, and as applicant for involuntary

1 disbursement.

2 Each such petition pertaining to the
3 gaming application of Blue Tarp Redevelopment,
4 LLC, an affiliate of MGM Springfield, for the
5 gaming development project to be located in
6 the city of Springfield. I am joined here
7 today by the mayor of the Northampton,
8 David Narkewicz to my right, as well as by
9 Michael N'dolo, the vice president of
10 Camoin Associates to his right.

11 By way of introduction, as I'm sure
12 Mr. N'dolo will elaborate in a few minutes,
13 and as you've seen in the city's brief,
14 Camoin Associates is an economic research firm
15 that is retained by the City of Northampton to
16 assist in the city's analysis of the potential
17 economic and physical impacts of the MGM
18 gaming development on the city of Northampton.

19 In its petitions, the city's
20 provided the commission nearly 70 pages of
21 briefs, argument and economic data. It's not
22 our intention today to reiterate those
23 arguments, but, rather, to highlight and to
24 underscore the basis for the city's position.

1 Namely, that the city of Northampton should be
2 designated as surrounding community pursuant
3 to the Gaming Act with respect to the MGM
4 development.

5 Unlike many other communities
6 throughout the commonwealth that have
7 petitioned for surrounding community
8 designation, Northampton, located
9 approximately 18 miles north of the proposed
10 MGM development, does not claim to be burdened
11 by impacts on transportation infrastructure or
12 traffic. Rather, the city believes it will be
13 economically impacted as a result of the
14 casino operations.

15 Specifically, Northampton
16 anticipates a substantial and definitive
17 impact on its finances and its local business
18 due to the erosion of Northampton's status as
19 a sole destination market in the pioneer
20 valley, which forms the core and the fabric of
21 its economy.

22 Understanding the city's position in
23 this regard is predicated upon a familiarity
24 and an understanding of the uniqueness of the

1 city of Northampton. Northampton is widely
2 acknowledged as the premier culture and visit
3 -- visitation destination in the pioneer
4 valley, attracting residents, students,
5 visitors and tourists from varied offerings
6 from art galleries, distinctive retail stores,
7 renowned restaurants, high quality
8 entertainment music venues, as well as
9 boutique hotels. The city's received dozens
10 of national awards distinguishing its unique
11 character, its charm, and its economic success
12 in an otherwise often economically-challenged
13 region.

14 To frame that context, we'd request
15 your indulgence. We've got a short video.
16 Runs a little bit over three minutes. The
17 video is prepared by the Massachusetts Office
18 of Travel and Tourism. Assuming our
19 technology is kind enough to cooperate, it's
20 brought to us today courtesy of YouTube. As a
21 caveat, the video, while focuses primarily on
22 Northampton, nonetheless, makes reference to a
23 couple of landmarks located in the neighboring
24 communities of Holyoke and Amherst. If we

1 could queue the video.

2
3 (video playing)

4
5 MR. FIALKY: Thank you. As you're
6 aware from the city's petition, Northampton's
7 argument recognizes that the MGM development
8 may well provide tangible economic benefits to
9 the city of Springfield, and perhaps serve as
10 a development catalyst for Springfield. All
11 very positive outcomes for a city that's been
12 economically challenged for decades.

13 But, unfortunately, the clear,
14 albeit, perhaps, unintended result of
15 Springfield's gain will be Northampton's loss.
16 As you'll hear in greater detail from
17 Mr. N'dolo shortly, the Northampton --
18 Northampton derives a great deal of its
19 customers from the greater Springfield market.

20 For decades, Northampton has been
21 the sole destination in the pioneer valley,
22 for a day of shopping or for a night out on
23 the town. Thus, a new MGM development,
24 complete with its proposed retail, hotel,

1 restaurant, entertainment and other amenities,
2 whether by design or by effect, will
3 ultimately compete directly against the basis
4 of Northampton's small business economy.

5 Northampton does not argue that its
6 entire customer base will be lost to MGM.
7 However, the Camoiner -- the Camoin report
8 nonetheless shows that substantial patronage
9 will indeed be cannibalized, resulting in
10 significant lost sales, lost jobs, and current
11 and future tax revenue.

12 Moreover, Northampton will not
13 derive any benefit from the MGM development,
14 which, consistent with longstanding casino
15 industry practices, seeks to provide one-stop
16 shopping, restaurant, retail and entertainment
17 amenities. All of which would result in a de
18 facto disincentive for out-of-town casino
19 patrons to visit other entertainment and
20 retail venues, much less other destination
21 communities such as Northampton.

22 And while MGM has made overtures of
23 cross-promotion between the two cities as our
24 brief details, token offers, such as the

1 inclusion of Northampton brochures at the MGM
2 concierge desk, can hardly be expected to
3 offset MGM's vested interest in attracting and
4 retaining destination consumers as a draw to
5 its gaming operations versus sending them off
6 to Northampton to enjoy similar entertainment
7 amenities.

8 Rather, Northampton will need to
9 undertake costly new and continued, value-wide
10 marketing efforts to retain customers in
11 businesses. These new advertising expenses
12 will become a new necessity of the city's
13 economic survival. And, in addition,
14 Northampton will be challenged to replace tax
15 and fee revenue lost to business contraction.

16 MGM's position is, and has been,
17 that Northampton is not entitled to
18 surrounding community status by arguing the
19 city is -- is not sufficiently proximate to
20 the site of the proposed MGM development to be
21 adversely impacted. However, MGM then
22 conceded, in its opposition brief, that
23 Northampton would indeed benefit from the MGM
24 development by the increase of out-of-state

1 tourists and international student visitation.

2 Naturally, MGM's argument is one of
3 convenience, claiming that while Springfield
4 and Northampton are too geographically distant
5 to negatively impact each other, they're
6 nonetheless proximate enough to positively
7 impact each other.

8 Rather, Northampton's position is
9 that mileage from the proposed gaming
10 establishment alone, while instructive, cannot
11 be the dispositive factor in determining
12 proximity, especially in light of the result
13 in impacts. And particularly in western
14 Massachusetts, where the population is simply
15 less concentrated than the eastern part of the
16 commonwealth, such that lengthy travel times
17 for restaurants, for leisure and for
18 entertainment are commonplace. And such that
19 the economic markets of Springfield and
20 Northampton are intricately connected.

21 As the commission is also aware, MGM
22 has entered into a surrounding community
23 agreement with the City of Holyoke, which,
24 while bordering the city of Northampton, does

1 not share a common border with the city of
2 Springfield.

3 In addition, Springfield and
4 Northampton share a common transportation and
5 tourism infrastructure. Both are served by
6 the Pioneer Valley Transit Authority, as their
7 Mass. transportation provider. Further,
8 they're both represented in the pioneer valley
9 planning commission. And the Greater
10 Springfield Convention & Visitors Bureau
11 promotes regional tourism, including both
12 Northampton and Springfield. This
13 demonstrates that Northampton and Springfield
14 share common economic ties, and that their
15 infrastructure and their tourism industries
16 are directly linked.

17 Lastly, the city has additionally
18 petitioned for involuntary disbursement to
19 reimburse both the city's expenses in
20 conducting the Camoin economic study, which
21 you'll further hear discussed in a moment, as
22 well as the legal fees incurred by the
23 Northampton in this regard.

24 The city has submitted a

1 comprehensive brief. We've submitted data and
2 supporting materials together with that
3 application and petition, and for the reasons
4 that are further set forth in those materials,
5 Northampton requests the commission find that,
6 one, there is a substantial likelihood that
7 Northampton will be designated a surrounding
8 community for the reasons that are set forth
9 in the brief, and for the reasons that are
10 discussed today.

11 And that, number two, the Camoin
12 Associates study was both reasonable and
13 necessary to provide objective data regarding
14 economic impacts, rather than the city having
15 relied upon its own anecdotal evidence,
16 conjecture and its own opinion.

17 And, lastly, that the legal services
18 performed by the lawfirm Bacon Wilson were
19 both reasonable and necessary to adequately
20 represent the city's interest in this regard.
21 It is now my pleasure to introduce the mayor
22 of Northampton, David Narkewicz.

23 MR. NARKEWICZ: Good morning,
24 Chairman Crosby and members of the commission.

1 Thank you very much for this opportunity --

2 CHAIRMAN CROSBY: Turn the mic.

3 COMMISSIONER ZUNIGA: Speak into the
4 mic.

5 MR. NARKEWICZ: Thank you very much
6 for this opportunity testify. I'm here,
7 obviously representing the City of
8 Northampton. I hope you had a chance to -- to
9 study the videotape that we showed, because,
10 really, I'm also here representing the owners
11 of those -- some 67 retail business, including
12 over 34 restaurants.

13 These are local, independent
14 businesses, who've worked decades to create
15 the success that we have in Northampton. We
16 are a retail, shopping, a dining, an
17 entertainment destination for the pioneer
18 valley. A 10-minute drive -- a 20-minute
19 drive from Springfield, I know they're going
20 to focus a lot on that 18 miles. I fully
21 expect there'll be a -- a virtual
22 demonstration of how many poker chips you can
23 stack to form 18 miles, but what you really
24 need to focus on is the economic impact, which

1 is what your gaming regulations speak to.

2 We believe that, as an established
3 regional destination that is generating
4 significant revenues in terms of meals tax,
5 hotel, motel, in terms of job creation, in
6 terms of attracting visitors from throughout
7 the pioneer valley, that we will be impacted
8 by this \$800 million entertainment facility
9 that will be 20 minutes from the city of
10 Northampton. So I hope you will give
11 consideration to our petition.

12 We went a step further, because I
13 understand that we have a disagreement with
14 MGM around this, and I think -- I think that
15 our -- our attorney said it best. On the one
16 hand they assert that they will provide
17 economic benefit to the city of Northampton,
18 20 minutes away, although that benefit is
19 somewhat undefined, it's a \$50-million benefit
20 to the region without a lot of specific data
21 on what the benefit specifically will be to
22 Northampton. We would assert that, if there
23 can be benefits 20 minutes south on 91, that,
24 surely, there are potential negative impacts.

1 So I have got -- I went to my city
2 council, we -- they gave me the authority to
3 appropriate funds to hire a consultant so that
4 we could provide some independent data to the
5 committee about what the potential of economic
6 and financial impacts are to the -- to the
7 city of Northampton.

8 So I'm going to turn it over now to
9 Michael D'Nolo (phonetically) from
10 Camoin Associates who's going to give you an
11 overview of the re -- results of that study
12 that I just referenced.

13 CHAIRMAN CROSBY: There's a
14 15-minute -- it's been about 15 minutes, so if
15 you're not -- not too terribly long here.

16 MR. N'DOLO: I'll -- I'll try to be
17 as brief as possible, but I'm not sure I'll be
18 able to meet that time frame. I'll try to
19 respect the time, but I can do what I can do.
20 I did pass out copies of a PowerPoint. I'm
21 not sure that you received them, but I did
22 give copies out. But you made reference, of
23 course, this screen here.

24 I'm Michael N'dolo from Camoin

1 Associates. We're an economic consultancy
2 based in Sarasota Springs. Camoin Associates
3 has done many, many of these analyses,
4 including hundreds of millions of dollars of
5 capex incentives, major league sports arenas
6 and to convention centers, and to casinos, and
7 to all types of tourism destination
8 facilities, and many, many other things.

9 I've spoken on the matter at
10 state-level conferences. I've authored
11 articles. I've authored topic papers. And my
12 work has been -- our work has been highlighted
13 in the Wall Street Journal, New York Times,
14 and NPR Marketplace, et cetera, et cetera. So
15 we're known for these types of analyses. Next
16 slide, please.

17 Briefly, I'm just going to outline
18 the analytic framework behind the -- behind
19 the impact analysis. The existing conditions
20 have already largely been discussed. We'll
21 talk about the topic of competition from the
22 casino, how we estimated our impacts and our
23 major conclusions. Next slide, please.

24 So to put it in the simplest terms

1 possible, our analysis concludes that some of
2 what is spent in the casino will, in fact,
3 come from recreational spending that occurs
4 currently in the city of Northampton. We have
5 a term, economists have a term called
6 discretionary income, which is essentially
7 what is left over out of a household's income
8 after you pay for the essentials, which is
9 taxes, shelter, clothing, food. Right? And a
10 portion of that discretionary income is spent
11 on recreational spending.

12 Now, that spending is fungible,
13 which means to say that there's a substitution
14 effect. You can substitute one type of
15 recreation spending for another type of
16 recreation spending. In fact, MGM explicitly
17 acknowledges this in its opposition brief, and
18 here I'm referencing Exhibit B, page three of
19 that brief. I quote, A literature review of
20 studies of the impact of casinos found that
21 the development of new casinos can replace
22 other entertainment spending in the region,
23 end quote. We are, of course, in agreement
24 with this, as it is something that we have

1 found in many of the studies that we have done
2 in the past.

3 So what, again, is happening, what
4 we believe will happen is, the substitution of
5 casino spending for casino -- for spending at
6 noncasino venues that are currently happening
7 in Northampton.

8 You know this is a -- kind of a
9 logic, a common sense sort of logic that I'm
10 sure you can appreciate and understand.
11 Northampton, in losing its patronage,
12 businesses are going to have to lay off
13 workers, some of the business are going to
14 close, and unfortunately that will erode
15 Northampton's status as a tourism destination
16 site in the region. The question is how much,
17 and that's what our analysis looked at, so the
18 next slide, please.

19 Here you have map, and I just direct
20 your attention to the map. In green is the
21 city of Northampton, in orange is a trade
22 area, we call it a Northampton trade area,
23 it's a 25-minute drive time. As mentioned by
24 both the mayor and both legal counsel,

1 Northampton is known as tourism destination.
2 500,000 residents visit -- I'm sorry, 500,000
3 visitors come in and spend time there. MGM
4 explicitly acknowledges the fact of the
5 tourism destination status. I'm referencing
6 page five of the opposition brief quoting, MGM
7 Springfield has long recognized that
8 Northampton is an important regional tourist
9 destination, end quote.

10 Our analysis confirms this
11 characterization on page 10 of our report. We
12 show empirically and factually there's a
13 retail surplus within the city. A retail
14 surplus is when you have more being spent at
15 businesses than residents spend.

16 So, for example, under the full
17 service restaurant category, we showed a total
18 of \$35 million in business at Northampton
19 res -- sorry, at Northampton establishments.
20 However, empirically, residents of Northampton
21 are only spending about \$21 million on
22 full-service restaurants. Therefore, there's
23 a surplus of \$14 million. Well, where's that
24 coming from? That's coming from outside the

1 city into the city. We have all these
2 different categories that each are tens of
3 millions of dollars. You can tell very --
4 very clearly, millions of dollars are coming
5 in based on the entertainment venue and other
6 amenities of the area. The next slide,
7 please.

8 I have now overlaid, and this is
9 kind of an important slide to understand
10 methodologically, the orange, in the middle of
11 course, is overlaid by the blue area. This is
12 a casino trade area. It's a 60-minute drive
13 time from the casino.

14 Excuse me. We were not provided by
15 a market analysis by MGM, but we found one
16 that had been previously done by Strategic
17 Market Advisors. They defined this 20-minute
18 drive time is a combination of the primary and
19 secondary market trade areas. And, according
20 to Strategic Market Advisors, represents
21 77 percent of the patrons of the casino. So
22 while the casino may draw from further away
23 than this 60-minute drive time here, this
24 is -- you know, essentially, it's primary and

1 secondary trade areas.

2 MGM explicitly states in its
3 opposition brief, page six, quoting, MGM
4 Springfield explained its marketing plan and
5 projections, which were based on bringing up
6 to 50 percent of its customers from outside
7 western Massachusetts. So if 50 percent -- if
8 up to 50 percent of its customers are coming
9 from outside western Massachusetts, then, by
10 definition, 50 percent, and possibly much
11 more, are coming from within western
12 Massachusetts. This is consistent with the
13 Strategic Market Advisors' report, and
14 certainly with our findings.

15 There's a couple of points to
16 consider here that are -- that are real
17 important. As we noted on page two and three
18 of our report, as more and more casinos are
19 developed in the northeast, and I'm from
20 Saratoga Springs, New York, and we're, of
21 course, considering our own, the market gets
22 divided up and gets subdivided up and further
23 subdivided up. And so, the market area of
24 each casino, in fact, in effect shrinks. And

1 in doing so, in effect, the biggest win for
2 Massachusetts ceases to be the attraction of
3 residents from outside Massachusetts, and, in
4 fact, relies on retaining Massachusetts'
5 resident spending that is currently leaving.

6 So, in effect, the economic impact
7 in the state of Massachusetts, while
8 substantial, is a matter of recapture of
9 dollars. It's a matter of reallocating how
10 consumer spending patterns occur in the
11 region. One of those consumer spending
12 patterns that will be changing, of course, is
13 how the Northampton trade area, again the
14 orange area, how their residents spend money.
15 The next slide, please.

16 So, if from a technical point of
17 view, and I'll just mention that these --
18 these circles are not drawn to scale. They
19 just -- you know, to give you the -- the order
20 of logic behind it. We want -- we've done an
21 empirical and rational way to go about
22 estimating these impacts.

23 So here's what we did, we know that
24 the casino trade area has a total of

1 \$8.5 billion in recreational spending. If we
2 assume that 342 million of that in a given
3 year is spent at the casino, which we feel is
4 a very, very conservative assumption, that
5 represents 4 percent of total recreational
6 spending in the trade area, in the casino
7 trade area.

8 Now, as a very, very conservative,
9 low-case measure, what we said is, if that
10 4 percent spend that's being pulled out of the
11 trade area is spread evenly across the entire
12 trade area, and it's conservative because, of
13 course, the closer you get to the casino, you
14 would assume that the higher percentage of
15 spending would be -- climb close to the
16 casino. That, in fact, if that 4 percent
17 happens within, then we have one billion of
18 dollars of recreational spending in the
19 Northampton market area. 4 percent of that
20 market area is, of course, \$40 million.

21 Now, the city represents 10 percent
22 of the spending within the Northampton trade
23 area. So we simply applied 10 percent to that
24 spending, that \$40 million going to the

1 casino, and we said the low case is
2 \$4 million. That's \$4 million of spending
3 that goes -- that is currently in the city and
4 is now moving to the casino.

5 COMMISSIONER ZUNIGA: Can you
6 explain where that 8 billion comes from?

7 MR. N'DOLO: Yes?

8 CHAIRMAN CROSBY: Sure.

9 MR. N'DOLO: Thank you. Thank you,
10 Mr. Chairman. Yes. \$8 billion, it is from
11 Esri Business Analyst Online. This is a data
12 provider that we have. It's based on the
13 consumer expenditure surveys that occur. This
14 is a federal level data that they collect.
15 Esri repackages the data and we collect that
16 from our proprietary source.

17 COMMISSIONER ZUNIGA: But what --
18 what does that apply to?

19 MR. N'DOLO: Oh --

20 COMMISSIONER ZUNIGA: Yeah. What
21 area -- what area are you -- are you
22 describing, when you describe 8 billion?

23 MR. N'DOLO: It is the -- it's the
24 casino trade area. It's the 60-minute drive

1 time from the city of Springfield.

2 COMMISSIONER ZUNIGA: The revenue
3 projections that I've seen are much lower for
4 Massachusetts compared to that number.

5 MR. N'DOLO: This is not -- this is
6 not casino spending. Okay. This is spending
7 on all types of recreational categories,
8 because, remember, we're trying to get --
9 we're trying to gauge the substitution effect.
10 Right now you don't have a casino in
11 Northampton -- or in Springfield, rather, but
12 there's all kinds of recreational spending
13 that's occurring. That's on anything from
14 concerts to outdoor recreation, to meals, to
15 basically entertainment of all types. So it's
16 not casino spending. We're not saying that
17 \$8.5 billion is going to happen at the casino.
18 We're saying of all types of recreational
19 spending, \$8.5 billion.

20 COMMISSIONER ZUNIGA: And that was
21 the blue area that you highlighted in your
22 previous slide?

23 MR. N'DOLO: Yes. The 60-minute
24 blue area.

1 CHAIRMAN CROSBY: And the 60-minute
2 blue area represented, in your calculation,
3 70 percent of the casino's revenue, so there's
4 23 percent coming from somewhere else. How
5 does that relate to this chart?

6 MR. N'DOLO: Thank you. So, first
7 of all, 77 percent is not our number. That's
8 the Strategic Market Advisors. That's the
9 report that we found that had previously been
10 prepared.

11 CHAIRMAN CROSBY: Yep.

12 MR. N'DOLO: We did not prepare
13 those numbers. We're just using those
14 numbers.

15 CHAIRMAN CROSBY: Right. But --

16 MR. N'DOLO: In this particular
17 case --

18 CHAIRMAN CROSBY: -- you're using
19 them -- you're using them to make your case
20 so --

21 MR. N'DOLO: Exactly.

22 CHAIRMAN CROSBY: -- they're
23 effectively your numbers.

24 MR. N'DOLO: Thank you. But I'm not

1 -- you know, I'm using them as -- as the
2 number we're looking at.

3 CHAIRMAN CROSBY: Yeah.

4 MR. N'DOLO: That matter, what we're
5 looking at are the primary trade areas. Okay.
6 As I mentioned, the city of Northampton trade
7 area at 25 minutes is not the area where they
8 get all of their resident -- I'm sorry, all of
9 their visitors. That's their primary. They
10 get the majority, if you wish.

11 CHAIRMAN CROSBY: Yeah.

12 MR. N'DOLO: So what we're doing is,
13 we're comparing the majority of Northampton's
14 visitors to the majority area of the casino's
15 visitors. So, logically, we're only focusing
16 on that spending. Now, Northampton will pull
17 from farther away, but it gets more and more
18 diffuse when get beyond the primary --

19 CHAIRMAN CROSBY: No. But, I mean,
20 the -- the -- the casino is bringing in
21 another -- another 23 percent of its business
22 from somewhere else outside the blue primary
23 market -- excuse me, primary market area.

24 MR. N'DOLO: Yes.

1 CHAIRMAN CROSBY: Will -- are -- are
2 you positing that that 23 percent will have no
3 impact on Northampton? In other words,
4 there's -- the new money in, there's 23
5 percent.

6 MR. N'DOLO: Mm-hmm.

7 CHAIRMAN CROSBY: Does that have a
8 ripple effect, an offset to these numbers?

9 MR. N'DOLO: It's a -- that's a very
10 good question. It is not contemplated in our
11 numbers. That is not something that we
12 calculated.

13 CHAIRMAN CROSBY: Okay.

14 MR. N'DOLO: So to be -- to be
15 absolutely direct and fair, that's -- that's
16 correct. Now, if you do a
17 back-of-the-envelope look at that and you say,
18 well, we have 23 percent of the patrons, you
19 look at the total spend at the casino, how
20 much of that's spent. And, of course,
21 economic impacts, when you think about them,
22 they tend to be concentrated nearer the
23 source, right, of course. So as you get
24 further and further away you get, you know,

1 the halo. So there's likely to be some
2 impact.

3 Now, I've done some very, very
4 back-of-the-envelope calculations. The impact
5 of that additional spend that could be
6 occurring from the outside of western
7 Massachusetts, folks coming in, getting up to
8 Northampton is going to be some small fraction
9 of the numbers we're reporting. To be fair,
10 it's not zero.

11 CHAIRMAN CROSBY: Okay.

12 MR. N'DOLO: But it's -- it's a
13 small fraction of our numbers.

14 CHAIRMAN CROSBY: Okay.

15 MR. N'DOLO: Thank you for the
16 question. May I continue?

17 CHAIRMAN CROSBY: Sure.

18 MR. N'DOLO: Thank you. Next slide,
19 please. So if you look at the low case, we
20 have a 4 percent decrease, that's \$4 million.
21 And, again, as I mentioned earlier, we're
22 saying that's the conservative case simply
23 because we're assuming that, that 4-percent
24 takeout of the trade area is happening in a

1 very uniform way across the trade area. Of
2 course, the Northampton trade area includes
3 the city of Springfield. So the customers
4 that are most proximate to the casino are in
5 the Northampton trade area, so we can only
6 assume that the takeout for those people is
7 going to be higher than the average for the
8 whole trade area. So our high case is the
9 \$8-million figure. Again, access, proximity,
10 accessibility and so on. I do want -- if you
11 can go to the next slide, please. In the
12 interest of time, I'm trying to get through
13 this quickly here.

14 CHAIRMAN CROSBY: Yeah. There's
15 one -- there's one other factor, just as I'm
16 thinking about this.

17 MR. N'DOLO: Yes.

18 CHAIRMAN CROSBY: Of the 77 percent,
19 again taking -- for the sake of discussion
20 using that number, some substantial portion of
21 that will be people that are presently leaving
22 that area to go to --

23 COMMISSIONER ZUNIGA: Connecticut.

24 CHAIRMAN CROSBY: Connecticut.

1 Right. Right? That's one of the whole
2 targets here.

3 MR. N'DOLO: Mm-hmm.

4 CHAIRMAN CROSBY: So there -- there
5 is the impact of 23 percent as an offset,
6 whatever that is, modest or not, but of that
7 77 it's got to be something like a third or
8 something of that anyway, is folks who are now
9 leaving Massachusetts and going to
10 Connecticut. So there's also got to be some
11 offset for another third who now stay in
12 Massachusetts. People don't drive from new --
13 Northampton to go gambling in Foxwoods.
14 Right?

15 MR. N'DOLO: Yes. Yeah, I'm sorry.
16 Was there a question?

17 CHAIRMAN CROSBY: Yeah. So I'm --
18 I'm just asking about offsets to these
19 numbers, and I'm now thinking there's at least
20 two categories of offset that aren't -- that
21 aren't calculated in this.

22 MR. N'DOLO: That's right. Bear in
23 mind, of course, that as you have a casino in
24 proximity -- let's say, for instance, you have

1 a hypothetical couple that lives in -- in and
2 around Northampton that travels to Foxwood.
3 Of course, to do so they got to climb in their
4 car and drive a couple hours and so on. They
5 may go twice a year. That same couple, of
6 course only logically speaking, would -- was
7 most likely go to the casino more often than
8 that if it's in Springfield. Convenience
9 factor, right? Instead of going a couple
10 times, they might go four times a year or six
11 times a year.

12 And, again, the idea of these
13 impacts, are your sponging up those
14 recreational dollars. So, again, while there
15 is a recapture, most of what's happening is a
16 reallocation of existing recreational
17 spending. Your point is taken, though.

18 CHAIRMAN CROSBY: Okay.

19 MR. N'DOLO: All right. So our
20 major findings here. We applied the standard
21 modeling that economists do when they look at
22 these types of -- types of studies. And what
23 we found is between 90 and 180 jobs would be
24 lost in the city, and that corresponds to

1 earnings of 1.6 to 3.2 million.

2 Now, the city itself, of course
3 relies on its economy as a tax base. Our
4 report goes into detail about exactly how we
5 calculated this, but just as an indication --
6 I apologize, I've been talking quite quickly
7 here. But as -- as an indication, of course,
8 the -- the city could lose between -- lose
9 50 -- up to \$53,000 a year meals tax, \$43,000
10 in occupancy tax, \$48,000 in other fee
11 revenue, \$130,000 in direct property tax
12 revenue. If you take all those numbers and
13 you go out 20 years and you inflate at
14 3 percent, you know, an average inflation
15 rate, you're looking at between 3.6 million
16 and \$7.3 million of lost revenues to the city.
17 So these are, obviously, substantial numbers.

18 Now, what's not included in these,
19 and I -- I'm remiss for not having it put in
20 this slide, is that none of these numbers
21 reflect lost future development. So I'll just
22 speak one moment about this. Currently, the
23 city of Northampton has two major retail --
24 I'm sorry, tourist-related projects. Both

1 happen to be flagged hotels, big-name hotels
2 that are coming in. These have quite
3 substantial property tax revenues attached to
4 them, and, of course, occupancy tax revenues.
5 Those two projects alone, when built and fully
6 occupied, represent about \$640,000 a year in
7 tax capacity between property tax, occupant
8 tax and meal tax, a very significant amount.

9 Now, if you're a hotel developer and
10 you're now faced with an environment where you
11 have a operating casino in the city of
12 Springfield, where are you more likely to put
13 your next hotel, in the city of Northampton or
14 the city of Springfield? Well, likely, of
15 course, you're going to rely on existing
16 market demand around the casino and be more
17 likely to place your hotel there. Again, none
18 of those numbers are up here in -- in the
19 numbers that we report. I just want to call
20 your attention there's additional economic and
21 fiscal impacts associated with that.

22 The final slide is just a
23 conclusion. Again, the idea of finite
24 discretionary, that should say discretionary

1 disposable income, being reallocated changing
2 consumer patterns as being a -- sort of the
3 underlying assumption behind the legislation
4 having unintended consequences for the city of
5 Northampton. These type of businesses,
6 retail, tours and business, tend to operate on
7 very thin margins. And what, in fact, what
8 happen is not only the job losses we're
9 talking, but potentially an endangerment of
10 the status of Northampton as a tourism
11 destination. So a clear and present danger to
12 the city. Thank you very much. I appreciate
13 the allowance of time.

14 CHAIRMAN CROSBY: Okay. Mr. Mathis
15 -- no, Mr. Stratton.

16 MR. STRATTON: Thank you
17 commissioners. Let me just start off by
18 saying that we're happy that the city
19 highlighted its uniqueness. The city of
20 Northampton is, indeed, unique, and it's one
21 of the many assets that makes western Mass. an
22 attractive region for tourism.

23 As you'll hear from those of us
24 presenting, it's this uniqueness that allows a

1 revitalized Springfield and Northampton to
2 thrive together. And that's why MGM is
3 excited about the potential in western
4 Massachusetts. Let me just briefly outline
5 our comments today. We're going to try to
6 keep it very brief, respecting the time limits
7 imposed by the commission. That brevity
8 should not suggest that we don't have more
9 robust responses, and we're happy to address
10 any questions that the commission might have.

11 I will briefly address the policy
12 flaws in Northampton's position. Mr. Mathis
13 will address the -- what we'll call the
14 factual flaws in the analysis. For example,
15 while, when considering the MGM's business
16 model, it's not a zero-sum game for consumer
17 dollars in western Massachusetts. And,
18 finally, our Massachusetts development
19 partner, Chuck Irving, can address why
20 Northampton establishments and MGM Springfield
21 can thrive together to the benefit of
22 Northampton.

23 So starting just briefly on
24 proximity, we didn't put together a

1 demonstrative with poker chips stacked 18
2 miles. We think that the 18 miles is -- is
3 self-evident Northampton is the --

4 CHAIRMAN CROSBY: Well, we can agree
5 it would be a lot of poker chips.

6 MR. STRATTON: That's right, it
7 would be Commissioner. The -- it's 18 miles
8 away. It's a -- a I think 20-minute drive as
9 some may accomplish. I think it could be
10 closer to 25 or 30, depending on how you
11 drive. It's the -- it's the seat of another
12 county. The -- we're not going to focus a lot
13 on proximity. We -- we do believe, though,
14 that there is a statutory threshold of
15 proximity under the definition of surrounding
16 community, and that Northampton simply doesn't
17 meet it.

18 Moving on to assuming that
19 Northampton were to surmount that threshold,
20 it really is impacts. And as you've heard
21 from Northampton, the only impact they're
22 raising is operational impacts to
23 entertainment, retail and entertainment.
24 And -- and what Northampton essentially seeks

1 to do is penalize MGM for embracing their
2 policy objectives of Chapter 23K.

3 MGM is seeking to revitalize one of
4 the commonwealth's gateway cities. And what
5 Northampton wants to do is to have the
6 commission adopt a form of economic
7 protectionism that -- that penalizes MGM for
8 hoping to revitalize Springfield. Because,
9 while Northampton focuses a great deal on the
10 MGM Springfield project, it can't be lost that
11 a good portion of their argument is that
12 Springfield is going to become revitalized.
13 There's going to be more going on in
14 Springfield and that competes with
15 Northampton. Well, we respectfully submit
16 that it's not the job of this commission, nor
17 the objective of the statute, to preclude
18 competition between municipalities in the
19 commonwealth, particularly when they're in
20 different counties.

21 Finally, before I turn it over to
22 Mr. Mathis, and -- actually one more point, I
23 think -- Marty passed me a note, and I think
24 it's -- it's a point worth making. This issue

1 of regional and statewide substitution was
2 studied and debated during the legislative
3 process. As MGM cited in its papers, the
4 independent studies authored by Spectrum and
5 Innovation provided reassurance to legislators
6 that this scenario of competition would be
7 mit -- mitigated by economic development
8 opportunities. The multiplier effect and the
9 safeguards in the legislation. So I think
10 this scenario was contemplated and addressed
11 in the statute.

12 Finally, Northampton seeks to
13 attribute growth in Springfield in the retail,
14 restaurant and entertainment industries, and
15 any new investment in Springfield, directly to
16 MGM as a negative impact that needs to be
17 mitigated. And we respectfully submit that
18 that would really turn the statute on its
19 head. Northampton's position is not only
20 flawed from a policy level, but it's flawed
21 factually in that it fails to account for
22 MGM's business model, it's likely regional
23 impact. And to address that, I'm going to
24 turn the microphone over to Mr. Mathis.

1 MR. MATHIS: Thank you, Seth. Thank
2 you, Mr. Chairman and commissioners. I also
3 am going to try to be brief, and because of
4 that I may not be as tactful as I otherwise
5 would be, so, please, no offense to the
6 Northampton team, which I -- I deeply respect,
7 and we spend time together.

8 I'll start with what we think are
9 fundamental flaws in the Camoin report. And,
10 Mr. Chairman, you point out a few of them.
11 The biggest flaw is that it's not based on our
12 own program. It's based on the Penn National
13 proposal that was submitted in Springfield.
14 And with all due respect to that team, our
15 proposal's very, very different.

16 A few key factors is our -- our plan
17 to bring more of our revenue from outside of
18 western Mass. We've got 50 percent of our
19 revenue, this is demonstrated in the
20 submission in the RFA in terms of our business
21 plan from outside of western Massachusetts. A
22 third of that being from Connecticut. We
23 anticipate more than 50 percent of our
24 nongaming revenue will be from outside of

1 western Massachusetts. And I think that
2 speaks to our plan through out database, which
3 is not -- which is not accounted for in the --
4 in the report, our robust Mlife 60-million
5 customer database.

6 We plan to bring customers from
7 outside the market into the market. These are
8 new customers or repatriated customers, and we
9 plan to have them stay longer. And as they
10 stay longer, our anticipation is that they
11 will explore western Mass. So I think the
12 analysis that says that a customer that's in
13 Connecticut is an hour-and-a-half away from
14 Northampton, who will be drawn to our
15 property, is flawed. We will get them to our
16 -- to Springfield, and then, at that point it
17 becomes a 25-minute trip, 20-minute trip and
18 not a 90-minute trip. So I think the fact
19 that that's not accounted for is an important
20 flaw.

21 The other thing that's not accounted
22 for is the significant unemployment that
23 exists in this market. We plan on -- my
24 colleague, Kelley Tucky, presented to you last

1 week, we plan on creating 3,000 direct jobs,
2 2,200 indirect jobs. That's over a hundred
3 million dollars of new payroll in a
4 deeply-depressed economy that will be in that
5 market. So with all due respect to the Camoin
6 report, there's no reflection of the
7 additional payroll that now will be available
8 to be spent in Northampton.

9 Beyond that, I really want to touch
10 on -- on three points in addition to what Seth
11 said, which is that Northampton is extremely
12 unique, and I find ironic that they showed a
13 video that demonstrated how unique they are.
14 We're not going to recreate five, five
15 colleges in Springfield. We're not going to
16 recreate trails or the his -- the historic
17 district in Springfield.

18 In all our -- our meetings, and it
19 really is the basis of their report, there is
20 a fixed zero-sum assumption in their -- in
21 their proposal, that there are fixed dollars
22 in western Mass., and they're unapologetic,
23 incredibly unapologetic, about their assertion
24 that Northampton has a monopoly on

1 those dollars. We don't believe that's the
2 case.

3 We provided you empirical evidence
4 from the census that showed in 2000 the total
5 accommodation of food services sales, this is
6 on page 15 of our opposition, and per the 2000
7 census Springfield's total of food services
8 sales were \$148 million. In 2010, the next
9 census, that number grew to \$222 million.
10 Springfield's tourism -- food and beverage
11 tourism grew over that period of time. It's
12 not surprising that in that same window in
13 Northampton that number grew from \$57.8
14 million to \$81. million. In other words, both
15 communities, tourism, economic, entertainment,
16 food, leisure, tourism can grow together. And
17 we think we're going to be a catalyst to make
18 that happen further. So empirical evidence
19 that -- that undercuts the zero-sum gain
20 concept.

21 Again, our marketing plan, I think,
22 which we've provided in our RFA, relies on
23 bringing at least 50 percent of our revenues
24 from outside of the market. That's not

1 accounted for as an offset.

2 And, lastly, I want you to -- I'd
3 ask you to -- to look at our partnerships,
4 which we seek to capitalize in the region to,
5 once we get these folks here, what is the
6 demonstration, what's the evidence that we
7 plan on keeping them there and having them
8 spend dollars in the region?

9 I would point you to our Greater
10 Springfield and Convention Visitor Bureau
11 Agreement. When we submitted our RFA it was a
12 proposal. I'm happy to report that is now an
13 agreement. It's a cross-marketing agreement
14 that provides for putting our visitor guide
15 and cross-marketing to our customers so that
16 when they come to our property they go explore
17 the region.

18 Similar, we've gotten endorsements
19 from the Berkshire and Franklin chambers, who
20 also act as tourism and economic generators.
21 Endorsements from them because we've talked to
22 them about partnering on different packages,
23 fall foliage packages, different
24 cross-marketing packages.

1 So I think our -- our submission is
2 -- is -- is abundant in terms of our intent to
3 bring new money into the market, to keep money
4 that's left the market, and I think
5 Northampton will get their fair share of it.
6 Thank you.

7 MR. STRATTON: Commissioners, I'd
8 like to pass the microphone to Chuck Irving,
9 who has a unique perspective on this as a
10 Massachusetts-based developer. I think he'd
11 share some input on how Springfield and
12 Northampton can thrive together. Chuck.

13 MR. IRVING: Hi. My name's Chuck
14 Irving, I'm with Davenport Properties.
15 Davenport Properties. Davenport has built
16 over a million square feet of shops and
17 restaurant space in western Massachusetts, and
18 we continue to own most of that today. I also
19 went to school in western Massachusetts, as
20 well as Maine, so I'm intimately familiar with
21 region, and a fan of Northampton for -- since
22 the 1970s.

23 Springfield is not unique in many
24 ways within New England. It's a small city

1 with a lot of historic buildings, brick, and
2 it's gone into decline. And when Jim Murren
3 came to Springfield, he said, look, I want to
4 do something unique, and this is where I think
5 I can do it. And what Jim looked to were
6 other cities in New England that have
7 experienced a renaissance, and he was
8 specifically looking at Burlington, Vermont;
9 and Portsmouth, New Hampshire; and Providence,
10 Rhode Island; and Portland, Maine. And he
11 charged us to go study these places. He said,
12 the type of renaissance I want to create.

13 And so, when we're talking about the
14 substitution effect I really looked to the
15 success of these cities and the impact on the
16 regions around them and say, was it positive
17 or negative? Because, as I said, we're not
18 trying to do anything unique. If we can make
19 Springfield like Portland, Maine or
20 Burlington, Vermont, then I'm going to be very
21 happy 10 years from now.

22 I'm intimately familiar with
23 Portland, because I went to Bowdoin College.
24 And back in the 1980s when I went to Bowdoin,

1 Portland looked like Springfield today. And
2 when my father would pick me up from college,
3 we'd drive home, take a quick stop to Freeport
4 for a cup of chowder and drive quickly passed
5 Springfield and head on back.

6 With the leadership of folks from
7 L.L. Bean, Portland experienced the type of
8 renaissance that we're trying to catalyze in
9 Springfield. They brought a factory store
10 downtown, they supported a market that would
11 help housing, and they actually took on some
12 historic buildings and turned them around.
13 And what has happened now is, Portland is --
14 is a city that you can read about in magazines
15 in New York City or London. It is one of the
16 cities in this country that is best known for
17 restaurants. A lot more restaurants than we
18 ever intend to build in Springfield. And
19 there was an elasticity in the market that
20 they experienced there, where now we go back
21 and we don't see Freeport devastated by the
22 success of Portland, we don't see the
23 beautiful town of Kennebunkport, which I
24 really feel is like Northampton. I mean, if

1 you want to experience Maine, you know,
2 outside of a city, you stop off at
3 Kennebunkport. If you want to experience the
4 Berkshires, you stop off at Northampton. And
5 Kennebunkport remains a very strong tourist
6 community. And I would argue that the entire
7 interstate highway corridor has benefited by
8 Portland expanding tourism and making it a
9 place that my wife and, you know, regularly go
10 for a weekend and just hang out. And when we
11 go there, quite honestly, on the way home we
12 stop off at Kennebunkport.

13 I don't have the facts and
14 statistics. I've just been in New England
15 for -- for many years. And I know our
16 aspiration is to make Springfield a big and
17 great city with tons of restaurants and tons
18 of retail that goes well beyond MGM. And I
19 think that's the purpose of this, is to help
20 catalyze a renaissance there.

21 And I guess I can point to two
22 things that talk about Northampton. Number
23 one, you know, retailers like Yankee Candle,
24 an Apple reseller that we're talking to, you

1 know, they feel that there's plenty of market
2 share in the area, if MGM comes. You know,
3 Yankee Candle is not in downtown Springfield
4 right now, but they are in Deerfield, Holyoke,
5 Lenox and Sturbridge. And they said, if you
6 come, we'll go to Springfield. And I said,
7 why? They said, 'cause you're going to make
8 the market bigger. That's the bottom line.

9 On a more personal perspective, I'm
10 the kind of guy that loves hanging out in
11 towns like Northampton. And when Kelley
12 Tucky's daughter was in college now, came out
13 this fall to experience here, she said, where
14 -- where should I go? I said, you got to go
15 to Northampton. And I said, you got to go to
16 Northampton. I said, you get outside of the
17 city and experience what this area really has
18 to offer. And when MGM opens, that's what
19 we're going to continue to say, because
20 selling that makes our product so much
21 stronger. Thank you.

22 MR. STRATTON: Thank you,
23 Commissioners. We are sensitive to the time,
24 and Kelley Tucky is here as well, and there is

1 an issue that's been raised before about the
2 labor pool and the hospitality, and retail and
3 restaurant industry, and whether or not
4 Northampton, you know, would be negatively
5 impacted by MGMs presence. Kelley can address
6 those questions, should the commission have
7 any. But, otherwise, in the interest of time,
8 we'll complete our presentation.

9 CHAIRMAN CROSBY: Thank you very
10 much.

11 MR. STRATTON: Thank you.

12 CHAIRMAN CROSBY: Questions or --

13 COMMISSIONER STEBBINS: No
14 questions.

15 MR. NOSAL: Chairman, sorry.

16 MR. STRATTON: Sorry.

17 MR. NOSAL: Sorry. I think we've
18 sort of wrapped in both the discussion about
19 the request for surrounding community status,
20 and also, I think, a request for involuntary
21 disbursements. And, I guess, if you'd --
22 you'll give me the opportunity, maybe for just
23 two or three minutes, just to touch on that
24 subject matter that would be, certainly --

1 CHAIRMAN CROSBY: Yep.

2 MR. NOSAL: -- helpful to us. Thank
3 you, Chairman. So we also have in front of
4 the commission, a request for involuntary
5 disbursement. Certainly, the commission's
6 aware of the factors that it will look at,
7 reasonable likelihood that the community will
8 be designated, that the request is reasonable
9 in scope, and that the risks to the community
10 -- the risks to the community that it won't be
11 able to properly determine the impacts
12 outweighs the financial risk to MGM in doing
13 that.

14 Obviously, we've heard a great deal
15 about whether or not the -- whether or not
16 Northampton qualifies as a surrounding
17 community so we're not going to rehash that
18 particular prong. It's our position that
19 they're not, and, therefore, not going to be
20 able to satisfy requirements for the
21 involuntary disbursement.

22 Should, however, the commission
23 reach the second, third requirements for
24 approval for involuntary disbursements, the

1 city's request of \$42,000 is neither
2 reasonable in scope, and the financial burden
3 to the applicant outweighs the risks that
4 Northampton won't be able to assess its
5 impacts.

6 Essentially, reasonableness here is
7 fairly difficult, I think, for the commission
8 to judge. And that's largely based on what
9 you have in front of you. It's difficult for
10 the commission to judge the reasonableness
11 based on the documentation that's been
12 submitted. We essentially have two fix-fee
13 proposals, very little detail on how the work
14 is to be allocated within each fixed fee. For
15 example, we can't ascertain how many hours the
16 city law firm will spend on internal meetings
17 and internal research, or time actually
18 providing advice and counsel as to the
19 framework of what a mitigation agreement might
20 look like. In connection with the
21 consultant's report, we can't determine what
22 time is spent at kick-off meetings and site
23 tours versus doing some of the economic
24 analysis.

1 Typically, when a party seeks
2 reimbursement through a regulatory process,
3 there are minimal amounts of detail that are
4 necessary for the regulator to assess those
5 particular requests. The city hasn't
6 produced -- the city's produced these scope of
7 services, no contracts, no invoices, they
8 haven't put forth any backup as to the process
9 it went through and procuring them. And where
10 the city seeks reimbursement sanctioned by the
11 state, and that's important here, the city
12 bears the burden of demonstrating that
13 selection was reasonable and that those costs
14 are being prudently incurred.

15 The legislature didn't intend the
16 community grant process to be an open
17 checkbook. It's off-fit to set aside \$50,000
18 for communities to conduct due diligence on
19 impacts with an obligation to fund more, if
20 necessary. Northampton's request for almost
21 the entirety of that amount demonstrates that
22 the request is out of step with what the grant
23 process was intended, and it's -- it is
24 completely out of step with amounts that MGM

1 has agreed to reimburse in connection with
2 other communities much closer in vicinity.
3 The grant program, at best, should help defray
4 some costs, not indemnify cities for their
5 entire endeavors. Thanks.

6 CHAIRMAN CROSBY: Thank you.
7 Anybody else, questions?

8 COMMISSIONER STEBBINS: No. Thank
9 you.

10 CHAIRMAN CROSBY: All right. Thank
11 you very much. We will take this under
12 deliberation and be back to you in a couple
13 weeks, two, three weeks.

14 MR. N'DOLO: Thank you.

15 MR. STRATTON: Thank you.

16 COMMISSIONER STEBBINS: Thank you.

17 MR. ZIEMBA: Mr. Chairman,
18 commissioners, I'd like to invite the
19 representatives from the town of Hampden to
20 come to the table, please.

21 COMMISSIONER STEBBINS:
22 Mr. Chairman, before the gentlemen from
23 Hampden take their seat, I have disclosed to
24 my appointing authorities, a history of any

1 interaction that I've had, both with the
2 members of the board of selectmen from Hampden
3 and Longmeadow, and feel at this time I'll
4 recuse myself from deliberations from those --
5 from those two communities.

6 CHAIRMAN CROSBY: Both Hampden and
7 Longmeadow?

8 COMMISSIONER STEBBINS: Yes.

9 CHAIRMAN CROSBY: Okay. Thank you,
10 Commissioner. We'll miss you.

11 COMMISSIONER STEBBINS: I'll miss
12 you guys.

13 CHAIRMAN CROSBY: Gentlemen, you go
14 first. You want to speak to the mic and
15 introduce yourselves?

16 MR. FLYNN: My name is
17 John D. Flynn. I am chairman of the board of
18 selectmen for the town of Hampden.

19 MR. VILLAMAINO: Vinny Villamaino,
20 selectman for the town of Hampden.

21 MR. FLYNN: I'm fairly unfamiliar
22 with the procedure done for this -- this
23 event, so please excuse any missteps that we
24 might make. First off, we'd like to thank the

1 commission for allowing us our chance to come
2 forth and present our case, albeit a fairly
3 short one, offer consideration.

4 We're fairly late to the process, as
5 we really had no interaction with the
6 collection of information or the -- the
7 assessment of the impact on the town of
8 Hampden. We've been a member of the regional
9 task force for casinos for the past seven
10 years, which was formulated in Monson, you're
11 probably aware of. And we had, at that time,
12 accessed the impact of a proposed casino in
13 Palmer, which was -- the impetus probably
14 starting in the late 2000s.

15 When the emphasis shifted to
16 Springfield, we looked at what we felt was the
17 data that we had accumulated in our own office
18 and saw how relevant it was to that venue. We
19 were, perhaps, waiting for contact or
20 bilateral communication at that point, which
21 was never established. When we saw the
22 deadline approaching we contacted and got our
23 application in to be considered. However,
24 again, there has never been any opportunity

1 or -- extended to us to provide any
2 justification for our application.

3 We do know that the -- the numbers
4 provided for the MGM study do show a
5 considerable projection for customers from
6 Connecticut. I believe the number was
7 30 percent. If you look at the maps, which
8 they are provided as well, you'll see that one
9 of the primary travel routes is through
10 Hampden. If you're familiar with western
11 Mass., you know that Sumner Avenue is a
12 primary corridor to the south end of
13 Springfield, and the corridor that feeds
14 Sumner Avenue is Allen Street, which a major
15 road in Hampden. A major contributor to the
16 traffic, both from Connecticut and from the
17 east as well, the Monson traffic that comes
18 through Hampden.

19 We are looking for the opportunity
20 to explore this and present the fact that we
21 feel there is some mitigation needed for the
22 impact on the community of Hampden. And we
23 appreciate the opportunity to bring that
24 forward to you. Vinny.

1 MR. VILLAMAINO: I think John sums
2 it up. We have a direct route right to the
3 Connecticut line. And they -- they stipulated
4 that one-third of their business is going to
5 come from Connecticut. And we do get a lot of
6 traffic coming straight out of Connecticut.
7 And not only that, we have Monson, as John
8 said. And, you know, we like to be considered
9 at -- you know, that -- that may be an issue
10 for us and the traffic so -- and
11 environmentally it may -- may do some damage
12 to our roads and whatever, so we'd like to be
13 considered. Thank you.

14 MR. FLYNN: One more -- one more
15 point. We did listen to the rebuttal for the
16 last applicant and we, at this time, have not
17 stated an amount. We are looking for the
18 opportunity to enter this discussion, which we
19 felt was not offered to us. We looked at the
20 written rebuttal, which we felt was a
21 beautiful recap of our Wikipedia entry.
22 Hampden is a lovely community, very pastoral,
23 does have cows. It doesn't really reflect
24 what we feel would be the impact of this

1 traffic.

2 I've lived in Hampden for, oh, I'll
3 say it, the 56 years I've been alive, and I
4 will tell you the community has grown. It is
5 a community that does exhibit a lot of through
6 traffic in its current configuration. We
7 would anticipate, knowing the history of the
8 town, that this will increase, and there is no
9 way you could not anticipate and prove that
10 there will not be an -- an increase.

11 CHAIRMAN CROSBY: Okay. Thank you.
12 MGM.

13 MR. STRATTON: Thank you,
14 Commissioners. We hope to be brief here as
15 well. There are two issues raised by the town
16 in its petition in here today. And those are
17 proximity and operational impact to traffic
18 infrastructure.

19 Starting first with proximity, it's
20 MGM's position that -- that Hampden simply is
21 not proximate as contemplated under the Gaming
22 Act. The center of the town of Hampden is 11
23 miles and a 20-minute drive to the project
24 site. And I, with all due respect to the

1 town, our position, and you'll hear from Kevin
2 Dandrade, is that there really is no primary
3 route to downtown Springfield through Hampden.
4 That's simply unsubstantiated.

5 In fact, Hampden -- and it is a
6 beautiful community. It's holds the
7 distinction, I believe, is one of the few
8 remaining municipalities in the commonwealth
9 to have no traffic lights in -- in the entire
10 town. The idea that it will be a major
11 cut-through is simply unsubstantiated, and
12 Mr. Dandrade will address that further. So --
13 and with that, I'm going to pass it to
14 Mr. Dandrade.

15 But in summary, if you look at the
16 statutory threshold of proximity and you look
17 at the only alleged operational impact, we
18 feel that the town of Hampden, who has the
19 burden here, has not met that burden of
20 demonstrating a significant and adverse impact
21 from the project. And, Kevin, if you could --

22 COMMISSIONER MCHUGH: Counsel,
23 that's the second time you've mentioned this
24 statutory requirement for proximity. The

1 statute uses the term proximate to, or in
2 proximity to, that's a relative term. How do
3 you -- and -- and our regulations define it in
4 functional terms, not in geographical terms.
5 So help me, if you would, briefly, with your
6 statutory construction that somehow excludes a
7 town like Hampden.

8 MR. STRATTON: Sure, Commissioner.

9 So the definition of surrounding community
10 contemplates some level of proximity. And
11 that's essentially all that we're saying. We
12 understand that the regulations, and as the
13 commission has interpreted them, have
14 proximity as advisory to another factor. But
15 there is -- it's clearly contemplated under
16 the statute that there has to be some level of
17 geographic proximity to the project. And
18 that's -- that's all that we're saying, is
19 that, you have to get beyond that threshold.
20 If you're -- if you're -- in this instance
21 you're not adjacent, you're 11-mile drive and
22 you're 20 minutes away, that, that is not what
23 was contemplated under the statute to be a
24 proximate community.

1 outline is the town of Hampden in its
2 relationship to downtown Springfield. This is
3 a map that anyone can get by using Google Maps
4 that looks at the routes coming from
5 Connecticut, or from the east attempting to
6 pass through the town of Hampden.

7 When we do our analysis, when we
8 look at the number of trips, and the number of
9 trips that are going to be generated by MGM
10 have already been endorsed by MassDOT as of
11 that October, as part of our ongoing
12 coordination with the agencies. We also went
13 through an extensive peer-review process. But
14 when you look at the potential for trips to
15 come through, we look at a number of different
16 things. And we've gone through a very
17 fine-grained analysis of all the different
18 components of what the project would entail.
19 So we look the at casino patrons, casino
20 employees, the retail component, the housing
21 component, and the office, among the other
22 entertainment options. We've separated them
23 all out and done what we call gravity model,
24 which looks principally at the populations in

1 the area and any competing factors. You know,
2 are there competition for that type of use,
3 land use to the south, to the east or
4 elsewhere?

5 In looking at this exhibit, the
6 green arrows represent the predominant travel
7 trends that we expect from the Connecticut
8 towns into the site. The larger arrow
9 representing the travel up and down 91, the
10 smaller arrows representing along 190 to 91,
11 or along 83, which is almost a direct route
12 into downtown Springfield.

13 We have assigned traffic as part of
14 our extensive models. These two binders here
15 represent only two of the four volumes of the
16 traffic study that has been included within
17 the draft environmental impact report and the
18 RFA2 response. Also, what you can see from
19 this exhibit is that there are no
20 state-numbered routes that pass through
21 Hampden. And when looking at the colors of
22 the map, you can see the densely-developed
23 areas with -- that have the gray hue here, and
24 then you see a significant amount of green

1 area here. That is representative of very low
2 residential density.

3 The selectmen have noted that
4 there's the potential for trips to come from
5 Monson. Monson has a low population. The
6 population of Hampden is only 5,200 or so
7 people. The routes from Summers and Stafford,
8 some of those routes that come through those
9 mountains in that area are gravel roads, so
10 there's no predominant travel route to be
11 expected to come through Hampden. And even
12 though there may be no routes, there's also
13 very limited population, when you talk about
14 the total population that we're going to draw
15 from, that even has the potential to come
16 through.

17 This shows the distribution of
18 traffic that was refined through the GPI
19 peer-review, Greenman-Pederson, Inc., for the
20 pioneer valley planning commission. These
21 were edits to our technical numbers for the
22 distribution of that traffic. Hampden was
23 never identified as a key route, as a key
24 location for study because it is not expected

1 to be impacted. Even the volumes going
2 through Wilbraham, knowing that part of Monson
3 is up in here, any of the potential patrons,
4 employees, et cetera, from Monson, not only
5 have a route through Hampden, but they have a
6 route -- a more direct route through
7 Wilbraham.

8 The petition does not show any data.
9 It does not show or quantify any difference of
10 opinion that built -- could build upon any of
11 the work that we've done, or that has been
12 peer reviewed by other professionals. The
13 allegation of assumption of traffic impacts is
14 flawed because there's just no population to
15 draw from.

16 When we look at the closest corner
17 of Hampden, it's more than five miles away.
18 There are no state routes proceeding through.
19 And when we tried our hardest to try to find
20 the greatest level of impact that we can
21 project based on those population zones, it's
22 a dozen trips in that peak hour on Friday, six
23 in, six out.

24 I'm confident that as the commission

1 works with your own peer-review consultants,
2 that you'll determine that this is not a
3 significant and adverse impact to the town of
4 Hampden. Thank you.

5 CHAIRMAN CROSBY: Mr. Stratton,
6 finished?

7 MR. STRATTON: Yes, we're finished.
8 Thank you, Commissioner.

9 CHAIRMAN CROSBY: Anybody?

10 MR. FLYNN: No.

11 CHAIRMAN CROSBY: We haven't, as you
12 know, looked at this beyond looking at your
13 materials and hearing you, and we will be
14 looking at it, and our consultants will be
15 looking at it, but on the face of it, it looks
16 kind of reasonable what you're saying. Have
17 you offered Hampden the look-back feature; in
18 other words, if it turned out for some reason
19 this assessment was wrong and there was
20 material impact, that you would then have an
21 opportunity to talk to them about it?

22 MR. MATHIS: Mr. Chairman, Michael
23 Mathis, for the record, it -- it's a very fair
24 question, and it's something we strongly

1 considered when Hampden sent in their request.
2 The challenge that we have is that we've built
3 a coalition, as you know, based on abutting
4 communities. And the question we've -- and
5 the difficulty we've had is, where do you draw
6 the line? And in fairness to the
7 representations we've made throughout --
8 throughout western Mass and in those
9 communities, with feel like it would be -- it
10 would be inequitable to offer Hampden the
11 look-back, when we've told other communities
12 that we drew the line of abutting communities,
13 as well as Holyoke, because of the workforce
14 development relationship. In fact, I think
15 there's been a couple of communities who
16 raised their hand, so to speak, after they
17 Northampton and Hampden file petitions,
18 because they didn't realize they were in the
19 running for a potential designation.

20 So for those reasons, we feel like
21 we have to maintain our early representations
22 that the group that we talk to is the group
23 that we talk to.

24 CHAIRMAN CROSBY: Okay. Just one

1 thing, I'm not -- don't know whether you know
2 this or not, and, again, not prejudging where
3 we come down on this because we haven't -- we
4 haven't looked at it, we haven't heard from
5 our consultants, there is a -- something
6 called a community mitigation fund, which was
7 put together by the legislature. And when its
8 fully up and running, when the casinos get
9 moving, there'll be something like 15 to
10 \$20 million a year that will be available to
11 for communities to mitigate impacts, which
12 were not anticipated, or anticipatable in
13 advance.

14 So there are other bites at the
15 apple here, as well as the bite you're taking
16 now, which is to petition to be a surrounding
17 community. Anything else.

18 MR. FLYNN: Can we rebut?

19 CHAIRMAN CROSBY: Sure.

20 MR. FLYNN: Okay. I think one of
21 the points we wanted to make is that we felt
22 was a very unilateral process, the review
23 part. The town, which is very accessible, was
24 never contacted. We certainly have data that

1 would have been happy to share with their
2 traffic consultant.

3 I would question the proximate part,
4 because there had been agreements signed with
5 communities that probably are a further
6 distance than the -- the number they then have
7 for Hampden, whether it's Ludlow, et cetera.

8 So I think our basis is the fact
9 that -- again, we did not throw a number out
10 there. We're not saying, we'll you gave
11 community A this, you gave community B this,
12 we should get the same. We're saying, we feel
13 there is an impact. We'd appreciate the
14 opportunity to discuss that. And if there is
15 not going to be a bilateral discussion,
16 unfortunately we have to go to you, who will
17 be, basically, our protectors in this. And we
18 ask for your guidance and your help in that.

19 CHAIRMAN CROSBY: Okay.

20 MR. FLYNN: And thank you for your
21 time.

22 CHAIRMAN CROSBY: You've submitted
23 your traffic studies to us; do we have those?

24 MR. FLYNN: We'll be happy.

1 CHAIRMAN CROSBY: Yeah. Give them
2 to Ombudsman Ziemba.

3 MR. FLYNN: Okay.

4 CHAIRMAN CROSBY: Anybody else?

5 COMMISSIONER MCHUGH: No. Thank
6 you.

7 MR. VILLAMAINO: No, I'm good,
8 Judge.

9 MR. FLYNN: Thank you very much.

10 MR. VILLAMAINO: Thank you.

11 COMMISSIONER MCHUGH: Thank you very
12 much.

13 MR. FLYNN: Thank you, sir.

14 COMMISSIONER ZUNIGA: Thank you.

15 MR. ZIEMBA: Mr. Chairman, members
16 of the commission, I'd like to ask the Town of
17 Longmeadow to come to the table, please.

18 CHAIRMAN CROSBY: Who is leading off
19 for Longmeadow? Are you ready?

20 MR. MOSS: Good morning,
21 Commissioners. My name is Brandon Moss. I'm
22 an attorney with Murphy, Hesse, Toomey &
23 Lehane. Seating to my left is Stephen Crane,
24 who's the town manager for the town of

1 Longmeadow, as well as Marie Angelides, who's
2 the chair of the Longmeadow board of the --
3 select board. And, also, seated to her left
4 is Katherine Hesse, who's an attorney at our
5 law firm.

6 In terms of today, I put together
7 just a PowerPoint to over -- to provide an
8 overview. But, I mean, it's certainly
9 unfortunate that we're in this position, that
10 the Town of Longmeadow prepared a 244-page
11 detailed, data-driven analysis, which you've
12 relied upon in part, but not entirely, the
13 Greenman-Pederson Inc. peer review. GPI,
14 Greenman-Pederson, Inc. was not the town's
15 consultant. It was an independent consultant
16 that was hired by the RPA, the regional
17 planning authority for the pioneer valley
18 planning commission. And this is the same GPI
19 report a moment ago, when a prior petition was
20 discussed, the page from the GPI report was
21 used to -- to show why a community was not
22 included, but that's the same report that we,
23 in part, rely on to show why Longmeadow should
24 be impacted, and should be considered as being

1 an impacted community.

2 Just by way of geography, and I
3 don't think there's any -- any dispute here in
4 terms of proximity, but Longmeadow is located
5 due south of the site. The site itself, you
6 know, is -- is in the south end of
7 Springfield, and Longmeadow is the closest
8 community to the south end of Springfield.

9 The report itself, or the -- what
10 we've heard today, even by MGM saying this
11 morning, is that a third of the revenues are
12 coming from Connecticut. That MGM is focusing
13 on Connecticut for a sizeable percentage of
14 its revenues. Those residents from
15 Connecticut have to, unless they're taking a
16 canoe or a kayak along the Connecticut River,
17 they have to go through Longmeadow. And we're
18 not saying entirely, not at all, about I-91.

19 Longmeadow's roads, Longmeadow's
20 local roads, are used to access Springfield.
21 They're used as a bypass. Whether it's the
22 accidents that happen every couple weeks,
23 whether it's congestion, the roads to the site
24 are recognized as going through Longmeadow.

1 And we -- the next slide shows --
2 this is something I think that shouldn't be
3 too unfamiliar to this commission, and
4 certainly not to MGM. This is what was
5 presented by MGM last week at its -- at its
6 presentation. That circle shows, you know,
7 other than the southwestern and southeastern
8 portions of Connecticut, that a bulk of the
9 expected patrons to MGM Springfield are coming
10 up through Connecticut. The epicenter is
11 Hartford, and it's West Hartford within
12 Connecticut. And, conveniently, West
13 Hartford, Hartford are along I-91.

14 In terms of the next slide, it shows
15 two things. And it shows -- the next slide
16 shows, with my laser pointer, a star where MGM
17 Springfield is going to be located. That
18 slide, you will see that there are roads,
19 Route 5, which is a state-designated road, but
20 it is a Longmeadow-owned and controlled
21 roadway, Longmeadow's responsible for it,
22 passes parallel to 91 up to the site. And
23 that -- what we're looking at here is every
24 single abutter is in gray. It's a horseshoe

1 of gray abutters that were designated by MGM.
2 All of them have been designated, except for
3 one missing link, Longmeadow. Yet, 30 percent
4 of MGM's expected revenues will be coming from
5 Connecticut and will be passing through
6 Longmeadow.

7 It's no secret here, you know, in
8 terms of that, when we were here -- when the
9 commission was here last week, the CEO said
10 that he wanted -- he said I quote, unquote, I
11 just want there money to come here, and he was
12 referring to Connecticut. When the president
13 of MGM Resorts was here last week, he said, we
14 are right in the target range of Mohegan and
15 Foxwoods. We are ideally positioned to go
16 right into Hartford and attack. Well, to
17 attack means that those patrons are traveling
18 along through Longmeadow to the site.

19 I also want to point out, and I
20 think it's important to note, when MGM was
21 here back in November, and it's on page 168 of
22 the the transcripts, the now-MGM president,
23 Michael Mathis, said, we're closer in a lot of
24 ways to Connecticut than we are to some of our

1 abutters. Well, those parts of Connecticut go
2 through Longmeadow. He also said that the --
3 quote, unquote, the physical impact on, for
4 example, to the east of Longmeadow and
5 Wilbraham, is remarkably less, I think, than
6 if you look to the...to the south. Longmeadow
7 is directly to the south of Springfield.

8 Now, we're -- we've tried to work
9 with MGM in terms of discussions, and I know
10 that the guidelines for today, the focus was
11 not to get into a discussion of that. We've
12 -- we haven't obviously reached agreement, but
13 that shouldn't have prevented a designation
14 from being made. In terms of this issue of
15 percentages, we recognize that there are
16 existing traffic and transportation, and
17 infrastructure issues within Longmeadow. And
18 we're not looking for MGM to assume a hundred
19 percent of the cost to address that. We're
20 looking for the payment of a fair share of
21 reasonable percentage. But that's an issue
22 not for the -- not for today. That's an issue
23 for down the road, if we're provided, and we
24 certainly feel it's our position to be

1 provided a seat at the table to be in the room
2 to continue negotiating with MGM. That's
3 the -- that's the time and the place. Not
4 here today. Today is to allow us to stay at
5 the table, to continue to negotiate with MGM.

6 In terms of, you know, Longmeadow,
7 the next slide shows a Google map, which, you
8 know, seems to be also a little bit more in
9 detail laying out some of the -- the areas
10 within Longmeadow that lead to the site.
11 Again, we have Route 5, which, in Connecticut,
12 Exit 49 crosses, and it crosses over again at
13 the so-called Longmeadow Curve, which has
14 shown up in some of the papers. The
15 Longmeadow Curve is Exits 1, 2 and 3. It's a
16 messy interchange. There's backups. The
17 backups and congestion spills into Longmeadow
18 local roads. Travelers from the south, who
19 seek an alternate route, or are forced to seek
20 an alternate route, they go on to Route 5.
21 And Longmeadow residents, there's a spillover
22 effect, they go into other roads.

23 But, A, just by way of frame of
24 references, when you type in Longmeadow on

1 Google Maps, it just drops into -- what it
2 will as the center of town. A is Longmeadow
3 Street, and it goes right to the site. We're
4 talking about a primary route directly into
5 Springfield and into the site.

6 This map, it was -- earlier today
7 there was a large green arrow that MGM just
8 had up on its last presentation, that showed
9 the predominate travel trans from Connecticut
10 into the site, that's what we're seeing here,
11 and that's in Longmeadow.

12 We have had three engineering
13 reports dealing with traffic and
14 transportation infrastructure, and the fact
15 that this -- this is going to be a significant
16 and adverse impact. The independent
17 consultant that was hired, retained by the
18 PVPC, GPI, the town also retained Parsons
19 Brinckerhoff, which was not redundant.
20 Parsons Brinckerhoff put a dollar value to the
21 requested mitigation. And aside from that, we
22 also had the town engineer, who was familiar
23 and local conditions and had -- you know, had
24 the experience with that.

1 In pages 10 and 11 of its opposition
2 to our petition, MGM tries to attack the GPI
3 report. This is a very same GPI report. This
4 is the very same report that just a few
5 minutes ago, MGM conveniently was able to rely
6 upon in terms of saying why another community
7 was not a surrounding community. MGM can't
8 have it both ways, using the GPI report to
9 support its case on one end, and then using
10 and attacking the GPI report to show an
11 opposite position when it's not convenient for
12 MGM.

13 The next slide shows what the GPI
14 study focused on. And it was a 29-page
15 report. It wasn't -- it wasn't -- it was --
16 it was -- it was quite a bit of detail. It
17 confirmed and identified roadway impacts on
18 Longmeadow's local roads, and I'm not talking
19 about 91. It also recommended specific
20 mitigation measures for Longmeadow's local
21 roads. And it did, to the extent there was a
22 concern with 91, it did recommend that there
23 be a simulation model be done through MassDOT
24 and MGM being involved for the Longmeadow

1 Curve that we talked about.

2 In terms of next slide, the -- MGM
3 fails to account for the fact that
4 Longmeadow's local roads are -- they are
5 alternates, and they are viable alternates.
6 They are the only viable north-south
7 alternative to travel on the interstate in
8 that area, and there are already bottlenecked.
9 MassDOT, which we've provided in our petition,
10 specifically said in no uncertain terms, that
11 Longmeadow Street, Laurel Street corridors are
12 listed as regional congestion bottlenecks.
13 And it specifically recognized the fact that
14 Longmeadow Street and Converse Street, which
15 go through the town, which are the routes to
16 this casino, are arterial roads with -- with
17 regional significance. Next slide.

18 The GPI study recommended three
19 specific measures be taken, in terms of
20 seeking funds for signalized intersections.
21 Longmeadow Street at Converse Street,
22 Longmeadow Street at Forest Glen Road, and
23 Converse Street at Laurel Street. And I know
24 its report, G -- MGM, or its opposition, MGM

1 tries to distort, tries to unreasonably
2 condense the GPI report and that -- that's not
3 right.

4 The GPI report devoted seven pages
5 to taking MGM's trip generation analysis and
6 saying that that was actually too low. That
7 it faulted MGM for relying on Detroit. No one
8 can say. No one can say that Springfield is
9 Detroit. They have different land areas.
10 They have different populations. They have
11 different roads. And, most importantly,
12 Detroit has four casinos. This will be the
13 first casino in western Massachusetts, which
14 we understand is likely to happen. But this
15 is one casino and they're -- it's -- it's not
16 a fair comparison.

17 GPI, Jason DeGray is here in the
18 room today. I don't know if the commission
19 had any questions for him, but he is here in
20 the room. And he looked at and made a
21 determination that that amount -- those trip
22 generation numbers were too low so there was
23 an adjustment. And this wasn't pulling 20
24 percent out of the sky. What it was, was

1 looking at Connecticut, the casinos in
2 Connecticut, and viewing those as a comparator
3 to what -- to Longmeadow's -- or, I'm sorry,
4 to MGM's trip generation, and actually saying
5 that even those numbers were too low, because
6 unlike someone who -- who might not go to the
7 movies in the Connecticut, this is a gaming
8 establishment in the broadest possible sense.

9 Our statute, The Expanded Gaming
10 Act, doesn't view the gaming establishment as
11 electronic gaming and tables. It recognizes
12 it to be the gaming and the nongaming
13 amenities are part of the establishment. And
14 this GPI report recognized that the movie
15 theater, for example, might be a draw to
16 someone, to Springfield, a new trip. And the
17 percentages are -- are high. There's
18 approximately -- the highest percentage of
19 traffic is coming from the south. And we are
20 talking about just in one hour alone, 286 cars
21 on 91, 53 cars just during that one hour on a
22 Friday evening, 53 cars going on Longmeadow's
23 roads.

24 And I'd also point out that what

1 it -- it fails to account -- what MGM fails to
2 account for is that congestion is a way of
3 life, unfortunately, in western Massachusetts,
4 in this area. And with the congestion, which
5 isn't measured as specific episodic events,
6 folks go through drivers go through, whether
7 they -- they know the roads or their devices
8 tell them to, they go through Longmeadow
9 roads, and there's backups, and they're slow.
10 One of the select board members on the way to
11 work had -- had indicated to us that it's --
12 it's not an easy drive into work in downtown
13 Springfield, because of the backups on the
14 roads. The next slide.

15 Any -- aside from GPI we also had
16 Parsons Brinckerhoff, another traffic engineer
17 to look at the recommendations. There's very
18 little reserve capacity for the Longmeadow
19 Street, Forest Glen Road intersection. And
20 so, if there's even a modestly higher demand
21 than forecast, that's going to create a
22 problem.

23 The -- there are a number of
24 recommendations and on the screen, I won't

1 read through them, but there's several
2 intersections that were recommended. This
3 isn't something as simple as just changing
4 some signalized intersections. To address and
5 to get a flexible, functional, responsive
6 roadway network, work is necessary, and that's
7 laid out in the Parsons Brinckerhoff report,
8 and it's laid out on the slide.

9 This whole idea of Springfield being
10 a catalyst, that's a separate section in the
11 GPI report. That's on pages 23 and 24.
12 That's two sections after the use of a
13 20-percent upward adjustment on -- on MGM's
14 numbers. But even MGM, even its numbers
15 recognizes its numbers that traffic will be
16 going through Longmeadow.

17 The next slide also identifies a
18 number of intersections that should be
19 monitored as part of this. Or a number of
20 roadways, Shaker Road, Dwight Road, Longmeadow
21 Street. And this is GPI's exact words, these
22 are the most likely locations to experience
23 impact as a result of the casino proposal.

24 Again, I think one thing I do want

1 to emphasize with MGM's response is they talk
2 about what's acceptable. That's an issue for
3 negotiation. That's an issue for arbitration.
4 That is not an issue for designating, because
5 these impacts are clear. Traffic and
6 transportation alone are reasons to view
7 Longmeadow as a surrounding community.

8 The next -- the next slide shows two
9 additional intersections that were in the MEPA
10 study. And I know when there were -- the
11 Category 2 licenses before this commission a
12 few months ago, one of the focal points was,
13 well they're not -- there was intersections
14 within a municipality that were being studied.
15 We have two of those here. Longmeadow Street
16 at Converse Street, Englewood Road, Longmeadow
17 Street at Forest Glen Road. And both of those
18 intersections, those areas were identified as
19 areas that required mitigation. Mitigation
20 because of MGM. The next slide.

21 The next slide puts this all in
22 perspective in terms of where everything is.
23 Right here along the border is Forest Glen,
24 Longmeadow Street, we have Converse Road.

1 Bliss Road was another area that was
2 identified for mitigation. These are all
3 along Route 5, and all leading into the quote,
4 unquote Longmeadow Curve.

5 I also want to point the
6 commission's attention to the star at the --
7 the top of the slide. That star where the red
8 pointer is, is significant because of the next
9 slide. This is taken only three weeks ago.
10 That's a stream of traffic is going on to
11 Longmeadow's roads. This was a holiday week.
12 It was January 2, 2014. And traffic, because
13 of an incident on 91, was routed onto
14 Longmeadow streets. Those cars made it -- one
15 could argue might even be an action shot right
16 now, because the cars in this photo are moving
17 as quickly as they did in real life. They sat
18 and they slogged along. Unfortunately, due to
19 the periodic incidents, due to the congestion
20 that occurs, this is what happens.

21 And what's going to happen here with
22 MGM Springfield, and we again recognize that
23 it's likely to happen and be built, is the
24 fact that you're adding -- MGM's expecting

1 20,000 cars to visit the site. But even in
2 that hour alone, we're talking, using GPI's
3 numbers, 286 cars on 91, 53 cars on Route 5,
4 and that's adding quite a bit. Again, I must
5 emphasize we're looking for MGM to assume a
6 reasonable percentage of responsibility. Not
7 to fix exiting problems, but it's clear that
8 MGM -- it's clear that MGM's causing
9 additional cars, but for this casino that
10 would not be going to the site.

11 There's -- there's a fundamental
12 misunderstanding, I think of -- of
13 Massachusetts municipal law, and Massachusetts
14 municipal contracts practicing, when
15 Longmeadow can't just assume the costs to make
16 these mitigation measures and then seek
17 reimbursement. Not when it's near the tax
18 levy. The legislature, and through
19 Proposition 2-1/2, there's limits in terms of
20 Longmeadow's ability to just assume the
21 expense and then seek reimbursement, so we're
22 seeking funds. And, again, that's for down
23 the road. But we're seeking funds so that
24 when the light switch gets turned on at MGM

1 Springfield, these roadways are ready to
2 accept this additional traffic, because,
3 otherwise, Longmeadow is going to experience
4 significant and adverse impacts.

5 I know there were some -- the next
6 slide. There were some additional impacts
7 that we studied as part of our 244-page
8 submission. We had an expert who looked at
9 police and fire, EMS. Longmeadow, it can't be
10 disputed, response of the fire and EMS
11 response to incidents on 91, the police
12 response to incidents on -- on Longmeadow's
13 local roads. These are incident -- these are
14 impacts that were specifically studied by our
15 consultant within Longmeadow. The reliance on
16 nonregional letters and a study that was --
17 that was done and doesn't even reference
18 Longmeadow, doesn't really -- isn't compelling
19 considering specific impacts that were studied
20 by our consultant, Don Jutton of Municipal
21 Resources, Inc.

22 The other impact that I did want to
23 also flag is something that MGM's made an
24 issue of with its -- every single one of its

1 surrounding community agreements, which is
2 utilities, water and sewer. That's a part of
3 those -- those agreements. That's something
4 that we would look to address through a
5 look-back, if we are allowed to have a seat at
6 the table with MGM. But I think it's
7 important to say that that August 28th letter
8 that was cited in MGM's opposition is -- is
9 anything but a direct, definitive statement
10 that the water and sewer flows can be -- can
11 accept this. It's based on a number of
12 assumptions and plans that weren't create the
13 yet.

14 So, you know, bottom line here is
15 that Longmeadow will be significantly and
16 adversely impacted. And traffic and
17 transportation infrastructure under the
18 regulations are enough to make that
19 designation, but we do have a number of other
20 impacts. What Longmeadow is seeking here is
21 reasonable, and it's to protect the residents
22 of Longmeadow from having to have the MGM
23 Springfield tax override, and having to assume
24 these costs that otherwise wouldn't exist but

1 for MGM Springfield. I'm free to answer any
2 questions, as anyone else with me today.

3 COMMISSIONER ZUNIGA: I don't know
4 if I'm missed it in my packet, but are you
5 requesting involuntary disbursements at this
6 time?

7 MR. MOSS: At this time, we have not
8 filed a petition. We didn't want to create --
9 put too much before this commission today.
10 And, certainly, depending on if we're
11 designated and negotiating and what happens
12 with negotiations, we may address that at some
13 point, but I wanted to keep the commission's
14 focused on our 244-page report.

15 COMMISSIONER ZUNIGA: Fair enough.

16 CHAIRMAN CROSBY: Anybody else?

17 MGM.

18 MR. STRATTON: Thank you,
19 Commissioners. Just at the outset, our --
20 we've had a long dialogue with the Town of
21 Longmeadow, and I won't get into details.
22 It's been, clearly, the most challenge that
23 we've had on our side to -- in our
24 negotiations with Longmeadow. But I just want

1 to point out the professionalism with which
2 Town Manager, Stephen Crane, and the chair of
3 the select board, Marie Angelides, has
4 approached this. Despite the challenges that
5 we face, it's been a -- a productive and
6 professional, and collegial dialogue. So I
7 just didn't want that to be lost on the
8 commission.

9 Getting into -- I think the first
10 thing that we need to address at -- at -- at
11 the outset, is this notion that surrounding
12 community agreements that MGM has entered into
13 with other adjacent communities should somehow
14 be held against MGM, and that MGM should be
15 penalized for entering into voluntary
16 surrounding community agreements with
17 communities that -- that may have weaker
18 argument, that they're impacted under the
19 regulatory regime of proximity and operational
20 impacts.

21 For instance, Ludlow. Ludlow may
22 have a weaker argument than Longmeadow. We
23 designated Ludlow through the -- the
24 insistence and leadership, and cooperation of,

1 for instance, Aaron Saunders on the select
2 board in Ludlow. We put that off the table.
3 And that's the approach that MGM's taken all
4 along.

5 And I think it's important to note
6 that in the surrounding community regulation,
7 the factors, proximity and significant and
8 adverse impact operationally to traffic
9 infrastructure and are only in the portion of
10 the regulation that deal with a contested
11 surrounding community designation. That's to
12 say that because you enter into, either
13 through consensually in an application or a
14 surrounding community agreement with another
15 community, that is not and should not be
16 deemed an admission that that community would
17 satisfy the criteria before this commission to
18 be deemed a surrounding community.

19 And it's our very strong position
20 that most, if not all, of the communities that
21 we've designated through surrounding community
22 agreements would not be able to meet the
23 statutory and regulatory threshold, had they
24 not be entered into those agreements. So

1 we've heard this from Longmeadow and we've
2 heard it from Hampden. It's an easy argument
3 to make with the math that why shouldn't we be
4 one too, but it's a different standard, and I
5 think that's important.

6 In terms of proximity, we can see
7 this -- that the -- what I've characterized
8 earlier, and with Commissioner McHugh
9 discussed to be what we view to be the
10 statutory threshold on proximity. With
11 Longmeadow this is all about traffic, and
12 that's while I'll be brief. I'm going to turn
13 it, in a moment, over to Kevin Dandrade, our
14 traffic consultant. Longmeadow is traffic,
15 traffic, traffic is the argument.

16 You know, I'm a -- I'm a town
17 resident. I live in Longmeadow, and, again, I
18 appreciate the efforts the town's making, but
19 I'm familiar with the traffic in Longmeadow.
20 Traffic's been an issue in Longmeadow for a
21 long time. It's part of -- the town has
22 fought to preserve its -- it is very unique
23 and attractive New England character. It has
24 one-land roads, and it -- it does have traffic

1 issues. Those are preexisting.

2 And what our position is, and you'll
3 hear from Mr. Dandrade, that what -- despite
4 their arguments to the contrary, what
5 Longmeadow's is really looking for MGM to do
6 is to solve the preexisting issues that
7 Longmeadow has long had. And there's no
8 recognition that the percentage, the very --
9 our position is negligible percentage increase
10 in the traffic to Longmeadow.

11 There's two phrases from a legal
12 standpoint that I think are dispositive here,
13 and I'd like them to inform the commission's
14 consideration in this petition, and's the
15 phrase significant and adverse. You've heard
16 that they're -- we can see that traffic will
17 go through Longmeadow. Yes, traffic will go
18 through Longmeadow. There's a small
19 percentage that will. It's not significant
20 and it's not adverse, and you'll hear from
21 Mr. Dandrade why.

22 The other phrase that I think is
23 important is -- and this is a phrase raised
24 and highlighted by Longmeadow is

1 to turn it over to Mr. Dandrade, who can
2 address the traffic impact on Longmeadow.

3 MR. DANDRADE: Thank you,
4 Attorney Stratton. Mr. Chairman, members of
5 commission, again, Kevin Dandrade, principal
6 of TEC representing MGM. What I'd like to do
7 is to go through a fact-based presentation to
8 you of what our detailed analysis concludes.
9 And I hope that you will agree with me in
10 finding that there is no significant and
11 adverse impact with the town of Longmeadow.

12 To orient you, similar to what we
13 did for Northampton, outlined in the white
14 dash is the boarder of Longmeadow. We can
15 see, as Longmeadow's counsel has pointed out,
16 that there are two interchanges that serve
17 Route 5, neither of which are within the
18 town's boundaries. One is at Exit 49 in
19 Enfield, Connecticut, the next one is at Exit
20 1 in Springfield, so there's no direct highway
21 access between 91 and Route 5 within the town
22 borders.

23 The arrows indicate the predominant
24 travel trends for those coming from the

1 northern Connecticut towns around,
2 essentially, Longmeadow, through East
3 Longmeadow here where we've assigned some
4 traffic along 190, and then the greatest
5 percentage coming from the south occurs on
6 I-91.

7 Shown in red is the constricted
8 Route 5 corridor where that is representing,
9 essentially, the trips that are originating
10 from within Longmeadow and a very small
11 percentage of those trips that may come from
12 northern part of Enfield. Next slide, please.

13 This is a snapshot from MassDOT's
14 roadway jurisdiction map. The only roadway
15 that is not town-owned is I-91. Massachusetts
16 Department of Transportation has exclusive
17 authority over what happens within that state
18 highway layout from an operations perspective,
19 a maintenance perspective or any improvements
20 of the highway in that location. The lane
21 drop curves somewhere in this location near
22 the northerly end, northwest corner of
23 Longmeadow. That is an existing condition,
24 and that is something that the state and the

1 regional planning commission had been studying
2 and are continuing to study over the next
3 year, where they just recently brought on
4 another consultant to look at the regional
5 scale improvements to the I-91 facility. Next
6 slide, please.

7 As part of the existing conditions,
8 we also collected additional travel time data.
9 Looking at the northbound movement of traffic
10 from Connecticut towards the MGM site, again,
11 we show Exit 49 on the bottom of the picture
12 here. Exit 1 and the MGM site further to the
13 north. We did this just over a week ago on
14 the Friday preceding the Martin Luther King,
15 Jr. holiday weekend, which is one of the
16 busiest ski weekends of the year. We did it
17 knowing that there would be additional
18 congestion on I-91 northbound. When you look
19 at data sources that are available, whether
20 it's through Google Maps or elsewhere, looking
21 at traffic conditions, this is a case where
22 I-91 was backed up from the lane drop all the
23 way through that Route 5 interchange at Exit
24 49.

1 What it shows is that even when it's
2 backed up that far and traffic has the ability
3 to jump off of 91, it takes longer to go via
4 Route 5 than it does to simply stay on 91
5 northbound and go through the lane drop. It's
6 just over three-and-a-half minutes longer to
7 deviate away from the I-91 corridor.

8 In reference to the peer-review
9 efforts that have been done to date, we have
10 worked extensively with not only MassDOT, but
11 the the pioneer valley planning commission,
12 PVPC, and their consultant GPI. One of the
13 things that was mentioned a moment ago was how
14 we're interpreted that peer-review study.
15 We've done extensive research and data
16 collection of our own. We've met with MassDOT
17 on several occasions to view the trip
18 generation characteristics, knowing that
19 they're not only looking in it for this region
20 and this application, but statewide,
21 commonwealth-wide.

22 When he look at the data that we
23 collected in Detroit, Michigan, yes, there are
24 four casinos within that area. But the

1 population area that serves those four casino
2 areas is much greater than four times the
3 population of the Springfield area.

4 MGM Detroit has a 40-percent share
5 of that business. So the trip generation
6 characteristics, and Rebecca and I have worked
7 with a data consultant out there to look at
8 every singling driveway that serves the MGM
9 facility, as well as the adjacent facilities
10 that could contribute traffic for -- destined
11 for the MGM. That data shows that it's
12 conservative because they have a greater share
13 of that market.

14 And we also compared it against two
15 other known data sources that have been not
16 only referenced within our report, but others
17 like Suffolk Downs in looking at its
18 relationship to the Horseshoe Hammond Casino
19 in Indiana just over the -- outside the
20 borders of Illinois, and The Sugar House
21 Casino in Philadelphia.

22 The rates that we've employed for
23 the casino operation in Springfield are
24 20 percent higher than those other data

1 sources. The reason we've selected those is
2 that they represent an urban community that
3 has great access to public transportation and
4 a network of streets that can serve a casino
5 like that. It is in a mixed-use environment,
6 which is a very important aspect of our
7 facility.

8 If you recall from the presentation
9 I gave to you on November 7th, one of the
10 greatest benefits of the sighting of the MGM
11 site, is the fact that it's downtown. We have
12 that access to walking, to biking, to public
13 transportation. That is not a Mohegan Sun,
14 and it is not a Foxwoods. And to simply add
15 arbitrarily another 20 percent on top of the
16 expensive research that we've already done,
17 just to view it through, quote, the prism of
18 conservatism, is not appropriate. So as we've
19 worked with PVPC and GPI to ask for the
20 foundation for their assumption that it is yet
21 another 20-percent higher, it's not
22 substantiated. We did receive a follow-up
23 packet on January 6th from GPI that give some
24 additional background on their distribution

1 comments for how traffic's moving away from
2 the development, but there's no additional
3 data to substantiate that extra 20 percent,
4 and therefore we completely disagree with that
5 opinion. Again, it's just not founded in
6 data.

7 CHAIRMAN CROSBY: Could you just
8 back up? I want to make sure I understand
9 this right. So this is saying that for every
10 gaming position the -- the first box, MGM
11 Grand, Friday evening peak hour, you'll had a
12 quarter of a trip for every gaming position.
13 So if you have a hundred gaming positions,
14 you'd add 25 trips --

15 MR. DANDRADE: Exactly.

16 CHAIRMAN CROSBY: -- during that
17 period of time. Okay.

18 MR. DANDRADE: It's the
19 relationship -- the rate of how many trips we
20 expect to generate. And this is something --
21 I put the note at the bottom, but this trip
22 rate was endorsed by MassDOT back in October,
23 because it allowed us to finish with the rest
24 of our analysis and we did it in steps.

1 But we went through a very
2 fine-grained analysis of all the different
3 types of trips, whether it's the casino
4 employees or patrons, or the retail
5 restaurants. When you aggregate all the
6 different types of uses, the rate that we came
7 up with for the entire project was slightly
8 higher than what was approved in the DEIR for
9 Suffolk Downs, so it is consistent with
10 another urban model.

11 COMMISSIONER MCHUGH: So how many --
12 how gaming positions are there, about 4,000,
13 right?

14 MR. DANDRADE: Just under, yes.

15 COMMISSIONER MCHUGH: Yes. So it's
16 a thousand trips an hour that we're talking
17 about on Friday?

18 MR. DANDRADE: For the casino only.
19 But we've added the other, and we've itemized
20 the other types of trips. So we've gone
21 through a much more extensive assessment of
22 what this site in particular is going to
23 generate with an extreme level of
24 conservatism.

1 Keep in mind, that we have not taken
2 credit that any of these trips are just going
3 to pass by the site, that they're already on
4 I-91 for another reason. We've assumed that
5 they're all entirely new. We haven't taken
6 any credit for the existing uses that reside
7 on the sites today, the -- the 50 parcels that
8 are being consolidated. And we also have not
9 taken any credit for the interception of trips
10 that are currently going down to Connecticut
11 to the casino and now staying in the pioneer
12 valley.

13 So those are three major elements of
14 conservatism that have been already built into
15 our numbers that more than account for that
16 extra 20 percent that has been arbitrarily
17 suggested.

18 COMMISSIONER MCHUGH: But the 26 is
19 the net, right?

20 MR. DANDRADE: Twenty-six is the
21 casino rate only. So on top of that, we've
22 suggested additional trips associated with the
23 retail, the restaurant, the housing, the
24 office, and the entertainment that are layered

1 on top of that. This is really meant to
2 represent the factor that folks in the area
3 may not be as familiar with, which is the
4 casino-specific trip generation.

5 So in the end, when we look at how
6 many trips in total are generated by the site
7 with the mix of all the uses, it's roughly
8 1,300 trips per hour. And that's a sum of all
9 the ins, all of the outs in every single
10 direction.

11 COMMISSIONER ZUNIGA: And is that
12 number the town suggests -- or the PVPC
13 suggests should be increased by 20 percent for
14 the purpose of conservatism?

15 MR. DANDRADE: Exactly.

16 COMMISSIONER ZUNIGA: That's the
17 number that they suggest should be 20 percent
18 higher?

19 MR. DANDRADE: Yeah. So even with
20 the conservative assumptions that we've
21 already discussed, they've suggested yet
22 another 20 percent. But we've also shown that
23 it is comparable with the Connecticut DOT
24 assessment of the rates for the casino. It is

1 almost spot on. So as another level of
2 comparison, it's very important to understand
3 that our numbers are solid, and it does not
4 require that extra 20 percent that has been
5 suggested.

6 When we look at the distribution,
7 and this is what we originally presented
8 within our draft environmental impact report,
9 and this is a -- you know, a report that was
10 just not dropped one particular day. This was
11 an iterative process in working with MassDOT,
12 PVPC, City of Springfield and many others to
13 look at the quantitative impacts of project.
14 We had proposed 3 percent of traffic, given
15 the populations in this area that might want
16 to go through those gateway intersections in
17 the town of Longmeadow. Next slide, please.

18 The GPI peer review suggested that
19 by -- be increased by 3-1/2 percent.

20 CHAIRMAN CROSBY: So that's via
21 Route 5?

22 MR. DANDRADE: Via Route 5.

23 CHAIRMAN CROSBY: Right.

24 MR. DANDRADE: Essentially, what

1 they've done is they've substantiated the
2 distribution of our trips within
3 half-a-percent over the entire network of
4 streets.

5 The benefit of us being in the urban
6 downtown and having that spider web of streets
7 that goes out in every single direction means
8 that we have the ability to distribute trips
9 and to soften the impacts in any of those
10 particular communities. So that
11 half-a-percent change, when you consider our
12 numbers for what we would generate, would be
13 on the scale of five or six trips. Next
14 slide, please.

15 Given their extra 20 percent, and
16 given their change from three to
17 3-1/2 percent, it's now 53 trips over the
18 course of an entire hour. That's the sum of
19 all the ins and the outs. So what we're
20 talking about is less than one car per minute,
21 and when you separate it in the ins and outs,
22 it's roughly a car every two minutes. Next
23 slide, please.

24 Now what is the impact of that

1 additional trip characteristic? Yes. We are
2 going to generate traffic in Longmeadow, but
3 it is an insignificant level of traffic. Our
4 quantitative analysis shows that there's no
5 change in the level of service, and all that's
6 required is some retiming of signals to
7 essentially balance the green times, who's
8 getting what green time. And the difference
9 in delay is expected to be less than two
10 seconds per vehicle. That's going to be
11 unnoticeable to the average motorist. And
12 even when considering the GPI's suggested
13 inflation of those numbers, it's still less
14 than two seconds of average delay. Next
15 slide.

16 When we look at the safety aspects,
17 and the town has presented, I think, a very
18 appropriate photo, because when you look at
19 the safety characteristics that deal with the
20 Longmeadow Curve, there's some very important
21 pieces to consider, data. When you look at
22 the stratification of those accidents, the
23 crashes that occur, they are not occurring
24 during congestive peak periods, they're

1 occurring outside of those periods. The
2 picture that was shown to you on January 2nd,
3 that was a blizzard event. And there's no
4 question that when I-91 it shuts down in
5 between Exits 49 and 1, the traffic is going
6 to move in a different direction. They've
7 already can see that that is what happens
8 today. It will happen tomorrow, and it will
9 happen well into the future, regardless of
10 what MassDOT may do within the city of
11 Springfield, either to change the Exit 1
12 configuration, anything with a viaduct because
13 anytime you have a closure of a highway in
14 between two interchanges, traffic going to go
15 somewhere else. That is not expected to
16 change as a result of the MGM development.

17 In fact, PVPC did a study on behalf
18 of the City of Springfield, that looked at the
19 crash characteristics on 91 during The Big E,
20 and there was absolutely no correlation
21 between that extra congestion that occurs
22 during The Big E and an increase in the crash
23 trend. In fact, it was a drop. So that's
24 important for the commission to consider when

1 looking at the safety aspects, is that there's
2 no correlation with the crashes occurring
3 during the congested peak periods, and it's
4 actually a drop when looking at a comparison
5 to The Big E. And we're going to be a
6 fraction of that traffic. Next slide, please.

7 In summary, we have done a very
8 data-drive and quantitative analysis and
9 quantitative analysis of the impacts, and
10 there are no perceivable traffic impacts
11 within the town of Longmeadow. Just because
12 we studied it doesn't mean there's an impact.
13 And, you know, I know the commission knows
14 that, and your peer-review consultants can
15 also help you to understand this level of
16 increase in traffic.

17 We're talking about changing the
18 traffic stream on a Friday peak period by
19 1.7 percent. That's that one car, roughly, a
20 minute. There's no change in those two
21 gateway locations in the town of Longmeadow,
22 knowing that once you get through those two
23 gateway intersections, traffic only further
24 distributes from there. And there's no

1 perceivable change in level service anywhere
2 within the town of Longmeadow, based on the
3 populations that we're drawing from. There
4 are other more convenient and attractive
5 routes.

6 The I-91 congestion, Longmeadow's
7 counsel points to a letter from January 9th.
8 It is a one-page letter. I implore you to
9 read that in its entirety. All they're
10 suggesting is that the town has suggested and
11 requested funding to look at those same two
12 gateway intersections using public funding.

13 It appears that the district is just
14 suggesting that as they evaluate the other
15 regional scale improvements between Exits 1
16 and the viaduct, that they just pause, just to
17 make sure that nobody wastes time and money in
18 looking at the Route 5 corridor. That is part
19 of a long-term regional scale improvement, and
20 has never been suggested by PVPC or MassDOT
21 that, that will be put on the shoulders of
22 MGM.

23 In summary, in my professional
24 opinion, the town of Longmeadow will not be

1 significantly or adversely impacted by the MGM
2 development. Thank you.

3 CHAIRMAN CROSBY: Okay.

4 COMMISSIONER ZUNIGA: Before leave
5 Mr --

6 CHAIRMAN CROSBY: Commissioner.

7 COMMISSIONER ZUNIGA: -- Dandrade,
8 can you go back a couple of slides, please.
9 Yeah. Can you help me understand what is that
10 retiming option in the middle that you alluded
11 to?

12 MR. DANDRADE: Certainly. If you
13 kept the timings that exist within the
14 controller that runs the signal, if you kept
15 those exactly the same, on the Friday peak
16 period at the first intersection, right at the
17 town city line, Longmeadow Street, which is
18 Route 5 and Forest Glen, this VC ratio
19 represents what's called the volume to
20 capacity ratio. It's saying -- essentially
21 saying how saturated the intersection is with
22 traffic. The delay is just under 30 seconds,
23 and it's just under level C. By us adding
24 traffic with no changes at all, it changes it

1 by 1 percent here, adds couple seconds and
2 still maintains the same level of service.
3 With minor timing revisions, we bring it down
4 a little bit, but it's still essentially the
5 same number. It's a negligible impact to the
6 intersection.

7 COMMISSIONER ZUNIGA: So the third
8 column would be to figuring out the optimal
9 time between red lights and yellow lights, if
10 you will --

11 MR. DANDRADE: Exactly.

12 COMMISSIONER ZUNIGA: -- in each of
13 those intersections?

14 MR. DANDRADE: And that's something
15 that's normally done as part of a routine
16 maintenance activity anyway for a
17 municipality. And, frankly, is something
18 that's good to review once a year, once every
19 other year. Is it always done that way? And
20 I'm not just talking about Longmeadow, but
21 lots of municipalities? No. But could it be
22 optimized? Yes. But we're talking about with
23 only a second of average delay. It's --

24 COMMISSIONER ZUNIGA: Fair enough.

1 MR. DANDRADE: -- essentially taking
2 a few seconds from one approach and giving it
3 to another.

4 COMMISSIONER ZUNIGA: Thank you.

5 COMMISSIONER MCHUGH: You've taken
6 I-91 out of the equation because Mass --
7 MassDOT's going to take care of it, right?

8 MR. DANDRADE: Well we -- we are
9 still in the review process with MassDOT.
10 What I can testify to is that in all of our
11 conversations and within the quantitative
12 analysis that they've asked us to do, they
13 asked us to go down to Exit 1, and to study
14 the merges, the diverges, the weaving
15 sections, all the way from there up to and
16 beyond the site to the north. But the idea of
17 the lane constriction at the Longmeadow Curve
18 has never come up. It's really just for us to
19 analyze, which we've done, but never with the
20 idea of mitigating for that existing
21 condition.

22 COMMISSIONER MCHUGH: But if -- but
23 if you've taken into account, and maybe I
24 missed it when you were talking, have you

1 taken into account the impact of the
2 additional trips per hour on I-91, on the
3 congestion on Route 5?

4 MR. DANDRADE: Yes. And knowing
5 that the situation that I described before for
6 that Martin Luther --

7 COMMISSIONER MCHUGH: Right.

8 MR. DANDRADE: -- King, Jr. holiday
9 weekend --

10 COMMISSIONER MCHUGH: Right.

11 MR. DANDRADE: -- that is the
12 anomaly. That is the case where traffic is
13 backed up on those few, very popular holiday
14 ski weekends where it backs up beyond that
15 interchange. During most cases, when you're
16 traveling north on 91, you can't see the back
17 of the -- the red lights in order to influence
18 you to even think about getting off. But if
19 you did, it's going to take you a few more
20 minutes, so you're only going to do that once
21 and you're never going to do it again. But
22 that extra volume has been contemplated with
23 all of our analysis that has been submitted.

24 COMMISSIONER MCHUGH: And as we go

1 through the analysis, we'll see how you took
2 that into account?

3 MR. DANDRADE: That's correct.

4 COMMISSIONER ZUNIGA: You highlight
5 an earlier site, a lane drop --

6 MR. DANDRADE: Yes.

7 COMMISSIONER ZUNIGA: -- that occurs
8 just outside of the Longmeadow. Is that -- is
9 that, essentially, a lane that exists that
10 merges into less lanes at that particular
11 point?

12 MR. DANDRADE: Yes. As you come
13 across the Connecticut line, and just before
14 you get to Exit 1, there are three travel
15 lanes on I-91 northbound that go down to and
16 merge into two.

17 COMMISSIONER ZUNIGA: Fair enough.
18 Thank you.

19 MR. STRATTON: Commissioners, in
20 summary, if you look at regulations,
21 specifically with respect to operational
22 impact on traffic infrastructure, one -- one
23 of the key points is changes in level of
24 service. I think it's abundantly clear from

1 Mr. Dandrade's presentation that there will be
2 no change in level of service in the town.
3 And as a result, there is no significant and
4 adverse impact to traffic infrastructure.

5 With respect to the other impacts,
6 we do address those in the papers submitted to
7 the commission. We won't take time to go
8 through each of those, unless the commission
9 has specific questions with respect to those
10 other impacts. But we believe they'll
11 likewise either be negligible or simply
12 haven't been demonstrated. And unless there
13 are further questions, we'll rest with our
14 presentation.

15 CHAIRMAN CROSBY: Okay.

16 MR. MOSS: Mr. Chairman, if I may,
17 the town manager has some information as to
18 the -- the slide that had some information
19 about timing, just very briefly, if he may?

20 CHAIRMAN CROSBY: Yeah, just
21 quickly. Thank you.

22 MR. CRANE: Sure. Thank you.

23 CHAIRMAN CROSBY: Pull the mic over.

24 MR. CRANE: Sure. Members of the

1 commission, thank you for your time. I think
2 to respond to what TEC was saying,
3 Mr. Dandrade was saying, the -- one of the
4 reasons why -- one of the core parts of our
5 petition is that our traffic signals need to
6 be upgraded to achieve the optimal timing and
7 the flexibility in the timing that would be
8 needed to not only handle the additional
9 increases, excuse me, that are generated that
10 they -- that have been -- that are known and
11 predictable by all the engineers' estimations,
12 but also the episodic incidences that we
13 highlight in the slide that have not really
14 been studied at any level, which we are
15 obviously deeply concerned about. And, for
16 better or worse, Longmeadow's traffic signal
17 equipment is outdated.

18 And so, this additional demand on
19 our road network, as highlighted by GPI, has
20 really initiated this need to make these
21 signal upgrades, and we simply are asking for
22 a reasonable share of that. Thank you.

23 CHAIRMAN CROSBY: Anybody else?
24 Thank you very much. We will take this into

1 consideration and be back to you as soon as we
2 can.

3 MR. DANDRADE: Thank you,
4 Commissioner.

5 CHAIRMAN CROSBY: Thank you. We're
6 actually on schedule, but for having started
7 late, so we will take a quick break and we
8 will come back and pick up with Eastern States
9 Exposition.

10

11 (A recess was taken)

12

13 CHAIRMAN CROSBY: Okay. We will
14 reconvene at 20 minutes of 12. We are going
15 to do a few impacted live entertainment venues
16 and then we'll take a lunch break, and we will
17 pass the baton to Jill Griffin.

18

19 MS. GRIFFIN: Chairman Crosby,
20 commissioners, we have received petitions from
21 five venues to be designated as impacted live
22 entertainment venues. One of these petitions
23 from the Mass. Performing Arts Coalition, on
24 behalf of The Hanover Theater in Worcester,
has been withdrawn from consideration --

1 CHAIRMAN CROSBY: Great.

2 MS. GRIFFIN: -- in light of the
3 recent Live Entertainment Cooperation
4 Agreement that they've negotiated with MGM.
5 So The Hanover Theater no longer wishes to be
6 designated as an impacted live entertainment
7 venue by the commission.

8 So relative to the MGM application,
9 we have the Eastern States Exposition in West
10 Springfield and the Majestic Theater in West
11 Springfield. And here today I have members of
12 the Majestic Theater. I have the president,
13 Danny Eaton and Todd Kadis, the treasurer.

14 So they're going to speak to the
15 following conditions in the statute that the
16 commission will consider, the definition, a
17 not-for-profit or municipally-owned
18 performance venue designated in whole or in
19 part for the presentation of live concerts,
20 comedy or theatrical performances, which the
21 commission determines experiences, or is
22 likely to experience, a negative impact from
23 the development or operation of a gaming
24 establishment.

1 Additionally, the commission can
2 consider the venue's distance from the gaming
3 establishment, the venue capacity, and the
4 type of performances that will be offered by
5 that venue.

6 The commission can also consider
7 whether the applicant intends to include a
8 geographic exclusivity clause in the contracts
9 of entertainments at the proposed gaming
10 establishment, or in some of the way intends
11 to limit the performance of the
12 entertainment -- entertainers within
13 Massachusetts.

14 So I'm going to turn the
15 presentation over to the Majestic Theater.
16 And followed by the Majestic Theater, we have
17 folks from the Eastern States Exposition, John
18 Juliano, Eugene Cassidy, and Mark Cress. So
19 I'm going to turn it right over to you.

20 CHAIRMAN CROSBY: Okay. Thank you.
21 Welcome.

22 MR. EATON: Good morning. I'm Danny
23 Eaton, the founder and producing director for
24 the Majestic Theater.

1 MR. KADIS: And I'm Todd Kadis, the
2 treasurer, and I do the marketing at the
3 theater.

4 MR. EATON: A couple of thank yous
5 before we start, I think. The first thing I
6 want to thank and acknowledge is, whoever it
7 was that had the foresight to include the ILEV
8 in the CMR, we very much appreciate that,
9 that's our protection. And I also want to
10 thank Mayor Ed Sullivan, who, two days after
11 he was inaugurated, called us into his office
12 and -- and pointed the out that ILEV section
13 in the CMR, which we were completely unaware
14 of, and told us that we should get a
15 application in. I think that was on
16 January 8th and the deadline was the 13th.

17 Now, audiences are the ones who make
18 the decision who will be impacted, so we
19 thought what better way than to talk to our
20 audience. So at some recent performances I
21 got up on the stage in front of the audience
22 and I asked them two questions. The first
23 question was, in the past year, how many have
24 you have gone to a performance at City Stage?

1 And I want to clarify, I'm talking about City
2 Stage, not Symphony Hall, the 400-seat theater
3 inside the parking garage in Springfield. So,
4 show of hands, please.

5 MR. KADIS: And 10.3 percent of the
6 audience raised their hands saying yes, they
7 have been to a performance at City Stage
8 within the past year.

9 MR. EATON: That brought me to
10 question number two. And I said, if at City
11 Stage there was a production like Educating
12 Rita, that's our current production, and the
13 ticket prices were comparable to their ticket
14 prices here at Majestic, and the parking was
15 free, all things being similar, would you go
16 to a production like Educating Rita at City
17 Stage? Again, show of hands, please.

18 MR. KADIS: And 37.7 percent of the
19 audience raised their hand saying yes, they
20 would go to City Stage.

21 MR. EATON: I think you have some
22 packets that we've prepared in front of you.
23 I want to call your attention to the second
24 page. It's an article from the Springfield

1 Republican on January 24th of this year. The
2 title of the article is MGM Casino Makes its
3 Case.

4 MR. NOSAL: I'm sorry, Mr. Chairman,
5 I don't mean to interrupt. I don't think
6 we've seen the package.

7 CHAIRMAN CROSBY: Do you have any
8 others?

9 MR. EATON: I'm sorry.

10 CHAIRMAN CROSBY: Oh, here, Jill's
11 going to bring one over. Okay.

12 MR. EATON: All right. Couple of
13 paragraphs in that article on the second page
14 that I've highlighted, Central to the
15 company's plan for the city is its
16 entertainment pitch. Murren, now we're
17 talking about Jim Murren, who is the CEO of
18 MGM. Murren noted that under a marketing
19 arrangement cemented in the host community
20 agreement, MGM will underwrite, co-promote and
21 book at least four shows each at the
22 MassMutual Center, Symphony Hall and City
23 Stage each year following the opening of the
24 casino.

1 Quote, our venues are Springfield's
2 venues. We have guaranteed 12 shows annual,
3 end quote. Murren said, I can assure you that
4 market agreement toward -- goes toward
5 promoting the other great events that take
6 place here. That's Jim Murren, the CEO of
7 MGM. Now I want to go back to our audience
8 survey.

9 MR. KADIS: So on page three here
10 you can see that the Majestic Theater's
11 revenues are presented as far as the ticket
12 admissions to the theater. And the point we
13 wanted to make here is that, if, for example,
14 half of those people who we surveyed that said
15 they would go to City Stage, half of that 37.7
16 percent actually went to City Stage, that
17 using the fiscal year 2013 ticket admissions'
18 revenues of about \$834,000 that impact to the
19 Majestic Theater, if only half of those people
20 went, would be about \$156,000 annually.

21 CHAIRMAN CROSBY: You're assuming if
22 -- if they went and didn't go to your
23 theater --

24 MR. KADIS: We specifically asked --

1 CHAIRMAN CROSBY: -- instead?

2 MR. KADIS: -- the question number
3 two so that we did not steer them in either
4 direction.

5 CHAIRMAN CROSBY: No. But in terms
6 of your lost -- you're talking about lost
7 revenue. If those folks went to City Stage,
8 it would be lost revenue to Majestic.

9 MR. KADIS: Correct.

10 MR. EATON: That's correct.

11 CHAIRMAN CROSBY: That's assuming
12 that the trip to City Stage wasn't an
13 additional trip, that was instead of going to
14 Majestic?

15 MR. KADIS: Right.

16 MR. EATON: That's correct. Now, in
17 truth, the -- we don't -- at the Majestic, we
18 don't know what the extent of the financial
19 impact will be, we don't have a crystal ball.
20 But we're certain from -- because our audience
21 has told us so, that there will be an impact.
22 Now we --

23 COMMISSIONER MCHUGH: Can I -- can I
24 come back to the question that Chairman

1 Crosby --

2 MR. EATON: Yes, sir.

3 COMMISSIONER MCHUGH: -- just asked
4 a minute ago? You make that statement based
5 on the 37-percent response?

6 MR. EATON: Correct.

7 COMMISSIONER MCHUGH: And you're
8 taking the 37 percent response as an
9 instead-of response, instead of an additive
10 response?

11 MR. KADIS: No. No. We're saying
12 that 37 percent of the people said, if there
13 was a production comparable to the quality of
14 production, Educating Rita at the Majestic
15 Theater --

16 COMMISSIONER MCHUGH: Right. Right.

17 MR. KADIS: -- would you go to City
18 Stage?

19 COMMISSIONER MCHUGH: Right.

20 MR. KADIS: So 10 percent of them
21 said they've already been in the past year,
22 37.7 percent said they would go if there was a
23 comparable production.

24 Now, we did not go ask, as you

1 asked, was it an either/or, would you go here
2 and not there? As we said, we don't -- how do
3 we determine what the impact is? We don't
4 know the extent of the impact. We know that
5 the audience has said they would go.

6 COMMISSIONER MCHUGH: Well,
7 10 percent had been both the City Stage and
8 you, by definition.

9 MR. KADIS: Correct.

10 MR. EATON: Correct.

11 COMMISSIONER MCHUGH: Twenty-seven
12 percent had only been to you, right?

13 MR. EATON: Well, that 37 percent
14 included -- included the 10 percent.

15 COMMISSIONER MCHUGH: Assuming?

16 MR. EATON: Yeah.

17 COMMISSIONER MCHUGH: And -- and --
18 and so you're assuming that -- that that 20
19 percent wouldn't be adding another show to
20 their -- to their entertainment, to their
21 play-going?

22 MR. EATON: We're not making any
23 assumption. We're simply saying that our
24 audience has -- has indicated to us that there

1 will be an impact. We don't know what that
2 impact is.

3 COMMISSIONER MCHUGH: Okay. I got
4 it. Thank you.

5 MR. EATON: You know, for 18 years,
6 since the Majestic has been in existence, we
7 have competed with City Stage. You know, the
8 audience in the pioneer valley, in western
9 Massachusetts it's a finite number. And you
10 can see in the next three pages --

11 COMMISSIONER ZUNIGA: Actually, can
12 I ask a question about these two questions?

13 MR. EATON: Yes.

14 COMMISSIONER ZUNIGA: One looks back
15 a year, and the other one is prospective,
16 correct?

17 MR. EATON: I'm sorry, I don't
18 follow you.

19 COMMISSIONER ZUNIGA: The first
20 question you ask in our survey looks back at
21 your behavior in the last year?

22 MR. EATON: Yes.

23 COMMISSIONER ZUNIGA: The second
24 question asks about a prospective behavior,

1 would you go in the future?

2 MR. EATON: Correct.

3 COMMISSIONER ZUNIGA: Would there be
4 a parallel if I were -- could the difference
5 account for the intention and the reality? In
6 other words, if somebody asked me, how many
7 times have you been to the gym last year, I
8 could have a number how many times I did. But
9 if you ask me about my intention on going to
10 the gym next year, that --

11 MR. EATON: Sure.

12 COMMISSIONER ZUNIGA: -- that
13 difference could be significant?

14 MR. EATON: Yes, it could.

15 CHAIRMAN CROSBY: Especially, going
16 to the gym.

17 COMMISSIONER CAMERON: And it may
18 not come true.

19 COMMISSIONER ZUNIGA: And the
20 point -- the point being is that my
21 intention -- that the difference could
22 account, could account, is it not the case,
23 for the difference between the intention in
24 the future and the reality of the past; is

1 that a fair statement?

2 MR. EATON: I guess it would have to
3 be, sure. I mean, we don't -- again, we don't
4 know. We don't have -- we don't have that
5 crystal ball.

6 COMMISSIONER ZUNIGA: Thank you.

7 CHAIRMAN CROSBY: I started this by
8 beating up on the methodology, and I don't
9 think that's really the point here. This is
10 imperfect research, at best.

11 MR. EATON: Oh, yes, sir.

12 CHAIRMAN CROSBY: All you're trying
13 to do is put on the table that there might
14 very well be an impact, and I think that's a
15 reasonable proposition. What that is, is
16 anybody's guess.

17 MR. EATON: Absolutely. Absolutely.
18 So continuing on, you know, as I started to
19 stay, you know we've competed with -- with
20 City Stage. Before it was City Stage it was
21 Stage West for the 18 years of our existence
22 at the Majestic. These next pages you can see
23 some side-by-side ads. The Majestic Theater,
24 City Stage. Next page. Majestic Theater,

1 City Stage, and even the Bushnell. The third
2 page in there, Majestic Theater, and actually
3 MGM's show, Boyz II Men, the -- the show that
4 they sponsored recently. So, again, the point
5 is, we compete for the audience in western
6 Massachusetts.

7 MR. KADIS: And there are a lot of
8 marketing things that MGM could do to get an
9 audience to City Stage that we cannot do at
10 the Majestic Theater. And, for instance, they
11 could offer free parking and a -- an a trolley
12 ride, as they said they're going to do to City
13 Stage. They can offer \$10 off dinner, if they
14 show their ticket stub after the show. They
15 could offer free tickets. They could offer
16 somebody to pay with their MGM bonus dollars
17 for their tickets.

18 MR. EATON: Stop giving them ideas,
19 Todd. The point is, again, we -- we compete.
20 You know, the next two pages in our little
21 packet, you know, there's an article in the
22 Springfield paper that talks about it, a show
23 of ours at the Majestic. The following page
24 is, again, two articles in the Springfield

1 paper talks about a show at Symphony Hall, and
2 a show at City Stage.

3 So for 18 years we've competed, and
4 we've competed fairly, and I think
5 successfully. If you see this following page
6 from Mass Live, the Republican, down at the
7 bottom, the best live theater company,
8 Majestic Theater in West Springfield. From
9 the Valley Advocate, which is our weekly arts
10 and entertainment newspaper in the pioneer
11 valley, the Majestic Theater best -- best
12 place to see live theater. Third place, City
13 Stage.

14 MR. KADIS: The next page is one of
15 the requirements for the ILV was to show
16 proximity. So we actually went to Google Maps
17 and printed out a map to show you how close we
18 are between the two venues, the Majestic
19 theater and City Stage.

20 MR. EATON: And the last document is
21 a letter of support from Mayor Ed Sullivan,
22 our mayor in -- in West Springfield supporting
23 or petition for ILEV status.

24 MR. KADIS: So despite all of

1 advertising and the press releases, and the
2 marketing that we do out in western Mass., the
3 last year-and-a-half that MGM Springfield has
4 been out in western Mass. no one has contacted
5 us. They've been to Six Flags. They've
6 talked to this theater in Worcester, but
7 nobody's made contact with us.

8 MR. EATON: As a matter of fact, we
9 never heard from anyone at MGM until we filed
10 the petition for ILEV. And the first real
11 conversation we had with anyone was two days
12 ago, Sunday afternoon with an attorney for
13 MGM. And the gist of our conversation was he
14 kept asking us what do we want. What do we
15 want?

16 MR. KADIS: And we had no answers at
17 that point. I can tell you that we've had a
18 two-hour truck ride through traffic from
19 western Mass. to think about it, and we have a
20 couple of ideas that we'd like to suggest.

21 MR. EATON: Well, you know, we do
22 want MGM to succeed. I mean, Todd and I both
23 live there. Our kids live there. We've grown
24 up there. So we certainly want MGM to

1 succeed. We just don't want them to succeed
2 at our expense. And our audience has told us
3 that there will be an impact.

4 MR. KADIS: Thank you.

5 MR. EATON: Thank you.

6 CHAIRMAN CROSBY: All set?

7 COMMISSIONER ZUNIGA: How many seats
8 are at the Majestic Theater?

9 MR. EATON: How many seats?

10 COMMISSIONER ZUNIGA: Yes.

11 MR. EATON: We seat 229,
12 subscribable seats. We can actually
13 accommodate a few more than that but --

14 CHAIRMAN CROSBY: What is the
15 organization that we met with; was it you and
16 I that met with them?

17 COMMISSIONER ZUNIGA: Yeah. The
18 Mass. Performing Arts --

19 CHAIRMAN CROSBY: Coalition?

20 COMMISSIONER ZUNIGA: -- Coalition.

21 CHAIRMAN CROSBY: Yeah. Are --
22 you're, apparently, not a apart of that
23 coalition?

24 MR. EATON: We are not.

1 CHAIRMAN CROSBY: Just for future
2 reference, it might be useful, because they've
3 been very -- very involved in this and have
4 been talking to us about this for two years.
5 They are responsible, in part, for the
6 legislation you're talking about.

7 COMMISSIONER ZUNIGA: Yes.

8 CHAIRMAN CROSBY: But it would be a
9 worthwhile organization to be part of.

10 MR. EATON: I -- I think you're
11 right. I mean, but I think it's also
12 interesting that we're kind of unfamiliar
13 with -- with them.

14 CHAIRMAN CROSBY: Yeah. I can't
15 explain that, but any way --

16 MR. EATON: Yes.

17 CHAIRMAN CROSBY: Okay. MGM.

18 MR. NOSAL: Thanks, Chairman. I'm
19 going to talk a little bit about our reading
20 of the regulations, a little bit about the
21 background of MGM's overall approach to the
22 venues in the vicinity, because I think that's
23 relevant to talk a little bit about the
24 commission's evaluation of this particular

1 are designed to protect existing venues from
2 potential advantages that gaming applicants
3 may have in attracting talent to venues that
4 are part of the casino development. I think
5 the commission discussed extensively back,
6 again in the fall of 2012, around the supply
7 side concerns, and really modeled and
8 developed its regulations, I think, off of
9 that.

10 And, specifically, the best example
11 there is the -- the really the acknowledgment
12 and the regulations. And I think a clear
13 signal to all the applicants of, you know,
14 being very careful about things like radius
15 restrictions.

16 The statutes and regulations aren't
17 designed to protect every venue from
18 competition in the market. They're designed
19 to protect from the use or abuse of market
20 power through the potential subsidized
21 entertainment offers put in place such as
22 radius restrictions and other anticompetitive
23 practices that may limit performances in
24 Massachusetts.

1 Going to MGM's overall approach that
2 we've taken when it comes to utilizing venues,
3 we haven't proposed to build a venue on site
4 as part of the development. We plan to
5 utilize existing venues that have been
6 highlighted here within the city of
7 Springfield, including City Stage, Symphony
8 Hall, and the MassMutual Center.

9 We've executed agreements with other
10 venues for cross-marketing and promotion.
11 Most notably, I think mentioned today, the
12 agreement with the NPAC, Tanglewood and other
13 attractions. And we've really gone out of our
14 way to attempt to utilize the resources that
15 we think makes sense, and potentially some of
16 the ones, certainly in the city of
17 Springfield, that have the potential to be
18 impacted as contemplated by the regulations.

19 So we're looking at issues here of
20 distance. We've pointed out it's 2.3 miles
21 away. It appears to be, certainly in
22 proximity of the Majestic's theater, we look
23 at venue capacity, we look at the type of
24 performances, and then the commission has to

1 go back and determine, really whether the
2 venue's going to experience, or likely to
3 experience some sort of negative impact.

4 But, really, the thrust, I think, of
5 the Majestic's presentation here today, is
6 that they have an existing competitive
7 relationship with City Stage. And that, that
8 competitive relationship may change due to the
9 fact that MGM has agreed to promote two -- or
10 three events there per year. And, again,
11 we're competing with the same number of
12 customers and, essentially, the same number of
13 dollars. In a lot of ways, it's a little bit
14 like the arguments that we heard today around
15 Northampton. There's only a finite amount
16 of -- of entertainment dollars available, and
17 if we were to add anything to this particular
18 region, then it's, essentially, a zero-sum
19 game.

20 So it's an overall premise that we
21 reject based on our overall marketing, our
22 ability to certainly grow this market, and
23 present different offerings when it comes to
24 entertainment, including through City Stage.

1 I really -- I think you have to
2 do -- you look at the capacity here as an
3 issue. And the Majestic, approximately 240
4 seats. You know, it is smaller, certainly,
5 from City Stage. And I think the differences
6 between City Stage and the Majestic are also
7 really, I think, demonstrated in when you talk
8 about the type of performances. And really --

9
10 CHAIRMAN CROSBY: What is the size
11 of City Stage?

12 MR. MATHIS: City Stage is
13 approximately 400. Maybe a little bit over
14 400.

15 CHAIRMAN CROSBY: And you're 260,
16 70?

17 MR. MATHIS: Yeah.

18 MR. EATON: 230.

19 CHAIRMAN CROSBY: 230?

20 MR. MATHIS: Yeah.

21 MR. NOSAL: So -- so really, you
22 know, the Majestic is a wonderful theater that
23 has a wonderful city-based group of patrons.
24 In their petition they've indicated they do a

1 hundred shows per year. They focus on local
2 talent. They include musicals, dramas,
3 comedies. We've used, sort of, I think the
4 current production there, Educating Rita, as
5 sort of a reference point, certainly, when the
6 survey was done there.

7 It's really very different from the
8 type of entertainment that I would suggest is
9 currently offered at City Stage, which
10 includes mostly traveling acts, and performers
11 -- performance that are from outside of the
12 state.

13 And, again, in looking at the
14 petition and what I think the regulations were
15 designed here to protect, is are we taking
16 anything away from the supply that -- that
17 when it comes to generating the performances,
18 that the Majestic currently has? And we're
19 just not contemplating putting on our
20 sponsoring our -- with the events that we are
21 at City Stage, such as a play like Educating
22 Rita. It's really, from our perspective, very
23 much apples and oranges.

24 And, again, we think that it's

1 something that's, again, easily
2 distinguishable. We're not going to sponsor
3 similar plays. We're not going to take from
4 their talent pool. We're not going to impact
5 their ability in order to produce their
6 product that they can then go out and compete
7 in the marketplace for -- for subscribers.

8 So with that said, we really, you
9 know, certainly recognize the Majestic as an
10 important part of the community in West
11 Springfield. And I want to provide an
12 opportunity to -- for Kelley Tucky to tell a
13 little bit about how we've been thinking about
14 the Majestic and, really, where I think the
15 additive nature of what MGM is bringing to
16 this region can benefit institutions like the
17 Majestic, including but not limited to the
18 fact that we're bringing 3,000 new employees
19 to the area, potential patrons. And, really,
20 this has been, you know, largely ignored by
21 the Majestic, that there potentially might be
22 some benefits here that might come with the
23 fact that we're coming and making a major
24 investment in this area. So with that I'll

1 turn --

2 COMMISSIONER MCHUGH: Before --
3 before you leave that, could you just expand
4 on the -- on the differentiation between the
5 type of entertainment that's at the Majestic
6 and the City Stage?

7 It seems to me you made one
8 distinction that the Majestic uses,
9 essentially, local talent, while the City
10 Stage uses traveling performers -- traveling
11 companies, perhaps, but the nature of the
12 performance, the content of the performance, I
13 mean, they both do dramas, they both do
14 comedies, they both do a repertoire that's
15 been on Broadway. What's the other
16 differentiation?

17 MR. NOSAL: I'm going to ask
18 Mr. Mathis to address this a little bit,
19 because he can talk a little bit more about
20 the entertainment options. And I do think
21 it's important though, Commissioner, that we
22 talk about that really in the context of what
23 we're doing with City Stage. What MGM is
24 doing with City Stage. Not necessarily just

1 in the generic sense oft everything that City
2 Stage and -- has to otherwise offer.

3 COMMISSIONER MCHUGH: Okay. Fair
4 point.

5 MR. NOSAL: So, thanks.

6 MR. MATHIS: Mr. Commissioner, I
7 think -- I think it's an important question in
8 terms of is our programming competitive? And
9 one of the comments that was made was a
10 reference to the quote by our chairman,
11 Jim Murren, about the number of show --

12 COMMISSIONER MCHUGH: Right.

13 MR. MATHIS: -- that we intend to
14 put into those facilities. No. I don't want
15 to overcommit, especially because I think I'll
16 have to live with it, based on the
17 announcement the other day.

18 CHAIRMAN CROSBY: You will.

19 MR. MATHIS: But I can tell you that
20 it is not our intent to be competitive. The
21 host community agreement, for example, I was
22 looking, if I could find the reference. But
23 my recollection based on that negotiation, was
24 there was a specific reference to the type of

1 programming that we were required to put into
2 both MassMutual Center, Symphony Hall, City
3 Stage. That was part of our cross-marketing
4 MOU agreement with Jim Rooney. So it wasn't
5 just enough to say that we would put acts in
6 there, but we would put acts of a national,
7 regional nature.

8 So -- and it's unfortunate that
9 we're having this conversation with Majestic
10 in this context, because I think had we had
11 the opportunity both ways, they could have
12 contacted us, certainly, and we could have
13 contacted them, we'd be able to lay a lot of
14 these concerns.

15 But to answer your question on point
16 is, we intend to attract local -- I'm sorry,
17 regional and national talent to those venues.
18 That's a local -- local performers wouldn't
19 meet that criteria. And I don't it would be
20 true to the spirit of the commitment we made
21 to Jim Rooney, which was to put in the type of
22 acts that would draw from outside the market.
23 And I think, you know, one of the questions
24 that I would have for the Majestic, and I

1 think I understand their market, is, what is
2 -- how many of their customers come from
3 outside the market? How much of it's local?
4 How much of it is destination traffic? We
5 plan to make our -- our acts destinations to
6 draw from outside the market. And I think
7 that's an important distinction.

8 The other important distinction, I
9 think, is the number of shows. We've made a
10 minimum commitment, which is a -- you know,
11 it's fair to say it's a minimum of three to
12 four shows for each of those venues. For
13 example, we haven't programmed City Stage yet.
14 We've done a MassMutual show with Pitbull and
15 professional bull riding, and we've also had a
16 Boys II Men show in Symphony Hall. And the
17 reason that we haven't programmed City Stage
18 is because it's a difficult venue to program.

19 So if that's helpful for our intent
20 that we'll meet the minimum, but I think it
21 will -- you know, we're hoping City Stage can
22 program it on its own after we meet our
23 minimum. We don't have an intent to match a
24 hundred shows, for example. I think the

1 number of shows that would be in conflict is 3
2 or 4 percent. Three or 4 percent out of the
3 hundred that they program.

4 So if -- if that's helpful, we can
5 -- we can give you some more of a sense of the
6 programming. But we would -- we would love to
7 coordinate calendars. We can make any of this
8 part of the record, if that's helpful. We
9 don't intend to restrict any of our talent
10 from performing at their Majestic Theater.
11 Again, we'd be happy to put that on the
12 record.

13 We haven't reached out to them
14 because we don't view them as competitive. We
15 view them as complementary. And that's a
16 conversation we intended to have farther down
17 the road. It's a venue that I think we
18 would -- we would encourage and promote to our
19 employees because I think it's a local venue,
20 and, again, I think will -- will help them not
21 hurt them. All things that we can discuss
22 outside of the context of this hearing, but we
23 certainly don't believe we'll be competitive.

24 COMMISSIONER MCHUGH: Thank you.

1 MS. TUCKY: Good afternoon,
2 Mr. Chairman and commissioners. The topic of
3 employee benefits and employee programming is
4 something near and dear to my heart, and I'm
5 anxious to tell you what we have in mind for
6 an institution such as Majestic Theater. And
7 I think it's fair to call it a cultural
8 institution.

9 We are in the practice of promoting
10 local venues and -- and local vendor services,
11 and providers to our employees through a
12 really unique marketing opportunity that we
13 created in Las Vegas and then brought to our
14 regional properties, and we would do the same
15 with Springfield, and that is the Mlife
16 Insider program.

17 And such as the name implies,
18 insiders get the first shot, the inside scoop,
19 the inside track on opportunities before
20 anyone else. So through Mlife Insider we have
21 a very robust portal where we place offers and
22 benefits, and discount programs, and make
23 opportunities such as tickets to Majestic
24 Theater available to our employees. So

1 Insider partners, such as Majestic Theater are
2 permitted to advertise to our employees
3 through this 24/7 portal.

4 And just to touch upon what was
5 mentioned briefly, and we haven't spent a lot
6 of time on, I think it's important to note
7 that once you provide 3,000 jobs, and you
8 provide people with additional discretionary
9 income, and you make the -- the opportunity to
10 go to the Majestic Theater and other venues
11 available to employees, that's part of the
12 economic development, the economic outreach
13 that I think the commission is looking for,
14 and that the legislation provided for.

15 So we would be more than happy to
16 talk to Majestic Theater about such an
17 opportunity at MGM Springfield and in reaching
18 out to our employees as a target audience for
19 them. Thank you.

20 COMMISSIONER ZUNIGA: I have a
21 question. Is the plan for the support of this
22 these ads to have those acts be ticketed
23 events, Mr. Mathis?

24 MR. MATHIS: Yes, Commissioner

1 Zuniga. The cross-marketing agreements we
2 have for those three venues; is that what
3 you're referencing?

4 COMMISSIONER ZUNIGA: Yes.

5 MR. MATHIS: Absolutely. There will
6 be ticketed venues, because I think one of the
7 other areas of distinction, again I don't want
8 to overcommit, is that we're going to pay
9 heavily for -- for the type of acts that we're
10 trying to bring. Pitbull was an expensive
11 show, PBR is an expensive show, Boyz II Men as
12 well. And because of that, if you look at the
13 ticket prices, as I understand it, I don't
14 want to misstate the record, but having looked
15 at the Majestic, I think it's a \$20-type
16 ticket. They do subscriptions. And I think
17 the subscription issue is an important point.
18 It's a different model. It's a local --
19 locals performing for local customers. They
20 buy five ticket packages. We're going to do
21 one-offs and we're going to promote it to a --
22 mostly an adult entertainment customer.

23 So they will be ticketed, but
24 there'll also be some aspect of it that will

1 be, you know, comps for valued customers,
2 examples like that. But I think of them as
3 outside customers. I don't think of it as
4 primarily feeding the local market, which I
5 think Majestic does. I'm looking forward to
6 being a customer of theirs.

7 COMMISSIONER CAMERON: I had one
8 question as well. When you talk about your
9 commitment with your host community, three,
10 possibly four shows, you're talking at about
11 one-night shows, not long runs of whatever
12 acts; is that correct?

13 MR. MATHIS: That's correct. Our --
14 our minimum commitment would be to an evening.
15 We may potentially do two days. But from our
16 perspective, these shows are loss leaders. We
17 would be subsidizing these shows at a loss
18 because of, one, our commitment to the city,
19 and, two, to create a draw for our customers
20 that will spend money in other parts of the
21 resort. So believe me when I tell you, our
22 intent is not to overly program these venues.
23 We're hoping that we give them a boost and
24 that they're able to then continue

1 successfully on their own.

2 CHAIRMAN CROSBY: Anybody else?

3 Okay. Thank you. It does seem to me like it
4 might make sense -- why, as you say, didn't
5 matter really why -- why there weren't
6 conversations previously. But it does sound
7 like even as we're going ahead and looking
8 into this, like it might make sense for you
9 all to talk now, and as has frequently
10 happened, maybe this can be resolved without
11 us having to go all the way in our decision.
12 At least, it's worth a shot.

13 MR. MATHIS: We're happy to do that.
14 We'll try to do that.

15 CHAIRMAN CROSBY: Okay. Thank you
16 very much, gentleman.

17 COMMISSIONER MCHUGH: Thank you.

18 CHAIRMAN CROSBY: Appreciate your
19 driving all the way in town.

20 MR. EATON: Thank you.

21 MR. KADIS: Thank you.

22 CHAIRMAN CROSBY: And I believe we
23 now have Eastern States Exposition. You folks
24 ready? You didn't need more of a break?

1 Gentleman, introduce yourselves and the floor
2 is yours.

3 MR. CRESS: Yes. Good afternoon,
4 Commissioners. My name's Mark Cress. I'm a
5 lawyer with Bulkley Richardson in Springfield,
6 Massachusetts. Seated to my right is Gene
7 Cassidy. He's the president and CEO of
8 Eastern States Exposition. And to my left is
9 John Juliano, who is the director of special
10 events and entertainment at the Eastern States
11 Exposition. I think the issue before the
12 commission this morning is a very, very simple
13 one.

14 Our reading, or the Eastern States
15 Exposition reading of the statute and
16 regulations is, is that there is an
17 affirmative duty on any applicant for a gaming
18 license in the commonwealth to reach out to
19 not only surrounding communities, but impacted
20 live entertainment venue sites and negotiate a
21 good-faith agreement. That has not happened
22 in this case.

23 Not only has the reach-out not
24 occurred in any significant sense, but we are

1 also faced, like the Majestic, with being
2 inconvenienced and financially burdened by
3 having to appear before the commission to
4 defend a position, which should be quite
5 obvious.

6 We submitted a response to the MGM
7 opposition, which details the -- the
8 overwhelming reasons why the Eastern States
9 Exposition should be a -- designated a
10 protected venue, and we would urge the
11 commission to carefully review those papers.

12 But rather than dwell on that at
13 this point, we think the Eastern States
14 couldn't fit more precisely within those
15 statutory and regulatory definitions. But
16 rather than dwell on that, which is all, as I
17 said, detailed in writing in the formal
18 response we've submitted, I'd like to allow
19 Gene Cassidy, the president and CEO of the
20 Eastern States to personally tell you a little
21 about the exposition and why it is deserving
22 of the protections specifically afforded under
23 the gaming statute.

24 MR. CASSIDY: Good afternoon,

1 Commissioners and ladies and gentlemen in
2 attendance. Being mindful, of the short
3 window that we have, I hope you don't mind
4 that I'm going to read from a prepared
5 statement to increase efficiency.

6 I am Gene Cassidy. I'm the
7 president and the chief executive officer of
8 the Eastern States Exposition, and I'm here
9 today to personally tell you as much as I can
10 in a short window about the Eastern States. I
11 have put a board up for you to peruse. And
12 for my friends at MGM, who might be able to
13 see it, I'll offer Mr. Mathis a copy.

14 We have a long history. We have
15 one-of-a-kind, irreplaceable agricultural and
16 educational programming that plays a critical
17 role in the western Massachusetts economy. My
18 need to be here is to personally ask you to
19 help protect it from one of the most daunting
20 challenges we have ever faced, the development
21 and operation of an \$800-million casino in
22 downtown Springfield, less than two miles from
23 our location in West Springfield.

24 Eastern States Exposition, commonly

1 known by our agricultural fairs trade name,
2 The Big E, has continuously operated for more
3 than 97 years. Eastern States Exposition is
4 the largest cultural event that occurs on
5 eastern seaboard, with year-round visitation
6 that exceeds 2.5 million people. We are the
7 fifth largest fair in all of north America,
8 hosting nearly 1.5 million people at our
9 agricultural event annually.

10 Ranked by size, we fall behind only
11 the Texas State Fair, The Houston Livestock
12 Show, the San Antonio Livestock Show and
13 rodeo, and the Minnesota State Fair. All of
14 whom receive taxpayer subsidies for
15 infrastructure and operations from their
16 respective state governments. The Eastern
17 States Exposition receives no such financial
18 assistance.

19 According to Regional Economic
20 Models, Inc., an economic modeling firm that
21 creates models for Fortune 100 companies, as
22 well as worldwide governments and
23 universities, a firm that is located here in
24 Massachusetts. The Eastern States Exposition

1 generates an economic impact in the greater
2 Springfield region that is nearly half of a
3 billion dollars. I'll repeat, nearly one half
4 of a billion dollars.

5 We create 3,000 jobs in Hampden
6 County. \$92 million in personal income in the
7 county. Furthermore, REMI calculates that ESC
8 generates \$3 million in income tax revenues to
9 the commonwealth, \$1.4 million in sales tax
10 revenues to the commonwealth, more than
11 \$430,000 in hotel taxes for the greater
12 Springfield area, and over \$3.3 million in
13 food and beverage tax revenues. Additionally,
14 the Eastern States Exposition impact reaches
15 well beyond greater Springfield, and accounts
16 for an additional 2,000 jobs and \$134 million
17 in personal income throughout New England.

18 Eastern States Exposition at nearly
19 100 years old, has been overlooked by
20 legislators and regulators for a long time. I
21 implore you today to address the concerns we
22 present, to ask questions of me, and
23 ultimately to set the stage to prepare
24 necessary protections for this quiet

1 organization. And an organization that has
2 provided unique and irreplaceable agricultural
3 and educational programming, and enormous
4 horsepower to the greater Springfield economy
5 since its founding by our visionary patriarch,
6 Joshua Loring Brooks and his contemporaries,
7 including Horace Moses, James and Helen
8 Storrow, JC Penney and many others.

9 More than just a fair, in addition
10 to the portfolio of economic benefits of a
11 healthy Eastern States Exposition, we have
12 fulfilled a mission that supports agriculture
13 communities of New England and beyond. We
14 host future farmers of America and 4H Youth
15 from across the country. Eastern States
16 Exposition is the only fair in America that
17 has FFA participation from as many as 18
18 states. We produce some of the important and
19 renowned equine, bovine and swine shows in the
20 country, including one of the oldest horse
21 shows in America.

22 This month, January 2014, we hosted
23 the largest poultry show in the United States.
24 We host important trade shows, some of which

1 are counted among the largest in the country.

2 Among them, one of the largest machine tool
3 manufacturing shows in north America.

4 Certainly, the largest east of the Mississippi
5 takes place biannually at the Eastern States.

6 Other events, though less glamorous, number
7 over 100, including summer country music
8 festivals and performances of the symphony,
9 Springfield Symphony Summer Pops Series.

10 All of these events, though not
11 specifically mentioned or protected by gaming
12 legislation, are precariously balanced by the
13 success of the fair. Without the fair and
14 this ability to attract large crowds by
15 offering array of top quality, live concerts
16 and comedy performances, and other year-round
17 scheduled events that provide the economic
18 underpinning for our operation, the world of
19 agriculture, agricultural best practices, and
20 education, and the regional economy suffer.

21 More than agricultural, Storrowtown
22 Village Museum founded in 1929 by Mrs. Helen
23 Storrow, was the first undertaking of its kind
24 in the United States. The village of 18th

1 century and early 19th century buildings was
2 created at Eastern States Exposition, when
3 buildings from throughout New England were
4 disassembled from their original locations and
5 moved piece by piece, brick by brick, beam by
6 beam to the grounds of Eastern States.

7 Until that time, never before in
8 America history had such efforts been made to
9 preserve American history. While antique
10 buildings had been preserved on their
11 foundations, never had such important
12 buildings been moved to be saved.

13 Again, although there's no specific
14 mention in any gaming legislation that
15 requires protections for such -- such specific
16 assets, the exposition's ability to continue
17 to offer and operate such valuable and
18 one-of-a-kind assets will certainly be
19 compromised without the protections afforded
20 under the impacted live entertainment venues'
21 provisions in the gaming statute.

22 Our history, beginning with the
23 national dairy show in 1916 includes a
24 prominent role in the development of the

1 American Hockey League at our storied
2 colosseum featuring some of the greatest names
3 in American hockey, including Teddy Shore, the
4 Springfield Indians, the Springfield Kings,
5 and at one time, the home to the New England,
6 now Hartford, Whalers.

7 Most importantly, through it all and
8 still, we have featured the biggest names in
9 entertainment. Annual visits from the greats
10 of days gone by, like Bob Hope, Gene Autry,
11 Johnny Cash, Buddy Hackett, Liberace
12 Cyd Charisse, Arthur Godfrey, Paul Lind. To
13 contemporaries of today, like Beyonce, Jessica
14 Simpson, Brad Paisley, Reba McIntyre, The
15 Beach Boys, Fergie, Miranda Lambert,
16 Def Leppard, Lynyrd Skynyrd, Austin Mahoney,
17 DJ Pauly, Alan Jackson, Hunter Hayes, Jeff
18 Dunham, Carrie Underwood, and on, and on, and
19 on, including summertime outdoor country music
20 festivals that attract tens of thousands for
21 just day-long events.

22 In 2013 alone we produced 93 live
23 entertainment performances on large stages.
24 Fifty-one live entertainment performances on

1 the Storrowsville Village small stage, 51 circus
2 performances, and 51 shows on the Avenue
3 States stage.

4 I personally ask the commissioners
5 to assist Eastern States Exposition in our
6 effort, not only to continue to offer top
7 entertainment, live entertainment in western
8 Mass., but also to continue to be able to
9 offer other unique and irreplaceable
10 agriculture and educational program we produce
11 by designating Eastern States Exposition as an
12 impacted live entertainment venue.

13 I am limited by respect for your
14 time and the margins of my capacity as only
15 the seventh president in our 100-year history
16 to lead this August organization known as
17 Eastern States Exposition.

18 I hope I have done adequate justice
19 to one of the most important and proven
20 entertainment and economic development and
21 resources that exists for greater Springfield,
22 for Massachusetts, for New England, and for
23 agricultural in the entire United States, the
24 Eastern States Exposition.

1 I hope I have gotten your attention,
2 piqued your interest, and cultivated the
3 process necessary to protect Eastern States
4 from what is evidencing itself to be the most
5 daunting challenge we face since our founding
6 a century ago.

7 That this proven name in
8 entertainment and regional -- regional
9 economic development, that this 501 C3,
10 self-supporting, non-taxpayer supported public
11 charity, has regrettably been forced to appear
12 before you today, its very existence
13 challenged by an entertainment and financial
14 behemoth, accompanied by a phalanx of lawyers
15 and advisers who can wax on romantic about
16 their ties to New England, yet had no
17 legitimate dialogue with Eastern States
18 Exposition, that we are forced to appear today
19 with our attorney, Bulkley, Richardson &
20 Gelinas, a firm that has represented us since
21 Warren G. Harding was president. And as much
22 as he loves The Big E, he doesn't come here
23 for free. It says something.

24 COMMISSIONER MCHUGH: Harding?

1 MR. CASSIDY: It says something. It
2 says something at minimum. It reveals that
3 Eastern States Exposition needs your
4 assistance and your intervention.

5 Eastern States Exposition supports
6 on a grand scale, unique programming, as well
7 as in an important way, the economy of the
8 region, the state, New England and beyond. We
9 play a role that deserves, a role that
10 requires special attention.

11 The ability of the Eastern States
12 Exposition to continue to offer such
13 programming and economic benefit will, without
14 a doubt, be significantly threatened, unless
15 the commission designates it an impacted live
16 entertainment venue entitling it to the
17 protections supported under the gaming
18 statute.

19 In closing, I want you to know that
20 I am grateful for your time, and I appreciate
21 your thoughtful consideration, and I encourage
22 any questions you might have.

23 CHAIRMAN CROSBY: Commissioners? I
24 don't know where the nexus of the competition

1 is. I mean, they're not going to take the
2 poultry show, I assume. But where is the --
3 where is the competition that you're concerned
4 about?

5 MR. CASSIDY: Well, the competition
6 clearly is in our ability to seek and book
7 name entertainment. The fact of the matter
8 is, the Eastern States has had an incredibly
9 difficult time since the advent of the casinos
10 just 75 miles away in Connecticut. They've
11 driven the price up to -- into the --
12 skyrocketed into the hemisphere, stratosphere,
13 I should say. They have blackouts on dates
14 and distances.

15 CHAIRMAN CROSBY: So it's the big
16 shows. It's the Beyonces.

17 MR. CASSIDY: It's the big shows.
18 It's the big shows. And, frankly, you know --
19 and. Frankly, I have great fear that -- you
20 know, with the advent of their ability to
21 manage and operate the -- the what I finally
22 call the Springfield Civic Center, but the
23 MassMutual Center, they could take shows away
24 from the Eastern States that, presently, we

1 have. They're very important to our
2 existence.

3 COMMISSIONER MCHUGH: You mean,
4 trade shows?

5 MR. CASSIDY: Trade shows. And,
6 yes, they could take the poultry show too.

7 CHAIRMAN CROSBY: Okay. Go ahead.

8 COMMISSIONER ZUNIGA: When you book,
9 the shows that you were mentioning earlier,
10 what's the capacity audience?

11 MR. CASSIDY: We have -- if you're
12 not familiar with the Eastern States, we have
13 an area that we create during the fair, which
14 we call the Xfinity Arena Stage, and that will
15 seat up to about 6,300 people. We also have,
16 on the fairgrounds, our colosseum building,
17 which is vintage 1916, which will seat
18 similarly, about 6,000 people.

19 In addition to that, also during in
20 the fair we have a smaller stage on the
21 grounds. We have several smaller stages. One
22 of which will seat -- is open seating. It can
23 legitimately fill up with about three or 4,000
24 people, and then there are two additional

1 smaller locations where you would have
2 hundreds of people in attendance.

3 CHAIRMAN CROSBY: Okay. Anybody
4 else?

5 COMMISSIONER MCHUGH: These
6 headliner shows, Carrie Underwood, Beyonce,
7 are they only during the fair, or are they at
8 time times when the fair isn't there?

9 MR. CASSIDY: In recent times,
10 mainly because of the price has skyrocketed so
11 that it's been just during the fair. But
12 during the history of the Eastern States, we
13 have a year-round history of having featured
14 named performers on the property.

15 COMMISSIONER MCHUGH: Okay. Thank
16 you.

17 CHAIRMAN CROSBY: MGM?

18 MR. NOSAL: Thank you, Chairman.
19 Again, I don't want to bring us back, I think,
20 to what the current statutory and regulatory
21 structure here requires us to look at and
22 consider when considering an impacted live
23 entertainment venue.

24 Again, going back to some of my

1 previous remarks, really the legislation's
2 focus was on protecting almost absolutely
3 venues between -- with seats between a
4 thousand and 3,500. And second, the statute
5 is really designed to protect existing venues
6 from potential advantages that gaming
7 applicants may have in attracting talent to
8 venues that are part of a casino development.
9 They're the so-called, and these are I think
10 the commission's terms, supply side concerns
11 that the MGC again discussed back in the fall
12 of 2012. The primary example of that being
13 things like radius restrictions.

14 The statutes and regulations,
15 however, are not designed to protect every
16 venue from competition in the market. They're
17 designed to protect from the use or abuse of
18 market power, and the potential of subsidized
19 entertainment offers are put in place,
20 restrictions, such as the radius restriction,
21 other anticompetitive practices that we just
22 have not heard about today at all.

23 We've heard a great history of The
24 Big E. We understand it's important to the

1 region. It's actually a vision that we share.
2 And I think Mr. Mathis is going to speak to
3 the -- really the unlimited opportunities
4 considering the -- the diverse nature of the
5 offerings that The Big E -- excuse me, that
6 the Eastern States has well beyond live
7 entertainment venues. And I do think we need
8 to stay focused to that.

9 This isn't a statute, or the
10 regulations don't protect convention business,
11 they don't protect trade show business. It's
12 really looking at how the market will operate
13 in Massachusetts. When it comes to attracting
14 and bringing live entertainment to this
15 particular region.

16 You know we've -- we've talked about
17 the factors that -- really that go into
18 evaluate that, including distance, vending
19 capacity, the type of performances, whether or
20 not the applicant is going to propose any
21 radius restrictions, which we have put on the
22 record numerous times, and which is part of
23 our application material before the
24 commission, that we are not going to do that.

1 Certainly, the commission is really
2 formulated a multipart test for this, in those
3 factors. And really went back, I think, in
4 designing its regulations it didn't come up
5 with essentially a set of boxes that get
6 checked off and you're, a, per se, an
7 entertainment venue for purposes of this
8 regulation. You said you're going to take
9 this up on a case-by-case basis. And I think
10 that's important, and, certainly, I don't
11 think anybody can be penalized by having a
12 disagreement over whether or not an
13 institution qualifies for that.

14 Again, is the Eastern States likely
15 to experience a negative of from the
16 development of the proposed project in
17 Springfield? Essentially, the Eastern States
18 has come here today and just declared itself
19 an impacted live entertainment venue based on
20 the proximity. And the facts that it happens
21 to have two live entertainment venues that it
22 programs with live entertainment. It believes
23 that enhanced competition, and I think we've
24 heard words, like significantly threatened,

1 biggest challenge in the history of the fair,
2 it believes that the enhanced competition from
3 the 12 events that MGM has proposed through
4 local venues, such as the MassMutual Center,
5 Symphony Hall, and as well as City Stage, are
6 essentially the -- what I take from the
7 presentation will be the downfall of the
8 Eastern States.

9 COMMISSIONER MCHUGH: Well, let me
10 just jump in there because that's not quite
11 what I heard. I heard and -- and Mr. Mathis
12 said that those 12 are a minimum.

13 MR. NOSAL: Yep.

14 COMMISSIONER MCHUGH: But what I
15 heard was a concern about being able to
16 outbid, and this is my interpretation of it,
17 being able to outbid the Beyonces and the
18 Carrie Underwoods, and the ability to host the
19 kinds of trade shows that otherwise would be
20 at the Eastern States, and a thin margin that
21 allows to The Big E to exist and serve the
22 agricultural -- regional agricultural
23 community, and is supported by the income of
24 these big-name acts. That's the essence of

1 what I heard.

2 MR. NOSAL: Sure. I understand
3 that's where you're coming from, Chairman, and
4 I don't mean to at all mischaracterize the --

5 COMMISSIONER MCHUGH: Right.

6 MR. NOSAL: -- the -- the argument
7 that's been made here today. But I want to
8 put a fine point on the type of -- of what we
9 are offering in Springfield, which is, again,
10 not subject to a maximum limitation. But as
11 Mr. Mathis indicated previously to the
12 commissioner, it's our hope that the minimums
13 that we've provided for these particular
14 forums will help them sort of sustain
15 themselves and go on to compete in the
16 marketplace. And the matter of fact is, we
17 are going with established, existing venues.
18 Venues that have competed in the marketplace
19 place with the Eastern States in the past, and
20 they will continue to do so and have the -- in
21 connection with the added events that MGM is
22 going to offer.

23 I am a little bit troubled, sort of,
24 about the creep-in here with trade shows. I'm

1 not sure how that fits into the live impacted
2 venue regulations, or the intent behind the
3 legislation. It was really designed in order
4 to protect, I think, theaters that were within
5 a seating capacity. So I'd urge the
6 commission to really stay focused on that part
7 and taking your comments, certainly,
8 Commissioner, to heart about what is being
9 asked here, I really think it's appropriate to
10 focus on the live entertainment aspects.

11 The Eastern States has -- has also
12 suggested, and certainly their experience in
13 comparison to some of the practices in the
14 Connecticut casinos and the driving up of
15 potential prices related to that. Certainly,
16 the biggest one there, again, is having to do
17 with blackouts or radius restrictions. It's
18 really something that MGM has not put on the
19 table, has made abundantly clear to the
20 commission that we don't intend to engage in
21 that type of a practice. And I do think it's
22 important too -- to take stock of sort of --
23 of the -- of the Eastern States as a whole.

24 Again, thinking back to what the

1 regulation, I think, and the statute is
2 intended to protect, the Eastern States
3 certainly is a -- a significant organization.
4 One that's very important, certainly to -- to
5 the region, offers economic benefits that you
6 certainly heard.

7 But, really, I think an organization
8 of that magnitude, especially in comparison to
9 what you've heard, it's interesting, earlier
10 today regarding a local theater, we sort of
11 had bookends here. Is this also the type of
12 venue that the regulation was intended to --
13 to protect based on, sort of, the other
14 spectrum? Of being a really major
15 institution, attracting 2.5 million visitors
16 per year, owning 175 acres, having multiple
17 buildings and two large entertainment venues.
18 It's a nonprofit, but it's also a big
19 business, certainly as well, and I think that
20 should be taken into consideration.

21 MR. CASSIDY: If I may --

22 CHAIRMAN CROSBY: Excuse me, just
23 one second. Are you finished, MGM?

24 MR. NOSAL: No. No. I want to give

1 Mr. Mathis a little bit of time. Again, I
2 think that it -- really to highlight you know,
3 what our vision is with the Eastern States
4 Exposition. It's a -- it truly is a gem in a
5 lot of ways. And certainly the opportunity to
6 leverage its offerings in connection with the
7 development in Springfield is something we've
8 been interested in and certainly have had some
9 discussions about. So with that, I'll turn it
10 over to Mr. Mathis to talk a little bit about.

11 MR. MATHIS: I really will try to be
12 brief about -- on this. I mean, if you look
13 at the -- if you look at the stats in front of
14 you, when you talk about a behemoth, I think
15 Eastern States falls into that category, and
16 Big E falls in that category.

17 If the -- if the statute were
18 enlightened enough, they would potentially
19 protect us from some of the things that you
20 just heard. Beyonce and all the other acts
21 that they describe. They're competitive.

22 You know, I think the danger of
23 these hearings and -- and I've -- I think
24 we've fallen into it again, I'm going to fall

1 benefits that we discussed in terms of impact.
2 Ultimately, it's about impact. I know they're
3 -- they've got a large live entertainment
4 program, but the question is, will we
5 adversely impact them?

6 There's a reference to they, a
7 generic they and radius restrictions. We will
8 put on the record, in fact, this year is a
9 great example. As I understand it, The Big E
10 had this record year this year, a
11 million-and-a-half attendees. The same year
12 that we put Pitbull in the MassMutual Center,
13 the same year that we put professional bull
14 riding in MassMutual Center, the same year
15 that we put Boys II Men in Symphony Hall. So
16 the concept that they can do well and we can
17 do well is not inconsistent. And none of
18 those agreements did we put any radius
19 restriction that prevented any of those acts
20 from going into The Big E, commit now that we
21 would not put any restriction.

22 So I think ultimately the question
23 is, had they demonstrated that we will
24 adversely impact them, I don't think they

1 have, because that's certainly not our intent.
2 And if allowed to proceed outside of this
3 context, we'll -- I'm confident we'll reach an
4 agreement. Will it be an agreement that
5 they're happy with? I can't say that. Will
6 it be an agreement that we're completely happy
7 with? Probably not. But the point is, we're
8 large enough organizations that we can reach
9 commercial -- commercial terms to make sure
10 that we both mutually benefit. We don't -- we
11 don't ignore the fact that they've a
12 tremendous opportunity to provide visits to
13 our property, and by the same token, we can
14 provide visitation to their property. Thank
15 you.

16 COMMISSIONER ZUNIGA: How many seats
17 are in the MassMutual, does anybody know?

18 MR. MATHIS: I think there's some
19 various configurations, I think it can go up
20 to 8,000.

21 COMMISSIONER ZUNIGA: 8,000?

22 MR. MATHIS: Yeah.

23 CHAIRMAN CROSBY: Anybody else
24 before we go back? Did you have something

1 else you wanted to say?

2 MR. CASSIDY: Yes. Thank you,
3 Mr. Chairman. You know, I wanted to further
4 explain. You know, the eastern states relies
5 on a cadre of about a thousand volunteers.
6 You know, when the fair is running, our
7 payroll will be about a thousand people. But
8 we operate the Eastern States Exposition year
9 round with let's than 30 full-time employees.
10 So as much as we're a big business, you know,
11 we have to run a certain way in order for us
12 to survive. And we rely, through our history,
13 on philanthropy, and in this case, volunteers.
14 So I've never heard the Eastern States be
15 described as a big business.

16 During our 17-day fair we can earn
17 as much -- as much as 82 percent of our
18 revenue in 17 days. 82 percent of our gross
19 receipts will be raised in 17 days. On the
20 middle weekend of the fair it's been known to
21 happen that we -- you know, we always keep our
22 fingers crossed for the middle weekend,
23 because we can earn as much as 26 percent of
24 our gross operating receipts on just those two

1 days, Saturday and Sunday.

2 We are in a very precarious
3 business. We have a 100-year-old plant, and
4 we do have a 175 acres. We have 44 buildings,
5 most of which were built prior to the second
6 World War. It is a very capital-intensive
7 plant to maintain. We operate on incredibly
8 thin margin.

9 MR. CRESS: Just in closing, a
10 couple observations. You know, what I -- I
11 guess I -- I'm hearing MGM say is -- and the
12 juxtaposition is interesting because the
13 Majestic went before us, but the Majestic is
14 far too small, the Eastern States Exposition
15 is too large. Where -- where's -- where is
16 the middle? What meaning does this statutory
17 protection have? And I -- I -- I'm also a
18 little shocked, I guess, by the position that
19 it's somehow suggested that the Eastern States
20 is using this as -- as leverage.

21 Under the statute, the Eastern
22 States does not have an obligation. The
23 reason it's here is because, not only did MGM
24 ignore it in the early parts of the process,

1 but now it objected. The Eastern States did
2 not choose to be here. It's entitled to
3 protection. The reasons why its entitled to
4 those protections are outlined in detail in
5 papers it's filed with the commission. And
6 once again we urge you to focus on those
7 papers an designate the Eastern States
8 Exposition an impacted live entertainment
9 venue and give it the protections to which
10 it's entitled. Thank you.

11 CHAIRMAN CROSBY: Anything else?

12 MR. CASSIDY: No. Thank you.

13 CHAIRMAN CROSBY: Thank you very
14 much, folks. We will take a one-hour lunch
15 break, we'll be back at a quarter to two, and
16 we will then pick up with Lynn Auditorium,
17 Mohegan Sun, et cetera.

18

19 (A recess was taken)

20

21 CHAIRMAN CROSBY: All right, folks,
22 we're just trying to work on the schedule
23 here. We have a pretty hard stop at
24 three o'clock so we're going to reconvene at

1 1:30 rather than quarter to two and see if we
2 can squeeze in Lynn Auditorium and Somerville
3 between 1:30 and three, so if anybody needs to
4 tell anybody else, like the Lynn Auditorium
5 folks or Somerville, please do. All right.
6 Eat quickly.

7
8 (A recess was taken)

9
10 CHAIRMAN CROSBY: We are reconvening
11 at 1:35, the 104th meeting. And we will -- we
12 have -- well, maybe we don't. So we have some
13 business to do, and we'll see what it is
14 shortly. But whatever it is, we're going to
15 try it get it done between now and
16 three o'clock.

17 MS. GRIFFIN: And I have a
18 representative from the -- Troy Siebels from
19 the Mass. Performing Arts Coalition
20 representing Lynn Auditorium.

21 MR. SIEBELS: Thank you, Counsel,
22 and I'm going to help you get to three o'clock
23 easily.

24 CHAIRMAN CROSBY: Good.

1 MR. SIEBELS: I'm here for Jamie
2 Marsh, who is the executive director at Lynn
3 Auditorium because his wife is either just had
4 on imminently having a baby s,o I apologize if
5 I'm a little less prepared.

6 CHAIRMAN CROSBY: All right.

7 MR. SIEBELS: But there's not much
8 for me to be prepared on. I'm happy to report
9 that we've come to an agreement with Mohegan
10 Sun that we believe will be mutually
11 beneficial, that will benefit all of the Mass.
12 Performing Arts Coalition venues, as well as
13 the -- as well as the casino, should it come
14 to be in Revere.

15 CHAIRMAN CROSBY: Great.

16 COMMISSIONER MCHUGH: Great news.

17 MR. CONROY: And I just wanted to --
18 I'm Kevin Conroy, for the record, with Mohegan
19 Sun Massachusetts. This is David Rome, the
20 general counsel with Mohegan Sun of
21 Massachusetts. I just wanted to thank Jill
22 Griffin for all of her work over the last
23 couple of days. She was very helpful in sort
24 of helping us think through these issues. I

1 wanted to thank Troy, and I wanted to thank
2 the mayor of Lynn. They were -- they were
3 very helpful. We're excited about this. This
4 is not only agreement with the Lynn
5 Auditorium, it's an agreement with the six
6 other -- the total six theaters with the Mass.
7 Performing Arts Coalition.

8 This is our second impacted live
9 entertainment agreement venue agreement. We
10 also have an agreement with the three theaters
11 in the city center, as well as the Strand
12 Theatre. And, you know, this is part of our
13 efforts about a networking casino. And so I
14 wanted to thank Troy and the commission. Your
15 deadlines were very, very helpful. This was
16 literally -- the judge will understand, a
17 literally a -- an agreement reached on the
18 courthouse steps today.

19 CHAIRMAN CROSBY: Shotgun wedding?

20 MR. SIEBELS: So -- so we really
21 appreciate the deadlines and -- and the
22 effort, and Jill's help. Thank you.

23 CHAIRMAN CROSBY: Great.

24 COMMISSIONER ZUNIGA: Thank you.

1 COMMISSIONER MCHUGH: Thank you.

2 CHAIRMAN CROSBY: So, then we will
3 move to Wynn, I guess, substitute Mohegan Sun
4 for Wynn.

5 COMMISSIONER ZUNIGA: No.

6 CHAIRMAN CROSBY: No. Yeah. But
7 Lynn Auditorium and Wynn, right?

8 MS. GRIFFIN: Right.

9 COMMISSIONER ZUNIGA: Yes.

10 MS. GRIFFIN: So I'd like to invite
11 Jacqui Krum and John Tocco.

12 MS. SINATRA: And Kim Sinatra.
13 Hello. Surprise.

14 MS. GRIFFIN: And Kim Sinatra from
15 Wynn.

16 MR. SIEBELS: I'm equally happy to
17 report --

18 COMMISSIONER MCHUGH: This is just
19 happiness on --

20 MR. SIEBELS: Had you -- had you not
21 delayed the lunch by half-an-hour, this would
22 be a different conversation, but we'd like to
23 thank you for your scheduling. Happy to
24 report that we've come to an agreement with

1 Wynn Resorts as well, that we believe will be
2 mutually beneficial. Look forward to a great
3 partnership.

4 CHAIRMAN CROSBY: Terrific.

5 MS. SINATRA: Thank you very much.

6 CHAIRMAN CROSBY: Great.

7 COMMISSIONER MCHUGH: Great.

8 CHAIRMAN CROSBY: Thank you. Do you
9 have anything else to say? No?

10 MS. SINATRA: No. It was so funny.
11 I know. I said, well, we wanted we wanted to
12 brag about our relationship with performing
13 arts center, but we'll show you, hopefully.
14 We'll have the opportunity to show you, but
15 thank you very much. But I do think the
16 deadlines have been of incredible assistance
17 with respect to many, many topics of
18 conversation over the past couple of days, so
19 thank you very much.

20 COMMISSIONER CAMERON: Great.

21 COMMISSIONER MCHUGH: Thank you.

22 COMMISSIONER STEBBINS: Thank you.

23 COMMISSIONER ZUNIGA: Thank you.

24 CHAIRMAN CROSBY: All right. Thank

1 you.

2 COMMISSIONER STEBBINS: Wow.

3 COMMISSIONER MCHUGH:

4 Congratulations to all.

5 CHAIRMAN CROSBY: Troy, before you
6 go, why is Majestic not part of your network?
7 Do they not fit --

8 MR. SIEBELS: The Majestic in
9 Boston?

10 CHAIRMAN CROSBY: No. Majestic
11 Theater in --

12 COMMISSIONER ZUNIGA: West
13 Springfield.

14 CHAIRMAN CROSBY: -- West
15 Springfield?

16 MR. SIEBELS: Because they -- I
17 don't know is the quick answer to that.

18 CHAIRMAN CROSBY: Okay.

19 MR. SIEBELS: I don't know if
20 they're -- we tried to reach out to everybody
21 who fit our -- fit the description between a
22 thousand and 3,500 seats that was either
23 nonprofit or municipals.

24 CHAIRMAN CROSBY: Well, maybe

1 they're too small. Okay.

2 COMMISSIONER CAMERON: They're too
3 small.

4 MR. SIEBELS: They may be. And it's
5 only because we had to draw the line somewhere
6 or we would be talking to everybody.

7 CHAIRMAN CROSBY: Yeah, okay.

8 MR. SIEBELS: But in spirit, we
9 certainly intend to collaborate across the
10 board.

11 CHAIRMAN CROSBY: Yeah. They just
12 weren't -- they hadn't been a part of this and
13 life would have been easier for them, had they
14 been. I just was curious why they weren't a
15 part of it. Okay. Fine. Thank you, folks.

16 MS. SINATRA: Thank you.

17 COMMISSIONER MCHUGH: Thank you very
18 much.

19 CHAIRMAN CROSBY: Come again.

20 MS. SINATRA: We'll be here
21 tomorrow.

22 COMMISSIONER CAMERON: Okay.

23 MS. SINATRA: Unless we're busy
24 tonight. You never know.

1 COMMISSIONER MCHUGH: Get busy.

2 COMMISSIONER STEBBINS: Yeah. Get
3 busy.

4 CHAIRMAN CROSBY: All right. Then
5 we have one item to go, Ombudsman Ziemba.

6 MR. ZIEMBA: Mr. Chairman and
7 commissioners, after -- after the break you
8 instructed me to let some of the parties know
9 that we might be a little bit late. We let
10 the City of Somerville know that we were
11 running a little bit late. I'm trying to
12 determine their status right now. We do
13 understand that there's been multiple
14 conversations going on today by and among all
15 the parties. So if you give me another,
16 hopefully, five minutes I can figure out if
17 they're enroute. I believe that's -- that's
18 where they are.

19 CHAIRMAN CROSBY: Okay. Well, we
20 can go back to our lunch break.

21

22 (A recess was taken)

23

24 CHAIRMAN CROSBY: All right. So we

1 are now reconvening, reconvening, reconvening
2 at 2:05. We have about an hour. We have the
3 city of Somerville represented, who will go
4 first, in its discussion about surrounding
5 community status with Mohegan Sun. Mr. Mayor,
6 are you going to lead off?

7 MR. CURTATONE: Yes, Mr. Chairman.

8 CHAIRMAN CROSBY: Okay.

9 MR. CURTATONE: Good afternoon. For
10 the record, my name is Joe Curtatone. I'm the
11 mayor of the city of Somerville. To my left
12 I'm joined, on the far left, I have city
13 solicitor, Mr. Francis Wright. And directly
14 to my left, our director of infrastructure
15 and -- transportation and infrastructure,
16 Ms. Hayes Morrison.

17 To you, Mr. Chairman, members of the
18 board, thank you for your indulgence. And we
19 have before you to request approval that we be
20 designated as a surrounding community as
21 pertaining to this particular petition.

22 So as stated in our petition filed
23 on January 13th, the site of the proposed
24 Mohegan Sun casino is approximately 4.6 miles

1 from Somerville city hall, approximately 3.5
2 mills from Assembly Row, where we've invested
3 more than \$130 million of taxpayer dollars.
4 Local, state and federal money to -- and as
5 well as a -- more than a billion dollars of
6 private investment being invested to create a
7 brand-new transit-oriented, mixed-use
8 neighborhood on the Mystic River, and that
9 sight is 3.4 miles from the proposed casino
10 development. And approximately 3.3-miles from
11 the city of Somerville line is at the closest
12 point to this development.

13 So -- and we're understanding now,
14 in full disclosure we understand that
15 proximity to the proposed casino in Revere is
16 not the only factor that the members of this
17 honorable commission will be taking into
18 account in this process. It's worth
19 mentioning that most of Somerville is still
20 significantly closer than the cities of Salem,
21 Melrose, or Cambridge, which Mohegan Sun
22 Massachusetts has already agreed to designate
23 as surrounding communities, and well should
24 have.

1 The success of this city's current
2 and future economic development op --
3 opportunities in places like Assembly Square
4 or Boynton Yards, Brickbottom, Inner Belt,
5 which promised to bring tens of thousands of
6 net new jobs to the -- to the region and the
7 commonwealth, and hundreds of millions of
8 dollars in net new revenues to the
9 commonwealth depend, depend on the regional
10 highway and transit capacity.

11 Before getting into more details,
12 I'd like to point out that the exact numbers
13 for the 2012 existing condition that the
14 Callahan and Ted Williams tunnels were not
15 available for the publication of the original
16 Caesars' DEIR. However, in the update that
17 the city received on Friday, just this Friday,
18 January 24th, the number for 2012 existing
19 conditions, as well as 2022 no-build and 2022
20 build scenarios for the Callahan tunnel, are
21 argument. Again, these numbers were not
22 included in the original DEIR.

23 So citing Exhibit 3, quote, traffic
24 added to Callahan tunnel between existing base

1 year, 2012, which the base year, and 2022,
2 which is the design -- the design year in the
3 no-build condition is expected to increase
4 10 percent to about 2,400 vehicles per hour.
5 Additional demand for the Mohegan Sun Casino,
6 Revere is expected to increase traffic flow to
7 about 26, 30 vehicles per hour.

8 Now, what is not stated is that the
9 Callahan tunnel is not -- I think we all know
10 this, if you been to the Callahan tunnel, if
11 you haven't been to the Callahan tunnel you
12 probably don't live in Massachusetts. Is not
13 a freeway tunnel. It's a cross-section -- its
14 cross-section is only about 24.2 feet, marked
15 as two 12.1- feet -- foot lanes with no
16 shoulder, as we all know, and is designed and
17 marked a speed of 40 miles per hour. It's a
18 cross section.

19 Now, keep in mind, we have just been
20 cited, current studies, as one of the most
21 congested regions, the inner core congested
22 regions in the country. In the country. Let
23 me state this, Mr. Chairman, because as I
24 watched all the streamlined videos and I heard

1 proponents talk about what they understood the
2 region, this region extends beyond Revere, and
3 the Charles River, and beyond Everett.

4 The region has over 3 million people
5 in it. Just within 10 miles, 1.7 million
6 people live in the inner part of the region,
7 and we are congested. It impacts our economic
8 opportunity, our quality of life and our
9 public health. And in Somerville alone we
10 have more than one environmental adjusted
11 zones, elevated levels of heart disease and
12 respiratory illnesses. So it's understand --
13 it's important to understand what we're
14 talking about, because the reasonable lane
15 capacity for a tunnel of the condition we're
16 talking about is approximately 1,300 vehicles
17 per lane, per hour resulting in the 2022 build
18 year being over capacity for the tunnel. You
19 know, some may argue slightly, but all -- at
20 Federal Highway Administration standards and
21 studies say that even as you approach 90
22 percent that has a triple and consequential
23 effect on the region.

24 Now, intuitively, you all know this,

1 we all know this because we drive this region.
2 There's a ripple effect outside the Callahan
3 to, you know, 1A, out in 99, out in 16 and 93.
4 That impacts all our communities.

5 So it's a very reasonable that
6 increased traffic value in the Callahan tunnel
7 will, by reaching the 26, 30 cars per hour
8 mark, will cause significant backups, and once
9 those backups starts and driver's GPS units
10 are sure to red indicating a traffic jam,
11 drivers as we know, will seek alternate
12 routes.

13 Now, some of those alternate routes
14 will lead to and through Somerville. And I'm
15 just saying, if you ever live in Somerville,
16 you cut through there, we're used to that. It
17 may only be 5 percent. It may only been 7
18 percent or 10 percent, but that will be enough
19 in a city with high rates of heart disease and
20 respiratory illnesses, and environmental
21 justice storms because they gave us I-93, they
22 cut us off from other parts of the region, and
23 all the vehicles come through our town every
24 day, they are enough to require adjustments to

1 signals, improvements and intersections and
2 the like.

3 Now that volume is not currently
4 accounted for by Somerville, because we have
5 not been accounting for impacts of the casino
6 proposals in the Boston metropolitan region
7 and in our 20-year summer vision
8 community-based comprehensive plan. But
9 here's a couple of important points about what
10 is being projected that will impact
11 Somerville.

12 Exiting I-93, Interstate 93 at 16,
13 which would result in increased traffic at
14 Wellington Circle, Wellington Circle, though
15 in Medford but still less than a five-minute
16 walk to the Somerville border, acts as a
17 gateway into Somerville and other communities.
18 It is terrible. And I've heard -- I'm sure
19 you've heard Mayor McGlynn. If you haven't,
20 he'll tell you it's one of the worse rotary
21 intersections in the state. The slightest
22 increase in traffic at peak at Wellington
23 Circle will result in adjusted signal timing
24 at the intersection to balance the increased

1 eastbound traffic. This will undoubtedly
2 reduce the level of service of
3 Somerville-bound commuters.

4 The other part -- the other
5 important impact intersection is exiting at
6 Sullivan Square to Route 99. This
7 intersection is already at capacity and is a
8 concern to the Somerville, given its -- its
9 significant impact on the east Somerville
10 neighborhood in proximity to Assembly Square,
11 and that neighborhood is an environmental
12 justice zone.

13 So I would submit that what may seem
14 minor to some, might not be accounted for by a
15 regional transportation model, will indeed
16 have real effects on our community, on our
17 residents, the quality of life, on our health,
18 and will surely need to be mitigated.

19 I would like to also stress that the
20 applicant has argued that because this
21 infrastructure's not squarely located in
22 Somerville and is not owned by the city of
23 Somerville, there will be no -- quote, unquote
24 no adverse effects on the transportation

1 infrastructure of the city as a result of the
2 resort casino proposed on Mohegan Sun. No.
3 It's not only Mohegan Sun. There is a lack of
4 deference by every proponent thus far on what
5 this region is and the impacts of anything we
6 do, and that is critical point to understand.

7 Now, I assume that the same argument
8 is being made regarding the cities of Medford
9 and Malden. Although Wellington Circle is in
10 Medford, it's neither owned nor operated by
11 Medford, and so increases of vehicular traffic
12 should, following the applicant's logic, not
13 result in any significant adverse effects of
14 the transportation infrastructure of the city
15 of Medford let alone Malden. But let me
16 reiterate again that Wellington Circle is a
17 mere 500 yards from Somerville. It's actually
18 less than that to the Somerville border, about
19 500 yard to the Assembly Row project, 500
20 yards to the Ten Hills neighborhood, and
21 increased traffic at peak hours will represent
22 a significant impact in that area of
23 Somerville.

24 Now on the same topic, the applicant

1 states that the city of Somerville is relying
2 on outdated and -- quote, unquote, outdated
3 and inflated traffic figures. And as we have
4 stated in our petition, the DEIR submitted by
5 the Sterling Suffolk Racecourse, LLC were
6 incomplete. And Mohegan Sun's Massachusetts
7 traffic numbers were only presented to us this
8 Friday afternoon. I would also submit that
9 the project proponent clearly recognizes the
10 value of regional transportation
11 infrastructure, as its applicant touts the
12 accessibility of the proposed site for a
13 drive-in and bus transportation from highways
14 to the west, the north and the south.

15 Somerville's economic growth and the
16 region's economic growth will be impacted by
17 any diminished capacity due to increased
18 traffic volume on these roads. Now, whether
19 it's regional access into Somerville, or local
20 traffic traveling within and throughout the
21 city. Ongoing public private transit-oriented
22 and mixed-use projects such as Assembly Row,
23 as well as current and future plans of the
24 Boynton Yards and Inner Belt area, will face

1 serious hurdles that could -- may not be able
2 to overcome without significant
3 well-thought-out improvements to the
4 transportation infrastructure serving
5 Somerville and the region.

6 The applicant's own business model
7 will also, at least in part, depend on local
8 customers from Cambridge and Boston, and up to
9 Salem. In fact, the applicant itself has
10 designated as a surrounding community, several
11 of these communities, some of which are not
12 nearly as close to Revere as Somerville is.
13 So it's contradictory for the applicant to
14 take the position that Somerville will not
15 bear impacts to warrant the same status.

16 Today, the commission is charged
17 with determining whether Somerville is a
18 community impacted. Not by a slots parlor,
19 but, rather, a so-called destination resort
20 casino with thousands of gaming positions, 550
21 hotel rooms, 150,000 square feet of dining and
22 retail, and more. The impacts from this type
23 of development are on a much broader scale of
24 than that of a slots parlor. This is a

1 facility whose impact will be felt throughout
2 the region with impacts that do not stop at
3 municipal borders.

4 So today question is simple. Will
5 Somerville be impacted by the proposed Mohegan
6 casino and resort? Not how much. And what's
7 been troubling in this process, I'm not
8 singling out Mohegan Sun, Mr. Chairman, really
9 disturbing to me as an elected official, is I
10 watch streamline venue and people making light
11 of what can impact us, is that they want to
12 tie a designation as a surrounding community
13 and the mitigation together. That is not --
14 that is not what the law was intended to do.

15 That mitigation needs to be
16 determined. We are still not aware as a
17 municipality, as a region, what that impact
18 is. To have to tie those two together
19 conditionally, to have to say we'll take a
20 deal and keep our mouth shut as a condition
21 belies what was intended in the legislation.
22 And that, to me, is disturbing. Again, I'm
23 not singling out Mohegan Sun on this point.
24 It's just the way that it seems to be

1 interpreted around here. And I'll hope and
2 pray, and confident this commission will look
3 at it the same way we know and the way law was
4 intended.

5 We know that there will be an impact
6 on us, so we're asking you today to grant our
7 request to be designated as a surrounding
8 community for the reasons that I've stated
9 here today on the record and many more. And
10 I'm prepared to take any questions,
11 Mr. Chairman. Thank you.

12 CHAIRMAN CROSBY: Thank you,
13 Mr. Mayor. Anybody?

14 COMMISSIONER MCHUGH: Not at this
15 time, no.

16 COMMISSIONER CAMERON: No.

17 CHAIRMAN CROSBY: MGM? I'm sorry,
18 Mohegan Sun. Sorry.

19 MR. CONROY: That's okay,
20 Commissioner. Again, I'm Kevin Conroy from
21 Mohegan Sun. My colleague, Bruce Barnett, is
22 going to talk for most of the time today. We
23 also have John Kennedy from VHB, and David
24 Rome our general counsel at -- at Mohegan Sun.

1 The mayor mentioned it briefly, and
2 I did -- there's been a lot of moving
3 schedules, and I just want to talk quickly
4 about where we were about with surrounding
5 community agreements, and then we'll get --
6 just very brief and then we'll get to the
7 Somerville issues.

8 We've made a lot of progress in the
9 last two weeks. And the mayor mentioned that
10 we have a surrounding agreement with Chelsea,
11 we have what we're calling preliminary
12 surrounding community agreements with Malden,
13 Medford and Cambridge. Yesterday we entered
14 into a preliminary surrounding agreement with
15 Lynn, and that's, today, the reason we're
16 hopefully going to get out of here at 2:30
17 instead of three o'clock. Also happy to
18 report that the City of Melrose has withdrawn
19 its application, and so we're going to avoid
20 that hearing tomorrow morning, and I think
21 we're going to enter into an agreement as well
22 with Melrose.

23 We have also designated Boston,
24 Saugus and Winthrop. So that means right now

1 we have designated 10 communities as
2 surrounding communities. We either have
3 agreements, or preliminary agreements with
4 seven of those -- seven of those 10
5 communities.

6 The -- the mayor made mention about
7 Melrose and Cambridge, and Salem. And I
8 wanted to specifically talk about those
9 because I think they're -- they're somewhat
10 relevant to the discussion today.

11 Mitchell Ettles talked last week
12 about how we're an outward-facing casino. And
13 I think as part of that we've recognized we've
14 got a special responsibility to go to talk to
15 communities, talk about our impacts, talk
16 about the effect that we're going to have on
17 these communities.

18 We recognize that our -- that as
19 part of having an outward-looking casino our
20 patrons are going to come to these cities,
21 potentially cause traffic issues, and we
22 wanted to discuss those, and potentially bring
23 more business to those cities.

24 I'm not sure if the -- if the cities

1 of Cambridge, Melrose and Salem, if they were
2 here today, what -- what you would have said,
3 whether they would have qualified under the
4 regs as a surrounding community. But we went
5 up to those communities, we started talking to
6 them, and we realized we had a lot in common.

7 And so -- and with those issues we
8 had in common, we entered into agreements with
9 those communities. You know, we want our
10 guests to visit Harvard Square, to go to
11 restaurants in Melrose, to go visit the
12 Halloween celebrations in Salem, and that's
13 why we've entered into the agreements with
14 those cities. So we're -- we're pretty happy
15 about the progress we've made.

16 However, similar to the comments
17 that MGM this morning made, we hope and expect
18 that the agreements that we make with
19 surrounding communities like Cambridge, Salem
20 and Melrose, are not going to be used against
21 us. You know, I think we've -- we've listened
22 to the commission. We recognize the
23 commission has told us to go talk to these
24 communities. And the fact that we've entered

1 into those agreements with communities, or
2 we've designated those communities, we hope
3 and expect that, that's not going to be used
4 against us when there are determinations being
5 made about the two communities who are -- are
6 petitioning. Obviously, Somerville's here
7 today, and tomorrow morning we're going to
8 hear from Everett. So with that being said,
9 let me turn it over to Mr. Barnett.

10 MR. BARNETT: First thing I'll say
11 is that, it's certainly not the case we don't
12 not want people to go to Somerville, in
13 addition to Cambridge and Melrose, and Salem.
14 And I know that you're not interested in
15 hearing backs and forths today. And I'll say
16 we've been talking. I expect after today
17 we'll continue to talk with Somerville because
18 of some of the things that Kevin was just
19 talking about apply to them as well.

20 What I'm going to do is just briefly
21 touch on the criteria and regulations with
22 respect to Somerville, and then turn it over
23 to Mr. Kennedy from our traffic consultants to
24 speak more particularly to the traffic issues.

1 On -- with respect to proximity, the
2 first point, I note, I think our petition was
3 off by two-tenths of a mile from the
4 petition -- from the numbers in the -- in the
5 Somerville petition, our opposition that is.
6 But the distances are objective. They are
7 what they are. I just note that there is no
8 shared border between Somerville and Revere.
9 And to get to Somerville from Revere you
10 either have to go through a number of
11 communities and then cross the river, or go
12 down through a number of areas of Boston and
13 going under the harbor and over the -- over
14 the Charles River.

15 As I said, I will leave the
16 discussion of transportation infrastructure to
17 Mr. Kennedy, other than to say this, in
18 addition to his presentation, here today we've
19 submitted a report from his firm, VHB,
20 Vanasse, Hangen and Brustlin, which is at
21 Exhibit 3 of your notebooks. There was some
22 thought as to whether or not we got the right
23 one in the version that went into creating
24 your notebooks, but I think we did get the

1 Somerville report in there. If for some
2 reason we didn't, we have copies here for you.
3 On the substance -- the conclusion, as he'll
4 speak to, is that there will be little or no
5 impacts from Mohegan Sun report on traffic in
6 Somerville.

7 With respect to impacts during the
8 development phase, Somerville did not claim
9 any impacts from construction or development
10 activities in their petition. We don't expect
11 there will be any. We do have a draft
12 construction management plan, which we
13 submitted, it's part of our DEIR, it's part of
14 our RFA2. We submitted it as an exhibit to
15 certain other petitions -- or, I'm sorry,
16 other oppositions, two positions -- two
17 petitions, including the other petition that's
18 still alive, the Everett one. But just to
19 complete the record for here, when I arrived
20 here today I gave Mr. Ziemba copies of that
21 draft for you. I also did not give it to
22 Somerville until they arrived here today also,
23 so they haven't had a chance to respond. And
24 other than noting that I've given it to them,

1 I'm not going to make any argument from it
2 here.

3 With respect to impacts during the
4 operation phase, we have provided several
5 studies at Exhibits 8, 9 and 11 that
6 counteract and speak to the general, and we
7 believe, mistaken impression that casinos
8 cannibalize, rather than stimulate patronage
9 of area retail restaurants and entertainment
10 establishments. I'll let those studies speak
11 for themselves.

12 Apart from traffic issues, the
13 operational impact that Somerville identifies
14 in its petition relates to entertainment, arts
15 and the cultural scene in that city. And we
16 see no basis for a conclusion that their
17 entertainment arts and cultural venues will be
18 significantly and adversely impacted by what
19 goes on at Mohegan Sun Massachusetts.

20 In a general way, going to a casino
21 on the one hand, and going to a cultural or an
22 art institution are significantly different
23 experiences. They're not alternatives for the
24 people looking for the same type of activity,

1 and we don't see them and don't think there's
2 any basis for concluding that there's a
3 substitution effect there.

4 Now, they do speak to live
5 entertainment activities in the city of
6 Somerville, certainly, and we will have some
7 live entertainment at Mohegan Sun
8 Massachusetts, if we're lucky enough to get
9 the license. But I'll note a couple of things
10 about that. One, hosting live entertainment
11 is not going to be a major activity -- would
12 not be a major activity at Somerville -- at
13 the Mohegan Sun Massachusetts. There will be,
14 as you've heard last week during the
15 presentation, a small venue with approximately
16 500 seats, that's akin to the -- the Wolf Den
17 that exists at Mohegan Sun down in
18 Connecticut. And there'll be some
19 entertainment in our multipurpose room, but
20 we're not building a large entertainment --
21 live entertainment venue there. And, also,
22 we're not going to be competing with any of
23 the venues in Somerville for acts and
24 entertainment presenters in the sense that we

1 will not be employing exclusivity provisions
2 in any of our contracts.

3 We do have one of the studies at
4 Exhibit 12 that's attached to our opposition
5 to their petition. A study from the
6 Innovation Group that notes, among other
7 things, that the size and number of acts at a
8 casino venue are generally only a small
9 fraction of the overall demand for
10 entertainment in an urban market. And we
11 think that's right, and that the impact of
12 whatever might be happening by way of live
13 entertainment at Mohegan Sun Massachusetts is
14 not either or someone going to something in
15 Somerville or someone coming to something at
16 the resort. It's someone going to something
17 in Somerville versus all of the other
18 opportunities all over the greater Boston
19 region, of which will be a very, very small
20 drop in the bucket.

21 And the final thing I'll note on
22 that, you've heard last week about the
23 marketing program through the Momentum loyalty
24 rewards. We would hope and encourage that

1 venues in Somerville would sign up. This was
2 the -- the slide during the presentation last
3 week that had the pinpricks that kept popping
4 up as a list of the over 100 establishments
5 that have already signed up to be partners
6 where our -- our people can take their loyalty
7 points earned at the casino and take them out
8 into the community, for example.

9 Somerville, in their petition, did
10 not make a claim to a public safety impact so
11 I won't say anything more at this point, other
12 than in our exhibits to our oppositions,
13 you'll find a letter from both the fire chief
14 and a letter from the police chief in Revere,
15 stating their opinion, based on the funding
16 that's available to them through the host
17 community agreement, there won't be any
18 increases in the mutual aid calls coming into
19 Revere on either a fire or a police basis.

20 The fifth category is other. I'm
21 not aware of any impacts. We're not aware of
22 any impacts in the other category, and don't
23 believe that the city has cited any in their
24 petition.

1 And then, finally, with respect to
2 the benefits, we have said in many places, the
3 benefits that we hope to bring to the region.
4 Somerville is within the 15-mile radius from
5 Revere city hall, within which Mohegan Sun
6 Massachusetts will be making best efforts to
7 spend \$50 million a year, and to recruit a
8 very large percentage of its employees. With
9 that, I will turn it over to Mr. Kennedy from
10 VHB. John.

11 MR. KENNEDY: Good afternoon. My
12 name is John Kennedy. I'm a senior principal
13 and cofounder of Vanasse, Hangen and Brustlin,
14 a Watertown-based consulting firm specializing
15 in transportation, land engineering and the
16 environment.

17 We have been looking at this site
18 for Sterling Suffolk Raceways for,
19 approximately, four or five years at this
20 point, and have done a -- an extensive review
21 of approach and departure patterns from the
22 site in terms of transportation. I am going
23 to talk today about vehicle transportation.

24 The casino itself is expected to

1 generate the most traffic between seven and
2 8:00 p.m. on a Friday night, and seven and
3 8:00 p.m. on a Saturday night. MassDOT
4 recognizes this, and MassDOT recognizes the
5 fact that the best estimate of the amount of
6 traffic that is generated by a casino is based
7 on the number of gaming positions.

8 The original application was based
9 on 6,000 gaming positions. The current
10 Mohegan Sun program is 5,000 gaming positions.
11 So we would expect a 15-percent decrease in
12 the amount of trips that we're generating to
13 the site during the peaks, but we haven't
14 taken that into account yet. The numbers that
15 have been presented to you reference that
16 there will be a reduction in trips, but the
17 numbers that are quoted in the report are
18 based on the number of trips that were
19 originally reported in the draft EIR.

20 CHAIRMAN CROSBY: So just in the
21 formula that we -- we saw earlier, it was
22 something like a quarter of a trip per site --
23 per location; so are you -- does that
24 translates during that peak hour to somewhere

1 between somewhere around 1,250 additional
2 trips?

3 MR. KENNEDY: No. Well, right now
4 we are looking between entering and exiting
5 about 1,600 additional trips, 1,700 additional
6 trips to the roadway system. 900 in, 800 out,
7 plus or minus.

8 CHAIRMAN CROSBY: Okay.

9 MR. KENNEDY: The majority of our
10 trips are sit -- are set on the regional
11 highway network. As part of that, again, that
12 initial review, and it has been substantiated
13 by Mohegan Sun in terms of where traffic is
14 going to be coming from, we had that in
15 Exhibit A in the document that was provided to
16 you, in terms of our catchment area.

17 Traffic coming from the south and
18 the west is forecast to use Ted Williams
19 tunnel. It's about 45 percent of our demand.
20 There is concern about capacity within the
21 Ted Williams tunnel. And I think that that
22 has been part of the project scope developed
23 by MEPA, and in concert with DOT, is something
24 that we're looking at. The instrumentation in

1 the westbound tunnel -- I'm sorry, in the
2 eastbound tunnel, which is our area of
3 critical concern, was not able to give us any
4 traffic data. In December, prior to the
5 closure of the Callahan, we went out and got
6 that data and will be responding to the -- to
7 the MEPA comment and to MassDOT with respect
8 to operations within the tunnel as we go
9 forward.

10 The Callahan tunnel was really never
11 included in any scope because of the general
12 understanding that is operating well under
13 capacity. It was part of the scope that
14 MassDOT asked us to look at. The tunnel,
15 rightly so, is now carrying about 2,200
16 vehicles. I believe in the draft EIR we
17 talked something a little bit less, maybe 10
18 percent less based on older data. But it was
19 to put in and to show that additional traffic
20 within the tunnel is not going to impact
21 capacity, and it's not going to cause a
22 bottleneck at the entrance to the tunnel.

23 CHAIRMAN CROSBY: And capacity of
24 the Callahan is what?

1 MR. KENNEDY: We would estimate
2 approximately 3,400 vehicles per hour.

3 CHAIRMAN CROSBY: And I assume
4 it's -- it was -- must have been way over
5 capacity before Ted Williams, but it's now
6 operating under capacity?

7 MR. KENNEDY: Well, under capacity.
8 We think it's operation -- even with the added
9 traffic associated with Mohegan Sun plus
10 10 percent regional and specific grown within
11 the north shore communities, we are still only
12 going to be at about 70 percent of capacity.
13 And, again, there are limited feeds to the
14 tunnel. It is the core city of Boston Street
15 system and the the area around Storrow Drive,
16 the incoming traffic on Storrow Drive, but
17 that is actually accessing by the I-93 ramp
18 system. So there are a limited number of ways
19 into the tunnel. And to ever get to capacity
20 of the tunnel would be extremely difficult at
21 this point.

22 So, again, I think when we then
23 started spreading out and looking at --
24 looking at where traffic was going to come

1 from, again I refer to Exhibit A, most of our
2 traffic is destined down the I-93 corridor or
3 down the Route 1 corridor, pretty much equally
4 split. The VFW Parkway coming in from Lynn,
5 Route 1A, actually, about 2 percent -- about 2
6 percent coming in the 107 corridor. But,
7 again, just almost a 50/50 split from the
8 north and from the south and the west. It
9 takes into account competition. And, again,
10 the part of the gravity model and the way that
11 the trips were generated looked not only at
12 regional population, income and a whole series
13 of things, but also looked at competition. I
14 can't speak to the inner workings of the model
15 itself, though.

16 When we start talking about actual
17 trips and the distribution of those trips, I
18 want to point out the fact that we are calling
19 for a limited amount of traffic to use the
20 Route 16 corridor and Revere Beach Parkway,
21 Mystic Valley Parkway corridor to access the
22 site, even from I-93. We believe most of the
23 southbound traffic during that Friday
24 afternoon peak is going to stay with the

1 highway system. There is no toll at the
2 Callahan tunnel.

3 Our departures, though, have -- have
4 really shifted the focus to take people away
5 from the Sumner tunnel, only because there is
6 a toll. And instead of assigning 7 percent of
7 the traffic outbound in that corridor, in the
8 Route 16 corridor, we're looking as high as
9 18 percent of the resort-related traffic into
10 that corridor. That number translates, the
11 7 percent translates to about 60 vehicles per
12 hour during that Friday afternoon peak hour.
13 The seven or 18 percent translates into about
14 150 to 160 vehicles per hour.

15 Not all of the trips taking in Route
16 16 -- taking in Route 16 from this site to
17 I-93 are actually going to get to 93. There
18 are a series of communities, whether it be
19 Revere, Chelsea, Everett, Somerville, Medford,
20 where trips are going to be dropping off.
21 It's part of that regional flow. Everybody's
22 not going to just go to the highway system.
23 They're going to be filling in like somebody
24 going to work every morning. You add to the

1 roadway corridors and not shift everything all
2 the way out to the interstates and the major
3 primary access routes. So when we start
4 looking at the impact of traffic coming in off
5 of Route 16, it's relatively minor, 50
6 vehicles. That is 17 vehicles per lane
7 approaching Wellington Circle.

8 One of our issues looking at
9 Wellington Circle is the through movement
10 from west -- I'm sorry, westbound on Route 16
11 coming into Wellington Circle, the through
12 traffic headed to I-93 is actually pushed over
13 in two lanes. There are three lanes that are
14 permitted to turn left to Route 28 and come
15 down into Somerville. The major movement is
16 the through movement. So any capacity impacts
17 that are associated with the development do
18 not impact access from that left turn into
19 Somerville. The additional vehicles that are
20 eastbound on Route 16 approaching Wellington
21 Circle, will not extend the backup
22 considerably that would restrict access to the
23 free right-turn lane that allows access to
24 Assembly Square from Route 16 eastbound to

1 Route 28 southbound.

2 So, again, when we start looking at
3 the overall regional impacts in terms of the
4 amount of demand that is associated with the
5 project and access to the project, we came to
6 the conclusion that there was very, very
7 little impact on the city of Somerville, other
8 than the trips by residents of the city of
9 Somerville to the roadway system.

10 I think I heard mention of the I-3
11 northbound offramp to Route 99, just outside
12 of Sullivan Square in Boston. We don't
13 foresee any demand, other than local,
14 residential demand, and possibly some employee
15 demand using that ramp. Again, it's a very
16 low number in terms of the overall demand on
17 the ramp. And that -- those -- the employees
18 especially, may be working someplace else.

19 So when it came to the overall
20 impact of added traffic within the city of
21 Somerville, we don't see the significant
22 impact generated by this site that would
23 add -- I'm not even guess -- going to put a
24 number on the -- on the guess for the amount

1 of traffic that would be added the city of
2 Somerville's streets.

3 And I think the other -- other
4 comment would be that the regional highway
5 system is taking traffic associated with
6 developments throughout the entire area.
7 Someone who wants to shop in Burlington and
8 lives in downtown Boston may jump on I-93 and
9 go north. Somebody who is in Burlington
10 when's going to go to a new development in the
11 south Boston innovation district is going to
12 jump on the highway and go to south Boston.

13 So, again, the mix and the match of
14 regional distribution on the regional network
15 I think has to be accounted for, because
16 development is happening throughout the area,
17 and the regional highway system is meant to
18 support that development.

19 MR. BARNETT: That's all we have.

20 MR. CURTATONE: Mr. Chairman, may we
21 respond?

22 CHAIRMAN CROSBY: Let me just see
23 whether there's any questions from anybody
24 here for the mayor?

1 COMMISSIONER MCHUGH: No.

2 CHAIRMAN CROSBY: Please.

3 MR. CURTATONE: If I may yield the
4 microphone to Ms. Hayes Morrison, the director
5 of transportation infrastructure for the city
6 of Somerville.

7 MS. MORRISON: Thank you very much
8 for the opportunity to speak. I just wanted
9 to rebut some of the information presented by
10 Mohegan Sun Massachusetts. As far as traffic
11 impacts.

12 Again, we do not argue that the
13 methodology of how these numbers were
14 presented. It would have been nice to have
15 received these numbers before Friday.
16 However, looking at both the impacts to the
17 Callahan tunnel, which we disagree on what the
18 carrying capacity of that tunnel may be, given
19 that I do not believe that 3,400 vehicles
20 would be an accurate representation of the
21 capacity, given the two approaches to the
22 tunnel and the exits onto 1A, which are not
23 easy to navigate, as well as the cross-section
24 of the tunnel, which happens to be at, again,

1 about 24 feet.

2 That withstanding, the gentleman
3 stated that 25 percent of the -- the traffic
4 will be coming from the north through routes
5 on either Interstate 93, Route 1, or Route 1A.
6 When there are, and there will be, at a Friday
7 peak, minor, even minor, but sometimes major
8 adjustments to those traffics, and so even
9 throwing a 100, 200 cars onto these lanes will
10 significantly add to the backups that are
11 already seen at these intersections that are
12 functioning at levels of services in around F
13 and failing at Sullivan Square and Wellington.

14 Again, once people see that there
15 are backups coming into this casino, they will
16 seek alternative routes. Those routes,
17 invariably will come through Somerville's
18 streets. Again, it may not be that many cars.
19 But more cars, a hundred cars per hour at an
20 intersection that is already functioning below
21 its capacity, will require the City of
22 Somerville to mitigate for that. We will have
23 to replace signals heads, we will have will
24 have to adjust timing, we will have to add

1 turning lanes. And, honestly, those -- those
2 are impacts on the City of Somerville.

3 Also, speaking to the gentleman's
4 assertion that resident -- that the impact
5 will not -- will only be to the regional
6 system, and therefore an impact of the
7 residents of Somerville to access that
8 regional system, that is, in fact, an impact.
9 The residents of the city of Somerville will
10 have a harder time accessing the regional
11 network at the peak on a Friday. They will
12 have a hard time getting home. They will have
13 a longer time through Wellington as well as
14 Sullivan Square. We will have to adjust
15 timing so that the regional through movements
16 will be accommodated because of this casino,
17 and that will mean that residents in their
18 neighborhoods will not be able to access this
19 network in the fashion they do now. It is, by
20 its never definition, an impact.

21 MR. CURTATONE: If I may add -- I
22 don't know if there's any question for
23 Ms. Morrison. Just to -- one other comment
24 was made, and I'll just state for the record I

1 do -- the representatives for Mohegan Sun have
2 been extremely professional in their
3 communications with Somerville and proactive.
4 I do appreciate that. Now, philosophically,
5 we just differ on some things. I'll make it
6 clear, in case you don't know, I oppose
7 casinos. That has nothing to do with today's
8 conversation.

9 CHAIRMAN CROSBY: We noticed.

10 MR. CURTATONE: But the notion --
11 the notion that a study will speak for itself,
12 I'm sorry, you have to show me anywhere in the
13 United States, I have to rebut this point,
14 where a casino in an urban area improved the
15 quality of life and created economic
16 opportunity of the region, and then maybe I'll
17 change my opinion. It does not exist. I'm
18 not here to debate that. The question is, are
19 we a surrounding community? Are we impacted?
20 That's what we're talking about.

21 I do not foresee -- I believe all
22 that is offered by Mohegan Sun is genuine, and
23 they mean what they say in terms of vouchers
24 and partnerships for the region. But a

1 casino's successful, if it supports the
2 economies of extraction. Extracting your
3 money and then keeping it at the table. If
4 they're successful, you won't have much money
5 to go and eat in Union Square, get in our car
6 and eat in Union Square. And if you're at the
7 crap table, you're not going to finish your
8 game there, lose or win and get out of your
9 car and then go on to Davis Square and then
10 I'll head back. It's not going to happen.
11 You're not even going to go eat in Revere.
12 That's notwithstanding that our point to say
13 based on where we are, based on what the
14 impacts on traffic, based on the fact that
15 this region is already one of the most
16 congested regions, overcapacity with failing
17 grades and roadway capacity in the country,
18 those studies are out there, any additional
19 more pressure on capacity's more detrimental
20 to the people who live here, who have to get
21 to work, who may not want to go to the casino.
22 Any slight variation, if that, at the very
23 least, we should be designated as a
24 surrounding community and deal what that

1 mitigation should be. Thank you.

2 CHAIRMAN CROSBY: Commissioners?

3 COMMISSIONER MCHUGH: Nope.

4 CHAIRMAN CROSBY: I'm sorry, from
5 VHB, I've forgotten your name.

6 MR. KENNEDY: John Kennedy.

7 CHAIRMAN CROSBY: Kennedy. I'm
8 sorry. How could I forget that? I'm
9 totally -- totally reserving a judgment on
10 surrounding community or non. I don't have
11 one at this point and we have a ways to go
12 before we can come to that. But just what you
13 -- the way you characterized the situation
14 feels counterintuitive to me. You can
15 articulate facts and figures, but that area is
16 a mess.

17 I mean, there's just anybody who's
18 -- and it's not just Friday night rush. That
19 whole area is a really, really tough area from
20 a traffic standpoint. And I remember dimly
21 from my days in the -- in the transportation
22 business where you hit a point where a very
23 tiny increase in numbers has a huge geometric
24 impact. You know, if you got plenty of

1 capacity, adding a small number doesn't make
2 much difference. But if you're already
3 congested, or you're already just about to hit
4 the tipping point of congestion, it's the
5 straw that breaks the camel's back kind of
6 phenomenon.

7 So in places, take Wellington Circle
8 as an example, I mean, it just, sort of
9 intuitively doesn't make a lot of sense that
10 you could add any significant number of cars
11 at many hours, not morning rush because
12 there's not going to be many coming, but
13 pretty -- you know, many evening rushes, I
14 would think. It's just counterintuitive that
15 there wouldn't be -- I mean, you're basically
16 saying there is no impact. That just doesn't
17 make sense to me.

18 MR. KENNEDY: Okay. If I can just
19 draw a quick parallel. As part of the
20 Callahan tunnel closure, today, if you go
21 on -- on line and try to get directions from
22 the city of Boston, downtown Boston to the
23 airport, it's going to send you south.

24 CHAIRMAN CROSBY: Excuse me just one

1 sec. I'm sorry. I see our friends from Wynn
2 are leaving. I just wanted to make sure,
3 you've seen from today we don't know how the
4 schedule's going to go. So we're going to
5 start the schedule at nine, and it's probably
6 best for everybody who's going to be here
7 tomorrow to be here at nine, and it will last
8 for as long as it's going to last. But don't
9 count on our hoped-for schedules, just be
10 here, if you can.

11 MS. KRUM: We'll be here at nine.

12 MS. SINATRA: We'll be here at nine.

13 CHAIRMAN CROSBY: All right. Excuse
14 me.

15 MR. KENNEDY: I think the impact on
16 regional flow can best be seen right now in
17 the Route 16 corridor with the closure of the
18 Callahan tunnel. Callahan tunnel is carrying,
19 we talked about it before, 2,200 vehicles in
20 the afternoon peak hour. Some of that traffic
21 has been transferred over to -- to the Ted
22 Williams tunnel. There are backups. Some of
23 that traffic has been transferred up the Tobin
24 Bridge. I left DOT's building on Thursday

1 afternoon to catch a flight Thursday evening
2 and made it from downtown Boston, across the
3 Tobin Bridge in under 30 minutes to the
4 airport.

5 The other major route that was
6 identified, was the Route 16 corridor to pick
7 up traffic that was destined from southbound
8 I-93 to the airport, put it on the Route 16
9 corridor, through Wellington Circle, through
10 Santilli Circle, under Sweetser Circle and all
11 the way out to Route 1A in Revere. The
12 signals were modified, retimed, reprogrammed
13 not -- not to favor that demand, because we
14 are also worried about the westbound demand.
15 But those signals are working. There have
16 been no reported backups within that area.
17 The amount of traffic that was envisioned to
18 be detoured in the eastbound direction was
19 over 10 times what we are forecasting this
20 project will generate.

21 So in terms of overall regional
22 impact in the way traffic can flow, there is
23 capacity, assuming the signals are operating
24 correctly. And I think that, again that

1 concept of regional flow, the understanding
2 of -- of the dynamics, basically says that
3 people are going to find the easiest way to
4 get to where they're going, but we can also
5 manage and give them the information that
6 takes them in the best direction that we
7 absolutely can. And to us it's to maintain
8 that traffic on the regional highway system.
9 The added traffic at I-93 is two to 3 percent
10 of this development. Most of that is north of
11 Route 16.

12 Again, I truly believe that looking
13 at the way we have looked at this project,
14 which happens to be equivalent to about a
15 650,000-square-foot shopping center, a-third
16 of the size of Burlington Mall, in terms of
17 the amount of traffic that it generates during
18 that Friday peak hour, can be absorbed within
19 the system easily.

20 And, again, I think we have looked
21 at a very conservative number of trips
22 associated with the development during the
23 Friday evening peak hour. If people can't get
24 there, they won't go during the afternoon peak

1 hour. They will adjust their times and their
2 trips to stay away from the peak hour.

3 Again, I have every -- I have every
4 belief that the numbers that we have generated
5 and the analysis that's been completed, in
6 concert with MassDOT's prescribed scope, does
7 accurately represent how things will work.

8 MR. CURTATONE: Mr. Chairman, if I
9 may, please, I think it's important to note, I
10 get the analogy that traffic's like water,
11 they'll find a way to get there. But, we're
12 talking about people's lives and
13 quality-of-life decisions they make every day.
14 They're not going to just put those decisions
15 off all the time.

16 But on the point, assuming that the
17 system and the signalization's operating
18 correctly, that's a big assumption because
19 it's not operating correctly today. In fact,
20 I'd invite the commissioners to take a ride
21 during those closure hours. They're state
22 troopers in Medford and Everett, in Chelsea,
23 in Southie, in Eastie for that very purpose.
24 It's not operating correctly today. That's a

1 large assumption to make.

2 The other question that I had,
3 Mr. Chairman, is I -- having just received new
4 information to Mohegan Sun -- from Mohegan Sun
5 today, in terms of the procedure posture, will
6 the record be left open for further comments,
7 written comments or anything of the like, or
8 is it closed today?

9 CHAIRMAN CROSBY: While we are
10 thinking about this, I guess we can -- we can
11 receive additional comments, sure.

12 MR. CURTATONE: I thank you.

13 CHAIRMAN CROSBY: All right.
14 Anybody else?

15 COMMISSIONER MCHUGH: They need to
16 be shared with everybody, so that everybody --

17 CHAIRMAN CROSBY: Yeah.

18 COMMISSIONER MCHUGH: -- everybody
19 has everybody's comments.

20 CHAIRMAN CROSBY: Right.

21 MR. CURTATONE: Understood.

22 CHAIRMAN CROSBY: Right. And I
23 guess Ombudsman Ziemba will be the focal point
24 for that transfer of information. Anybody

1 else? All right. Thank you very much. Thank
2 you, Mr. Mayor.

3 MR. CURTATONE: Thank you.

4 CHAIRMAN CROSBY: Ten minutes of
5 three, do we have anything else? Any other
6 items on anybody's agenda?

7 COMMISSIONER CAMERON: I don't think
8 so.

9 CHAIRMAN CROSBY: All right. Do I
10 have a motion to adjourn -- let's see,
11 adjourn? Yes, we are adjourning.

12 COMMISSIONER MCHUGH: Yes.

13 COMMISSIONER CAMERON: So moved.

14 CHAIRMAN CROSBY: A second?

15 COMMISSIONER ZUNIGA: Second.

16 CHAIRMAN CROSBY: We will convene
17 tomorrow at nine o'clock. As I said, we can't
18 be sure about the schedule so we'll just take
19 a shot at it. We are adjourned by unanimous
20 vote and we will see you -- see you in the
21 morning.

22

23

24 (Proceeding concluded at 2:49 p.m.)

1 GUEST SPEAKERS:

2 ON BEHALF OF MGM RESORTS:

3 Seth Stratton, Counsel

4 Michael Mathis, Incoming President

5 Kelley Tucky, V.P. of Community and Public Affairs

6 Kevin Dandrade, Principal, TEC

7 Jed Nosul, Co-counsel

8 Chuck Irving, Davenport Properties

9

10 FOR THE TOWN OF NORTHAMPTON:

11 Jeffrey Fialky, Counsel

12 David Narkewicz, Mayor

13 Michael N'dolo, Camoin Associates

14

15 FOR THE TOWN OF HAMPDEN:

16 John Flynn, Board of Selectmen

17 Vincent Villamaino, Board of Selectman

18

19 FOR THE TOWN OF LONGMEADOW:

20 Brandon Moss, Counsel

21 Stephen Crane, Town Manager

22

23

24

1 GUEST SPEAKERS CONTINUED:
2 FOR THE EASTERN STATES EXPOSITION:
3 Mark Cress, Counsel
4 Eugene Cassidy, Chief Executive Officer
5 FOR THE MAJESTIC THEATER:
6 Daniel Eaton, President
7 Todd Kadis, Treasurer
8
9 FOR MOHEGAN SUN:
10 Kevin Conroy, Counsel
11 Bruce Barnett, Counsel
12 John Kennedy, Sr. Principal, Vanasse Hangen
13 Brustlin, Inc.
14
15 FOR WYNN RESORTS:
16 Kim Sinatra, Sr. Vice President, General Counsel,
17 Secretary
18 Jacqui Krum, Sr. Vice President, General Counsel
19
20 FOR THE MASSACHUSETTS PERFORMING ARTS COALITION:
21 Troy Siebels, Executive Director
22
23
24

1 FOR THE CITY OF SOMERVILLE:

2 Joseph Curtatone, Mayor

3 Hayes Morrison, Director of Transportation and

4 Infrastructure

5 ON BEHALF OF THE MASS GAMING COMMISSION:

6 John Ziemba, Ombudsman

7 Jill Griffin, Director of Workforce and

8 Development Diversity

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C E R T I F I C A T E

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I, Brenda M. Ginisi, Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Brenda M. Ginisi, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive of Transcript Format.

I, Brenda M. Ginisi, further certify that 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 January of 31st 2014.

BRENDA M. GINISI My Commission expires:
Notary Public July 11, 2014