

THE COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #105

CHAIRMAN

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COMMISSIONERS

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Bruce W. Stebbins

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January 29, 2014, 9:00 a.m. - 2:40 p.m.

HYNES CONVENTION CENTER

900 Boylston Street, Room 202

Boston, Massachusetts

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

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3 CHAIRMAN CROSBY: Good morning,
4 everybody. We are calling to order at 9:00 on
5 January 29, the 105th meeting of the Mass.
6 Gaming Commission at the Hynes Auditorium in
7 Boston. And we will start directly with our
8 first agenda item, which is surrounding
9 community and ILEVs if we have any,
10 conversations. We don't have any. Ombudsman,
11 Ziemba, you're up.

12 MR. ZIEMBA: Mr. Chairman, members
13 of the Commission, this is day two of our
14 surrounding community discussions. There have
15 been a couple of modifications to our schedule.
16 We heard from the city of Melrose that they
17 will not be attending today's hearing relating
18 to both the Mohegan Sun surrounding community
19 petition and the Wynn surrounding community
20 petition.

21 There's been a number of
22 conversations over the last couple of days, and
23 they're proceeding swimmingly, I guess is a
24 good word, if not have reached an agreement or

1 agreement in principle. So, that is very good
2 news. And potentially, there may be an
3 additional change to our schedule relative to
4 the city of Lynn, but we await news on that.

5 First up, let me just go over the
6 order of presentations today. We have the city
7 of Everett that is going to be presenting both
8 its surrounding community petition. We've
9 allocated 15 minutes for that and we give them
10 an additional five minutes for their
11 involuntary disbursement petition. And
12 following that there is a response by Mohegan
13 Sun. That will conclude the Mohegan Sun
14 surrounding community petitioners.

15 Then we'll transition to the Wynn
16 application. We will have Cambridge followed
17 perhaps by Lynn and then Saugus is the
18 remaining petitioner. Just in the last day,
19 we've received an involuntary disbursement
20 petition for Saugus. But pursuant to our
21 rules, there's some time for applicant to
22 provide some response. So, that was not put
23 forward on the agenda today, so will not be a
24 part of the hearing today. It may be talked

1 about by one or more of the parties, but it's
2 not formally before the Commission.

3 CHAIRMAN CROSBY: Excuse me, John.
4 Can we get it formally? If the parties are
5 willing and I don't know if they are.

6 MR. ZIEMBA: Well, I think that we
7 have afforded and our process does afford
8 applicants some time to provide some official
9 response. And given the lateness of hour --

10 CHAIRMAN CROSBY: Okay.

11 MR. ZIEMBA: So, let me first call
12 the representative from the city of Everett.
13 I'll have Jonathan Silverstein introduce his
14 team. And then Kevin Conroy will introduce his
15 team from Mohegan Sun.

16 CHAIRMAN CROSBY: Good morning.

17 MR. SILVERSTEIN: Good morning, Mr.
18 Chairman and members of the Commission. It's a
19 pleasure to be before you again.

20 Jonathan Silverstein for the city of
21 Everett. With me is James Fitzgerald a
22 principle of WorldTech Engineering as well as
23 James Errickson, the Executive Director of
24 Planning and Development for the city of

1 Everett.

2 Members of the Commission, the city
3 of Everett is an adjoining community to the
4 applicant host community of Revere. It is
5 adjoined directly by infrastructure, roadway
6 infrastructure to the host community site,
7 which is directly on Route 16, also known as
8 the Revere Beach Parkway.

9 And I submit the Revere Beach
10 Parkway in Everett is known as the Revere Beach
11 Parkway for a reason; it's because it provides
12 direct access to the Revere Beach, which I
13 believe Mr. Etesse during his presentation to
14 Commission a week or so ago said that some of
15 his hotel rooms were going to have a view of
16 and Mr. Wynn described the duck boat tour that
17 could get there.

18 If we could go to the first slide.
19 This is a slide from the presentation that VHB,
20 the applicant's engineer gave some time ago
21 with respect to the project. You'll see that
22 Everett adjoins Revere. You see Route 16 right
23 there providing direct access to the site.

24 The slide indicates that seven

1 percent of inbound and 17 percent of outbound
2 trips are going to be using Route 16. The
3 applicant has since revised that to be 18
4 percent of outbound trips. The regional
5 planning agency which the applicant declined to
6 engage in a regional approach to impact
7 analysis very directly and definitively
8 determined that those trip estimates
9 significant in and of themselves are
10 understated in that a substantially higher
11 proportion of traffic to the site, and I think
12 some of the Commissioners expressed this
13 yesterday, as a matter of common sense, a much
14 higher percentage of trips to the Suffolk Downs
15 site will be using Route 16 and coming directly
16 through Everett.

17 If we go to the next slide, you'll
18 see why. In order to use the primary route
19 that the applicant submits trips will take from
20 the Metro-west, Northwest and North, someone
21 approaching the site would have to instead of
22 cutting directly over and the most direct
23 route, they would have to choose to go through
24 Boston, because everyone knows that Boston has

1 no traffic, and they would have to choose to go
2 through the Callahan Tunnel to come back up
3 through a much less direct route, much more
4 circuitous, much more high probability of
5 traffic tie ups. And anyone who has tried to
6 go to Logan Airport knows that that is not
7 going to be the preferred route for most
8 individuals.

9 And for that reason, we can just
10 quickly run through some of the additional
11 sites. This was Exhibit J1 through J10 of my
12 petition. If we could just briefly run through
13 the next several slides, you'll see that
14 whether you're coming from Burlington, Lowell,
15 Malden, Medford, Nashua, New Hampshire, it's
16 clearly going to be a preferred route for you
17 to take, to take Route 16 through Everett, the
18 Revere Beach Parkway to get to the Revere host
19 community site.

20 As I indicated, the regional
21 planning agency, MAPC, determined that the
22 applicant's own numbers significant in and of
23 themselves are understated. The city's own
24 consulting engineer, WorldTech has similarly

1 concluded that those numbers are understated.

2 One thing I do want to one point out
3 is you look at the mileage count, I do want to
4 point out that with a revised proposal, this is
5 about a mile that with the original proposal
6 someone coming in on Route 16 would have had to
7 go south on 1A for about a mile, pull a U-turn
8 and then go into the project site. With the
9 revised proposal that is no longer going to be
10 the case. So, you're cutting out a mile and a
11 number of trip movements. So, it's even more
12 direct, even more easy to get into the project
13 site using Route 16 than it would have been
14 previously.

15 Both MAPD and the city's consulting
16 engineer determined that the applicant's trip
17 numbers are understated. But let's even look
18 at those trip numbers, if you look at Exhibit O
19 to my petition, VHB on December 30 of last year
20 determined that there would be 226 and 312
21 respectively west and eastbound trips along
22 Route 16 through Everett during the Friday peak
23 hour.

24 One thing I do want to point out,

1 Commissioners, is that the Revere Beach Parkway
2 and Mr. Fitzgerald can speak to this in greater
3 detail if you would like him to, the Revere
4 Beach Parkway unlike a number of roadways that
5 are solely used or not solely but primarily
6 used for commuting traffic, is almost as busy
7 during the Saturday peak hour when the casino
8 traffic will be the heaviest as it is during
9 the Friday p.m. peak hour.

10 So, where there's going to be even
11 more trips than VHB indicated the 226 and 312
12 during the Saturday peak hour, I think that's
13 an important point, traveling through Everett
14 which has no less than 14 difficult
15 intersections coming onto Route 16 within the
16 space of Everett as you travel from Route 93.

17 One thing I do want to point out as
18 well is the applicant notes that Sweetser
19 Circle, Route 16 passes underneath it. Still
20 when you have backups on 16, it affects
21 Sweetser Circle. But one other point that I
22 should make is Santilli Circle, another very
23 difficult high crash, high traffic rotary is
24 directly on 16 and will be dramatically

1 impacted as well.

2 I also want to make another point,
3 which is the applicant argues that well, Mass.
4 DOT didn't require us to look at any areas
5 along Route 16 in Everett or any intersections
6 in Everett. Route 16 is nominally a DCR
7 maintained road, Department of Conservation and
8 Recreation. It is not a Mass. DOT road.

9 And as I believe was pointed out by
10 Green International during the Bridgewater
11 hearing when Route 104 was being discussed,
12 Mass. DOT really only cares about Mass. DOT
13 roads. And Mr. Fitzgerald can speak to that as
14 well as can Mr. Errickson. The city has been
15 repeatedly told by Mass. DOT that Mass. DOT
16 does not care about Route 16.

17 Additionally, DCR never does any
18 maintenance on Rote 16. The city always does
19 the maintenance on Route 16. That's referred
20 to in Mr. Errickson's affidavit. He can speak
21 to it further. But it has not been rebutted in
22 any way by the applicant.

23 So, I think it's important to know
24 that although ostensibly Route 16 is a state

1 road, maintenance, public safety responses all
2 fall on the burden of the city.

3 I know that the notice the
4 Commission issued regarding these hearings
5 indicated that you don't want to hear about the
6 back-and-forth between the applicants and the
7 surrounding communities. And I won't belabor
8 the point. I think I've described it in my
9 petition.

10 But do want to make the point that
11 we are here because we've had literally no
12 ability to talk to the applicant. Unlike, for
13 instance, the city of Fitchburg which had
14 tremendous ability to interact with Cordish,
15 unlike the town of Longmeadow which had a long
16 interaction with MGM, Mohegan and Suffolk Downs
17 literally have refused to speak to the city of
18 Everett.

19 Why, because Everett is a
20 competing host community. They all say, well
21 we were worried they were going to be spending
22 our money on researching ways to torpedo the
23 project. I would submit to the Commission,
24 I've been before you a number of times, I hope

1 you have become familiar enough with me to know
2 that I don't play dirty tricks.

3 The letter I sent to the Commission
4 on December 6 made two points. One, if the
5 applicant was allowed to switch their project
6 midstream, it would be detrimental to Everett
7 as a surrounding community. Why, because they
8 refuse to talk to us.

9 And two, that as a matter of
10 election law I didn't think that the vote in
11 Revere was sufficient to authorize that project
12 to go forward.

13 I think that's a view that least
14 some Commissioners shared and a view ultimately
15 that prevailed. So, I don't think that the
16 city of Everett has done anything untoward.
17 It's exercised its First Amendment rights to
18 petition government by putting its views before
19 you and asking for a level playing field that
20 it followed all of the rules, and the applicant
21 should as well.

22 I don't think any of that justifies
23 the applicant completely ignoring and snubbing
24 all attempts at good-faith discussion about

1 surrounding community issues.

2 If we could go to the next slide, I
3 thought it would just be useful to point out or
4 -- to compare Everett's situation to the two
5 communities that the Commission has found to be
6 surrounding communities. You looked at the
7 distance from the site to the boundary of the
8 various surrounding communities, Bridgewater
9 two miles, Bolton five miles, Everett 1.7
10 miles.

11 Distance to the city center 4.2
12 miles for Bridgewater, Bolton 8.1 miles,
13 Everett 2.6 miles. If we could go to the next
14 slide, peak hour trips. This is the Friday
15 p.m. peak hour, Bridgewater 55 to 90 as
16 determined by Green. Bolton 100 to 150
17 determined by Green.

18 Again, these are not the applicant's
19 numbers in those circumstances, which I think
20 we can all agree the applicant has an interest
21 in understating its numbers. Again, from a
22 commonsense standpoint, I think some of the
23 Commissioners made that point yesterday
24 specifically with respect to Route 16. Everett

1 226 to 312 peak hour trips, more than double
2 the Bolton numbers.

3 Percentage of casino trips -- And
4 bear in mind order of magnitude, the slots
5 proposal in Leominster was probably going to
6 produce one-third to one-fourth of the number
7 of total trips of this Category 1 facility. --
8 five to eight percent in Bridgewater, Bolton 11
9 percent, as I noted from the earlier slide,
10 seven percent inbound, 18 percent outbound for
11 the Revere proposal going through Everett.

12 Again, this is both Bridgewater and
13 Bolton are the Green International numbers,
14 whereas the Everett numbers are the applicant's
15 numbers and which both MAPD and WorldTech had
16 said are understated.

17 With that, members of the
18 Commission, I'll briefly turn it over just to
19 see if Mr. Fitzgerald has any points that I
20 missed with respect to traffic. Of course, if
21 you have any questions, and then I'll move onto
22 the involuntary disbursement issue.

23 MR. FITZGERALD: I'll just touch on
24 a few of the traffic issues that have been

1 discussed. First of all, has to do with trip
2 distribution. We believe that the amount of
3 traffic that's anticipated to travel along
4 Route 16 is understated.

5 When this was originally brought up
6 in response to the limited information that we
7 had, we were told that the reason that for
8 instance Google maps currently sends traffic
9 via Route 16 instead Route 1A through the
10 Callahan Tunnel is because the Callahan is
11 currently closed.

12 But if you look at the travel routes
13 going in the reverse direction, mainly along
14 Route 1A, through the Sumner Tunnel onto 93
15 northbound departing the site, and compare that
16 travel distance to the Route 16 route, Route 16
17 is actually three miles shorter.

18 Without any traffic, the Route 16
19 route takes one minute longer, however. But
20 with traffic, as was mentioned, especially
21 along the lower deck entering the city,
22 certainly that the delays experienced on a
23 Friday evening commute would outweigh the
24 traffic signal delays along Route 16 and

1 traffic would likely be diverted along the
2 Route 16 corridor.

3 CHAIRMAN CROSBY: Something I'm not
4 following here. You're making the point that
5 everybody is going to take Route 16, which by
6 the way as a driver I never would elect to do,
7 but now you're saying that even if there is no
8 traffic it's slower. Why would people choose
9 Route 16?

10 MR. FITZGERALD: Route 16 is one
11 minute slower without any delays. When you
12 compare the 93 Route 1 alternative versus the
13 Route 16 alternative, Route 16 is three miles
14 shorter but takes one minute longer without any
15 traffic. The lower deck along the Expressway
16 is severe traffic. So, that would take longer
17 to travel through 93 South waiting to get onto
18 Route 1A northbound approaching when trying to
19 get to the casino during Friday evening.

20 CHAIRMAN CROSBY: Is there some data
21 for that? Do you know that for a fact?

22 MR. FITZGERALD: It's just based on
23 personal experience. I drive through that road
24 frequently. And actually quite honestly, I've

1 cut through 16 to try to avoid the lower deck
2 myself. Sometimes those delays can be just a
3 parking lot.

4 Also, when talking about changes --
5 So, when the Callahan Tunnel is closed, Route
6 16 is one of the detour routes that's out
7 there. And we've been told that traffic signal
8 alterations have been made at the signals along
9 the Route 16 corridor. We haven't seen any
10 data or information to show the before and
11 after these signal alterations have improved
12 the congestion along the Route 16 corridor or
13 not.

14 But one thing I do want to point out
15 is traffic fluctuates over the course of the
16 year from month-to-month. Traffic volumes tend
17 to be lighter in the winter months than they
18 are in the summer months and that's likely why
19 the Callahan Tunnel may be closed during a few
20 months in the winter as opposed to during the
21 summer.

22 So, certainly need to look at the
23 summer volumes as well to see the full picture
24 of what the traffic operations are along Route

1 16.

2 Another point that I'd like to bring
3 up is that in reviewing the January 22 memo
4 that was provided regarding traffic, this
5 discussion about trips, traffic volumes
6 generated from the casino, based on Exhibit C
7 in that document, it appears that the volumes
8 that are being presented are that just for the
9 patrons only and not for employee trips.

10 You certainly want to be looking at
11 the complete picture. Again, looking at what
12 the employee trips are going to be and where
13 satellite lots will be located and how that
14 also impacts Route 16.

15 Lastly, regarding Saturdays, just to
16 expand on what was previously mentioned about
17 Saturday volumes, the westbound traffic volume
18 around Route 16 appears to be almost pretty
19 close to what the traffic volume is heading
20 westbound on 16 during the Friday peak period.
21 But with the Saturday condition, you've got
22 increased trips being generated by the casino
23 on top of the fact that in the westbound
24 direction in particular at least at this point

1 the trips are estimated at 18 percent.

2 So, not only do we need to look at
3 the Friday which is very important but also
4 along Route 16, the Saturday s have to be
5 addressed and looked at to make sure that Route
6 16 corridor and any impacts to traffic
7 operations are mitigated.

8 COMMISSIONER MCHUGH: What does the
9 18 percent figure mean?

10 MR. FITZGERALD: What is currently
11 being estimated in VHB study is that seven
12 percent of entering site traffic will travel
13 via Route 16 eastbound.

14 COMMISSIONER MCHUGH: You are using
15 their 18 percent.

16 MR. FITZGERALD: Yes, and they are
17 saying 18 percent, a heavier distribution will
18 be for exiting.

19 COMMISSIONER MCHUGH: Do you have
20 any idea what percentage of trips the 226 or
21 the 312 is, what the additional -- is that in
22 the data?

23 MR. SILVERSTEIN: Commissioner, I
24 believe according to, and this again is Exhibit

1 0 to my petition the December 30, 2013 memo
2 from VHB, they claim that that will reflect
3 four and six percent increase in volumes west
4 and east of Route 99 respectively.

5 COMMISSIONER MCHUGH: And do you
6 have any data that counters that?

7 MR. SILVERSTEIN: I don't,
8 Commissioner. This will segue into the
9 disbursement request.

10 COMMISSIONER MCHUGH: I understand.
11 So, we don't know if there's any decrease in
12 the service level from that four to six
13 percent?

14 MR. SILVERSTEIN: We don't
15 specifically. I would note that DCR and MAPC
16 again did not agree with those distribution
17 numbers. And that I believe that the Bolton
18 and/or Bridgewater changes in percentage
19 increase in traffic were comparable. But I
20 don't think we can --

21 COMMISSIONER MCHUGH: I understand
22 that, but those are very different roads from
23 Route 16. We were talking about 117, which is
24 a two-lane road. This is a very different road

1 with different interchanges.

2 MR. SILVERSTEIN: Agreed, but a
3 percentage of traffic is a percentage of
4 traffic. So, since Route 16 carries a lot more
5 traffic and I would submit it's a lot more
6 problems that it is a proportional increase.

7 COMMISSIONER MCHUGH: I see. I take
8 your point.

9 MR. SILVERSTEIN: So, I didn't touch
10 on some of the other issues. Again, Mr.
11 Errickson is here. He can't speak to the
12 rampant problems the city is experiencing with
13 insufficient resources to address illegal
14 apartments and hotbedding.

15 I do want to note one thing, which
16 is that the applicant claims that there's going
17 to be regional benefits. I'm quite certain
18 there will be. I would submit that given the
19 attitude and approach the applicant has taken
20 to date with the city of Everett, it's going to
21 do everything it can to avoid giving Everett
22 any benefits.

23 It's not going to use Everett
24 vendors. It's entered into agreements with a

1 number of other communities much farther away
2 from Revere than Everett committing to use
3 their vendors. I think unless they are
4 compelled to do so, they are not going to
5 provide any benefits to the city of Everett.

6 COMMISSIONER MCHUGH: Well, there
7 won't be any competitive reason to do that,
8 right?

9 MR. SILVERSTEIN: To do what
10 Commissioner?

11 COMMISSIONER MCHUGH: To punish
12 Everett. When the dust settles if Mohegan Sun
13 gets the license then there is no competitive
14 reason to punish Everett.

15 MR. SILVERSTEIN: There's no
16 competitive reason to do it now, I would
17 submit. Including them in surrounding
18 community discussions -- I represented West
19 Springfield when they were a competitor to MGM.
20 MGM was talking to us from day one. So, I
21 would submit there is no reason for Mohegan and
22 Suffolk to simply refuse to speak with us from
23 a competitive standpoint. I don't think it's
24 in the spirit of what this Commission has

1 suggested all along.

2 COMMISSIONER MCHUGH: That is a
3 different question.

4 MR. SILVERSTEIN: And I don't see
5 how it gives them a competitive advantage,
6 frankly. I think it's a matter of animus and
7 think that animus will continue.

8 If I might, I'll turn briefly to the
9 surrounding -- to the involuntary distribution
10 petition. Obviously, a lot of work has gone
11 into preparing the petition that is before you.
12 That work was a matter of trying to evaluate
13 impacts. That is a function that the
14 legislation and your regulations suggest should
15 be reimbursed by the applicant if Everett is
16 found to be a surrounding community.

17 So, the fact that the applicant
18 forced us into this position, forced us to have
19 a lot less ability to evaluate impacts, to
20 speak with them, forced us into this position
21 to try to evaluate impacts in a vacuum, they
22 shouldn't benefit from that. And the city
23 shouldn't be hurt by that.

24 It's all a part of evaluating

1 impacts and trying to negotiate an agreement.
2 So, the argument in the application or in the
3 opposition to the application that they
4 shouldn't have to pay for this process I would
5 submit, is simply inaccurate.

6 I would note also they repeatedly
7 state the city didn't comment on the DEIR. I
8 just confirmed, the city never received the
9 DEIR. Certainly, it should have, but it
10 didn't. It would have commented had it.

11 But even putting that aside, it
12 doesn't to give up its right to do its own
13 independent analysis. It would have been just
14 as much of a disadvantage with the lack of
15 information and the lack of consultant funding
16 back then as it is now.

17 I would further note that certainly
18 the city will be commenting on the notice of
19 project change that applicant claims it's going
20 to be filing. The applicant does not take
21 issue with either the WorldTech proposal or
22 with the Consultant Econ proposal, the economic
23 impact proposal. They don't challenge those
24 numbers.

1 What they say is we shouldn't have
2 to pay for everything upfront. Well,
3 respectfully that is the way the letter of
4 authorization and grant process works. If all
5 of that money isn't used, the difference goes
6 back to the applicant. So, we are only using
7 that process because that's the process the
8 Commission has established.

9 They do take issue with my proposal,
10 the legal proposal. They contest the
11 suggestion that they should have to pay for the
12 surrounding community petition process. I just
13 addressed that issue.

14 All of the work I did in this this
15 process was solely to try to evaluate impacts
16 and to get to the point where we could
17 negotiate a surrounding community agreement.

18 CHAIRMAN CROSBY: What is the total
19 amount that you petitioned for?

20 MR. SILVERSTEIN: The total amount I
21 petitioned for is \$60,000 for legal. And I
22 will say, Chairman, that I have spent probably
23 40 to 50 hours trying to deal with the
24 applicant and their Counsel, preparing the

1 surrounding community petitions, meeting with
2 city officials and consultants. It's a very
3 involved process.

4 CHAIRMAN CROSBY: And the total
5 amount for the entire disbursement?

6 MR. SILVERSTEIN: I believe it was
7 50 for WorldTech -- So, 145 was the total. And
8 I would note, members of the Commission, had
9 the applicant -- Mohegan was going to pay a
10 much higher consultant bill when it was in
11 Palmer than that. But it would have been lower
12 than they would have had to have paid had they
13 not used the RPA process.

14 I think they were going to pay a
15 couple of hundred thousand dollars through the
16 RPA process, which was going in analyze impacts
17 for all of the surrounding communities. And
18 they were going to pay the legal bills of each
19 community.

20 I would note that they paid \$12,000
21 to the town of Munson for legal bills and they
22 never even got close to the actual negotiation
23 of an agreement. They were still in the early
24 stages of the RPA impact analysis.

1 So, I really don't think those legal
2 bills are at all out of whack when you look at
3 the fact they paid \$12,000 for a community that
4 didn't have to petition and hadn't even started
5 to negotiate.

6 I want to address the argument that
7 they shouldn't pay for the city of Everett to
8 research ways to try undermined their project
9 or torpedo their project. Again, I hope that
10 the Commission is familiar enough with me to
11 know that I am going to be above-board with my
12 billing. I would not bill to the applicant
13 work that was not related to evaluating impacts
14 and negotiating an agreement. And certainly I
15 have no intention of doing that but I will make
16 that commitment to the Commission now.

17 Had the applicant used an RPA
18 process, it would have been much cheaper. They
19 wouldn't have had to pay impact consultants for
20 each community. That was their choice. It was
21 their choice to freeze Everett out of the
22 process from day one.

23 We're in a situation now where we're
24 going to have to essentially have consultants

1 to drop everything and dedicate the next
2 several weeks, if we are designated, to do this
3 impact analysis. There's a cost associated
4 with that. Again, had MAPD been given the
5 opportunity to do this impact analysis, we
6 wouldn't be looking for anywhere near the
7 amount of money that we.

8 CHAIRMAN CROSBY: That was a
9 different applicant. Are you conflating SSR
10 and Mohegan Sun?

11 MR. SILVERSTEIN: I'm not, Chairman,
12 I think they are. You'll note that the letter
13 I got from Chip Tuttle on January 8 was
14 responding well after the applicant had
15 switched, responding to my numerous requests to
16 be contacted.

17 Meanwhile, Mohegan Sun has been in
18 the process for quite some time. They could
19 have enlisted MAPD. They could have started
20 giving us information and letting us hire
21 consultants. They literally refused to talk,
22 literally refused to talk and made it clear in
23 no uncertain terms that the reason is is that
24 Everett is a competing host community and that

1 Everett had spoken out twice on the issues of
2 public concern that it had every right to do.

3 So I don't think I am conflating. I
4 think it's clear that Chip Tuttle has been
5 involved and Suffolk Downs has been involved in
6 every stage of the surrounding community
7 negotiations. They've made it clear in press
8 releases in their the response to Everett's
9 petition. So, respectfully I don't think I am
10 conflating it.

11 But certainly Sterling Suffolk could
12 have engaged the RPAs. And Mohegan Sun could
13 have engaged the RPAs or they could've let us
14 use some of these consultant dollars.

15 But it's not Everett's fault is my
16 point. And these are good-faith proposals that
17 Everett has received from recognized
18 professional entities, whether it's legal,
19 traffic or economic consulting. They have not
20 provided any information to suggest that these
21 are inflated numbers or illegitimate numbers.

22 CHAIRMAN CROSBY: Okay. We got the
23 drift, I think.

24 COMMISSIONER ZUNIGA: I have a

1 question. The city has first-hand access to
2 the numbers that the Wynn proposal would
3 generate in terms of traffic studies and the
4 like. Have you looked at those numbers in
5 terms of -- I know they're different projects
6 but there's an argument that there will be
7 increased traffic in Route 16 about either
8 project. Have you looked at those numbers and
9 compared them to make assumptions about the
10 other project?

11 MR. SILVERSTEIN: We've looked at
12 them to a certain degree, Commissioner. I
13 think that Mr. Fitzgerald speak more to this.
14 But there is a great deal of mitigation taking
15 place in Everett if the Wynn proposal goes
16 forward. So, that's less of a concern. But
17 certainly I think the Wynn numbers are higher
18 on Route 16. I think it does inform the fact
19 that certainly you would expect some trips to
20 coming on Route 16 for that proposal as well.

21 So yes, I think that is worthwhile
22 to look at that. I don't think -- Again, we
23 haven't had the funding to have WorldTech do a
24 real in-depth analysis to compare those

1 proposals and how they would respectively
2 impact Route 16 or to compare it. Certainly,
3 we've looked at it from Route 16 itself. I
4 don't know if you have more specific questions
5 about that, I'm certain Mr. Fitzgerald could
6 answer it.

7 MR. FITZGERALD: There is obviously,
8 going to be traffic going from the Wynn Casino
9 onto Route 16, totally different projects,
10 totally different distributions. However, yes,
11 there will be traffic going on Route 16.

12 A lot of the traffic from the Wynn
13 project is anticipated coming in from the other
14 way because of its very close proximity to 93.

15 But to address the traffic coming in
16 along Route 16 right now there is a number of
17 costly mitigation measures, including
18 especially over at Santilli Circle in
19 particular, to try to accommodate these already
20 over burden locations Santilli, Sweetser,
21 locations such as that to handle that.

22 I believe the current proposal is
23 for raise interchange at Santilli, for
24 instance. It's a very complex -- Santilli

1 Circle is a very complex location. It's a
2 combination of a traffic circle with a road
3 traveling through and traffic signals.

4 COMMISSIONER ZUNIGA: I think I've
5 gotten lost around there every now and then.

6 CHAIRMAN CROSBY: Yes, Sir. Mr.
7 Conroy.

8 MR. CONROY: Good morning,
9 Commissioners. For the record, I am Kevin
10 Conroy representing Mohegan Sun Massachusetts.
11 Today with me is Charlie Baker from DLA Piper
12 also representing Mohegan Sun we have John
13 Kennedy again from VHB and Bruce Barnett with
14 DLA Piper.

15 Things are moving really quickly on
16 our surrounding community front. And things
17 actually changed since yesterday and I wanted
18 to give you a quick update.

19 And Ombudsman mentioned at the
20 beginning, we have designated Melrose as a
21 surrounding community. And yesterday while I
22 was talking to you, we entered into a
23 surrounding community agreement with Melrose
24 yesterday. We have had 12 communities that

1 have approached us seeking surrounding
2 community status. Ten of those communities we
3 have designated and seven of those communities
4 right now we have agreements with.

5 We are working really hard with
6 Boston, Saugus and Winthrop, the remaining
7 three who we have designated who we don't have
8 agreements at this point. You heard yesterday
9 from Somerville. We continue to have
10 discussions with Somerville. Today, we are
11 addressing Everett.

12 We also as you know entered into an
13 agreement with the Lynn Auditorium. So, the
14 two theaters that approached us seeking ILEV
15 status we designated and we have entered into
16 agreements with. So, we're working very hard
17 on that.

18 We did, as a Commissioner mentioned,
19 join this project somewhere in early December.
20 We specifically at that point made a decision
21 that we had to go directly to these communities
22 and not participate in the regional process
23 with the MAPC.

24 I think we've seen a lot success in

1 that, our ability to already enter into seven
2 agreements with the 12 who have approached us.
3 That was a decision we made and one that I
4 think has kind of worked out for us.

5 I'm going to turn it over to Charlie
6 Baker to discuss Everett.

7 MR. BAKER: Thanks, Kevin. Mr.
8 Chairman, members of the Commission, let me
9 just address the six criteria that are in front
10 of you. Proximity, it is true that the two
11 communities share a border. It's a three-
12 quarter of a mile border. There aren't any
13 major roads that cut through that border
14 between the two communities. And I would
15 simply note that the fact of a border in your
16 decision as related to the two sister cities of
17 Fitchburg and Leominster are not dispositive.

18 Transportation, I'm going to leave
19 the in-depth -- most of Counsel's presentation
20 is on transportation. I'm going to leave the
21 transportation discussion to John Kennedy, who
22 is a very well-respected transportation expert.

23 I would note a couple of things.
24 This issue of what the MAPC found, the MAPC's

1 letters doesn't say they found anything. They
2 have a belief and they laid out that belief in
3 their comments to MEPA.

4 MEPA and DOT reviewed that belief
5 and concluded that their reviews were correct
6 and MAPC's position wasn't. It doesn't mean
7 that further work and research couldn't happen,
8 but I don't want anyone to think that MAPC's
9 views have not been fully vetted by the
10 agencies responsible for the transportation
11 infrastructure in the Commonwealth.

12 As it relates to that, I would like
13 to note that the project both the current
14 project in the Mohegan Sun frame and the
15 Suffolk project have regular and frequent
16 meetings with both DOT and DCR. And we have
17 addressed with them the impacts that we have on
18 every intersection in the area including all of
19 the DCR roads.

20 And the issues raised by Everett
21 have simply not come up in any of those
22 meetings. And I would note having spent a lot
23 of time with DCR on meetings about this
24 project, because as I think the Commission may

1 be aware, one of the important regional
2 improvements that the project is going to pay
3 for is a fix of Route 1 and 16, which actually
4 will have a lot of benefits for residents of
5 Everett. I can tell you with great certainty
6 that DCR has great concern about the operation
7 of their roads. They care passionately about
8 the operation of their roads. And the idea
9 that somehow this road in Everett, even though
10 it's owned by DCR, DCR ignores it, I would
11 simply reject.

12 There's this issue of Bolton and I
13 know --

14 CHAIRMAN CROSBY: Who pays for
15 upgrades for DCR -- for Route 16?

16 MR. BAKER: Physical maintenance
17 evidently is paid for by Everett. I don't know
18 enough to qualify that. But the physical
19 upgrades in the sense of improvements are paid
20 for by DCR. Or in our case the improvements
21 they've asked us to make the private person
22 will make them. When people have projects they
23 pay for upgrades.

24 But I can tell you just having sat

1 in meetings with DCR they made significant
2 improvements on Revere Beach Parkway. It's a
3 road they deeply care about. And Counsel is
4 right, it's a road that goes to their beach.
5 And there is no doubt about that.

6 I would also note just as a
7 correction, there was an implication that the
8 entrance to the project on Winthrop Avenue
9 didn't exist in the prior project. That's just
10 not correct. That entrance on Winthrop Avenue
11 existed in the prior project and exists today.

12 Just a little mention on Bolton,
13 because Bolton came up. I'd just simply point
14 out that the impact on a two-lane road in
15 Bolton -- Where actually there's a lot of
16 traffic because there are a lot of people who
17 live there now from when I grew up. It's a
18 different place. -- is a very different than
19 the six-lane road that we're talking about. It
20 is, I would focus you on the words in your
21 regulations, is a state road and not a local
22 road.

23 Development didn't really come up in
24 the presentation, but I just want to address it

1 because it's in the petition. There are issues
2 of construction mitigation. And I would simply
3 point out that this proponent has entered into
4 a legally binding commitment that it will enter
5 into a construction management plan with the
6 city of Revere. That plan has been filed and
7 is an attachment to the DEIR and will be
8 further upgraded noted in the notice of project
9 change that will be filed on January 31, and
10 will be fully laid out in the final DEIR that
11 the project goes through.

12 I can just tell you that all of
13 those relevant agencies care deeply. DCR cares
14 a whole lot about traffic impact on Route 16 as
15 an example. They've had extensive discussions
16 with us about truck traffic.

17 So, I think there is another forum
18 where those matters are being dealt with. I
19 would also note that there is no required
20 construction management plan in the Everett HCA
21 as opposed to the Revere HCA. So, the sudden
22 concern of this applicant on this issue is of
23 interest to me.

24 Operations, I just want to point out

1 that even though again, Counsel didn't bring it
2 up, it's in their petition. Exhibits 14 and 15
3 of our opposition lay out the fact that both
4 the Fire Chief and the Police Chief in Revere
5 do not believe that there will be additional
6 mutual aid needs mostly because all of the
7 expert mitigation that they will be getting.

8 And then as it relates to the issue
9 of code enforcement and hotbedding, I think
10 that the Commission's very aware of the fact
11 that in our studies we submitted in our RFA-2
12 and in other studies the Commission is aware,
13 there is no real evidence that there was a
14 negative impact on housing in the region.

15 We spent a lot of times thinking
16 about this. We were required to study the
17 matter in our Revere negotiations. So, there's
18 extensive research on this question.

19 This project is a legally binding
20 commitment to use best efforts to hire 75
21 percent of its workforce within 15 miles of the
22 project. There is no expectation that there
23 are going to be a bunch of people moving in
24 from somewhere and just camping out.

1 Other is the last criteria and the
2 applicant did not make any assertions of
3 others. So, I'll leave that alone.

4 As it relates -- I am going to turn
5 it over to John and I'll leave our discussion
6 of the involuntary disbursement after that.
7 So, John.

8 MR. KENNEDY: Thank you, good
9 morning. John Kennedy from Vanasse Hangen
10 Brustlin. I am just going to focus on three
11 major points that were questioned in the
12 petition, our trip generation, our trip
13 distribution and the trip assignments, where we
14 loaded traffic, how things will actually
15 function.

16 Our trip generation was again very
17 much vetted through Mass. DOT as we went
18 through the process. In fact, the trip
19 generation numbers that we used, about .3 trips
20 per gaming position during that critical Friday
21 peak period that they talked about, a few more
22 in than out, matches very closely with the trip
23 generation profile in the Everett site, which
24 is .29 trips with slightly more out than

1 slightly in.

2 So, in terms of the numbers that we
3 used when we got into the actual loading of the
4 site, everything is very, very much balanced.

5 When it comes to trip distribution,
6 we vetted our process through a series of
7 gravity models that were provided by the
8 sponsor, by the operator. We brought those to
9 Mass. DOT about a year ago as we were starting
10 to prepare the ENF.

11 Mass. DOT asked us to modify them a
12 little bit to shift some of the demand to the
13 North to the point where we have about 51, 52
14 percent of our traffic coming from the North.
15 And I'll call Northeast of a line half way
16 between Route 2 and Route 93 and the balance
17 from the South and the West. Much less from
18 the South, believe it or not because there's
19 competition. A little bit more from the West
20 even with the future competition. So, we have
21 got a difference that favors the North.

22 In looking at the trip distribution
23 pattern for the Everett site, they are very
24 much skewed to the South and the West. They've

1 only got about 40 to 45 percent of their
2 traffic approaching from the North and that
3 basic line I talked about. The rest is coming
4 to the South and the West. So, by virtue of
5 the fact that we have looked at an 18 percent
6 demand in the Route 1 corridor, compared to
7 their nine percent demand in the Route 1
8 corridor, we're actually putting a little bit
9 more traffic on Mystic Valley Parkway and
10 Revere Beach Parkway than the Everett project
11 had envisioned and we're managing it.

12 So, distribution, when it comes to
13 distribution we also looked and Mass. DOT has
14 accepted our findings in terms of the way --
15 and DCR has supported it -- the way we have
16 assigned trips to get to the site.

17 We have held that the inbound
18 traffic will primarily stay on I-93 southbound
19 not use the Route 16 Roadway. Route 16 has got
20 between 10 and 15 traffic signals. And if you
21 listen they're congested to get the Suffolk
22 Downs site in Revere, again, I would stick with
23 the highway.

24 If the highway costs me one or two

1 or three minutes of delay to break through,
2 because once you get beyond a certain point,
3 things flow much better and you've got a direct
4 shot into the Callahan Tunnel. Coming out of
5 the Callahan Tunnel, there will be two signals.
6 One at Boardman Street, currently experiences a
7 lot of delay. That is going to be resolved.

8 In fact, our base design volumes in
9 our design for the Boardman Street intersection
10 are 65 percent greater than today's volumes.
11 So, we're really loading up that intersection
12 and we're finding we can get it to function
13 very well.

14 Then the Jughandle, which again
15 something that is being improved with the
16 addition of a third lane. So, we're enhancing,
17 we're making it easier to get in on Route 1A
18 through the Callahan Tunnel.

19 The issue with taking traffic out of
20 the site, we are projecting that 18 percent of
21 our traffic that is destined that's leaving the
22 site is going to use Route 16. One simple
23 matter, a \$3.50 toll to come back through the
24 Sumner Tunnel. We decided that we were going

1 to take a very conservative review or view of
2 this and relocate that traffic along the Route
3 16 corridor to get to I93, to get to a series
4 of uses.

5 That demand does add traffic. In
6 fact when you compare the 18 percent that we've
7 got running in that corridor, it's greater than
8 the total amount of traffic that the Wynn
9 proposal has using Route 16 westbound, because
10 they're only assigning nine percent to Route 1
11 southbound, one percent from Revere and a few
12 other percent from internal sites. So, the way
13 they've loaded their system, is not to where we
14 are.

15 The eastbound traffic coming from I-
16 93, it's also interesting to note that we were
17 told or based on information that people seem
18 to be putting in front of us, everybody's going
19 to get off at Route 16. The Wynn review didn't
20 take everybody off at 16. It brought traffic
21 down through the Sullivan Square off-ramp onto
22 Martha Way and through Sullivan Square.

23 Now, Sullivan Square can be pretty
24 difficult still, but about one-quarter of their

1 site traffic coming from the I-93 corridor was
2 relocated and not brought in Route 16 but taken
3 to the South.

4 So again, the argument that it's
5 easy to get in Route 16, in this case with a
6 series of right turns, doesn't really jive with
7 the distribution that we're looking at.

8 When it comes to total trips, the
9 amount of traffic that's generated, and we do
10 have information that we would be more than
11 happy to provide on the employee demands, we're
12 looking at about between 40 and 50 employees
13 entering, arriving at the site during the
14 afternoon peak hour.

15 Thirty percent of our employees are
16 expected to be on transit. The other employees
17 are not going to be permitted to park onsite.
18 Mohegan Sun is talking with Paul Revere
19 Transportation about shuttle buses, remote
20 pickups just to reduce the amount of employees
21 in the system. Oh by the way, we assumed that
22 there were 90 employee trips in our analysis
23 coming to or past site just to load them in to
24 be absolutely conservative in what we do.

1 The need for improvements in the
2 Route 16 corridor have been identified as
3 something that is very much desired. There's
4 talk about Santilli Circle being a congested
5 location. Well, by documents contained in the
6 draft EIR prepared for the Everett site, Route
7 16 east and westbound is level of service A
8 passing through the circle.

9 The bad intersection is the east
10 intersection with the loop coming from on the
11 shopping center side taking traffic out and
12 bringing it up towards Route 99 that's level of
13 service D.

14 The approach can be very easily
15 modified and improvements can very easily be
16 made if that is something that is desirable.
17 But the operation in the Route 16 corridor at
18 that point is the best at any point in the
19 entire corridor.

20 There are two intersections on Route
21 16, Ferry Street and Everett Avenue that are
22 shown as poorly operating within the draft EIR
23 that was filed. And in fact, there is
24 mitigation proposed at those two locations as

1 part of the Everett site, signal timing
2 changes. I can speak on behalf of Mohegan Sun
3 and Sterling Suffolk Raceway and say that we'd
4 be happy to make those signal timing changes
5 because that's all it is.

6 It's something that can be done by a
7 contractor and the numbers are there to be
8 designed. It's just something that gets
9 carried to DCR with a request for a change. I
10 think it can be implemented for under \$2500.
11 That takes care of the built condition with the
12 Everett site.

13 Again, I think as we go through
14 this, when we start looking at the amount of
15 traffic that's placed in the corridor and put
16 in the corridor, it is a regional corridor. It
17 is six lanes wide. The numbers 250 to 300
18 trips per hour by direction split, it may seem
19 a little bit high, but it is traffic that can
20 be absorbed.

21 And I'd like to reiterate something
22 that I said yesterday. We have included -- I
23 guess an agreement has been reached. A
24 surrounding community agreement was reached

1 with Medford because of Wellington Circle.
2 Mohegan Sun is committed as part of that
3 agreement to look at the operations of
4 Wellington Circle because that's where the true
5 impact is in the Route 16 corridor.

6 And it's primarily on the westbound
7 side of the corridor where through traffic
8 destined to I-93 and up Route 28 into Medford
9 is concentrated in two lanes.

10 So, when all is said and done, yes
11 we are adding traffic. The traffic is spread
12 over six lanes. The traffic is passing through
13 two intersections which are congested at this
14 point. They can be mitigated for under \$2500
15 using information that's already available. In
16 fact, that mitigation may have already happened
17 as part of the Callahan Tunnel closing process
18 because Route 16 is a primary detour corridor.

19 We fully disagree with the concept
20 that people will avoid the Callahan Tunnel to
21 get to the site because the Callahan Tunnel is
22 currently running, even with the build
23 condition in the year 2023 at only about 2650
24 vehicles. In 1995, prior to the opening of the

1 Ted Williams Tunnel to general traffic, the
2 tunnel was carrying in excess of 3500 vehicles
3 in the afternoon peak hour in that single
4 direction heading toward the airport.

5 Plenty of capacity is available.
6 So, we see no reason why people wouldn't stay
7 on the highway to continue on rather than get
8 off at Route 16, but we have assumed that there
9 would be a movement to Route 16 to start with.

10 CHAIRMAN CROSBY: What is the peak
11 hour total flow on Route 16?

12 MR. KENNEDY: You're challenging me.

13 CHAIRMAN CROSBY: What's the order
14 of magnitude of the increase?

15 MR. KENNEDY: The order of magnitude
16 of the increase is four percent, three to four
17 percent.

18 CHAIRMAN CROSBY: So, 20 times that.

19 MR. KENNEDY: Yes. I am going to
20 guess the two-way volume approaching the
21 intersections is probably in the order of 4000
22 vehicles. So, we're adding 250, so five
23 percent to six percent.

24 COMMISSIONER ZUNIGA: Do we have

1 access to a map of Route 16? I think one of
2 the presentation slides might be helpful. I'd
3 like to get a view of what you were just
4 referring to, Mr. Kennedy.

5 MR. KENNEDY: Actually, I've got a
6 board, not quite of that but it's more of a
7 regional plan that might be helpful.

8 COMMISSIONER ZUNIGA: Well, whatever
9 you think may be helpful. I would like to
10 understand the location of Santilli Circle in
11 reference to Wellington Circle and the
12 improvements that you were just talking about.

13 MR. KENNEDY: Santilli Circle is
14 just over the river the next controlled
15 intersection from Medford. The circles will go
16 Wellington Circle to Santilli Circle. Then the
17 next circle is Sweetser Circle. There is no
18 signal between Santilli Circle and Sweetser
19 Circle.

20 And in fact, Route 16 passes under
21 Santilli Circle. Our loading of Santilli
22 Circle itself is just minor related to what is
23 coming in from Medford or from Everett and a
24 little bit from Medford.

1 COMMISSIONER ZUNIGA: Is Santilli
2 Circle the access to the commercial center, the
3 Target and the Bank of New York?

4 MR. KENNEDY: That's correct.

5 COMMISSIONER ZUNIGA: Thank you.

6 CHAIRMAN CROSBY: Are you finished?

7 MR. KENNEDY: Yes, Sir.

8 CHAIRMAN CROSBY: Anything else?

9 MR. BAKER: Yes. Let me just deal
10 with the involuntary disbursement. I would
11 want to note, because the applicant made the
12 point that people have an interest in low-
13 balling numbers. As John said and actually as
14 DOT and the other state agencies have confirmed
15 our traffic analysis is actually conservative.

16 We are counting employees going to
17 the property who we have plan for them not to
18 go to the property. We have a plan for people
19 to take public transportation because there's a
20 subway station literally next door to this new
21 project.

22 We're not counting that as
23 wholesomely as we can. So, I think the numbers
24 that John has presented and that you have in

1 your filings are higher than accurate, and
2 purposely so because this project made a
3 commitment that it would improve every road it
4 impacted. And I believe that there is every
5 evidence in front of you that that is in fact
6 the case.

7 As it relates to involuntary
8 disbursement, I just simply make a couple of
9 points. One, the request that they've made is
10 three times the amount that the Commission set
11 aside for what they thought a community would
12 need, the \$50,000. I would just note that.

13 COMMISSIONER MCHUGH: Which the
14 statute says.

15 MR. BAKER: Which the statute says,
16 correct. I'm sorry, Sir.

17 COMMISSIONER MCHUGH: And that was
18 for all surrounding communities. How that
19 number was derived --

20 MR. BAKER: The Legislature in its
21 wisdom concluded it.

22 COMMISSIONER MCHUGH: In its wisdom.

23 MR. BAKER: The second point I would
24 make is I really don't believe that it's

1 necessary for this independent traffic
2 analysis. There's plenty of opportunity to
3 comment through the DEIR process. Counsel made
4 the point that they didn't receive a copy of
5 the DEIR. They certainly knew enough about it
6 to send a letter to you saying that it's
7 invalid. So, I would just make that point.

8 The second point I would make is as
9 it relates to these other social economic
10 studies, I think that they can rely on the
11 studies they used before they entered into the
12 HCA with Everett. Certainly, all of the same
13 issues applied. And I'm sure they thought
14 about those matters very carefully.

15 As it relates to this notion of
16 animus, we don't have any animus to Everett.
17 We really don't. We note and we observed that
18 they are attacking the project. We note and
19 observe that they are attacking the project.
20 We note and we observe that they are friends of
21 the (INAUDIBLE) who funded the opposition to
22 the campaign. Those are facts.

23 We have every reason to think that
24 we can deal with them on an even basis. We are

1 just now in the process where they are trying
2 to support their project. We understand that.

3 Faced with the same situation, the
4 mayor of Revere decided I'm not going to try to
5 be a surrounding community. We talked about
6 this when we drafted the HCA. He thought it
7 was a complete conflict of interest because he
8 was wearing two hats.

9 We don't believe that there is a
10 basis for them being a surrounding community.
11 So, we are not choosing to ignore them because
12 there's animus. We just don't believe there's
13 a basis that they're a surrounding community.

14 I would also just make a point that
15 the commitments that this applicant has made as
16 the best efforts matter in a legally binding
17 way to hire people locally within 15 miles, to
18 buy produce and goods within 15 miles that
19 applies to everybody. And certainly, there is
20 no belief on our part that anybody in Everett
21 should have any negative impact based on the
22 actions of their government officials.

23 MR. CONROY: I just wanted to
24 quickly say I neglected to leave out of my

1 introductory remarks, what we have been able to
2 accomplish on surrounding communities could not
3 have been done without the advice and
4 assistance of your staff. John Ziemba, Nancy
5 Stack and Catherine Blue, we called them a lot.
6 They provided us advice. They've been very,
7 very helpful in this process.

8 And the fact that we didn't have to
9 have a hearing today on Melrose and a hearing
10 yesterday on Lynn, and the thing is in part
11 because of their work. I just wanted to thank
12 them in front of you because they've been an
13 incredible resource to us.

14 CHAIRMAN CROSBY: Thank you. Before
15 we go back, anybody, Commissioners. Did you
16 want to respond to it?

17 MR. SILVERSTEIN: Just briefly, Mr.
18 Chairman. In their opposition to our
19 application and just now, Mr. Baker keeps
20 referring to some letter supposedly that the
21 city of Everett sent regarding the DEIR. I
22 haven't seen that letter. I don't know if Mr.
23 Errickson has.

24 MR. BAKER: I'll get you a copy of

1 that.

2 MR. SILVERSTEIN: I appreciate it.
3 I'm not aware of any such letter having been
4 sent. In any case, that was an issue that was
5 raised by the Boston Globe, very recently not
6 back when the DEIR was first filed. So, I
7 don't think it has any relevance to the
8 petition.

9 But in any case, certainly the city
10 has not had the opportunity to have its own
11 traffic consultant look at this issue. It
12 would've been happy if MAPC could have looked
13 at the issue for it. That wasn't an option
14 given to it.

15 And in terms of the \$50,000
16 repeatedly raised, every single applicant has
17 spent far more than that. I don't think anyone
18 in this room believes that that \$50,000 was
19 meant to be the be-all end-all and it certainly
20 hasn't turned out to be that way. As I noted,
21 Mohegan Sun was going to spend hundreds of
22 thousands of dollars on the RPA process and
23 other surrounding community disbursements and
24 never suggested that that was inappropriate,

1 only with respect to the city of Everett.

2 If the Commission has any questions
3 on that need answer, I don't know -- Mr.
4 Fitzgerald do you have anything you wanted to
5 say specifically in response to with respect to
6 the traffic presentation?

7 MR. FIZGERALD: One thing that I
8 would like to say is obviously if Route 16 is a
9 very efficient corridor in that the traffic
10 signals are free-flowing and delays,
11 significant delays aren't experienced along
12 this corridor that is three miles shorter, it's
13 three miles shorter of a travel route, then
14 wouldn't more vehicles travel along that
15 roadway?

16 Route 16, especially Santilli Circle
17 on a Saturday especially during winter periods
18 or heavy shopping periods is pretty congested
19 and people try to avoid it as a result.

20 So, I guess my question is which one
21 is it? Is it a very efficient corridor for
22 vehicles to go and therefore more trips will
23 travel down this corridor? Or is it congested
24 to the point that if you add more trips to it

1 then you're just going to overburden -- you're
2 going to add traffic to already overburden
3 intersections. Again, without having the
4 evaluations or the analysis to review, I can't
5 really answer that.

6 COMMISSIONER MCHUGH: The logical
7 extension of that is if you don't fix it, it's
8 better, right?

9 MR. FITZGERALD: If you don't fix
10 it, it's better?

11 COMMISSIONER MCHUGH: Yes, because
12 fewer people will use it. If you fix it, more
13 people will use it and that's not good. If you
14 don't fix it --

15 MR. FITZGERALD: Well, it's
16 already --

17 COMMISSIONER MCHUGH: --broke.

18 MR. FITZGERALD: Yes. It is already
19 broke, but is it the point of how are the
20 backups along neighboring streets and things
21 such as that.

22 MR. SILVERSTEIN: And Commissioner,
23 I think under the applicant's own numbers,
24 about 1 million trips per year will go through

1 Route 16 in Everett. So, whether that is
2 increased because the roadway gets better or
3 it's just that million trips because the
4 roadway is still difficult, that's a
5 substantial amount of traffic coming through
6 Everett.

7 When there are traffic accidents,
8 Everett public safety services will have to
9 respond to. When there are storms, Everett
10 plows that street. Again, there are 14
11 intersections, 14 streets coming into Route 16
12 in Everett, local streets. Difficult
13 intersections that people have to navigate,
14 apart from level of service they are still
15 difficult intersections.

16 When you have more traffic, you have
17 greater possibility of conflict when you're
18 adding a million trips per year. That's a
19 substantial amount of traffic.

20 And I don't know how the applicant
21 can voluntarily designate Malden and Salem and
22 Medford and every single community except
23 Everett and Somerville, the two that they
24 perceive as negative. And argue that they're

1 going to mitigate traffic problems on roads
2 where they're going to have one percent of
3 their traffic distribution, intersections along
4 1A, a state highway that that requires
5 mitigation but not Route 16 is illogical.

6 CHAIRMAN CROSBY: Got it. Thank
7 you.

8 MR. KENNEDY: My only comment on
9 some of the intersections that are only seeing
10 in two percent corridors, two percent
11 projection corridors, they were addressed
12 because they were part of our MEPA scope that
13 was agreed to by MEPA, the surrounding
14 communities -- not the surrounding communities,
15 the host communities at the time.

16 DCR and Mass. DOT, we looked at them
17 because we were asked to. We didn't look at
18 anything in the Route 16 corridor, west of
19 Webster Street in Chelsea because we weren't
20 asked to.

21 And the city of Revere has asked us
22 to go in and make some signal improvements,
23 whether it's phasing changes or timing changes
24 and some resurfacing within those

1 intersections. Again, that's why those
2 intersections were included in the study scope.

3 MR. BAKER: Again, I just make the
4 point, and we'll separately send it to you,
5 because it's not fair to you to have to go
6 through the voluminous filings, but if you look
7 at the DOT and the DCR comment letters on our
8 project, the idea that these state agencies
9 have not given great thought to this and have
10 really thought through the impacts on the
11 regional road system that they own and control,
12 I just don't think there's a basis for it.

13 And the other thing I do say is at
14 least Mohegan Sun, there is on negative animus
15 as it relates to anybody and certainly that was
16 not the reason the Somerville hearing happened
17 yesterday.

18 CHAIRMAN CROSBY: Anybody else? All
19 right, thank you folks. We will be back to you
20 and thus conclude Mohegan Sun.

21 MR. ZIEMBA: Mr. Chairman, members
22 of the Commission, I'd like to ask
23 representatives of the city of Cambridge to
24 come down to the table. I will ask Lee

1 Gianetti to do the introductions of his team.

2 We are also joined by the Wynn
3 representatives. And I'll ask Kim Sinatra to
4 introduce her team when it comes time for the
5 Wynn presentation.

6 CHAIRMAN CROSBY: Is everybody
7 ready? Who is starting for Cambridge?

8 MR. GIANETTI: Mr. Chairman, members
9 of the Commission, good morning. My name is
10 Lee Gianetti. I am the Director of
11 Communications and Community Relations for the
12 city of Cambridge. With me is Sue Clippinger,
13 Director of Traffic, Parking and
14 Transportation, and Police Commissioner Robert
15 Haas.

16 CHAIRMAN CROSBY: I should disclose
17 that I used to work with Sue Clippinger
18 hundreds of years ago back when I was in the
19 transportation business. Nice to see you
20 again.

21 MR. GIANETTI: We are before you
22 today to present our case as to why Cambridge
23 should be designated a surrounding community
24 for the Wynn Everett project.

1 As a city, we are fortunate to have
2 a thriving economy, a robust housing market, a
3 vibrant and expanding tourism and entertainment
4 industry, not to mention a couple of
5 universities.

6 We're not here because we believe
7 this designation will solve a particular
8 problem in Cambridge or will be a source of
9 unexpected money. We know how to deal with
10 issues in our community. We invest an enormous
11 amount of resources into planning, planning for
12 disasters, planning for traffic mitigation,
13 planning for development and planning for
14 Cambridge's future.

15 The proposed casino in Everett
16 because of its proximity to Cambridge, presents
17 potentially significant impacts on developing
18 residential and commercial areas in Cambridge.
19 It threatens our careful and successful
20 transportation planning. And it will
21 potentially increase demands on our police
22 force, and it threatens our mature hospitality
23 and tourism industry.

24 Both Sue Clippinger and Commissioner

1 Haas will address some of the ways that
2 Cambridge will be impacted and the importance
3 of regional coordination and cooperation.

4 MS. CLIPPINGER: Good morning. I'm
5 Sue Clippinger. I'm the Director of the
6 Traffic, Parking and Transportation Department
7 in the city of Cambridge. And I just want to
8 talk a little bit about the transportation
9 issues that we are concerned about.

10 We basically see that casino as
11 creating regional traffic and transit
12 challenges and that we feel they have to be
13 addressed at a regional level. And that the
14 impacted region of the surrounding communities
15 should include the city of Cambridge.

16 We believe that the four percent of
17 trips that were shown to cut through Cambridge
18 along Washington Street is understated. And
19 that if those trips end up on Prospect Street,
20 for us that's a 20 percent increase in traffic.

21 We feel that the traffic congestion
22 at the heavily congested intersections will
23 serve to focus additional traffic onto
24 Washington Street above what was in the study

1 and those coming through Cambridge. We also do
2 not believe that zero percent of trips are
3 going to cut through Cambridge on the Gilmore
4 Bridge. Rutherford Ave. congestion and
5 congestion in the general area is likely to
6 cause some people to use that route.

7 And if only 10 percent of the trips
8 were using the Gilmore, it's an additional 50
9 or 60 trips into an intersection which is
10 already heavily congested.

11 We also don't believe that all 38
12 percent of the trips that are expected to use
13 I-93 coming up from the South will stay on I-
14 93. We feel some of them are going to want to
15 avoid the congested central artery in downtown
16 Boston. And when they make that decision, one
17 of the options they have is to get off of I-90
18 or to come through Allston Brighton and cut
19 through Cambridge, a direct route right up
20 River, Western and Prospect Street to
21 Washington Street.

22 One of the things that we're
23 incredibly proud of is that we've been working
24 on development in Kendall Square. Hopefully,

1 people realize that there's been a huge
2 improvement and new activity in Kendall Square.

3 Forty-five percent of the people who
4 commute to and from jobs in Kendall Square are
5 coming from the north and northwest areas that
6 are in the same direction that the casino is
7 from the city. So, we are concerned about the
8 big increase of traffic. And we obviously want
9 to continue to have Kendall Square as a vibrant
10 and growing area.

11 We've had four million square feet
12 of development that's been added in Kendall
13 Square. And the percentage of employees that
14 are driving to work at those establishments in
15 the last 10 years have dropped from 55 percent
16 of people driving to 43 percent of people
17 driving. And we are working incredibly hard.

18 We have innovative ordinances. We
19 are active in the permitting process for large
20 projects to encourage them to use transit, to
21 walk, to bike. And we're trying to make sure
22 that we are effectively using the scarce
23 resource of the roadway system that feeds this
24 area. We feel we've been incredibly

1 successful.

2 The traffic counts that we are doing
3 is showing that traffic growth in Kendall
4 Square has been flat even while we've added
5 four million square feet of development.

6 The casino is assuming that 77
7 percent of their patrons are going to drive.
8 So, obviously this is of grave concern to us.

9 The other issue, key issue for us is
10 transit. We see that the future growth of
11 Kendall Square and of the whole region is
12 greatly enhanced if we can have a really strong
13 and improved transit connection between
14 Sullivan Square and Kendall Square through
15 Lechmere. And we want very much for that to
16 happen.

17 It's been identified by both the
18 MBTA's program and MPL long-range planning as a
19 key transit need in the area. And we want to
20 make sure that that effort moves forward and
21 that we can be as a region as creative and
22 innovative as possible in making that transit
23 connection. That's a connection that is
24 affecting other surrounding communities and

1 everybody needs to be at the table in making
2 that happen.

3 So, in summary I think what we are
4 saying is we feel that there are challenges
5 here obviously, in terms of traffic. There are
6 opportunities is in terms of transit
7 improvements and that the surrounding community
8 process is a way of trying to address these.
9 And that Cambridge should be a part of that
10 effort to look for ways to make this a
11 successful effort. Thank you.

12 COMMISSIONER MCHUGH: I'm not sure I
13 understood the last point. What impact on what
14 we're talking about today does the desired
15 transit connection between Kendall and Sullivan
16 Square have? Sounds wonderful, but what impact
17 in what we are trying to decide today does that
18 have?

19 MS. CLIPPINGER: I think one of the
20 ways -- One viable way of trying to improve the
21 Sullivan to Kendall transit service
22 availability, capacity is service reliability
23 and looking at whether there are ways to have
24 exclusive bus lanes or few jump for buses or

1 lanes for buses. Anything we can do to give
2 them a reliable travel time savings.

3 There's going to be a huge incentive
4 with casino with the kinds of trips being
5 generated for all available space to be used
6 for moving automobiles. And what we're trying
7 to do is make sure we have a balance between
8 what the automobile needs are but also making
9 sure that space is available to make these
10 transit improvements and that we don't look
11 back on the implementation of a casino and say
12 well, we've lost all of this space that we
13 would we need.

14 And if we can have strong transit, I
15 think it makes a huge benefit to the whole
16 region in terms of being able to keep the
17 existing roadway capacity meeting the vehicle
18 needs because we're able to provide transit for
19 a large portion of people who would like that.

20 COMMISSIONER MCHUGH: Got it, thank
21 you.

22 MR. HAAS: Good morning. My name is
23 Robert Hass. I am the Police Commissioner for
24 the city of Cambridge. And I'm really going to

1 talk about a really narrow portion of our
2 concerns with respect to crime and crime
3 impact.

4 We know that crime is a regional
5 problem. And what's particularly interesting
6 about Everett, Cambridge and Somerville is that
7 we've seen a great deal of interplay between
8 the three jurisdictions. And I'm going to talk
9 about three examples of where we've seen this
10 play out.

11 We've seen it in our drug markets
12 between the three cities in terms of the
13 interplay between those three cities and how
14 it's exchanged between them.

15 We also see it with our gang
16 activity in terms of Metro gang task force.
17 For many years, Cambridge, Everett and
18 Somerville have all been partners in that Metro
19 gang force. And we're seeing those players
20 cross over constantly between our
21 jurisdictions.

22 Lastly and most importantly I think
23 the initiative we've had underway now for the
24 last two years. We've actually partnered with

1 Everett and Somerville in looking at high-risk
2 impact players. We are seeing correlation and
3 transfer of those people between our three
4 jurisdiction over and over again. I think it's
5 short-sighted we believe that they're going to
6 be reallocated or staying in one area. But I
7 think the evidence we have in the past in terms
8 of interplay and how a crossover of
9 jurisdictional lines is just going to be
10 symptomatic of what we're going to see in the
11 future if there is in fact an influx of crime.

12 I will tell you in the last two
13 years, we've now seen a 23 percent decrease in
14 our violent crime. It's a dramatic decrease.
15 And I really attribute it to the partnership
16 that we've had with Somerville and Everett.
17 And both of those jurisdictions have seen equal
18 reductions in their crime.

19 Prior to that we were seeing maybe
20 two, three percent reductions. And this a
21 dramatic increase. And I think it's because of
22 the collaboration we've had between our
23 jurisdictions that we're actually seeing that
24 downplay. And I think if we don't maintain

1 that kind of partnership, relationship, we're
2 going to be back in a reactionary posture,
3 waiting for crime to happen and trying to deal
4 with it.

5 I think the partnerships we've
6 established now have worked really well for us.
7 And I think it will continue to work very well
8 for us in terms of going forward. And I think
9 that's why anything that happens in Everett,
10 we're going to feel it in Cambridge and vice
11 versa.

12 We are getting away from this whole
13 displacement notion where we're just pushing
14 crime from one place to another. And we've
15 really been communicating in terms of being
16 able to identify patterns and trends very
17 early, reacting to them stopping them. So, I
18 think the collaboration and partnerships are
19 extremely important. I think it needs to be
20 maintained if in fact Everett is going to be
21 successful in its venture.

22 COMMISSIONER MCHUGH: And how,
23 Chief, does that impact on the mitigation that
24 you think would be appropriate?

1 MR. HAAS: So, I think what we're
2 concerned about as I think Lee indicated in his
3 testimony is not so much about the monies, but
4 the opportunities that every surrounding
5 community will have access to in terms of being
6 able to maintain and enhance that partnership
7 and collaboration with Everett.

8 CHAIRMAN CROSBY: Is there anything
9 that gets in the way of maintaining this
10 working relationship if you're not a designated
11 a surrounding community?

12 MR. HAAS: No. I just think it
13 enhances our position.

14 COMMISSIONER CAMERON: Commissioner,
15 do you realize that there's an extensive
16 research program that's starting here. And one
17 of the aspects will be to look at a baseline of
18 crime in the region. And then being able to
19 characterize crime once a casino is built so
20 that we know if in fact any uptick is related
21 to the casino.

22 So, there really are efforts going
23 on now that I'm sure you'll be a part of
24 actually. They're just starting to put groups

1 together to just talk about -- Frankly, I'll
2 make sure that you are included in that
3 baseline and those continued discussions to
4 identify. One of the problems in other, and
5 you're probably aware of this, other
6 jurisdictions is the inability to identify if
7 in fact the casino had something to do with the
8 uptick or maybe there was no increase in crime.

9 But being able to label or identify,
10 and that may take some reporting changes, if in
11 fact that crime is related to a casino in the
12 region. So, I just wanted you to be aware.
13 And I'll make sure you're a part of that.

14 MR. HAAS: I am aware of that,
15 Commissioner. I think the thing that we're
16 concerned about, quite honestly, is it's not so
17 much the casino and its operation, I just think
18 it's the fallout and the collateral effect it
19 takes when you have something like that taking
20 place, what does that look like.

21 So, I was in New Jersey when
22 Atlantic City was actually opening up and
23 started to see some of the residual effects
24 from that. And some of the arid kind of spread

1 across away from Atlantic City.

2 COMMISSIONER CAMERON: Who were you
3 with in New Jersey?

4 MR. HAAS: I was Morristown. So,
5 I've seen some of that. And again, I'm not
6 saying it's going to be a direct correlation
7 between the activity and the casino itself.
8 But what are the collateral effects that are
9 taking place?

10 One of the big concerns we're seeing
11 now in our region is human trafficking. We're
12 starting to see a lot more that taking place.
13 I suspect you may see some more of that taking
14 place as a result just the nature of the
15 activities that will take place as a result of
16 the casino itself.

17 CHAIRMAN CROSBY: Anybody else?

18 MS. SINATRA: Hello. I'm Kim
19 Sinatra from Wynn Resorts. I'm here on behalf
20 of Wynn Massachusetts. Thank you so much for
21 having us here today.

22 I thought what we would do is I
23 would like to introduce the folks who are here
24 to answer any questions and provide information

1 today. I would also like to before we start,
2 thank staff, because Ziemba has been pushing
3 people around a bit and to great effect I think
4 taking a lot off of your plates. So, we
5 appreciate both John and the rest of the staff
6 and their assistance with this task.

7 I have beside me our own Harvard MIT
8 guy, Chris Gordon. Chris has been working with
9 us for over a year. He's been coordinating all
10 of the construction and development related
11 activities here in Massachusetts.

12 Chris, in addition to teaching at
13 both Harvard and MIT, has lots of experience on
14 both public and private projects here in
15 Massachusetts and around the world.

16 Next to Chris is Keri Pyke. She is
17 our traffic consultant from Howard Stein
18 Hudson. She has over 20 years of experience,
19 lots of it in the Commonwealth. So, she is
20 here to answer any traffic and transportation
21 related issues.

22 Next to Keri is Suzanne Lackert.
23 Suzanne has come from the frigid tundra of New
24 Orleans to join us. She's from TMG. And they

1 prepared our economic impact report that was
2 included with our RFA-2 application, and is
3 here to answer any economic impacts. We have
4 asked Suzanne to do a little bit of additional
5 work on surrounding communities, specifically
6 on this topic. So, hopefully she can be
7 helpful.

8 And we have the other individual
9 Jacqui Krum from Wynn here as well.

10 So, what we did when started
11 thinking about surrounding communities is we
12 went directly to the regulation. Jacqui, if
13 you could kick ahead a few slides just to look
14 at that. We were very specific about trying to
15 adhere to the stated definition of what a
16 surrounding community is.

17 So, we looked at the regulations.
18 And the first thing that is considered is
19 proximity. We have lots of information on
20 proximity for you.

21 But then we looked, is the
22 transportation infrastructure going to be
23 significantly and adversely affected? Is the
24 community itself to be significantly and

1 adversely affected by the development? Is the
2 community to be significantly and adversely
3 affected by the operation of the establishment?
4 And will the community be significantly and
5 adversely affected by other relevant and
6 potential impacts?

7 What we told Cambridge when we met
8 with them yesterday, and I will compliment them
9 on so many of the really innovative things that
10 have happened there. We continue, regardless
11 of how it comes today, we intend to continue
12 our conversations with Cambridge and all of the
13 regional players, because we want to, if we're
14 lucky enough to be able to come to the
15 Commonwealth of Massachusetts, we want to be
16 part of regional solutions to all of the issues
17 that they've talked about.

18 That doesn't mean you're a
19 surrounding community, however, because a
20 surrounding community is very specifically
21 defined. And so while we'd like to get folks
22 out their cars, we'd love to minimize crime and
23 we'd like to be part of regional task force and
24 all of those items that doesn't make a

1 community necessarily a surrounding community
2 under the regulation with the attendant
3 required agreements.

4 So, I'm going to let Chris talk
5 about sort of where we are on this journey and
6 talk about the work we've done with respect to
7 Cambridge, particularly. And why we came to
8 the conclusion that they did not fit within the
9 regulatory framework.

10 MR. GORDON: Thank you, Kim. We're
11 going to briefly give you some background on
12 how we applied the methodology. And then we're
13 going to talk specifically about Cambridge.
14 So, bear with us for a few slides on how we
15 actually did this.

16 Just to remind everyone, the
17 communities in red, we have designated as
18 surrounding communities. You know Malden,
19 Medford, Somerville, Chelsea and Boston. I
20 should say that since this process started for
21 the petitioning, we just recently designated
22 Chelsea and Somerville, partially as a result
23 of the information they provided through the
24 petition process. So, we think the process is

1 working.

2 The ones in blue have also
3 petitioned. However, as you know recently
4 Melrose and Lynn, we think we have agreements
5 with. So, we can talk about that. But today
6 we don't expect to need to address those. We
7 are of course today going to address Cambridge
8 and Saugus and make sure we work through those
9 issues with the Commission and with those
10 cities.

11 This is a list. You might know
12 Revere did not petition. They are an adjacent
13 community but did not petition. So, that's why
14 we're not addressing them on the map.

15 We've already talked about this, but
16 as Kim said we tried to do it very rigorously.
17 Instead of sort of folklore and opinions and
18 personal experience, we tried to actually go
19 through the criteria as best we could to
20 identify exactly who is a surrounding
21 community, because we thought that that was the
22 logical way of course to approach it.

23 You all know where Everett is, but I
24 want to talk briefly about proximity, because a

1 lot of these communities have talked about that
2 in some of the petitions. This is a matrix
3 that we put together. We want to get a bit
4 quantitative about this because everybody talks
5 about who's close and who's not, but we wanted
6 to measure it.

7 The first column here is the actual
8 length of the common border with some of these
9 communities. These are the ones that we've
10 recognized as surrounding communities. Most of
11 them have a fairly significant common border.
12 We think that's important for a lot of reasons,
13 but it was one metric we decided to use.

14 We also measured the actual distance
15 from our site to their border. Again, these
16 are all sort of, use them as you want, but we
17 thought that this was something that was
18 important was actually how far away they were.
19 And you'll see later in some of the
20 construction impacts, this does matter when you
21 start talking about things like noise, dust,
22 vibration that sort of stuff.

23 These are the ones that we haven't
24 recognized. And again, it's no disrespect to

1 these communities, but we found that in this
2 measure, most of them don't have a common
3 border or are quite a bit further away. And
4 you'll see later on traffic and other stuff
5 that we just didn't see the same level of
6 impact.

7 Another point we wanted to make,
8 this is our site, as you know, in Everett on
9 the river. It's almost completely surrounded
10 by Everett, with the exception of, as you know
11 and we've talked about it before, the finger of
12 Boston land that comes in here. And also,
13 almost everything around it is industrial
14 property.

15 There are two areas of residential.
16 There's an area of residential here. And
17 there's a few residential units on the street
18 here, but most of it is all industrial property
19 all in Everett. And we take that seriously.

20 So, when we think about construction
21 impacts that's one of the things we like about
22 this site is we can -- you don't have the same
23 thing as close in residential neighbors as you
24 might have on some sites. So, we spent a lot

1 of time thinking about that. And that's one of
2 the great features we think of this site both
3 for operations and for construction.

4 There's three slides here which I
5 won't go through all of the detail because
6 they've been filed with you many times, but
7 there's a summary slide I want to get to in a
8 minute. This is all of the patrons and how
9 they would get to the site.

10 This is all in the filings we've put
11 with you. So, we won't go through it. These
12 are the percentage of our traffic coming and
13 going to the site. Green is coming into the
14 site and yellow is leaving the site. So, this
15 is patrons. -- Flip that, sorry. Keri did it,
16 so she is correct.

17 This is the employee one. The
18 reason it's a lot less lines is we are using
19 off-site parking for employees. So, we created
20 three employee off-site parking locations. And
21 we're busing them in from here. Next, this is
22 the composite slide. Again, you have all of
23 these. This is the composite slide of what the
24 percentages are.

1 But more important if you go to the
2 next one, this is it in tabular form which we
3 think is a lot easier to understand. This
4 shows the five communities that we've
5 recognized and the four that were petitioned.
6 This is the percentage of our traffic that is
7 directly through those cities coming in and out
8 of our site.

9 Indirect means they're going through
10 another city before they get there. No
11 surprise, you can see that Boston has the
12 biggest chunk. That is primarily through
13 Sullivan Square. And Medford has the next
14 biggest chunk that's coming through Wellington
15 Circle. Those are two areas that we really
16 want to focus on from a traffic point of view.

17 We're meeting with both the MDOT and
18 DCR as well as those cities. You can see
19 Malden has a fair bit. Chelsea has a fair bit.
20 Somerville does not have any direct traffic but
21 we feel they have indirect traffic here.
22 That's traffic that's going through Sullivan
23 Square in Boston and over to Somerville. So,
24 even though it's not direct, we felt we should

1 recognize it because it is an impact on them.

2 The other is the numbers are very
3 small. And we'll talk about those in
4 particular when we get to each city but there's
5 just not a lot of traffic in those cities. And
6 as you look at our DEIR application, if you
7 boil it all down, traffic really is our impact.
8 Everything else turned out positive. The
9 negative was traffic. So, we decided to focus
10 on that.

11 Again, we won't go through this in
12 detail but the way the city and the state
13 process works is first we identify our traffic.
14 Then we identify what the problems it causes is
15 and then we figure out how to mitigate it.

16 So, through our environmental
17 process, including all of the state agencies,
18 we've identified about \$40 million of traffic
19 mitigation that we're going to do and we think
20 we should. That we think mitigates any impact
21 we have.

22 So, this is separate from
23 surrounding communities, separate from any of
24 them. This is just funding that we're going to

1 provide for some of the stuff you heard about
2 earlier today, rebuilding Santilli, Sweetser,
3 the issues in Wellington, issues in Sullivan
4 Square, issues on Broadway, Revere Beach
5 Parkway. All of that is part of our mitigation
6 package, which we are already committing to
7 through our environmental process.

8 Construction, everybody has their
9 own sort of folklore about construction. But
10 we want it to be much more quantitative. So,
11 we looked at five standard metrics that are
12 used around the world of whether or not we
13 would impact. They're construction noise,
14 dust, erosion, vibration and traffic. Those are
15 tangible impacts that we can measure.

16 And we're going to be very hard on
17 our construction folks to make sure we don't
18 have these impacts. When we get to each city,
19 we want to talk to you about what we think you
20 might see in those areas.

21 This is an example. This a noise
22 contour map that we had developed. This is our
23 site. We asked them to take the middle of the
24 site and to take the worst construction noise

1 we would develop, which is primarily putting in
2 the sheathing and the piles at the beginning of
3 the project. And then measure the decibel
4 levels to all of the areas around us.

5 You can't quite read these decibels
6 on the slide, I apologize. But by the time you
7 get across the river and you're out into
8 Somerville, you get down into areas as the
9 traffic folks labeled it, this is national
10 numbers, this isn't our language. Quiet,
11 suburban residential areas at night. That's
12 about as quiet as you can get.

13 So, that means you really will not
14 be able to hear much of anything when you get
15 over towards Somerville and certainly not
16 beyond that. So, we think the numbers are
17 quite low on construction noise. I'm going to
18 turn it over to Suzanne who's going to talk
19 about we talked about economic impacts.

20 MS. LECKERT: Thank you, Mr.
21 Chairman and members of the Commission. In our
22 study, what we did was we projected the
23 potential impacts that the Wynn Everett
24 facility would have on the entire Commonwealth.

1 In doing so, we utilized the US Bureau of
2 Economic Analysis RIMS II system.

3 This is an input-output modeling
4 system. The BEA sets multipliers for specific
5 industries, specific to each state in the
6 country. When these are applied to certain
7 inputs, these multipliers very accurately
8 project the impacts of an industry or a
9 development on a statewide economy.

10 These multipliers are for distinct
11 segments such as casino operations, hotel, food
12 and beverage, retail, advertising and general
13 administration. And we used these multipliers
14 from the BEA for these segments. And they
15 protected both jobs and other impacts
16 throughout the community.

17 This graph just very briefly details
18 what goes into these models and what comes out.
19 The projections of total new jobs in the
20 Commonwealth as well as total new earnings.

21 In our study, which you should have
22 all received a copy of some time ago, we
23 projected 5144 new jobs or rather FTEs
24 throughout the state, 3287 direct 1858 indirect

1 and induced FTEs throughout the Commonwealth.

2 In addition, \$270 million in new
3 earnings. \$136 million are attributed to
4 direct onsite earnings at the Wynn Everett
5 facility, and another \$134 million indirect and
6 induced earnings throughout the Commonwealth.

7 Before I go on, we'll actually go
8 back to that slide, what we did after making
9 the statewide projections was then we looked at
10 things on more of a community level because the
11 RIMS II model is a statewide model.

12 Even though it's a statewide model
13 we really didn't believe that all of the
14 impacts would be distributed equally across the
15 Commonwealth. So, what we did was following
16 the commitments made by Wynn Resorts, we
17 assumed that 75 percent of all of the induced
18 and indirect impacts would be felt within about
19 a 30-minute drive of the Wynn Everett facility.
20 That's about 1400 of the indirect and induced
21 jobs. And a little bit over \$203 million of
22 the earnings being shared by those living
23 within a 30-minute drive of the Wynn Everett
24 facility.

1 Finally, we took into account the
2 size of those populations and their relative
3 distance to the Everett facility. This
4 resulted in estimates of the jobs and earnings
5 impacts that each individual community could
6 expect.

7 Now in terms of impacts on
8 residential property values, in our research we
9 have not found that the presence of a casino
10 has negative impacts on residential housing
11 values. And often we've found that communities
12 with a casino, they experience either more
13 stable housing markets or stronger growth than
14 the rest of their states.

15 This is one example. This is
16 Newport Grand. And Newport Grand opened in
17 1992. Before this time, Newport County's
18 median housing values were slightly lower than
19 the state average. After the casino opened, it
20 flip-flopped and they have grown at a stronger
21 clip than the statewide average.

22 Here's another example over in
23 Philadelphia with regard to the Harrah's
24 facility in Chester. The first year after the

1 casino opened, housing values in the immediate
2 area grew at a slightly faster pace than the
3 rest of the state. Data for 2012 shows that
4 while housing values declined slightly, they
5 didn't so dramatically and they weren't out of
6 line with what the rest of the state was
7 experiencing.

8 MS. SINATRA: So, I think one of the
9 things that we wanted to show and this is a
10 table that is included within our RFA-2
11 application, basically what it does is model a
12 year of operations and the 25 percent gaming
13 tax to the state, and breaks it into the
14 various baskets that the legislation
15 establishes.

16 Because one of the things that I
17 mentioned earlier that we want to make sure
18 that communities take comfort from is just
19 because you are not either a host community or
20 a surrounding community pursuant to an
21 agreement with a dedicated revenue stream that
22 the Legislature provided really quite
23 generously for many things that communities
24 care about.

1 I guess I would highlight from this
2 slide the cultural council, which could expect
3 \$4.2 million a year. The tourism fund at \$2
4 million, the community mitigation fund of \$13
5 million, again on an annual basis. Local
6 capital projects fund of \$9 million, local aid
7 of over \$40 million incremental. We can skip
8 over the Commonwealth stabilization fund,
9 education fund, economic development fund
10 because the local committees won't care about
11 that so much for the issues they are talking
12 about now. I look at a transportation and
13 infrastructure development fund of an
14 additional 30. So, that's over and above what
15 we've committed to as a one-time basis, which
16 is over \$40 million.

17 And then the surrounding communities
18 that we have agreed with for additional traffic
19 and infrastructure development, the public
20 health trust fund, again \$10 million. A lot of
21 that can deal with the social impacts that
22 people are worried about should they occur.

23 So, my point of including this is to
24 show communities and to remind the Commission

1 that there is significant funding available to
2 address some of the issues raised by folks even
3 if they don't fit within the definition of a
4 surrounding community.

5 MR. GORDON: Unless there's any
6 questions on that we'd go right into the
7 Cambridge discussion.

8 This obviously shows where Cambridge
9 is compared to the site. You go through
10 Somerville and then you get to Cambridge. This
11 is a traffic slide you'll see for both
12 communities we are addressing today.

13 If there as any traffic projected in
14 Cambridge, you would see it labeled on the
15 slide. Our traffic model shows literally no
16 traffic going through Cambridge either to or
17 from the casino. We have a lot of traffic
18 elsewhere, which you saw on the earlier slides,
19 but none of those arrows green, yellow with the
20 numbers on them go through Cambridge.

21 So, our model shows there isn't any
22 impact on Cambridge traffic. We also look
23 closely at the construction impacts. And
24 again, we don't mean to be wise with this

1 slide, but we didn't find any. It's too far
2 away for the things you measure for
3 construction. You saw the noise contour map,
4 noise, dust, erosion, vibration, all that. We
5 just don't see any of it for our construction
6 operation at all.

7 This is an economic impact as
8 Suzanne talked about earlier. This shows about
9 \$11 million positive economic impact. So,
10 instead of it being a negative impact, we view
11 as quite a positive, which of course wouldn't
12 be mitigated.

13 So, finally, our conclusion on
14 Cambridge with all due respect is that it
15 wouldn't be designated as a surrounding
16 community because we couldn't identify any
17 impact and certainly not anything significant
18 and adverse as the legislation requires.

19 CHAIRMAN CROSBY: Anybody?

20 COMMISSIONER STEBBINS: Could you
21 quickly go back to that estimated impacts from
22 Wynn Everett on Cambridge, the earnings impact,
23 just walk through that final number, how you
24 got to it.

1 MS. LECKERET: That number came from
2 the statewide projections for induced earnings
3 impacts. And that was allocated to Cambridge
4 based on the size of the population and the
5 distance from Everett. Those are new household
6 earnings that are a result of the presence of
7 the Wynn Everett facility.

8 COMMISSIONER STEBBINS: Thank you.

9 MR. GORDON: That concludes our
10 presentation.

11 CHAIRMAN CROSBY: Do you folks have
12 anything else you wanted to respond with?

13 MS. CLIPPINGER: I think I just want
14 to reiterate two points to relate my comments
15 to the slides that were just shown. We are as
16 a community surrounded by surrounding
17 communities. As part of the identification of
18 the surrounding communities and feel that we
19 share many of the challenges and impacts of
20 those communities that have been identified.

21 Secondly, the slide that was just
22 shown that showed the roads in Cambridge that
23 would potentially have traffic on them from the
24 casino all run east-west. And the comments I

1 was making was traffic that we expect to see
2 essentially running north-south or northeast-
3 southwest through our community.

4 And I have a little trouble figuring
5 out how a four percent traffic volume from the
6 site that ends a few blocks short of the
7 Cambridge border will have zero trips in
8 Cambridge. Thank you.

9 CHAIRMAN CROSBY: Could you look at
10 that chart?

11 MR. GORDON: And Keri did that chart
12 so we can address that if you'd like.

13 CHAIRMAN CROSBY: Sue, where would
14 you see trips coming from? Where on this map
15 would you see through Cambridge traffic
16 starting from?

17 MS. CLIPPINGER: The two areas of
18 concern are essentially the corridor that is
19 running from the Mass. Pike exit toward the
20 casino.

21 CHAIRMAN CROSBY: In Allston.

22 MS. CLIPPINGER: Right, so it's
23 running diagonally right -- If I had a pointer,
24 I would point. -- diagonally across --

1 MS. SINATRA: Here, we have one we
2 can share.

3 MS. CLIPPINGER: Great. We are
4 concerned about running this way. That people
5 are going to shortcut through the city to get
6 over here.

7 The other area that we are concerned
8 about is people who don't stay on Memorial
9 Drive or don't stay on 93 who are cutting
10 through either First Street or Land Boulevard
11 or even worse through the east Cambridge
12 neighborhood who are trying to make this move
13 across this way instead of going around.

14 Those are the two areas where we see
15 traffic today, and where we would expect that
16 the casino would add additional traffic. And
17 those are the areas where we are concerned
18 about.

19 MR. GORDON: Can we address that?

20 MS. PYKE: Good morning Keri Pyke
21 from Howard Stein Hudson, traffic consultant
22 for the Wynn team. So, just to address Ms.
23 Clippinger's concerns, I think one of the items
24 she was talking about the four percent coming

1 across what is Cambridge Street in Boston that
2 ends up in Somerville, heading towards Union
3 Square. I think we think that that traffic is
4 going to be dispersed.

5 It's four percent, which is a
6 relatively small amount. Some of it is
7 Somerville resident. Some of it is a small
8 basement that may be going to Union Square into
9 Prospect Street.

10 The concern with respect to folks
11 getting off of the turnpike in Allston and
12 cutting through Cambridge just sort of whether
13 they do Memorial Drive or kind of winding their
14 way through Cambridge and Somerville to get
15 over here, last night I actually did a little
16 quick Google maps, let's see what it tells us
17 about travel times and distances. If a person
18 say were coming from Newton Center and using
19 the turnpike to then use I-93 getting off at
20 Sullivan Square to go the Wynn Everett site,
21 that travel distance wise is actually a couple
22 of miles longer than getting off here in
23 Allston and using Memorial Drive over to
24 Rutherford Avenue and up across the Alfred

1 street Bridge.

2 But time wise, it's actually a
3 minute shorter primarily because of all of the
4 signals that you have to go through on Memorial
5 Drive. The speed is slower. It has 10-foot
6 travel lanes, sometimes nine-foot travel lanes.
7 So, you can't travel even though the speed
8 limit on the turnpike is 45, you can't travel
9 at 60 miles an hour.

10 And then I did that at rush-hour
11 last night. So, even with rush-hour traffic,
12 it was actually three minutes faster in rush-
13 hour to say on the regional highways to get to
14 our site if you're coming via the turnpike.
15 So, we don't necessarily think that folks are
16 going to be induced to go through Cambridge and
17 sit at all of those red lights as they weave
18 their way through Cambridge and/or Somerville.

19 I also just wanted to quickly, if I
20 could, address the concern about transit
21 connections. I think as Kim stated, we are
22 also concerned about those pieces and wanting
23 to be able to preserve those. And we think
24 part of our mitigation package is working with

1 the city of Boston on the Sullivan
2 Square/Rutherford Avenue project, which
3 addresses some of those bus connections that
4 Ms. Clippinger was talking about. Certainly,
5 if that project were to go forward, that would
6 be one of the key pieces to think about.

7 We want the transit pieces to work
8 too because we are presuming that our employees
9 particularly will be able -- we want them to be
10 able to use transit and then connect to
11 shuttles that go directly to the Wynn and to be
12 able to do that efficiently.

13 So, the plan that the city of Boston
14 has for the Sullivan Square and Rutherford
15 Avenue is intended I think to address all of
16 those pieces.

17 CHAIRMAN CROSBY: Okay. Anybody
18 else?

19 MS. CLIPPINGER: Can I say one more
20 thing?

21 CHAIRMAN CROSBY: Sure.

22 MS. CLIPPINGER: One of the other
23 traffic concerns and thoughts we have is that
24 the casino traffic, which is going to the

1 casino may be taking space on roadways which
2 are currently being used by other commuters who
3 are coming to Kendall Square and other areas.
4 So, that some of the impact isn't necessarily
5 just people who going directly to the casino,
6 but it's the casino's use of capacity within
7 the system which may cause other commuters to
8 seek alternate routes. Those also obviously
9 are going to affect us and adversely in many
10 cases stopping.

11 MR. GORDON: Just one minor point
12 there. As you remember from our filing, our
13 peak is at 9:00 at night. So, we wouldn't
14 envision impacting many commuters in the system
15 wide because most of our peak is quite
16 different from the computing people.

17 COMMISSIONER STEBBINS: Is there any
18 impact with respect to shift changes, workers
19 coming in? They are coming in at rush-hour.

20 MR. GORDON: The model we set up and
21 we can get it to you again, if you want, but
22 the model in the application shows the shift,
23 very detailed granular shift change forecast.
24 And you're correct, during the day and the

1 evenings there's actually different shift
2 changes 24 hours a day. But they're miniscule
3 compared to the peak, which is Friday and
4 Saturday nights when you'd see the most
5 traffic. And the models that we show ,the
6 drawings that we show reflect all of that.

7 CHAIRMAN CROSBY: Anybody else?

8 COMMISSIONER MCHUGH: Can we go back
9 to the slide where you have all of the
10 percentages, please?

11 MR. GORDON: Of traffic?

12 COMMISSIONER MCHUGH: Yes. You've
13 got down here coming out of Boston, on the
14 right-hand side I understand what that is.
15 What is the route on the left-hand side of that
16 duo?

17 MS. PYKE: Here?

18 COMMISSIONER MCHUGH: Yes, what is
19 that?

20 MR. GORDON: It's 93.

21 COMMISSIONER MCHUGH: Oh, that's 93.

22 MS. PYKE: The numbers on the left
23 are 93 and the ones on the right on the traffic
24 on Rutherford Avenue.

1 COMMISSIONER MCHUGH: Then you get
2 off 93 at 16; is that it?

3 MS. PYKE: No. If they're coming up
4 from the South, they are getting off at
5 Sullivan Square. I think it's exit 28.

6 COMMISSIONER MCHUGH: Both of those
7 wind up in Sullivan Square.

8 MS. PYKE: Correct.

9 COMMISSIONER MCHUGH: Got it. Okay,
10 thank you.

11 CHAIRMAN CROSBY: All set? All
12 right. Thank you very much. We will be back
13 in touch. We'll take about a 10-minute break.

14

15 (A recess was taken)

16

17 CHAIRMAN CROSBY: We are back in
18 session at 11:10. We are I believe going to
19 Saugus or at least Ombudsman Ziemba.

20 MR. ZIEMBA: Thank you, Mr.
21 Chairman, members of the Commission. I'm going
22 to ask the representatives from Saugus to come
23 down to the table. And I'll ask Mr. Crabtree
24 to give introductions to the team. Following

1 that we will have to final presentation from
2 the Wynn group. And that will conclude our
3 surrounding community presentations for today.

4 As I referenced at the beginning of
5 this meeting, Saugus has filed an involuntary
6 disbursements petition. I've talked to them
7 about fact that there is a time for response by
8 the applicant and also noted that it's likely
9 someone will talk about it anyway, but pursuant
10 to our regs., we have some time period for
11 responses from the applicant.

12 CHAIRMAN CROSBY: Okay. Good
13 morning.

14 MR. AUSROTAS: Good morning, Mr.
15 Chairman. Thanks to you and through you to the
16 Commissioners for hearing from us today. I am
17 Ray Ausrotas. I represent the town of Saugus
18 and I'm with the law firm Arrowood Peters here
19 in Boston.

20 With me is Scott Crabtree, town
21 manager. We also have Dan Murphy with CDM,
22 Robert Luongo, the economic development
23 coordinator for the town of Saugus as well as
24 Donald McQuaid, the Fire Chief and Domenic

1 DiMella the Police Chief for the town of
2 Saugus.

3 We are all here today to talk
4 obviously about the surrounding community
5 designation to which the town believes it's
6 entitled. We'll have each individual talk
7 about sort of their area of expertise. But
8 just as a rough overview, the Commission is
9 certainly aware that proximity is an issue.

10 We did provide written testimony,
11 which was handed to Commission staff this
12 morning as well as to Wynn Resort's counsel.
13 If I could direct everyone's attention to page
14 three of that written statement, you'll see in
15 there which reflects proximity both as regards
16 to the casino as well as the border of Everett
17 itself.

18 By our calculation, with regard to
19 the host community border, that's less than two
20 miles along Route 99, 1.9 miles to be precise,
21 less than five miles from the proposed casino.
22 By our calculations, it's 4.2 miles to the
23 Saugus border from the Wynn proposed site and
24 4.5 miles from Route 99/Route 1 interchange.

1 If you see where Route 99 ends at the Wynn
2 proposed casino, north where it hits Route 1 is
3 in Saugus.

4 If I could actually request one of
5 the slides which we hadn't seen before be put
6 back up showing proximity of nonadjacent
7 communities. I don't know if that is still
8 available?

9 CHAIRMAN CROSBY: The Wynn slide?

10 MR. AUSROTAS: Yes.

11 MR. GORDON: Do you want the matrix?

12 MR. AUSROTAS: The distance, that
13 showed respective distance. Thank you. It's
14 notable to us at least in seeing this today,
15 it's our understanding that Lynn and Melrose
16 have reached agreement as to surrounding
17 community designation that neither are
18 adjacent.

19 MS. SINATRA: Time out. I'll just
20 correct. We did not designate either Lynn or
21 Melrose as surrounding communities. We entered
22 into neighboring community agreements with
23 them. As I noted when we were talking with
24 Cambridge, is that we have not abandoned anyone

1 who has reasonable discussion with our company.

2 So, it's important to be clear
3 though we have continued to adhere very closely
4 to the regulations. Our conclusion, which
5 Chris will review in greater detail with
6 respect to Saugus is that it does not fulfill
7 the regulatory requirements of a surrounding
8 community.

9 CHAIRMAN CROSBY: We'll get to that.

10 MS. SINATRA: Right, but neither did
11 Lynn or Melrose. And I just wanted to let
12 Counsel know that we did not designate them as
13 surrounding communities.

14 MR. AUSROTAS: Thank you for the
15 clarification. I knew that they had been on
16 the document had petitioned and from what I
17 understood from the prior testimony had been
18 designated.

19 In any event, a couple notable
20 points moving on from proximity with regard to
21 transportation as we'll hear from CDM and Mr.
22 Murphy and the attached report, which you've
23 been provided with our written testimony today,
24 using Wynn's numbers, again, Saugus has not had

1 the opportunity to perform its own methodology,
2 for example, to try make an estimation as to
3 the impact, but using Wynn's own numbers, Route
4 1 through Saugus is estimated to carry 11
5 percent of the traffic to and from the proposed
6 casino.

7 And getting onto the question of
8 operational impacts, so to speak, of the
9 proposed casino, Saugus really does believe,
10 and you'll hear from its officials that there
11 are a few public safety impacts with regard to
12 police. The impact of that additional traffic
13 and congestion, potential for social crime as
14 well as the impact on the mutual aid agreements
15 which are in place which were submitted with
16 our original petition to the Commission with
17 Everett to which Everett is a party as well as
18 Saugus.

19 As to fire, Everett and Saugus are
20 both parties to a mutual aid agreement
21 comparable to the police and we'll be able to
22 hear the impact on response time when there is
23 increased congestion.

24 Furthermore, one of the impacts that

1 Saugus anticipates is economic in nature.
2 Saugus has a thriving and significant retail
3 component to its local economy, primarily on
4 Route 1 but throughout the community. The Wynn
5 Resort through interviews with proprietors of
6 businesses in Saugus will be a competitor.

7 It would not necessarily just be a
8 rising tide lifting all boats, but it will be a
9 situation where people with limited income
10 would choose one or the other. And that would
11 reflect and impact both on Saugus's meals tax
12 as well as in the event of any businesses that
13 were lost potential abatement as to its
14 properties.

15 In addition, we'll hear about very
16 specific issues with regard to Saugus
17 historically and its zoning, its current zoning
18 laws, and its present inability in any instance
19 to take advantage of what would be seen as
20 secondary impacts, positive impacts of the Wynn
21 casino.

22 So with that, what I'd like to do is
23 turn the floor over to Dan Murphy from CDM to
24 talk about the report that was attached to the

1 written statement and also traffic more
2 generally. Thank you.

3 MR. MURPHY: Thank you very much. I
4 just wanted to summarize real quickly the memo
5 that's attached. The point being that Route 1,
6 it's not a typical limited access highway.
7 There are a lot of abutters who direct access
8 onto Route 1. It carries close to 100,000
9 vehicles a day. And as the project has stated,
10 it will be adding about 11 percent north of the
11 Route 99 merge.

12 CHAIRMAN CROSBY: Eleven percent of
13 the 100,000?

14 MR. MURPHY: No, 11 percent of their
15 project trip traffic will be traveling via
16 Route 1 north of Router 99. Route 1 already
17 operates at bad levels, level of service E,
18 level of service F based on various studies and
19 various projects.

20 And the addition of those vehicles
21 will cause vehicles to divert, whether they be
22 local traffic that would have normally gotten
23 on Route 1 on the north side of the town to
24 travel south or vice versa or local regional

1 traffic.

2 The long regional project trips will
3 likely stay on Route 1 because they're not
4 familiar with the side roads and other routes
5 that can be taken to the project site.

6 The other concern for the town is
7 the interchanges. Again, those interchanges
8 are the only opportunity to pass from one side
9 of town to the other. So, there are four
10 locations where they can traverse from one side
11 to the other.

12 As those interchanges become more
13 congested, obviously, that could have an impact
14 on emergency response times as well as the
15 local traffic. That's about it.

16 There is concern for the town that
17 the trips that are to be added to Route 1 will
18 create diversion which will create problems for
19 not only certain interchanges but adjacent
20 intersections on alternate routes.

21 CHAIRMAN CROSBY: How many trips is
22 the 11 percent?

23 MR. MURPHY: The 11 percent would be
24 about 1800.

1 CHAIRMAN CROSBY: 1800 trips that's
2 per hour at max?

3 MR. MURPHY: That's in the peak
4 hour.

5 CHAIRMAN CROSBY: Somebody else?

6 MR. AUSROTAS: If I could, I'd like
7 to now move onto what would be potential likely
8 public safety impacts. With that if I could
9 ask Chief DiMella to take the microphone and
10 discuss that further.

11 MR. DIMELLA: Good morning. As far
12 as public safety impacts, specifically on the
13 Police Department, we feel that any increase in
14 traffic on Route 1 will have an effect on the
15 town and on public safety as far as our
16 response times go.

17 People, when Route 1 is tied up now,
18 they find the back roads in Saugus to try to
19 avoid those traffic jams on Route 1. It's a
20 very heavily traveled road. And I believe this
21 will have an impact on the traffic and on the
22 side roads of town, which in my opinion will
23 increase our response times to accidents and
24 other emergencies like medical.

1 So, I believe it will definitely
2 have an impact, a detrimental impact on traffic
3 and put a strain on our resources as a police
4 department.

5 Another thing that I believe would
6 be a fallout from the casino, not necessarily
7 at the casino but around the casino, would be
8 social crimes. On Route 1, we have a number of
9 motels and small hotels that people can stay in
10 if they're not going to stay at the casino
11 themselves, which could bring about other
12 issues like OUI, operating under the influence
13 of liquor, drugs, domestic violence, social
14 issues that would be caused by the additional
15 people staying at those hotels and motels.

16 Also, potentially prostitution. As
17 you know, that can be a fallout from a business
18 like this. So, social crimes that would be
19 another issue that put would an additional
20 strain on the police department.

21 Also, we have an MOU signed with
22 Everett, Chelsea, Malden and Revere where we
23 share our resources, our detectives and police
24 officers. And it's been in effect for a while

1 because as you know, crimes don't stay in one
2 specific area. They cross borders.

3 So, if Everett has more need for
4 officers in crimes than obviously it would take
5 away from my department because our resources
6 would be sent to Everett. As the MOU was
7 signed with Everett, Chelsea, Malden and
8 Revere, three of those communities are
9 designated as surrounding communities.

10 So, I believe the MOU shows that
11 we've already been collaborating with them. We
12 have a signed MOU. And our resources are
13 always used together to try to combat these
14 crimes.

15 In closing, I believe those are the
16 three major areas that will impact my
17 department. Thank you.

18 MR. CRABTREE: Mr. Chairman and
19 members of the Commission, good morning. I
20 just wanted to note and add and maybe the Chief
21 could speak on it so that you get an
22 understanding of Route 1. It is a state
23 highway, but Saugus and Saugus law-enforcement
24 is the primary response up on Route 1. And

1 probably you might know the percentage of the
2 accidents that we book rather than the State
3 Police because of their limited resources.
4 It's probably somewhere north of 80 percent of
5 the accidents up on Route 1 that we handle and
6 the incidents and calls.

7 MR. DIMELLA: Yes. Historically, we
8 have patrolled Route 1. We share with the
9 State Police. But in Saugus we predominately
10 book most of the accident there.

11 So, Route 1 calls for service is a
12 big drain on a small department like mine. And
13 any additional traffic would have a negative
14 impact.

15 CHAIRMAN CROSBY: Okay.

16 MR. AUSROTAS: Chief McQuaid, if you
17 could speak as to the fire department.

18 MR. MCQUAID: Good morning. Looking
19 at this situation from my perspective as the
20 Fire Chief, as the Wynn representative said,
21 it's all about the increase in traffic the
22 casino will cause. Saugus doesn't have a large
23 fire department. We have a ladder and two
24 pumps in service.

1 If there's more traffic on the
2 highway, there's going to be more accidents.
3 It's short and sweet. It's simple. If we have
4 apparatus tied up on the highway, a building
5 fire on the other side of town, it could
6 significantly affect how we fight the fire, put
7 the guys in danger, put the civilians in
8 danger. It's definitely going to affect us.

9 It's basically coming from the North
10 Shore, you've got to use Route 1. That's going
11 to be the main thoroughfare. Again, more
12 people on the highway, more accidents. We have
13 6:30 in the morning until 9:30 the morning with
14 real bad on Route 1 and then again in the
15 afternoon.

16 As the Wynn representative said,
17 maybe the times will be different because it
18 won't be until 9:00 in the evening when their
19 traffic hits. But when they're leaving the
20 casinos, potentially one or two of them might
21 have had a drink. So again, they're going to
22 be coming back down Route 1 going home,
23 accidents again.

24 If we have backups on the highway,

1 our response times are going to be more
2 difficult. It's going to take us longer to get
3 there. The quicker we get there, the better it
4 is for the patients that are injured on the
5 scene.

6 We also have a reciprocal agreement,
7 Saugus and Everett and all of the surrounding
8 communities are in the Metro fire district.
9 Again, I'm going to get back to the traffic.
10 It's 35 communities all in the Metro fire
11 district. And if we can't get from one place
12 to another, if Everett has a fire, if Saugus
13 has a fire, like I said, the mutual aid, they
14 come to us, we go to them. It's just going to
15 be more difficult to get anywhere you need to
16 go. The response times are going to be longer.

17 This is going to be a very large
18 building, thousands of fire prevention devices
19 in the building. Everett is going to be tied
20 up much more often going to these buildings.
21 This whole situation is going to affect Saugus.
22 I'm not sure what the term was but people from
23 Lynn that are going to be coming through Saugus
24 to get to Everett. So, it definitely affects

1 Saugus.

2 MR. CRABTREE: Mr. Chairman, it
3 should be noted also to the Commission that the
4 fire stations that we have, we have two fire
5 stations. And as the Chief talked about, both
6 of those stations are located on the east side
7 of Route 1.

8 So, we don't have a station that's
9 on the west side on the other side of Route 1.
10 Obviously, with the traffic impact and what we
11 think with our overpasses and interchanges that
12 that could cause more significant time delay to
13 get to the other side on the west side of the
14 town to answer calls.

15 MR. AUSROTAS: Really moving onto to
16 what I also call the economic and retail
17 impacts, it's my understanding from the
18 applicant Wynn that at least a significant
19 portion of the revenue generated by the
20 proposed resort casino would be not gaming but
21 actually entertainment and meals and the like.

22 To the extent that that is the case,
23 given Saugus's local economy, Saugus certainly
24 feels there will be an impact. It's economic

1 development coordinator, Mr. Luongo, again
2 without the benefit a complicated economic
3 survey as they would perform an informal survey
4 of businesses in Saugus to discuss what impact
5 they foresee. So, I would like to pass the
6 floor to Mr. Luongo

7 MR. LUONGO: Good morning, Mr.
8 Chairman, Commissioners. I'm here to briefly
9 talk about the impacts of the casino on the
10 local retail, entertainment and service
11 establishments in Saugus. And just let me
12 quickly set the stage.

13 Saugus is a bedroom community of
14 about 11 square miles. Basically, the three-
15 mile stretch of Route 1 in Saugus serves as our
16 town's primary economic engine. We have no
17 other industrial parks, really no commercial
18 centers other the Route 1.

19 So, Saugus in in the unique
20 situation in which that three-mile stretch of
21 the Route 1 corridor serves as the town's
22 primary economic engine. It functions as our
23 main street, as our downtown, as our regional
24 mall, as our office park, as our light

1 industrial park. We even have Saugus High
2 School is located on Route 1. So that for us
3 is our downtown, fortunately or unfortunately.

4 And quite frankly, without a vibrant
5 Route 1, the town of Saugus will be in serious
6 financial constraints. That's kind of like the
7 stage I'd like to set.

8 Saugus is one of the top 20
9 communities in Massachusetts in terms of
10 revenue generated by local meals tax. To us,
11 that means we get about \$1 million a year in
12 local meals tax and a budget of about \$80
13 million. So, that is a significant amount of
14 taxes that we depend on to try to balance our
15 town's budget and provide services for our
16 citizens.

17 Our businesses on Route 1 really
18 encompass a wide breadth. We have quite a
19 diversity, as I mentioned. We have high-end
20 establishments. And then we service the middle
21 and working class as well on Route 1.

22 I did an informal survey. I'm a
23 staff of one. So, I don't have a large budget.
24 Maybe the town manager will increase it if I do

1 well. Basically, I've interviewed five
2 establishments on Route 1. And they're mostly
3 restaurants and entertainment venues. And
4 spoke to them about what they felt the impacts
5 would be.

6 They basically were concerned about
7 discretionary entertainment dollars, limited
8 discretionary entertainment dollars being spent
9 at the casino and they perhaps would be losing
10 business. They've also expressed concern that
11 even though traffic can be a plus for a strip
12 mall development or strip developments, they
13 fear any increases in traffic could be more
14 detrimental to them and discourage people
15 coming into their facilities.

16 If any of you have ever traveled on
17 Route 1, you know you are taking your life in
18 your hands either in ingress or egress into a
19 facility. I do that every day and I make the
20 sign of the cross as I go out in there. It can
21 be brutal.

22 So, they are actually concerned
23 about weekend traffic which we hope that the
24 casino would be successful in drawing people on

1 weekends. But actually by increasing traffic
2 on the weekends, less traffic would go into
3 their establishments. So, that surprised me in
4 a way that that would have an impact.

5 Where Saugus needs to be competitive
6 in the marketplace -- And there's a lot of
7 other developments taking place that are really
8 sucking retail away from Saugus. The recently
9 opened Market Street up in Lynnfield that is
10 having an impact on Saugus. We don't expect
11 the Commission or Wynn development to solve
12 Saugus's problems. What we're asking for is a
13 level playing field so our businesses won't be
14 negatively impacted, can compete and generate
15 the revenue that we need here in Saugus.

16 CHAIRMAN CROSBY: How do you create
17 that level playing field? What are you asking
18 for?

19 MR. LUONGO: I guess what we are
20 asking for, quite frankly, is a seat at the
21 table so we can discuss these issues with Wynn
22 and see how we can negate any of these impacts
23 either through some traffic mitigation or what
24 have you.

1 We're not asking for them to do our
2 zoning for us or create other opportunities for
3 us. I think our traffic engineer can attest to
4 the fact that we have one of the highest
5 accident rates. Our interchanges at Main
6 Street and Walnut Street and Essex Street have
7 some of the highest accident rates in the
8 state.

9 Increasing the traffic volume,
10 especially on weekends could create more
11 problems. So, one the asks is probably to help
12 us look at some of these traffic issues that
13 are impacting the Route 1 corridor as a result
14 we feel of some increased traffic obviously on
15 Route 1 to go to the casino.

16 There are tons of studies out there.
17 I just quickly did a search. There had been a
18 study done in 2005, it was called the Casino
19 Gamble in Massachusetts. And basically, it
20 said two things that I just want to bring out.
21 It said basically commercial casinos were shown
22 to create reduced earnings in hospitality and
23 retail businesses located within 50 miles.
24 Also, it stated that commercial casinos reduce

1 general merchandise earning 13 percent among
2 businesses inside a 50-mile radius of a
3 commercial casino.

4 This study kind of like reinforces
5 what I heard from the five businesses that I
6 had interviewed about their concerns about
7 losing revenue from the project. Even though
8 more people will be traveling through Saugus,
9 the traffic congestion created, the
10 configuration of the roadways would probably
11 make them loose business.

12 I'll quickly wrap up here. I don't
13 want to monopolize this. Basically, what we
14 are doing with the Route 1 area is we are
15 rethinking land uses along the corridor. We
16 need to do this in order to be more
17 competitive.

18 Unfortunately, Route 1, if you're
19 familiar with it, is surrounded on both sides
20 of the north and south side residential
21 properties. So, there's not much opportunity
22 for us to rethink and capture more market
23 share. Our zoning right now prohibits or
24 dissuades hotel development because of these

1 issues with traffic and the abutting
2 residential area.

3 We are still looking at
4 opportunities to create zoning so we can
5 capture some of the hopefully positive economic
6 generations from the Wynn development.

7 But right now, we need to maintain
8 what is in place because what is in place is
9 giving us revenue to support our services in
10 Saugus. So, if we start losing businesses in
11 Saugus, we're going to have a difficult time in
12 creating the services for the residents of our
13 community.

14 I thank you for the opportunity to
15 speak with this morning and be happy to answer
16 any questions.

17 COMMISSIONER STEBBINS: A couple of
18 quick questions. How many hotels run along
19 that Route 1 strip?

20 MR. LUONGO: In Saugus? The strip
21 goes all of the way up to Danvers, basically.
22 Scott, do you know?

23 MR. CRABTREE: Essentially, I think
24 we have in Saugus we have one hotel. We have a

1 Red Roof Inn, a Holiday Inn Express, and we
2 have a couple of motels. We have three or four
3 motels that are located on Route 1 that are
4 somewhat, and I think the Chief touched upon it
5 a little bit, the Police Chief, somewhat
6 problematic with different issues there crime
7 wise and drugs and whatnot. That's essentially
8 how the makeup is of motels and hotels.

9 COMMISSIONER STEBBINS: Do you have
10 any estimate as what the occupancy rate is?
11 Obviously, it can fluctuate depending on the
12 time of year.

13 MR. LUONGO: It could be up as high
14 in some periods of 80 percent. There's a lot
15 of activity because of the airport. Obviously,
16 that's a generator for us. There is a fairly
17 high occupancy rate at certain times, people
18 who don't want go into the airport and stay or
19 go into Boston and stay. There's obviously
20 people from the North coming down from New
21 Hampshire and Maine.

22 MR. CRABTREE: There has been
23 development with some hotels that are over the
24 line into Peabody in the last recent years.

1 But Saugus historically, as Mr. Luongo spoke
2 about, zoning wise is not in a position to be
3 able to embrace that type of development.

4 CHAIRMAN CROSBY: Anybody else?
5 Saugus is a host community -- Do you have
6 another speaker?

7 MR. AUSROTAS: I think Chris Murphy
8 has just a quick follow-up.

9 MR. MURPHY: I just wanted to make
10 one clarifying point to correct a statement
11 that I made. You had asked what 11 percent of
12 those trips would be on Route 1. And the
13 number I responded with is the project
14 generated trips.

15 So, the 11 percent that would be on
16 Route 1 would be in an order of magnitude of
17 200 trips. With the stop-and-go nature of
18 Route 1, as Mr. Luongo stated, there are a high
19 number of accidents. And those numbers are
20 included in the memo that's in your testimony.
21 So, it does exacerbate things.

22 CHAIRMAN CROSBY: Saugus is a
23 surrounding community to Mohegan Sun?

24 MR. AUSROTAS: Yes, that's right.

1 After discussions, we reached agreement to
2 secure that designation with Mohegan Sun, which
3 we have placed on file with the Commission.

4 CHAIRMAN CROSBY: But there is no
5 agreement yet. You've just agreed to negotiate?

6 MR. AUSROTAS: That's correct.

7 CHAIRMAN CROSBY: And what are the
8 principle concerns? Are they the same
9 concerns, essentially?

10 MR. AUSROTAS: They are similar in
11 nature.

12 COMMISSIONER ZUNIGA: I had a
13 question of Mr. Murphy from traffic. You
14 mentioned that Route 1 is at a level of service
15 of E or F?

16 MR. MURPHY: Yes. During the peak
17 hours, our studies have shown that they do
18 operate at level of service F. The
19 intersections and interchanges get heavily
20 congested.

21 COMMISSIONER ZUNIGA: Is this the
22 intersections you were mentioning earlier in
23 Saugus?

24 MR. MURPHY: I'm sorry?

1 COMMISSIONER ZUNIGA: Are these the
2 intersections that you mentioned in Saugus or
3 throughout?

4 MR. MURPHY: Yes. In particular,
5 the Walnut Street interchange that's scheduled
6 to be reconstructed beginning in 2016,
7 recognizing the fact that it does have a high
8 incidents of accidents. There were 72
9 accidents there in 2011.

10 All four of the interchanges show up
11 on the Mass. DOT 2011 crash clusters map
12 because of congestion. You have a lot of rear-
13 end accidents when you have traffic entering
14 and exiting the traffic stream at on-ramps and
15 off-ramps. So, yes, those are the
16 intersections that I'm speaking of.

17 COMMISSIONER ZUNIGA: And the peak
18 hours are rush hour in the morning and the
19 afternoon, I take it?

20 MR. MURPHY: Yes.

21 CHAIRMAN CROSBY: Anybody else?

22 MR. CRABTREE: Mr. Chairman, I just
23 wanted to conclude with just to give a little
24 bit of background myself. I'm a lifelong

1 resident of Saugus. I also served as a police
2 officer on the Saugus Police Department for
3 approximately 11 years. I've also served the
4 community on the board of selectmen and as
5 chairman which are the traffic commissioners
6 for the town. I now serve in the capacity as
7 the town manager there.

8 Just to give you a background of
9 Saugus in the sense of economic development,
10 we're a senior community, which we're proud of.
11 With that comes difficulty historically to make
12 any kind of changes. We have a town form of
13 government with a representative town meeting,
14 which is made up of 50 town meeting members
15 elected in 10 precincts, which is the smallest
16 in the state. It makes much difficulty in
17 trying to take advantage of economic
18 development and planning for the future and
19 being proactive.

20 Since coming on as manager in 2012,
21 I was able to get the support of the town
22 meeting and other town officials to bring on an
23 economic development coordinator that the town
24 hasn't had for more than 20 years.

1 So, we are trying to take advantage
2 of that, but it's a difficult process. And
3 that I think puts us uniquely situated than
4 other communities where we're not ahead of the
5 curve and have not been in a situation and
6 likely not going to be able to take advantage
7 of this upboom.

8 And I think looking at that this is
9 going to be great for the economy, for the
10 state budget for those type of things, for
11 people making more money, but when you look at
12 the contrast of me being in my position as the
13 chief financial officer of the town, I'm
14 looking at an \$80 million dollar budget that
15 has to do with operations and delivering
16 services to the community and the quality of
17 life impacts that a casino in Everett is going
18 to have as an impact.

19 In looking at that I wanted to
20 reiterate we're an \$80 million dollar budget
21 that's \$1 million dependent in present day
22 money on the meals tax and room tax that we
23 generate that allows us to -- I think if we had
24 a 10 percent decrease or a 20 percent decrease

1 because obviously when you're building a
2 casino, part of it is to have entertainment and
3 to keep people there.

4 And the people are going to choose,
5 and like we talked about the pie is only so
6 big. They're either going to spend here or
7 there. That is sort of our lifeline of what
8 allows us to reclassify taxes so that the
9 commercial tax base and the sustainably that
10 allows us to provide services to the community.

11 So, those are I guess the biggest
12 concerns and I think that puts us different
13 than some of these other communities, even
14 communities that have been designated as a
15 surrounding community and how we would be
16 significantly adversely affected in that
17 manner.

18 CHAIRMAN CROSBY: Okay.

19 MR. AUSROTAS: Mr. Chairman, just in
20 concluding, I would like to thank the staff of
21 the Commission who has been extremely helpful
22 throughout this process. Thank you.

23 CHAIRMAN CROSBY: Great, Wynn.

24 MR. GORDON: Thank you. We have a

1 very similar presentation. We won't do the
2 preamble we did last time. We want to go right
3 to the Saugus slides.

4 First, just to remind of course
5 where they are. You've seen this many times.
6 The traffic, I do want to dwell on this for a
7 minute, especially after hearing some of the
8 presentation. We did have an opportunity to
9 review the CDM Smith information they sent over
10 to us this week.

11 The numbers right now, we are
12 showing eight and seven percent on Route 1.
13 That's slightly different than the 11 percent.
14 Again, I don't think we are misrepresenting it.
15 But the 11 percent is when you don't factor in
16 what we're going to do with employee shuttles.

17 So, the actual traffic, percentage
18 of our traffic, on Route 1 is eight and seven
19 percent. More important is what is the impact
20 on Route 1. And we don't disagree at all with
21 the issues with Route 1. And we certainly
22 don't want to argue about that at all. But our
23 traffic on Route 1 would be roughly one percent
24 increase in our peak hour to Route 1.

1 If you look at 107,000 cars that's
2 on that a day, our traffic is about 1500 cars a
3 day. In the peak hour, it's 144, and only half
4 of that is going in either direction.

5 So, we're down to about 65 or 70
6 cars in the peak hour, which is a Friday night
7 on Route 1. And most of it is going in the
8 opposite direction from the peak commute on
9 Route 1 and we're later than the peak commute.

10 So, again, with no disrespect, we
11 think we have a very small impact on Route 1.
12 It's around one percent. As an example, in the
13 letter that was sent out by CDM Smith, they
14 referenced the recent Super Walmart that was
15 approved on Route 1 and is being built. That
16 produces about 8300 cars. So, we've got about
17 one-sixth of that amount of traffic. And that
18 was viewed as having an almost insignificant
19 impact. And that required a fix to only one
20 signal. So, they have about a \$65,000
21 mitigation package for that project.

22 So, with being one-sixth of that
23 traffic, we felt it fell well below the
24 thresholds that we're triggering for all of the

1 other improvements we're making for the other
2 parts of the state.

3 Again, we felt the traffic numbers,
4 and again, it isn't to argue with them, but we
5 felt the traffic numbers are so small it didn't
6 trigger anything close to a surrounding
7 community impact.

8 Next, again, on the construction
9 impact, it's just too far away. Any of our
10 analysis didn't show any impacts for things
11 like noise, dust, erosion, vibration, traffic
12 for construction. Again, we just didn't see
13 any impact from our analysis that we did on all
14 of that for Saugus primarily because of the
15 distance it is away from the site and of course
16 from the construction.

17 Next, the economic impact, we found
18 were positive. In a minute, Kim will talk more
19 about the question of Route 1 businesses. But
20 the actual economic impact from new earnings in
21 Everett -- excuse me, in Saugus are up.
22 They're \$3 million additional impact.

23 So, to conclude, we had to draw the
24 line somewhere. We felt that Saugus fell way

1 below the criteria that the Legislature set out
2 for surrounding communities. So, we did not
3 designate them. And I know Kim wants to talk a
4 bit about some of the questions that just came
5 up

6 MS. SINATRA: Thanks, Chris. I
7 actually think that was a very complete answer
8 to where we came down on Saugus. I will note
9 that we didn't hear from Saugus until they
10 filed their petition. So, there was no request
11 for discussion or request for expenses until
12 they filed a petition to be recognized as a
13 surrounding community.

14 That said, we had completed all of
15 this type of analysis for the entire region.
16 When we met with Saugus after their petition,
17 we did offer them what we call our neighboring
18 community agreement, which addresses some of
19 the concerns that they raised today.

20 That includes participation in our
21 concierge program, co-marketing on some of
22 their food and beverage outlets, marketing to
23 our employees. We provide sometimes subsidies
24 for our employees to use in area businesses.

1 So, there were items like that that we did
2 offer to Saugus because as I say, we've been
3 quite rigid about adhering to the regulatory
4 requirements with respect to official
5 designations as a surrounding community.

6 That said, we are interested in
7 regional prosperity as a result of our entry
8 into the market if we are so lucky. So, the
9 conversations will continue with Saugus and
10 other communities who believe they are
11 affected.

12 With respect to mutual aid or shared
13 services that have come up a couple of times
14 today, I will not pretend to be schooled in all
15 of the details of those agreements, but I will
16 note that of the host community agreement \$5
17 million of Everett's annual payment will be
18 dedicated to community impacts that should
19 address holding up Everett's side of the
20 bargain under those agreements. So, they will
21 be able to add fire, police, other public
22 safety resources as necessary. That's all I
23 have. Thank you.

24 COMMISSIONER ZUNIGA: I had a quick

1 question of Mr. Gordon. Where is the Walmart
2 that you reference? Is there a slide that
3 could help us?

4 MR. GORDON: Maybe the folks from -

5 MS. PYKE: I can tell you where it
6 is. I live in Malden and I'm well aware of
7 where it is. I think it's right around this
8 area. It's on the northbound side of Route 1.
9 It's 770 Broadway. So, I think it's right
10 about in here. For anyone who is sort of
11 familiar with McDonald's, so it's south of the
12 Home Depot and Barnes and Noble and the Lynn
13 Fells interchange between Main Street --

14 MR. CRABTREE: Across from the
15 Hilltop. And I think it just should be noted
16 as far as the Walmart, when the Walmart was put
17 in, there was a traffic study, but it was six
18 years old. And out of the wisdom of the local
19 planning board, they did not have a traffic
20 impact study done for a Super Walmart. I guess
21 my question would be to the Wynn organization
22 is that in these studies here, did it take into
23 account the Super Walmart being in that
24 location?

1 MR. GORDON: The traffic analysis
2 took in all of the -- We did a 10-year
3 projection including any of the stuff that was
4 either built or stuff that was approved and
5 also in some cases stuff that was projected to
6 be approved. So, the 10-year window tried to
7 take in all of the development that we could
8 find.

9 COMMISSIONER ZUNIGA: Thank you.

10 CHAIRMAN CROSBY: What's going in
11 where Hilltop is?

12 MR. CRABTREE: We are still working
13 on that hoping to partner with them. And we're
14 actually awaiting an MAPC grant to give us some
15 technical assistance with the rezoning.

16 COMMISSIONER MCHUGH: Are you going
17 to keep the cactus?

18 MR. CRABTREE: It probably will not
19 come down at least the stand. We have a lot of
20 sign bylaws now that don't grandfather anybody
21 in.

22 CHAIRMAN CROSBY: An actual historic
23 monument.

24 MR. CRABTREE: Mr. Chairman, I just

1 wanted to add one point regarding the mutual
2 aid, they talk about the mutual aid agreements.
3 I think that's great. The Fire Chief if he
4 wanted to speak on it, he could, is that those
5 mutual aid agreements, the way they are
6 designed is that there is no repayment or
7 reimbursement.

8 So, it's great that Everett would
9 build up their infrastructure or their manpower
10 for fire and police. But if our fire
11 department is responding to a mutual aid
12 agreement, it's our overtime budget that pays
13 for that. And that's the way the agreement is
14 set up. So, unless there's some change in that
15 agreement or some regional approach that deals
16 with this financially, we would be impacted and
17 not have the direct dollars to deal with that.

18 CHAIRMAN CROSBY: Anybody else?

19 COMMISSIONER STEBBINS: Quick
20 question. We heard about the size of the
21 police department -- fire department. I can't
22 see the Chief. Can you us information about
23 the size of the police department?

24 MR. DIMELLA: We have 54 sworn

1 officers from me on down. We serve a
2 population of roughly around 26,000 people.
3 With Route 1, we have a lot of urban problems
4 because of the businesses on Route 1, the bars
5 and restaurants. So, that impacts us a lot.
6 We are a fairly small department. And again,
7 we have some urban problems because of Route 1,
8 which severely strains the department.

9 COMMISSIONER STEBBINS: You have
10 just one station?

11 MR. DIMELLA: We have just one
12 station, yes.

13 CHAIRMAN CROSBY: All right. Thank
14 you all very much. We will take this under
15 consideration.

16 We have one loose end on the
17 surrounding community topic and then I think we
18 will take a lunch break. We had this open
19 question of whether Revere only was a Revere
20 only in fact gaming establishment. I think
21 Commissioner McHugh's group has taken a look at
22 that and has something to say.

23 COMMISSIONER MCHUGH: Yes. Mr.
24 Chairman I asked the consultants who I'm using

1 to assist with the building and site design
2 component of the application to take a look at
3 the application and the plans and the diagrams
4 and the lease agreements that are part of the
5 Mohegan Sun application to see if there were
6 any connections to Boston. And I took a look
7 at those myself with their help and assistance.

8 From those diagrams, it is quite
9 clear that everything they've designed is in
10 Revere. And there are no discernible chunks of
11 the facility in Boston.

12 And the lease agreement that we also
13 took a preliminary look at has the normal
14 things that one would expect to find in a
15 commercial lease. No operational control over
16 how the facility operates, although there is a
17 profit-sharing arrangement and some other
18 things that are typical of a commercial lease.

19 So, my view and my recommendation is
20 that we proceed on that brief review that this
21 is in fact a Revere facility, but leave open
22 the ability of anybody to present to us some
23 concrete suggestion based on those plans or
24 other factual documents that that's not the

1 right way to approach it that it is in fact in
2 to Boston at some point.

3 CHAIRMAN CROSBY: Okay.

4 COMMISSIONER MCHUGH: I would not
5 propose some kind of formal vote, motion or
6 anything. We just leave it on that assumption
7 for the moment.

8 CHAIRMAN CROSBY: Okay. That's
9 fine. That satisfies the inquiries that I've
10 gotten.

11 I think we will now take about an
12 hour lunch break and we will reconvene at 1:00
13 for the rest of the items on the agenda.

14

15 (A recess was taken)

16

17 CHAIRMAN CROSBY: We are ready to go
18 back to work, reconvening the 105th meeting at
19 1:00. I think we will go directly to the
20 Executive Director Day.

21 MR. DAY: Thank you, Chairman Crosby
22 and members of the Commission. Good afternoon.

23 COMMISSIONER CAMERON: Good
24 afternoon.

1 COMMISSIONER ZUNIGA: Good
2 afternoon.

3 COMMISSIONER MCHUGH: It is a good
4 afternoon.

5 MR. DAY: Our three items here, I
6 have no general report and our three items we
7 have today, I think the first one is becoming
8 even more real as the Commissioners have now
9 closed the three host community hearings for
10 the slots parlor. That means our tentative
11 schedule is of course estimated for the end of
12 this month or the end of February to make an
13 award decision.

14 With that, that brings us to a
15 discussion that I think we all recognize the
16 need to get involved in. That's to discuss how
17 that process might occur. It's pretty easy to
18 say time for reports, evaluation reports,
19 process and selection. And it's another thing
20 altogether to bring that process together.

21 This afternoon Jennifer Pinck and
22 Catherine are here to take us through that
23 discussion. And I'll turn it over to
24 Catherine.

1 MS. BLUE: Thank you, good
2 afternoon, Commissioners. Recently, you asked
3 the legal department to create a flow chart of
4 how the process might work in terms of final
5 phase of the issuance of the Category 2
6 license. And in your packet we have created
7 such a chart.

8 You will see that we've put in some
9 language about what happens before we start
10 deliberations. And then we have created what
11 looks like about a three-day scenario in terms
12 of presentations, deliberation and then
13 potential award. So, we are here to discuss
14 that with you today and get any questions or
15 comments or changes that you would like to make
16 to that process.

17 Jennifer is here to talk a little
18 bit about the formats of the reports. Because
19 you'll notice in the beginning that we talked
20 about compiling reports from the individual
21 groups. And Jennifer can talk a little bit
22 more about how those reports might be set up.

23 MS. PINCK: Good afternoon. I have
24 spoken with most all of you or Nancy has to

1 sort of get our hands around what this report
2 should look like. I think we would want them
3 to be similar but they don't have to be
4 absolutely cookie cutter, because some of you
5 will rate every question and some of you won't
6 rate every question.

7 But we do have and I'd like to share
8 with you today -- I do have it on a stick, but
9 I need somebody to plug it in. So, I will hand
10 you, if you don't mind. This is the first
11 three pages of what would be typical, I call
12 them binders. You can call them reports,
13 binders. I'll walk you through them.

14 This is a draft. And really we've
15 taken Commissioner McHugh's lead on what it
16 would look like,. The front page or the cover
17 page of these binders would include an outline
18 of what each criteria is within each category,
19 a table of contents which we'll talk about in a
20 moment, and then the color coding rating system
21 down at the bottom.

22 We imagine that each of these
23 binders may contain appendices, which would
24 support the work and the eventual findings.

1 You will see for example, in this one we're
2 anticipating including the schematic design
3 plans for all of the applicants, for reference
4 parking and traffic studies, energy and
5 sustainable design analysis and permitting.

6 So, that would be generally what the
7 front page would look like. The next page is
8 your provisional ratings for the overall
9 categories. The top box really sort of states
10 -- restates how the criteria were considered.

11 For Commissioner McHugh, criteria
12 one through four, for example, were considered
13 most important to building and site design
14 because they establish the critical elements
15 for each applicant's proposal.

16 So, we are suggesting that for each
17 Commissioner you would want to sort of talk
18 about a high-level summary approach to the
19 criteria. How'd you think about them? How
20 are weighting them in terms of your
21 considerations?

22 Then the high-level overall rating
23 for each of the applicants. And that's your
24 overall rating for each of the applicants in

1 that category.

2 COMMISSIONER ZUNIGA: Are you
3 already on page two of this handout? So, there
4 would be an overall rating for the whole
5 category?

6 MS. PINCK: Yes.

7 COMMISSIONER ZUNIGA: That's
8 anticipated to be a verbal description like it
9 says here? Or would there be a --

10 MS. PINCK: No. The consensus is we
11 expect you to commit something to paper and
12 bring it on the day of the presentations, when
13 these binders will be passed out.

14 And what I'm calling it, I think is
15 a provisional rating because I do think that
16 after some discussion you may want to edit it
17 somewhat. But we're expecting or the consensus
18 is that we're expecting you to rate each
19 category. Call it a provisional rating. And
20 on day one, bring these binders.

21 CHAIRMAN CROSBY: When you say day
22 one, I thought the binders were available in
23 advance.

24 MS. PINCK: Actually, let's go back

1 to this. I sort of jumped out of order, my
2 darn fault.

3 What we are generally suggesting is
4 and you will see the bullets on the top of the
5 pages that each Commissioner is going to
6 prepare a binder, which documents the review of
7 each category including the reviews of all
8 questions and criteria. You can elect to rate
9 all, some or none of the questions.

10 We do expect that you're going to
11 prepare a binder where each criteria was rated
12 and an overall provisional rating for each
13 applicant in their respective categories.
14 That's what we are generally expecting from
15 you.

16 COMMISSIONER ZUNIGA: By the overall
17 rating, there is one rating for each applicant
18 for each Commissioner, each team?

19 MS. PINCK: Yes.

20 COMMISSIONER ZUNIGA: There would be
21 a G or an S next to at least on page two.

22 MS. PINCK: That's right. On page
23 two let's use the term Leominster was a VG.

24 COMMISSIONER MCHUGH: Let's not use

1 examples.

2 MS. PINCK: Applicant A is very good
3 and some narrative on why you consider them
4 very good.

5 CHAIRMAN CROSBY: That's the total
6 is very good on everything having to do with
7 site and building design.

8 COMMISSIONER ZUNIGA: The overall
9 rating.

10 COMMISSIONER MCHUGH: Overall
11 rating, right.

12 MS. PINCK: So, for each applicant,
13 you're going to rate it. And as we said
14 earlier, I think, when we first started this
15 process, you may find applicants who are all
16 rated the same. You might say they're all
17 satisfactory. Satisfactory was fine but there
18 wasn't anything extraordinary. So, they may
19 all have the same overall rating.

20 CHAIRMAN CROSBY: Yes.

21 MS. PINCK: That is your decision.
22 That is in your purview to make that call.

23 CHAIRMAN CROSBY: The first bullet
24 point says Commissioners can elect to rate all,

1 some or none of the questions. The next one
2 says each criteria shall be rated. What's a
3 criteria versus a question?

4 MS. PINCK: Criteria contain
5 questions but not in the Wow category. For
6 example, if you look at this cover page here,
7 you'll see that Commissioner McHugh has seven
8 criteria and there's questions 4.1 to 4.9 that
9 make up criteria one.

10 CHAIRMAN CROSBY: Got it.

11 MS. PINCK: And almost every
12 criteria has multiple questions except Wow.

13 COMMISSIONER MCHUGH: Criterion,
14 really. That's a typo, we need to change that,
15 but that's a detail.

16 MS. PINCK: And then the next
17 bullet, the binders may contain appendices. We
18 expect them primarily to be related to data
19 analysis or relevant site or architectural
20 details. There should be considerable
21 appendices I think for Category 2. I think
22 there will be traffic analysis. It's a very
23 data-driven discipline. So, we expect
24 appendices to be included in these binders at

1 your discretion.

2 MR. DAY: Can we just pause? I'd
3 like to just pause a minute to make sure the
4 Commission is in agreement with this part of
5 the provision, the one we just discussed
6 anyway, overall provision rating for each
7 applicant.

8 As this discussion has gone on, part
9 of what we've been talking about is how far the
10 Commission wants to go with the details that it
11 has in its report as opposed to how much you
12 want to leave for the body itself to discuss.

13 In this case, this would actually
14 have each of the Commissioners going right up
15 to the rating, the category rating for each one
16 of the applicants. And that would be in the
17 presentation to the rest of the Commission, as
18 opposed to stopping after a question or
19 stopping after criteria. And the Commission in
20 a group would assemble the final ratings.

21 So, I just wanted to point that out
22 and make sure everybody understood it and was
23 in agreement.

24 COMMISSIONER MCHUGH: This is the

1 way we went through all of this in September
2 before we started. This is the plan that we
3 conceived in September.

4 And that had the Commission making
5 the final judgment based on each Commissioner
6 assigning a rating in the four scale overall
7 for his or her section of the application.

8 And it seems to me that it is
9 essential to do that, to have a discussion that
10 starts someplace rather than trying to spend
11 two days trying to figure out from the
12 underlying data what the overall rating for the
13 category ought to be, for the part of the
14 application ought to be.

15 And it for me would be a very
16 helpful thing to see what each Commissioner did
17 with that. And then look at the underlying
18 data. And then make a judgment about whether
19 or not I agreed or disagreed with that. In
20 most cases, I am sure I will agree.

21 But it's a very useful target. It's
22 the product of thinking that's been going on
23 since September. And it seems to me we really
24 just flail around for a day or two if we don't

1 do that.

2 COMMISSIONER CAMERON: When you say
3 do that, you mean have everything scored
4 separately before we begin?

5 COMMISSIONER MCHUGH: Yes, that's
6 what we agreed on initially. But I am now
7 looking at page two. And that now in addition
8 to the narrative on page two, we assign an
9 excellent, very good, satisfactory or
10 unsatisfactory rating to each of those with the
11 accompanying color code so that we take the
12 rollup to that stage. And then give a
13 narrative here as to why we've done it. And
14 then all of the rest is back up to that and
15 it's highly detailed.

16 COMMISSIONER CAMERON: Right. I
17 guess the concern I have is that, and something
18 we really haven't talked about, is for example,
19 if we do that and that certainly makes sense
20 other than if for example, I have a grade in
21 mitigation and we have another grade in
22 finance, are they equal?

23 In other words, if we come out with
24 five of us and there are three with the highest

1 grade and two -- whatever that final product
2 may be, I'm just concerned that all of these
3 pieces of the application in my mind are not
4 equal.

5 COMMISSIONER MCHUGH: Right.

6 COMMISSIONER CAMERON: So, that's my
7 concern is that oh, I'm the winner. I have
8 three very goods and no one else has three very
9 goods.

10 CHAIRMAN CROSBY: Let me phrase it
11 as a question. And I think I understand what
12 Gayle is getting at. Is there any problem for
13 us in the ability of a loser to contest our
14 decision if these provisional ratings seem to
15 suggest something different from where we end
16 up?

17 MS. BLUE: I don't believe that
18 there is. I think the point of having the
19 provisional ratings is for a place for the
20 Commission to start the deliberations.

21 But it's expected that you will
22 deliberate and discuss all of the ratings and
23 come to different conclusions as to how you
24 balance them. All of the ratings will tie into

1 factors that have already been considered.

2 So, I think I'm comfortable that if
3 you give them provisional ratings that you will
4 talk about them. You will balance them. You
5 will deliberate on them. And you will come out
6 with a finding that we can support. So, no,
7 I'm not concerned about that.

8 CHAIRMAN CROSBY: Is there anything
9 in the litigation mitigation strategy, is there
10 anything in this process that we need to be
11 sensitive to?

12 MS. BLUE: I would be sensitive to
13 making sure that however you do come up with a
14 rating that it ties into the facts that you've
15 looked at in the material that supports it. I
16 think that's very important. Because we will
17 issue findings and we want to be able to tie
18 them into what you reviewed.

19 But other than that as long as we've
20 followed the process that we've laid out, as
21 long we've reviewed all of the information
22 fairly, as long as we can tie our findings to
23 information that we have, I think the ratings
24 will be fine and our decisions will be fine.

1 COMMISSIONER MCHUGH: Can I just add
2 to that? Isn't the relative weight of the
3 factors that Commissioner Cameron's talking
4 about, which is an important consideration,
5 isn't that part of the deliberative process?
6 And don't we need to explain that?

7 I am not sure what the weight is. I
8 look forward to having that discussion. But it
9 seems to me that's an important part of the
10 deliberative process and would tend to
11 ameliorate if not eliminate concerns about I
12 got three goods but I lost.

13 MS. BLUE: I think that is a very
14 key part of your deliberations is having that
15 conversation. And this is to give you the
16 place to start. But I think that is probably
17 what you'll spend most of your time
18 deliberating.

19 COMMISSIONER CAMERON: In fact, I
20 thought about in my explanation to all of you
21 giving some information about why I think
22 certain questions, certain aspects are more
23 important and the reasons why I feel like that.
24 Of course, my decision -- rather my

1 recommendation is influenced by consultants
2 that have assisted.

3 So, I thought that rather than just
4 go through the presentation my part of it was
5 okay these are the questions, the criterion,
6 and give ratings. Okay, that's a piece of it,
7 but another piece is these are the hot button
8 items with regard to mitigation.

9 COMMISSIONER ZUNIGA: That is
10 actually a case towards issuing an overall
11 rating, because the rollup in and of itself
12 between the categories and the rating may be
13 seemingly unbalanced, three very goods but in
14 the rollup and the description, you could then
15 articulate at least for me in the balance these
16 were the most important factors. And this is
17 what made a difference. Hence this is some of
18 the ratings.

19 CHAIRMAN CROSBY: Okay. Are you all
20 right with that?

21 COMMISSIONER CAMERON: Yes. That
22 makes sense as well.

23 CHAIRMAN CROSBY: So, then we're on
24 the third bullet point. Did you get the answer

1 you were looking for? The answer is yes.

2 MR. DAY: Yes, that's what I
3 understand.

4 MS. PINCK: The third bullet point
5 was about binders containing appendices which
6 the teams are happy to support you with as I
7 know we have been that will I think also be
8 critical to supporting your eventual decisions.

9 We also are suggesting that you can
10 elect to bring any original source material to
11 the meetings or to include it in the
12 appendices. If there's something that an
13 applicant submitted or applicants submitted
14 that you want to be able to refer to and make
15 is part of this binder and it would be useful,
16 we think that is certainly appropriate.

17 CHAIRMAN CROSBY: You keep saying
18 bring it to the meeting.

19 MS. PINCK: Let me get to the next
20 box here. What we are proposing is that on the
21 first day of this process when you are
22 presenting your categories to each other, we
23 are going to make available to the public these
24 binders.

1 Prior to that though, we're
2 suggesting that you should be looking at each
3 other's binders because we think and I believe
4 you would concur that you would want to at
5 least get a sense of how applicants responded
6 all of these other criteria and categories.

7 You've been so busy with so many
8 things, I know, most of you have barely focused
9 on these other categories or it's been
10 incidental. And we really believe it would be
11 important for you at least to see what the
12 information is in those.

13 So, we're going to distribute those
14 probably the week before so that you can become
15 familiar. Then bring them to the meeting
16 because clearly the public has a great deal of
17 interest. And they will be released to the
18 public on the first day of the presentations
19 when you're making your presentations.

20 CHAIRMAN CROSBY: Basically,
21 probably no later than Friday of the third week
22 of February we get the binders. We'll have the
23 weekend and then day one will be Monday of the
24 fourth week.

1 MS. PINCK: Exactly. If we can get
2 you any sooner, we will but that is the intent.

3 COMMISSIONER CAMERON: Is Monday --

4 MS. PINCK: The 24th I believe is
5 the Tuesday.

6 MR. DAY: Friday would be the 21st
7 of February and Monday would be the 24th.

8 COMMISSIONER CAMERON: It was going
9 to be Tuesday when we were having it a week
10 earlier.

11 COMMISISONER CAMERON: Oh, I see,
12 because it went back a week, we start on Monday
13 now.

14 MR. DAY: Correct.

15 MS. PINCK: An important part of the
16 preparation of these binders will be legal
17 review. Especially to make sure that in terms
18 of confidentiality or propriety information,
19 it's not included. And I think also in
20 addition to our review, it's really to look for
21 consistency and make sure there aren't
22 contradictions within the reports. And we'll
23 be looking very, very closely at that.

24 And appropriate language so that

1 when you release it to the public you feel good
2 and we feel good about what it says and how it
3 says it. That's what we'll be doing. And
4 legal and Catherine and her staff will be
5 taking a close look.

6 MS. BLUE: We will support that
7 effort.

8 CHAIRMAN CROSBY: Why is the
9 parameter no Commissioner should discuss the
10 contents of a report with another Commissioner?
11 Why is that?

12 MS. BLUE: Our thinking on this was
13 that you want to have those conversations in
14 your deliberations. Certainly, if there are
15 particular questions about something, I think
16 there could be some limited conversation about
17 it. But we would want to save most of the
18 discussion for your deliberations.

19 CHAIRMAN CROSBY: I don't think we
20 ought to have that sentence in there. If we
21 don't mean it literally, I don't think we want
22 it there. It's going to be almost impossible
23 to adhere to that. You might want to say it's
24 recommended.

1 MS. BLUE: We can make that change.

2 MS. PINCK: Kept to a minimum.

3 COMMISSIONER ZUNIGA: Just make sure
4 that there is not seriatim deliberation.
5 That's a real concern.

6 MS. BLUE: Yes, that's the concern.

7 CHAIRMAN CROSBY: That's a whole
8 different issue.

9 COMMISSIONER ZUNIGA: Which is a
10 different issue, I think.

11 CHAIRMAN CROSBY: If I knew that
12 there's 79 questions and one of them I might
13 want to sit down and say to Jim, give me a
14 sense of where you're coming down. I don't see
15 why that would be a problem.

16 MS. BLUE: No. And you may want
17 particular documentation that you want to
18 review too that maybe isn't in the binder. So,
19 we will address that.

20 COMMISSIONER MCHUGH: I second the
21 idea that that sentence should just come out.
22 We can't deliberate. This has got to be an
23 open and transparent process, but I think there
24 may be a clarification, I may not understand a

1 term and it would help me think over the
2 weekend about something.

3 CHAIRMAN CROSBY: We're under enough
4 constraints as it is without putting one on
5 ourselves we can't possibly adhere to.

6 MS. BLUE: No. We'll take that
7 sentence out.

8 MR. DAY: With that schedule, what
9 we've been talking about the schedule in mind,
10 it might be worth worthwhile if we're
11 anticipating that legal take a look at the
12 reports, probably would need to have them ready
13 to go before the 21st on a Friday.

14 MS. BLUE: I think you're going to
15 want more time than that. We should probably
16 shoot for earlier in that week, because when
17 you think about it, you'll have five binders
18 per applicant. And there is a lot of
19 information.

20 So, the sooner we can get them to
21 you I think the better.

22 MS. PINCK: We were going to try to
23 get them as soon as possible. And it may be
24 one comes out Monday and two comes out Tuesday

1 and the last come out on Thursday, but we will
2 try to get them as soon as possible.

3 CHAIRMAN CROSBY: Five binders?

4 MS. BLUE: Well, there's five
5 sections and each section will be in a binder.
6 And then there's three applicants.

7 CHAIRMAN CROSBY: Aren't they all in
8 the same binder?

9 MS. PINCK: Each binder will be an
10 applicant, just five binders.

11 COMMISSIONER MCHUGH: Five sections.

12 MS. BLUE: Five sections.

13 MS. PINCK: Five sections, five
14 reports, I've been calling them binders.

15 CHAIRMAN CROSBY: This is the
16 report, right? This is a binder and this is
17 going to have all three applications in it?

18 MS. PINCK: Yes. And this one for
19 example is probably about 50 pages long, I
20 would say, when you get to all of the criteria
21 rating and the questions.

22 CHAIRMAN CROSBY: This is a model.

23 COMMISSIONER MCHUGH: That's a model
24 of a binder.

1 MS. PINCK: Exactly.

2 CHAIRMAN CROSBY: And each binder
3 includes all three applicants.

4 COMMISSIONER MCHUGH: That's right.

5 MS. PINCK: Exactly. One binder per
6 criteria for all three applicants. Then what
7 you see on the rest of this chart is day one is
8 introduction and explanation of proceedings,
9 which I think would be nice to sort of recap
10 where you've been and how you got there.

11 CHAIRMAN CROSBY: Is that a public
12 meeting?

13 MS. BLUE: Yes.

14 CHAIRMAN CROSBY: That won't take
15 long. Is that like an hour long?

16 MS. BLUE: The thought would be the
17 first day of a series of days would be an
18 introduction of how the process worked and what
19 you did. But then each Commissioner would make
20 their presentation that day. And it's up to
21 each Commissioner --

22 CHAIRMAN CROSBY: I'm sorry. This
23 part of day one.

24 MS. PINCK: The first day one line

1 is you making an introduction. Then we have
2 each Commissioner presenting.

3 What we have, I think this is a very
4 important point that we need to discuss is in
5 what order do you want to present, make your
6 presentations.

7 COMMISSIONER ZUNIGA: Before we get
8 to that, my assumption when I was looking at
9 the three-day allotment was that the
10 presentation would take longer than a fifth of
11 a day.

12 I have enough material to go through
13 in terms of methodology, how we looked at
14 things, how we arrived at things that I think
15 would serve a great purpose to at least
16 highlight.

17 CHAIRMAN CROSBY: However,
18 Commissioner Cameron said she will bring her
19 weapon, bring her sidearm.

20 COMMISSIONER ZUNIGA: I'm concerned
21 that in the presentation, which eyeballing it
22 here could be limited to an hour or an hour
23 half once we take breaks.

24 MS. BLUE: It's not meant to be any

1 particular limit. We need a sense from you as
2 how much time it is. If it needs to be longer
3 than that, then we'll just schedule more days
4 or more time.

5 MS. PINCK: We do have a footnote
6 here because we knew this would be a topic.
7 The timing really is subject to change
8 depending on the length of the presentations
9 and the deliberations. We need the feedback
10 from you. I know my calendar, I've got Monday
11 to Friday blocked. And I think you probably
12 also have.

13 CHAIRMAN CROSBY: If we haven't, I
14 think we have that whole week blocked.

15 MS. PINCK: And I do think it would
16 be helpful for us because we will refine this
17 and reissue it. If you could all let us know
18 how long you think you might need whether it's
19 an hour. Commissioner Cameron I think is
20 probably briefer than -- who knows.

21 COMMISSIONER CAMERON: Just starting
22 to put a PowerPoint together now. So, I can't
23 answer that question yet, because I just have
24 to figure out what detail is adequate. So,

1 it's hard to answer.

2 MS. PINCK: So, think about it and
3 let us know. It really doesn't matter, I
4 think, because we do have the whole week
5 blocked off.

6 CHAIRMAN CROSBY: I'm pretty sure I
7 won't need more than an hour or an hour and a
8 half. I have no idea about the Wow because
9 there's just not a lot of Wow in slots.

10 COMMISSIONER MCHUGH: That's what I
11 was thinking about too. I thought about it
12 personally from the standpoint of
13 communicating. We've all got the stuff.
14 Communicating a sufficiently detailed overview
15 to show methodology, weight, consideration,
16 value to groups of questions. But also we're
17 talking to a wider audience. And short enough
18 to allow them to follow particularly those who
19 haven't been intimately involved in this.

20 Then take questions. That was the
21 way I was thinking of structuring it. Not
22 everybody has to do it the same. But the
23 second audience, the people who are going to be
24 really interested in this, the media, the

1 others, people who want to be able to engage in
2 this process passively. But we want to make it
3 short enough to get them I was thinking. You
4 don't all have to have the same --

5 CHAIRMAN CROSBY: There's another
6 side of the consideration, which is the
7 transparency of the process. Having people
8 hear what the discussion was about, because to
9 the public and to the press, the stuff that
10 precedes that presentation is going to be
11 opaque. So, if we came up too short --

12 COMMISSIONER MCHUGH: I agree with
13 you. It's trying to find a happy medium,
14 right.

15 COMMISSIONER CAMERON: It is a happy
16 medium. If you get into too much detail --

17 CHAIRMAN CROSBY: I don't want to
18 delegate away to that task force effectively
19 the decision-making.

20 COMMISSIONER MCHUGH: To what task
21 force?

22 CHAIRMAN CROSBY: To each of our
23 task forces, I don't want to --

24 COMMISSIONER CAMERON: Our

1 consultants that have assisted us?

2 CHAIRMAN CROSBY: No, each of the
3 other Commissioners and their task forces, I
4 don't want to have no alternative but to
5 effectively rely on what somebody else says.

6 COMMISSIONER MCHUGH: No, no. We're
7 not saying different things. We're emphasizing
8 different aspects of the same thing, I think.
9 I agree.

10 MS. PINCK: As we move forward and
11 you get closer --

12 COMMISSIONER ZUNIGA: I for one may
13 take longer than an hour.

14 MS. PINCK: Just let us know.
15 That's fine.

16 MS. BLUE: That's fine.

17 COMMISSIONER ZUNIGA: There's a
18 particular section that I'm thinking about that
19 our consultants walked me through. And it took
20 me a while and that was necessary and I think
21 that was very important.

22 CHAIRMAN CROSBY: And he went to
23 Yale Business School and it took him awhile,
24 imagine how I'll react.

1 COMMISSIONER ZUNIGA: This is only a
2 fourth of my presentation but it's a market
3 assessment. You get my point. I think it's
4 important for the process as the Chair
5 describes, but I know it's a balance because
6 too much detail loses.

7 COMMISSIONER MCHUGH: It's not the
8 same for everybody. Different subjects find
9 themselves different balances.

10 MS. PINCK: Oaky. That would be
11 great. We do have then order that's just on
12 here. It's not meant to suggest we think it's
13 the best order or the right order. So, do you
14 want to give us some input on that?

15 COMMISSIONER CAMERON: I like and
16 certainly Commissioner McHugh may think
17 differently, but I like the idea of building
18 and design and site design going first because
19 we have a visual of what the three different
20 projects look like. I always think that's a
21 good place to start with a visual.

22 As far as economic development, to
23 me it could be mitigation; it could be economic
24 development next. Finance, those three are

1 probably -- We may have a preference but they
2 almost could be interchangeable. I think the
3 Wow is certainly to go last makes a lot of
4 sense. Or it's the overview now, the overview
5 of the project.

6 COMMISSIONER STEBBINS: I also like
7 the idea of starting with building and site
8 design. I think Commissioner McHugh said
9 conceptualizing what these facilities are going
10 to look like.

11 But because there is an element I
12 believe in building and site design that talks
13 about traffic, the other piece of traffic, the
14 other mitigation issues then follow
15 Commissioner Cameron as well as the host
16 community agreements, surrounding community
17 agreements, etc.

18 There's certainly -- And then as you
19 get into economic development there, I'm
20 considering discussion of pieces of host
21 community and surrounding community agreements
22 in my presentation especially as it relates to
23 jobs, it relates to local spending. So, that
24 might be the next natural progression.

1 And then how do we pay for it all
2 goes to Commissioner Zuniga and then to the
3 Chairman to kind of wrap it up.

4 COMMISSIONER CAMERON: That makes
5 sense, good analysis.

6 COMMISSIONER ZUNIGA: I just need to
7 say this. My consultants tell me that I should
8 go first. That's their opinion. I'm
9 indifferent about it, but it got me thinking as
10 to really why is this? I think it boils down
11 to a matter of opinion. I am really
12 indifferent as to the order.

13 CHAIRMAN CROSBY: What was their
14 logic?

15 COMMISSIONER ZUNIGA: Establishing
16 the framework for the operations plan and the
17 market, which is perhaps discrete, but very
18 important to the public.

19 CHAIRMAN CROSBY: I don't think it
20 really matters. I was going to say second. If
21 I had to vote, I would say second. I like the
22 physical orientation I think is helpful, I
23 agree, but also I think finance I would have
24 said as between the three I would have said

1 should be second because it is sort of the
2 underpinning and holds everything else up.

3 COMMISSIONER ZUNIGA: But I could
4 just as easily flip a coin.

5 COMMISSIONER CAMERON: We could go
6 mitigation and then we could go economic
7 development. That makes sense. We could do it
8 that way. I know I'm a visual learner. So, I
9 love to see the site and what those factors
10 are.

11 MS. PINCK: From what I know, I like
12 the idea of finance closer to the front because
13 I do think that the foundation for creating
14 jobs realistically and having the revenue that
15 they say or the net income or the financial
16 aspect does have a relationship.

17 So, if you're presenting on economic
18 development and the job numbers or it seems not
19 credible, we'd probably have to go back to
20 refer to Enrique's to substantiate it or not.
21 So, I think finance does make sense to go
22 second in that regard.

23 COMMISSIONER CAMERON: Does it
24 matter to you what order?

1 COMMISSIONER MCHUGH: I think that
2 the visual piece is a framework piece. But if
3 there were a sufficiently strong reason to do a
4 nonvisual piece first that would be fine too.
5 I too think visually and I think that people
6 are going to orient themselves, a lot of the
7 succeeding discussion, not all of it but a lot
8 of it will refer to the visual, even some of
9 the economic development stuff, I mean even
10 some of the finance stuff.

11 COMMISSIONER ZUNIGA: That's what I
12 was referring to. Maybe building and site
13 design first, finance second.

14 MS. PINCK: I think so. That to me
15 makes sense. And I think a visual orientation
16 is a absolutely critical first off.

17 COMMISSIONER MCHUGH: Yes.

18 MS. PINCK: So, building and site
19 first, finance second, then mitigation and
20 economic development.

21 COMMISSIONER CAMERON: And then
22 overview.

23 COMMISSIONER STEBBINS: In so many
24 ways, it could go either way. I pick up a

1 piece of finance because part of my analysis is
2 looking at five-year window. And some of that
3 five-year employment and benefit window is all
4 contingent on the market.

5 COMMISSIONER CAMERON: Commissioner,
6 would you like to go third? I would have no
7 problem.

8 COMMISSIONER STEBBINS: No, I think
9 to follow host community and surrounding
10 community discussion is helpful.

11 COMMISSIONER CAMERON: Okay.

12 COMMISSIONER ZUNIGA: We don't
13 anticipate deliberation at the presentations
14 during the questions? It could be very easy, I
15 could imagine to get into deliberation, which
16 would be fine because it's all public during
17 the presentations in between.

18 MS. BLUE: I do anticipate a lot of
19 back-and-forth in questions. I do. And you
20 could certainly deliberate at that point too.
21 You probably would want more time to deliberate
22 once everyone has done their presentation as
23 well. So, it could start as part of the
24 presentations and it could continue onto

1 another day.

2 MR. DAY: It seems to me that's kind
3 of a key question. After each Commissioner has
4 reported, is the Commission going to then
5 pause, debate the information that was
6 received, come at least to its own preliminary
7 rating at that point or hold that process and
8 kind of wait until the end? I think it will
9 definitely determine what amount of time that
10 you will need for each of the days as to which
11 direction.

12 CHAIRMAN CROSBY: I don't think we
13 need a hard and fast rule on this. I think
14 we'll sort of go with the flow. I agree with
15 you, whoever said it, I think it's sort of
16 natural that you'll sit there and say I don't
17 understand that. Let's talk about that.

18 Maybe the second bullet point under
19 each of day ones ought to be questions from
20 Commissioners and discussion. It's open-ended.
21 If we feel like really getting into it then we
22 can. And if we have had enough and wait until
23 we roll it up that's fine too.

24 COMMISSIONER MCHUGH: I agree with

1 that. I think we ought to let this be organic.
2 But it seems to me that, maybe I'm getting
3 ahead of myself, but the hardest question isn't
4 on here. And for me the hardest question has
5 always been when we get to the end, how do we
6 get to the end?

7 We have day one, day two, day three
8 are full in vigorous discussions. We either
9 see a consensus emerging or we don't see a
10 consensus emerging. I suspect we will. We've
11 come to a consensus on most other things.

12 So, let's say hypothetically on
13 Wednesday we are coalescing around a result.
14 Do we take a vote then and announce the result
15 right then and there with findings to follow?
16 It's really the association of the findings
17 with the result that I've never satisfied
18 myself about.

19 Or do we stop sensing that we're
20 about to make the final vote and have some
21 findings drafted. And then reconvene a day
22 later and have the findings accompany the vote?
23 I don't see how we can do that.

24 CHAIRMAN CROSBY: What do you

1 envision, anybody, the findings looking like at
2 this point?

3 COMMISSIONER MCHUGH: I envision the
4 findings being a compendium of the stuff that
5 comes out of this. Not word for word, but an
6 aggregation of the things that come out of
7 that. We have to make findings with respect to
8 the ones we don't award.

9 MS. BLUE: That's correct.

10 COMMISSIONER MCHUGH: On request?

11 MS. BLUE: It is upon request.

12 COMMISSIONER MCHUGH: Upon request
13 we have to make findings.

14 CHAIRMAN CROSBY: So, we don't have
15 to make findings for the one we select?

16 MS. BLUE: That's true. I think the
17 Commission may decide they are more comfortable
18 making findings for the award, the person who
19 gets the award. This leads us to the question
20 about the form of the decision that we've had
21 some conversation about and we have some
22 comments coming in from different sources.

23 COMMISSIONER ZUNIGA: The finance
24 team, we have a lot of preliminary finding

1 bullets. Back to the compendium notion, that
2 may or may not be the final form but a lot of
3 the groundwork has already happened. It's
4 already ongoing.

5 COMMISSIONER MCHUGH: So do we in
6 building and site design. The raw material,
7 you can put together the findings in a day from
8 the stuff if everybody had something along the
9 same lines.

10 But the question remains do we want
11 to do that or do we just want to announce the
12 result, wait for requests from people who
13 didn't get the award for findings and not make
14 any findings with respect to the winner?

15 COMMISSIONER ZUNIGA: I think we
16 have findings for each one of the categories,
17 the criteria for each one of the applicants.

18 COMMISSIONER MCHUGH: So, do we.

19 COMMISSIONER ZUNIGA: So, they would
20 be available right there.

21 COMMISSIONER CAMERON: But that may
22 not be --

23 CHAIRMAN CROSBY: -- where we end
24 up.

1 COMMISSIONER CAMERON: Right. So,
2 having a finding which explains what we thought
3 the most important factors were in making the
4 decision I think would be helpful.

5 COMMISSIONER MCHUGH: Yes.

6 CHAIRMAN CROSBY: I don't have a
7 strong feeling on this. I do have a pretty
8 strong feeling that we should not hold up the
9 process. That somehow if there is a published
10 report of some sort, findings whatever you call
11 it that it should be clear that that's sort of
12 for the record.

13 The decision and the purpose of the
14 decision is in the discussion. It's going to
15 be on tape for everybody to see. We'll never
16 be able to do a better job of hashing through
17 the issues than we will have been doing on
18 tape. I don't want to lose the timing.

19 If we come a decision on that
20 Wednesday or that Thursday or that Friday, I
21 don't want to wait a day or two to draft
22 something up because a lot happens when we take
23 that vote. That triggers the award. That
24 triggers a whole lot of things, not least of

1 all the money.

2 So, if we do it, I'd like to have it
3 be sort of be an ex-post facto wrap up.

4 COMMISSIONER MCHUGH: Were you going
5 to shift another topic?

6 CHAIRMAN CROSBY: I was going to be
7 disinclined -- So, I think ex-post facto is
8 point one. And sort of a report rather than a
9 part of the decision.

10 Then I was about to say as to
11 whether we do one or not, I'm kind of
12 disinclined because the video and the
13 transcript, if somebody wants to know why we
14 decided, it's right there. They can look at
15 it.

16 If we try to synthesize it, we will
17 be making value judgments after the fact about
18 what was most important, how much did it weigh.
19 Were we trying to put it into a five-page paper
20 as opposed to the hours of conversation that we
21 had.

22 COMMISSIONER STEBBINS: There's
23 somewhat of a difference in that in what we're
24 required to issue under section 18.

1 MS. BLUE: There are findings we
2 need to make and consider. Then there is the
3 what we do when issue the award. So, when we
4 talked about the form of the decision, we
5 talked about separating out the findings. Then
6 we talked about the actual award being
7 something different.

8 The question is more about timing as
9 to how we do it. The legal department is
10 prepared to do findings in all situations if
11 the Commission so desires. It's kind of how
12 you want to do to the timing.

13 COMMISSIONER MCHUGH: Can I come
14 back to that, Commissioner, because it says in
15 section 18 in determining whether an applicant
16 shall receive a gaming license, the Commission
17 shall evaluate and issue a statement of
18 findings of how each applicant proposes to
19 advance the following objectives.

20 So, we've got to issue some kind --

21 CHAIRMAN CROSBY: Read that one more
22 time, just read it again.

23 COMMISSIONER MCHUGH: In determining
24 whether an applicant shall receive a gaming

1 license, the Commission shall evaluate and
2 issue a statement of findings of how each
3 applicant proposes to advance the following
4 objectives and then follow 18 statutory
5 objectives.

6 CHAIRMAN CROSBY: That doesn't say
7 how you weighted them or how you decided them
8 that just says how they propose to do it,
9 right?

10 COMMISSIONER MCHUGH: That's right.
11 And it seems to me the Pennsylvania model, and
12 we've gotten a number of decisions from
13 Pennsylvania in a competitive environment in
14 which they ran through the whole list of
15 criteria and simply stated what it was that
16 they found about the approach of the different
17 applicants to the various criteria. And then
18 one conclusory paragraph at the end.

19 That's the kind of thing that I had
20 in mind, not going back and saying we weighted
21 this this way and weighted that that way. But
22 here's a list and that's why I thought these
23 things could be rolled up in effect with some
24 tailoring and tinkering into a master set of

1 findings that would satisfy 18, talk about
2 evaluation, have the concluding paragraph and
3 that's what we have.

4 CHAIRMAN CROSBY: I like that. When
5 would you do that?

6 COMMISSIONER MCHUGH: That's the
7 question. I think we could do that after we
8 made the award. My question for myself was do
9 we do that after we make the award or do we
10 make the award and have that ready to issue as
11 we make the award? It seems to me from our
12 discussion here that it could follow making the
13 award by a day or so.

14 CHAIRMAN CROSBY: Right. That makes
15 sense to me. We make the award as soon as we
16 get ourselves to a vote and we should talk
17 about that too. And that's it. That is the
18 award. We've already said that triggers the
19 time, the clock. And we get the report done,
20 the finding/report done as quickly as possible
21 thereafter pursuant to that section and
22 fundamentally built on these binders.

23 COMMISSIONER MCHUGH: Right.

24 COMMISSIONER CAMERON: So, would the

1 findings contain the responses or our
2 evaluation for all three of the applicants? Or
3 just the winning applicant and there would be a
4 separate --

5 CHAIRMAN CROSBY: It has to be all
6 three.

7 COMMISSIONER MCHUGH: All three.

8 COMMISSIONER STEBBINS: It could be
9 attached as an appendix to our findings.

10 COMMISSIONER MCHUGH: This says a
11 statement of findings of how each applicant
12 proposes to advance. We've got to do that for
13 these 18 anyway. And I don't see why we
14 shouldn't do it for everything that we've got
15 here and maybe use page three of this thing.
16 Actually, I don't want to use page three. Can
17 everybody not use page three, please. Just
18 don't use it.

19 MS. PINCK: No real content in
20 there.

21 COMMISSIONER MCHUGH: Yes, I
22 understand. But the third page of this thing
23 will be a synopsis of criteria and there will
24 be a one paragraph comparative thing across all

1 three applicants in a little narrative form.
2 That's the proposal. And that can be the basis
3 for these findings.

4 CHAIRMAN CROSBY: That would be the
5 rating for everybody with a little narrative.

6 COMMISSIONER MCHUGH: Yes, but
7 there's a narrative. We could use the
8 narrative as the basis for findings.

9 MS. BLUE: I think you would get
10 there organically by doing it that way. And we
11 would have what we needed to have findings both
12 for the criteria in 18 and any other findings
13 we needed to make. So, that would work.

14 COMMISSIONER CAMERON: But our
15 findings would take into consideration the fact
16 that we thought some pieces were more important
17 than others, right? That would just give us a
18 boom, boom, boom, boom without any
19 particular --

20 COMMISSIONER MCHUGH: But there
21 would be in each of these when they are
22 finished there'd be groupings that would give
23 value judgments. And that could be
24 incorporated as well.

1 Out of this will be the raw
2 materials. It wouldn't be just be a cut-and-
3 paste job. You'd have to polish it and buff it
4 a bit. But out of this would come fairly
5 quickly the findings with respect to each
6 criterion for each applicant.

7 COMMISSIONER CAMERON: So, our
8 conclusion piece would be the piece where we
9 determine what the most important issues were
10 that helped us make a decision.

11 COMMISSIONER MCHUGH: Right. That's
12 right. We could do that or we could just say
13 based on all of the above and our deliberations
14 and evaluation, we've concluded that X gets the
15 thing, gets the license with having earlier on
16 set out how we weighed and evaluated things and
17 then listed the findings in light of the
18 evaluation and weighting.

19 COMMISSIONER CAMERON: As long as we
20 have it in there somewhere.

21 COMMISSIONER MCHUGH: It would have
22 to be.

23 MS. BLUE: We would. We could take
24 some of these documents and have them attached

1 as appendix. And then we would have a
2 narrative that explained how you got there,
3 what your deliberations arrived at. And this
4 is the raw material that's attached to it. We
5 can get that in there.

6 CHAIRMAN CROSBY: As long as it
7 comes after the award and I think we can work
8 on that a little bit. And as with the others,
9 we'll look at it, we'll think about it and see
10 drafts and then have a better idea when we get
11 to the casinos too.

12 COMMISSIONER MCHUGH: Could I raise
13 then, before we begin to coalesce around that
14 the only other thing that I was thinking about
15 that I don't know how we want to handle and
16 that is there are going to be general license
17 conditions. We have them out for comment now.
18 We'll get comments back. We'll coalesce around
19 them. We'll get some statement general license
20 conditions. What do we do about the specifics
21 license conditions?

22 And I suppose when we make the final
23 judgment verbally we can say on the condition
24 that A, B, C, D, and run through them. That

1 will emerge I think from the discussions that
2 we'll have before that.

3 But how do we evaluate whether the
4 applicant is willing to accept all of those
5 conditions? Or do we just say these are the
6 conditions and if you're not willing to accept
7 them, we'll move onto number two? It won't
8 come out to that, but what do we about that?

9 CHAIRMAN CROSBY: So, you're saying
10 we pick applicant A. And we say to applicant A
11 -- give me a couple of examples of conditions.

12 COMMISSIONER MCHUGH: Applicant A,
13 you have promised to hire 15 percent of your
14 workforce within a 20-mile radius, we wanted 60
15 percent. You have committed to a spending plan
16 for business development of \$2 million a year,
17 we want \$7 million a year. These are wild
18 hypotheticals. Not the kind of thing we're
19 going to do. But supposed we do two or three
20 of those.

21 CHAIRMAN CROSBY: So, we agree on
22 the conditions. We vote and we choose
23 applicant A. Then we go to applicant A and say
24 congratulations. And they say forget about it,

1 we're not going to 60 percent.

2 COMMISSIONER MCHUGH: Right.

3 CHAIRMAN CROSBY: Then what do we do
4 is your question, right?

5 COMMISSIONER MCHUGH: That's right.
6 Or do we have some mechanism, and I don't see
7 how we can do this, saying to applicant A
8 beforehand what would you do if -- You can't do
9 it.

10 CHAIRMAN CROSBY: Or can you?

11 COMMISSIONER MCHUGH: As a practical
12 matter.

13 CHAIRMAN CROSBY: Take the lesser of
14 those two. If you wanted to up the percentage
15 of local hires and we knew we were going to go
16 with A, so if we went to them and they said no,
17 then we'd have to come back.

18 COMMISSIONER MCHUGH: We wouldn't
19 know we were going to go to A until we all
20 decided we were going to A. And we would have
21 to do that in the public setting.

22 COMMISSIONER ZUNIGA: It occurs to
23 me that although I know these are
24 hypotheticals, something tells me that if we

1 set a condition that was not what they
2 proposed, there is a ripple effect to that.
3 There may be an answer that an applicant could
4 come back and say I would love to hire 40
5 percent but there is a reason why. There's
6 other commitments we've made. It affects my
7 financials in this other way.

8 CHAIRMAN CROSBY: That's Jim's
9 point. How do we deal with it if they don't
10 agree?

11 COMMISSIONER ZUNIGA: Okay.

12 CHAIRMAN CROSBY: If you need to
13 negotiate and do some trade-offs, how do we
14 deal with that? Do we make the vote? Do we
15 say yes if they don't accept it because they
16 can't accept the condition then we have to come
17 back and vote again, I guess.

18 COMMISSIONER ZUNIGA: It all depends
19 on what the condition is, I guess. If it's
20 something that's really an arbitrary and I'm
21 sure we will not come up with something like
22 that.

23 COMMISSIONER MCHUGH: Even if it
24 isn't arbitrary, Enrique, maybe your example of

1 the ripple effect is really a good one.

2 We say we want you to commit to
3 hiring 40 percent instead of 15 percent. And
4 their response is we're not going to do that
5 and we're not going to do that because we need
6 to get this thing up and running to meet our
7 revenue plans. Therefore, we need 85 percent
8 of skilled labor to import from elsewhere so we
9 can get the thing on the road. Otherwise, all
10 of our financial projections fall apart.

11 CHAIRMAN CROSBY: Get postponed by
12 six months.

13 COMMISSIONER MCHUGH: Gets postponed
14 by six months and we'll never catch up and
15 we've got creditors and other things. So, we
16 weren't arbitrary and the response isn't
17 arbitrary. But how do you deal with it?

18 COMMISSIONER ZUNIGA: I would submit
19 to you that at that juncture we might go oh, we
20 better rethink this condition that we just set.

21 CHAIRMAN CROSBY: Is this after we
22 made the award?

23 COMMISSIONER ZUNIGA: Right. Just
24 following the same example, if hiring 50

1 percent as opposed to 15 puts in jeopardy the
2 construction plan and the revenue plan then
3 maybe I don't want to impose that condition.

4 CHAIRMAN CROSBY: We're just talking
5 about process here. We have a condition. It's
6 go to 40 not 15. We all agree. We vote. We
7 pick applicant A. Now we go to applicant A and
8 applicant A says sorry, I can't go to 40 or if
9 I do go to 40, I have to change my revenue
10 projections.

11 So, what do we do? We have to have
12 a new meeting. We have to decide whether to
13 rescind that condition. Whether we let them
14 change the thing or whether we throw them out
15 and go to somebody else.

16 COMMISSIONER CAMERON: Does our
17 General Counsel have something to say about
18 this?

19 MS. BLUE: We were looking at the
20 regs., the Executive Director and I, if we're
21 looking at 118.06 and it talks about the
22 Commission issuing an award. So, the choices
23 are grant the application with appropriate
24 conditions, deny the application or, and then

1 the third section is, extend the period for
2 issuing a decision in order to obtain
3 additional information deemed necessary by the
4 Commission for a complete evaluation of the
5 application provided however the extension
6 shall be no longer than 30 days.

7 So, maybe you could --

8 COMMISSIONER STEBBINS: Does that
9 lend itself to a negotiation period?

10 MS. BLUE: It would lend itself
11 potentially to sort of a provisional kind of
12 license potentially where you have -- you're
13 not issuing your final decision for 30 days.
14 And perhaps you would have the conversations
15 there.

16 We didn't address specifically what
17 you're talking about in the regs.

18 COMMISSIONER ZUNIGA: I just thought
19 of this example, which may guide the
20 discussion. A very easy condition to set up is
21 that they open when they promise a year from
22 now or whenever, 18 months from now. That's
23 one of the conditions.

24 Somewhere along the way, maybe six

1 months from now after any number of things that
2 can go wrong in a construction and design and
3 permitting process they come back and say it
4 looks like it's going to be a little later.

5 In anticipation of that, they would
6 have to come back and say we were always hoping
7 to meet that condition and our plan but now
8 things have developed that we bring before you.

9 And then we will look at it and we
10 will talk about it in the public and we will
11 issue a waiver or not. But we cannot
12 anticipate all of those eventualities that may
13 happen.

14 CHAIRMAN CROSBY: Go ahead, Bruce.

15 COMMISSIONER STEBBINS: I mean we're
16 really drawing fine lines, but we're going to
17 have conditions which are consistent which are
18 consistent regardless of who gets the license.
19 We are going to have additional conditions that
20 we're going to add that are going to be project
21 specific.

22 So, if we simply move at the end of
23 our evaluation, the end of our discussion
24 again, ideally one applicant rises to the top,

1 we make a motion to offer the license subject
2 to acceptance of all of the license conditions.
3 And then have them come back before us.
4 Whoever the person we want to award the license
5 to says one through five, I agree with. Six I
6 have a problem with or whatever, then we
7 negotiate. And if at some point we get to an
8 end where we don't want to let them off the
9 hook on a condition, we've only awarded it on a
10 conditional basis. And we step back.

11 I think Commissioner Zuniga's point
12 is fine. At various stages, we will get to
13 points that they may not be able to meet
14 license conditions. My hope is that it would
15 be more of a partnership to try to help them
16 resolve any of those obstacles that they run
17 into.

18 Getting back to the original point
19 of award the license subject to a willingness
20 of the licensee to accept all of the
21 conditions. And come back before us if there's
22 one or two that you don't agree with and we try
23 to hash those out.

24 It's not necessarily an award of a

1 license. It's a motion to conditionally award
2 a license subject to agreement on the
3 prescribed conditions.

4 CHAIRMAN CROSBY: Within the limits
5 of this reg. we have we could say okay, we all
6 decided we want to give it to applicant A if
7 they'll do such and such. I think probably
8 within that reg. we could suspend or stop and
9 delegate somebody to go speak to applicant A
10 and say are you willing to do such and such.
11 It could be right outside the room for five
12 minutes or it could be the next day. Then we
13 would find out whether applicant A will do such
14 and such. We then reconvene and decide to
15 accept them or not.

16 That's a little bit different in
17 form. I'm not sure it's different in substance
18 from the conditional -- I think it is different
19 from the conditional license, because the
20 effort would be -- I mean, I hope we are
21 talking about something which is pretty largely
22 hypothetical.

23 COMMISSIONER MCHUGH: I do too, but
24 I'd rather talk about it now.

1 CHAIRMAN CROSBY: But we do have to
2 deal with it, right. We want to expedite this
3 process. And we're particularly concerned
4 about the deadline for the Category 1s. So, I
5 think the idea of being able to suspend our
6 conversation, go to the presumed winner and say
7 we're going to pick you assuming you can do
8 such and such. Then the delegation comes back
9 and reports to the Commission and we do
10 whatever we do. Does that work?

11 COMMISSIONER MCHUGH: I think that's
12 probably the best way do it. And give 24 hours
13 because we're on a tight leash. And then when
14 we get the report back, then the next motion is
15 we move to grant the license to X.

16 CHAIRMAN CROSBY: There has to be a
17 line between negotiating a best and final with
18 somebody and everybody else didn't get a chance
19 to negotiate a best and final. So, it's a
20 careful line to walk.

21 Because we have to say we prefer
22 applicant A, period. But want them to do one
23 or two things. And if they do the one or two
24 things and there is no one or two things that

1 could make applicant B become applicant number
2 one, but it's a tricky line.

3 COMMISSIONER CAMERON: They may have
4 different things.

5 CHAIRMAN CROSBY: Well, they may
6 have different things, but we're not doing
7 that. So, it's a tight line to walk, I think.

8 COMMISSIONER MCHUGH: I think it is.
9 But I think it's inevitable that we're going to
10 have to do it. I think you put your finger on
11 it. We've really got to be convinced this is
12 the one we want. This is not a final
13 negotiation thing. And we can't come up with
14 17 things that we want them to change and go
15 see if they'll change them.

16 We really have to take this
17 essentially as it is presented to us on their
18 terms. And if there is just something that has
19 to be addressed that's it.

20 CHAIRMAN CROSBY: Can I add
21 something? We talk about it amongst ourselves.
22 You may make a point, that's too much of a
23 condition. They didn't put that on the table.
24 We can't give them the chance to enhance their

1 application.

2 COMMISSIONER MCHUGH: Right.

3 COMMISSIONER ZUNIGA: Since we are
4 on this point, assume that we like applicant A
5 on however many attributes that puts them at
6 the top, but there's one thing about applicant
7 B that we really like. That if we take that
8 one thing and impose it on applicant A as one
9 of the conditions under the notion that if they
10 were able to do this, they should be able to do
11 this too. We would be treading very close to
12 your point which is this best and final. So,
13 it all depends on what condition we are talking
14 about.

15 COMMISSIONER MCHUGH: Exactly.

16 CHAIRMAN CROSBY: And I think we
17 would have a conversation just like this. We'd
18 be saying is it legitimate for us to put that
19 kind of a condition on here? Does it create an
20 uneven playing field for other people? Is it
21 too material?

22 COMMISSIONER ZUNIGA: Because
23 applicant B may have been in a position likely
24 to have trade-offs to have a choice. We did

1 what you like because we didn't do the other
2 things.

3 COMMISSIONER CAMERON: If you had
4 something for that point, I had one other point
5 that's somewhat related.

6 COMMISSIONER MCHUGH: I was just
7 going to say, it seems to me that this is a
8 hypothetical thing. We're probably not going
9 to come to it, but we need to discuss it now.
10 And that most of the special conditions that we
11 impose on the licensee as opposed to the
12 general conditions are going to be things we
13 extract from their application and say you
14 committed to doing this and it's a condition of
15 the license if you do it. I think that's where
16 the bulk of it is going to come from.

17 COMMISSIONER CAMERON: And I don't
18 think we've talked about that applicant that is
19 awarded a license, has given us they're going
20 to do this, this, this and this and then they
21 don't deliver how we handle that. That's
22 another discussion, right?

23 CHAIRMAN CROSBY: This is like a
24 hypothetical. That's post license.

1 COMMISSIONER CAMERON: When would be
2 the appropriate time to talk? For example,
3 your example of one of the reasons we gave that
4 license is they could get it up and running in
5 18 months. And everybody else is two and a
6 half years. Obviously, these are all
7 hypothetical. And then they're just not
8 meeting that deadline. I keep getting back to
9 Singapore that has significant fines in place
10 for not meeting the conditions of the award.

11 COMMISSIONER ZUNIGA: The statute is
12 very specific about being late one year carries
13 a very significant penalty.

14 COMMISSIONER CAMERON: One year.

15 COMMISSIONER ZUNIGA: That's a long
16 time. And a lot of things happen before just
17 by looking at the schedule of progress.

18 COMMISSIONER CAMERON: I guess time
19 is one to be specific, but other conditions.

20 COMMISSIONER ZUNIGA: But other
21 conditions, I suppose we have the ability to
22 first ask for a corrective measure or a
23 corrective plan, impose penalties.

24 MS. BLUE: That could also be part

1 of your specific conditions to that project.
2 So, I envision reporting requirements they may
3 be unique to the particular applicant. So,
4 that every three months they're in and this is
5 the kind of report they have to provide to you
6 and they have to show their compliance. That
7 is my idea of what a very specific condition
8 may be.

9 So, you're getting regular updates
10 and understanding where they are and what
11 they're doing. And if they can meet the
12 condition then talking about some kind of
13 corrective action or some change to the plan.

14 MR. DAY: We've actually envisioned
15 a process of obtaining resources to monitor
16 those projects instead of wait for the
17 applicant.

18 So, we'll physically be going out to
19 follow up. And that follow-up will include the
20 progress on the surrounding agreements, their
21 surrounding community agreements or financial
22 or construction schedule, all of those kind of
23 things would be part of that process. Rather
24 than wait for the applicant, we anticipate

1 going ahead and monitoring

2 COMMISSIONER STEBBINS: I want to
3 again, go back to the question or thought or
4 idea around specific conditions. Because you
5 have it laid out in our presentations. We have
6 a general discussion and debate of under
7 economic development I think for applicant A, I
8 would suggest these specific conditions.

9 We obviously debate -- I would
10 assume we debate those at that time to see
11 whether my four colleagues I'm all wet or they
12 think I actually came up with a good idea. So,
13 that by the time we do get to a license
14 condition, it's not just throwing everything
15 into the kitchen sink. It is a defined number
16 of criteria -- not criteria, specific
17 conditions that we all agree upon so we're not
18 doing it at that late stage of the deliberative
19 process.

20 MS. BLUE: We will be discussing
21 them throughout the deliberations, yes.

22 MS. PINCK: I think the teams are
23 having these kinds of conversations so that
24 you've given this some thought certainly before

1 the presentation, which is well if we awarded
2 it to this applicant these are the kinds of
3 conditions that would be absolutely fundamental
4 to award of the license. So, you are bringing
5 those individually to the table.

6 COMMISSIONER STEBBINS: And I'm
7 assuming at the end of the day, we will wind up
8 with more generally accepted conditions of
9 whoever gets the license versus maybe a smaller
10 number of project specific conditions. I would
11 expect that's the outcome.

12 COMMISSIONER MCUGH: Right.

13 CHAIRMAN CROSBY: So, we figured out
14 the process for conditions pretty well. When
15 we get down to the last part here, final
16 deliberations and vote, I would think we would
17 try to do what we generally try to do which is
18 try to get to a unanimous view if we can.

19 But if it's clear that we're not, is
20 there any issue with having a split vote? If
21 it's pretty clear that three of us favor one
22 and two of us favor another, it's just a matter
23 of a difference of opinion. Is there any issue
24 with having a three to two vote?

1 COMMISSIONER ZUNIGA: I don't think
2 there is one. The statute is very clear about
3 a majority of the Commission vote makes a
4 decision. The only issue in that but we would
5 have to resolve this of course by deliberating
6 more is if there was two, two and one.

7 CHAIRMAN CROSBY: That's clear,
8 right.

9 COMMISSIONER ZUNIGA: That is really
10 the only one and then go back to more
11 deliberation to entice the majority.

12 COMMISSIONER CAMERON: To convince
13 that one.

14 COMMISSIONER STEBBINS: That's when
15 Commissioner Cameron brings her sidearm.

16 COMMISSIONER MCHUGH: Obviously,
17 three to two wins, but we've always tried to
18 reach consensus. And it seems to me we really
19 ought to try to reach a consensus here. It may
20 be impossible. And you've always used good
21 judgment and will continue to use good judgment
22 about when to call for the vote. And it may be
23 that we get to the end of day three and we're
24 split three to two or even four to one. We

1 could take a vote, but let's take the night off
2 and come back.

3 CHAIRMAN CROSBY: I think that's
4 when we all go have a drink.

5 COMMISSIONER MCHUGH: That may be.

6 CHAIRMAN CROSBY: That makes sense
7 to me. Anything else in the discussion about
8 how we do this? This is the last week of
9 February, folks, get ready.

10 COMMISSIONER CAMERON: We will work
11 on our binders.

12 I have one more questions. Does
13 everybody intend to use a PowerPoint to
14 illustrate the work done by that individual
15 Commissioner?

16 COMMISSIONER STEBBINS: I had
17 planned to.

18 COMMISSIONER CAMERON: I did as
19 well.

20 COMMISSIONER MCHUGH: I did as well.

21 COMMISSIONER ZUNIGA: Yes.

22 CHAIRMAN CROSBY: Mine is really
23 pretty modest. So, I don't know. I hadn't
24 really thought about it.

1 COMMISSIONER CAMERON: You may just
2 take the microphone in the front of the room?

3 CHAIRMAN CROSBY: Right. I don't
4 know. I hadn't thought about it yet.

5 Is this sentence okay, Catherine,
6 this report provides a summary of the review by
7 the building and site design group? We want to
8 be clear. That's in the middle underneath all
9 of the bullet points. We want to make clear
10 that the group isn't making any decisions,
11 right -- didn't make any decisions. Is that
12 worded okay to not be fuzzy on that point?

13 MS. BLUE: We can clarify this to
14 make it clearer that what the group does is
15 provide assistance to the Commissioner in
16 making their decision. That is the purpose of
17 the group. So, we can work on that sentence.

18 CHAIRMAN CROSBY: Page two, provides
19 an overall rating for each applicant in the
20 entire category.

21 COMMISSIONER MCHUGH: I'm sorry.
22 You're still on page one?

23 CHAIRMAN CROSBY: This is going to
24 be an important document.

1 COMMISSIONER MCHUGH: Right.

2 CHAIRMAN CROSBY: We're not going to
3 do page three like this?

4 COMMISSIONER MCHUGH: We're not
5 going to use page two and three of this
6 document at this meeting.

7 CHAIRMAN CROSBY: At this meeting?

8 COMMISSIONER MCHUGH: That's right.
9 It's just page two and page three are not part
10 of what the meeting materials are today. But
11 page one is open for questions.

12 CHAIRMAN CROSBY: Except as it
13 refers to page two and three.

14 COMMISSIONER MCHUGH: Yes, which are
15 not part of the meeting materials.

16 CHAIRMAN CROSBY: All right. Got
17 it. Okay, I'm done. Anything else on this?
18 Anything else about the process, the schedule?
19 We really nailed the schedule down finally,
20 assuming we can deliberate within a five-day
21 period, we should have a decision by the 28th,
22 last day of the month.

23 MS. BLUE: Yes.

24 CHAIRMAN CROSBY: Great, we picked

1 up a week.

2 COMMISSIONER MCHUGH: It's very
3 exciting.

4 CHAIRMAN CROSBY: Director Driscoll,
5 we picked up a week. Next agenda item is the
6 \$600 issue next.

7 MR. DAY: That is next, Mr. Chairman
8 I think Catherine is going to summarize that
9 for you.

10 MS. BLUE: I think, Mr. Chairman,
11 you have the materials that are in the package
12 regarding that issue. We, the legal
13 department, has contributed to that package.
14 And we in fact drafted some proposed language
15 that is in the Chairman's memo.

16 CHAIRMAN CROSBY: You guys were
17 great. Todd and Artem both and Catherine, all
18 three played a huge hand in this. I don't know
19 whether I need to sort of go through this
20 again.

21 Basically, everybody has taken this
22 statute to say that you're going to have to pay
23 withholding taxes on any winning of \$600 or
24 more. We're not sure that's actually is what

1 it says but that is the assumption everybody's
2 been operating under.

3 I think it was right when this first
4 came up, I certainly reacted when Jennifer
5 first brought it up, my reaction was oh, yeah,
6 these people just don't want to pay their
7 taxes. I at least and I think Jim and it
8 sounds like Commissioner Cameron too, we were
9 predisposed in favor of the law at first.

10 But having looked into it, it seems
11 to me that this is not just an industry whine.
12 That it generally is a substantive problem
13 given the standards that have been established
14 in essentially the rest of the United States
15 virtually without exception.

16 And that under those circumstances,
17 it really would be incumbent upon us to bring
18 Massachusetts reporting/withholding in line
19 with the rest of the industry and address, I
20 recommend that we address the offset issue too.
21 To me that's only fair. That's not necessarily
22 the industry standard is quite as much as the
23 \$600 threshold.

24 And that we propose this. I don't

1 have the competence to approve or disapprove of
2 the draft legislation, but it's probably pretty
3 close. And that we propose this to the
4 Legislature.

5 I have previewed it with them pretty
6 much. The House actually wanted me --
7 authorized me to say that the House never liked
8 the \$600 anyway. And they would be very open
9 to this idea as I think at least some members
10 of the Senate will be as well.

11 There is this issue about the
12 lottery. And I tried to make the distinction.
13 There's clearly just a totally different
14 business proposition that doesn't impinge on
15 the lottery's operations at all to have the
16 requirement the way that it is. And there are
17 other states that have the difference that we
18 would have if the lottery stayed at \$600. I
19 imagine the Legislature would want the lottery
20 to stay at \$600.

21 So, that's the bottom line. Does
22 anybody have any questions or thoughts or
23 issues? And the other thing was Commissioner
24 McHugh raised the issue about is there a

1 technological fix here, which sounds kind of
2 appealing on the face it. And you could do
3 some things, but as a practical matter, the big
4 enchilada is you have to identify, you have to
5 verify who the person is. But you also have to
6 give the W-2 and you have to take the money.
7 So, there appears to not be not any feasible
8 way within today's technology to do that.

9 COMMISSIONER MCHUGH: I just had --
10 And I'm sorry I didn't read this earlier. But
11 that was my one substantive question. You have
12 to do that under the federal statute. You have
13 to get the taxpayer's identity and the player
14 needs to be given a W-2G.

15 But literally our statute simply
16 requires a deduction on payment. The Treasury
17 has issued some letter, they haven't issued
18 regulations, but they have issued some letter
19 in which they've outlined some advisory
20 bulletin. I've forgotten what the technical
21 term is for those things. But we saw that
22 earlier.

23 MS. BLUE: The TIR we looked at,
24 yes.

1 COMMISSIONER MCHUGH: Yes, and
2 they've described in there what you have to do
3 -- the fact that you have to take the 600 bucks
4 out, but I don't think they said in there that
5 you had to fill out the forms.

6 I was just wondering why you
7 couldn't treat under the state statute not the
8 federal statute the five percent on \$600 as you
9 would a sales-tax? You just take it out?

10 CHAIRMAN CROSBY: Well, you have to
11 assign it to a person.

12 COMMISSIONER MCHUGH: Why?

13 COMMISSIONER ZUNIGA: The person
14 that comes to the machine comes with cash more
15 often than not. And it's hard to identify the
16 person.

17 COMMISSIONER MCHUGH: Absolutely. I
18 guess my question is you go into a store or buy
19 a watch for 800 bucks. A sales tax is added
20 onto that. You pay the sales tax and out you
21 go. It's not deducted from the \$700. It's an
22 add-on. Here's it's a deduction from the \$600
23 that you win. The statute says you pay the
24 tax. Why do you have to know who the taxpayer

1 is?

2 MS. BLUE: I think part of it is in
3 62B, it talks about treating this as if it was
4 wages paid to an employee.

5 COMMISSIONER MCHUGH: Okay. That's
6 the answer.

7 MS. BLUE So, I think in that -- And
8 our understanding from DOR is that it all goes
9 into one account just like withholdings from
10 employees.

11 COMMISSIONER MCHUGH: It all goes
12 into one account.

13 MS. BLUE: Like withholding from
14 wages, yes.

15 COMMISSIONER ZUNIGA: They need to
16 have the Social Security.

17 COMMISSIONER MCHUGH: So, you report
18 the \$600 as income and you report the tax that
19 you already paid on it and get credit for it?

20 MS. BLUE: Yes, that's my
21 understanding.

22 COMMISSIONER MCHUGH: But it might
23 kick you into a higher bracket or something.
24 Well, no, not with state taxes.

1 CHAIRMAN CROSBY: Or you might get
2 it back.

3 COMMISSIONER MCHUGH: Fair enough.

4 CHAIRMAN CROSBY: Any other issues
5 or thoughts.

6 COMMISSIONER ZUNIGA: I think for
7 the discussion, one example that I saw in
8 Maryland was in my view very much a good
9 illustration.

10 As I mentioned, I've been in favor
11 of recommending this fix. I don't think it is
12 a matter of people not paying their taxes. The
13 Commonwealth stands to gain so much more on the
14 gaming revenues, on the 49 percent that gets
15 collected if the player continues to play that
16 the model of the casino is the longer the
17 player plays, the more assured we are that they
18 will pay the 49 percent on gaming revenues.

19 That's the laws of the mathematics
20 that are behind these games. The odds are
21 slightly stacked against the player. We happen
22 to be the house in this case. So, focusing on
23 five percent is literally nickeling the player
24 and putting at risk the 49 percent that we

1 collect when the player returns any payout back
2 to the machine.

3 CHAIRMAN CROSBY: Which is the point
4 of the HLT assessment.

5 COMMISSIONER ZUNIGA: Yes, which is
6 the point of the assessment. But it's also
7 very much this high-end play that we hurt the
8 most or we have the potential to hurt the most
9 which is an important part of the equation
10 here.

11 The Pareto principle of the 80-20 is
12 very much true in the casino. Our consultants
13 tell us that a very small percentage of players
14 represent a very large portion of the profits.
15 And that's what's at risk with this
16 withholding.

17 That's what I keep saying that this
18 is a competitive topic. That when compared to
19 other options that players may have in nearby
20 states, this could end up hurting the maximum
21 goal of getting a robust gaming market here.

22 But the Maryland example that I
23 wanted to mention on our visits, they showed us
24 when we were walking on the casino floor that

1 they are ready to put in two machines with a
2 \$500 minimum for a spin. It almost sounds
3 unfathomable.

4 COMMISSIONER MCHUGH: Almost?

5 COMMISSIONER ZUNIGA: The question
6 is who plays these \$500 a spin?

7 CHAIRMAN CROSBY: Bill Gates.

8 COMMISSIONER ZUNIGA: And the answer
9 is the casino knows exactly who they are
10 because those people are the ones asking for
11 those higher minimums. So, they figured out
12 that there is a market in and around Baltimore
13 and Washington to put in a 5000-machine
14 operation two machines with those minimums.

15 In our case, if just repaying one
16 spin would essentially generate this whole tax
17 and withholding business that we're talking
18 about. In my view effectively eliminating the
19 possibility of those kinds of machines and
20 therefore eliminating the possibility of
21 capturing those high-end players. There's no
22 reason to think that we are that much different
23 from Maryland in the ability to attract players
24 of that caliber to our operations here.

1 COMMISSIONER MCHUGH: But a payout
2 on a \$500 bet is going to exceed the \$1200
3 minimum right, in all likelihood? The only way
4 to deal with that is to put the IRS agent at a
5 chair right next to the machine.

6 COMMISSIONER ZUNIGA: That's my
7 point. But there's a difference between 200
8 and 1200.

9 COMMISSIONER MCHUGH: I got it.

10 CHAIRMAN CROSBY: We're all on the
11 same page on this. You're just adding fuel to
12 the fire. You're with it, right. I think we
13 should vote on this. But there are a bunch of
14 other issues that a number of the bidders have
15 raised. Some of them directly related to this
16 such as checking for deadbeat dads, checking
17 for unpaid taxes.

18 I haven't taken the time and I sort
19 of considered this in my bailiwick, but I
20 haven't had time yet to think about this. A
21 lot of those other issues that have been raised
22 particularly by the casino operators in various
23 mechanisms, but in particular in answer to
24 question nine, I think there's probably ways we

1 can work our way through it with regs. We
2 don't need a legal change. We might need a
3 legal change on some of these other things.
4 But I just haven't had time to pursue it.

5 Before I leave, I may talk with you
6 to pass some of these things out to some of the
7 staff to do some work on this while I'm gone.
8 But I think it's important enough that this --
9 This is the big enchilada. This is the one
10 that some of the casino operators really think
11 might be a showstopper.

12 We're not in a huge rush because
13 they're not going to start the machines going
14 anytime soon. But I think we should get this
15 into the hands of the Legislature soon. I did
16 call everybody, the key players and tell them
17 that we were going to be voting on this today
18 and my guess is it would pass.

19 Maybe somebody would move to
20 authorize me to turn this into a memorandum to
21 elected folks. Vote on this and then authorize
22 us to send it to the Legislature.

23 COMMISSIONER ZUNIGA: I'd be happy
24 to do that, Mr. Chair. I move that we

1 authorize the Chair to present all of the
2 materials and arguments relative to the topic
3 of a \$600 withholding to the Legislature and
4 present recommendations for legislative action.

5 CHAIRMAN CROSBY: For adopting the
6 federal standards -- threshold.

7 COMMISSIONER STEBBINS: Threshold
8 not withholding.

9 COMMISSIONER ZUNIGA: Right, the
10 \$600 withholding and reporting threshold.

11 COMMISSIONER MCHUGH: And adopting
12 the federal.

13 COMMISSIONER ZUNIGA: And recommend
14 that we adopt the federal standards.

15 COMMISSIONER STEBBINS: Second.

16 CHAIRMAN CROSBY: Any more
17 discussion? Okay. Thank you. All in favor,
18 aye.

19 COMMISSIONER MCHUGH: Aye.

20 COMMISSIONER CAMERON: Aye.

21 COMMISSIONER ZUNIGA: Aye.

22 COMMISSIONER STEBBINS: Aye.

23 CHAIRMAN CROSBY: Opposed? The ayes
24 have it unanimously.

1 COMMISSIONER MCHUGH: So, we need to
2 get a response to those other things or at
3 least consider them.

4 CHAIRMAN CROSBY: Yes. There's a
5 bunch of them and some of are nontrivial but I
6 think we get this going.

7 COMMISSIONER MCHUGH: This is done.
8 But I just don't want to lose sight of the
9 importance of doing the rest of them.

10 CHAIRMAN CROSBY: No. I'll make
11 sure that it gets underway before I leave.
12 Okay. Director Day, last issue is the
13 discussion possibly of the repeal. Is there
14 anything else?

15 MR. DAY: That is it.

16 COMMISSIONER MCHUGH: There's no
17 dates involved in anything.

18 CHAIRMAN CROSBY: Correct.
19 Basically, there's a sense that this is an
20 issue. It is clearly being kicked around as an
21 issue. It's being talked about. The
22 Legislature is going to bringing it up at some
23 point in the next few weeks. We will be asked
24 to comment.

1 At the moment, our law is the award
2 happens. You pay your money within 30 days.
3 That at the moment is firm. We may want to
4 think about it or we may not want to think
5 about it.

6 We may want to -- Some of us think
7 that it's not an illegitimate concern about
8 plunking down \$85 million. The nonrefundable
9 part is something that the Legislature could
10 fix relatively simply if they saw fit to. That
11 might give comfort to operators.

12 There may be other ways we could
13 deal with this if the repeal does go forward
14 and if bidders have concerns about it. I think
15 staff has already done some work on this. We
16 ought to continue to do that because it is
17 something we're going to have to come up with a
18 solution to one way or the other.

19 I think Commissioner McHugh will be
20 testifying if and when the Legislature has
21 hearings on this since I won't be here.

22 COMMISSIONER MCHUGH: Might not be
23 here.

24 CHAIRMAN CROSBY: Might not be here,

1 yes. But I think it's important that we get
2 ourselves just thinking about this. Enough
3 people are talking about it that it's important
4 that people know we hear about it and we're
5 going to start to think about it as well. That
6 was it for me. Do you have other?

7 COMMISSIONER MCHUGH: No. I was
8 going to say that it seems to me that just
9 taking a broad look at things that suggesting
10 to the Legislature that we work with them if
11 this ever were to pass on providing some kind
12 of a refund mechanism or otherwise would be the
13 appropriate course.

14 And that not putting it simply in
15 their lap, but that we would be prepared to
16 work with them and make proposals and the like
17 would be an appropriate response at this moment
18 and not take a position one way or the other on
19 the substantive proposition.

20 We've got a lot of credibility with
21 all kinds of groups for playing things straight
22 down the middle. And we're an implementation
23 group and not a policy making group at that
24 level. That it seems the general contours of

1 the position we ought to take.

2 CHAIRMAN CROSBY: Two points of
3 clarification, go-ahead.

4 COMMISSIONER CAMERON: You may be
5 going to clarify, I think your point was very
6 well taken that we're aware. We know it's
7 being talked about. And your point that our
8 bidders -- our applicants rather may or may not
9 have similar concerns. And certainly they
10 would be legitimate concerns. And that that
11 will not be part of our evaluation process. I
12 think it is important to note it's a separate
13 matter. And our evaluation process, as we just
14 spoke about extensively, will be done based on
15 the facts and information.

16 CHAIRMAN CROSBY: And you're saying
17 where a company comes down on whether or not
18 they are concerned about the repeal will have
19 no bearing on our evaluation of their
20 application.

21 COMMISSIONER CAMERON: Correct.

22 CHAIRMAN CROSBY: That's very
23 important. This is a wildcard. Nobody knew
24 about it. It's never been part of our

1 evaluation. They are free to speak their
2 minds. They're business people. They have
3 businesses to run. That will not affect our
4 judgment one way or the other. That's
5 important.

6 The second thing was just to make
7 sure what you were saying, Commissioner McHugh
8 that we are agnostic on the issue of the repeal
9 or not. At this stage of the game that's not
10 our business. First of all, it's up to the
11 SJC. And if the SJC says it's
12 unconstitutional, it's over. If it is
13 constitutional, then it's up to the people.

14 Our issue is to figure out how in
15 our job as stewards of this industry to make
16 sure that we provide a fair and level playing
17 field for people and keep our eye on the ball
18 and keep moving as best as we can with this
19 issue on the table.

20 COMMISSIONER MCHUGH: And agnostic
21 on the legislation that's pending too. There's
22 legislation on a separate track.

23 CHAIRMAN CROSBY: Right. Okay
24 anything else?

1 COMMISSIONER MCHUGH: I have one
2 other thing and it's simply a declaration from
3 last night.

4 We were in Leominster last night,
5 had a good and healthy discussion with the
6 citizens of Leominster on the last phase of our
7 statutory hearing out there. But a number of
8 people came up to me and to Commissioner Zuniga
9 and to Commissioner Stebbins at the end to say
10 how much they thought the process was democracy
11 at its purest in action. The people coming
12 together and talking about these issues with
13 some energy. But everybody got a chance to
14 come together and talk about these issues and
15 they appreciate that.

16 And two in particular, one by proxy
17 for the other. They both intended to be there,
18 but one was ill and not able to join us. But
19 two who have been very active on the opponent's
20 side and who have been active correspondents
21 and careful and thoughtful correspondents. And
22 particularly interested in the siting and the
23 issues surrounding the size of the site and the
24 like. But who clearly are opponents said that

1 they thought that the process had been fair.

2 And they wanted me to express to the
3 entire Commission their satisfaction with the
4 process and their appreciation for the way that
5 the Commission had handled that. So, I think
6 it's a credit to everybody although it's kind
7 of self-congratulatory to be reporting that, it
8 is really nice to hear those kinds of comments
9 even after an energized discussion of the type
10 we have had Leominster.

11 They're good people, thoughtful
12 people on both sides. And they presented their
13 cases well. And I'm glad they thought we gave
14 them a fair hearing.

15 CHAIRMAN CROSBY: Me too. I will
16 take some pride in that.

17 COMMISSIONER ZUNIGA: And the fact
18 that it was also a very important milestone
19 that we now run the clock for a decision in 30
20 days.

21 CHAIRMAN CROSBY: Commissioner
22 McHugh, you were under the license award
23 process you were thinking about the arbitration
24 topic?

1 COMMISSIONER MCHUGH: Yes, thank
2 you, Mr. Chairman. I wanted to not for today.
3 I wanted to put -- revisit the arbitration
4 regulation at some point in the very near
5 future. Because I didn't read the thing
6 carefully, I gather, I thought there was a
7 little bit more flexibility that the arbitrator
8 had than the arbitrator does have under the
9 regulations.

10 I wanted to revisit that. Not to
11 change what the arbitrator is empowered to do
12 but perhaps to provide some kind of a safety
13 valve in case the award is the result of two
14 unreasonable proposals. I'd just like to talk
15 about that. I'm not sure we'd all agree on it,
16 but I would like to talk about that and see if
17 without undermining the force that is exerted
18 by the last and best and final process, we
19 couldn't put in a safety valve that would
20 prevent something, particularly when the stakes
21 are so high like they are here with some of
22 these communities and some of these operators,
23 a safety valve that would prevent some socially
24 undesirable result.

1 I think there's a way to do that. I
2 would like to have that on the agenda at some
3 point in the near future so that I could make a
4 presentation and see if I can persuade anybody.
5 That's worth doing.

6 CHAIRMAN CROSBY: Yes. As you know,
7 I am of mixed minds on this, but certainly fine
8 to talk about it, no question about it. So, if
9 we can put it on the agenda at our next meeting
10 that's fine.

11 COMMISSIONER MCHUGH: Our next
12 meeting is next week, right? And you won't be
13 here. So, maybe two meetings from now.

14 COMMISSIONER MCHUGH: Maybe two
15 meetings from now, although knowing you're of a
16 mixed mind, I'd just assume have it.

17 CHAIRMAN CROSBY: I can also call
18 in. For important meetings, anything that's
19 important, I can call in and we may have
20 depending on what the schedule is with the
21 Legislature, we may have heard something about
22 the repeal issue. I will consider calling in
23 if need be.

24 COMMISSIONER CAMERON: I think it

1 might be four in the morning when you call in.

2 CHAIRMAN CROSBY: It would be four
3 in the morning. I don't usually see that hour
4 except from the other end.

5 I know that all of the bidders still
6 love us because they're all bidders. And
7 things may change once they become licensees,
8 but I think we can take some of what they say
9 at face value.

10 And think the compliments that have
11 come repeatedly to you John and to you
12 Catherine and to the team that you work with is
13 heartfelt and genuine and is said with respect,
14 not just blowing smoke. And it should be
15 noted, because this has been a very demanding
16 process. Because we've been so hands off, it's
17 really been all you. And the fact that these
18 folks have gone through this and are going out
19 of their way to thank you says a lot about your
20 professionalism and the way you've done it,
21 several of you, but you two in particular and
22 Director Day deserve real credit for this.
23 It's great. It's great to hear that. So,
24 thank you.

1 MS. BLUE: Thank you.

2 COMMISSIONER MCHUGH: Yes, that is
3 really so.

4 COMMISSIONER ZUNIGA: Certainly.

5 CHAIRMAN CROSBY: Do I have a motion
6 to adjourn?

7 COMMISSIONER CAMERON: So moved.

8 CHAIRMAN CROSBY: Second?

9 COMMISSIONER ZUNIGA: Second.

10 CHAIRMAN CROSBY: All in favor, aye.

11 COMMISSIONER MCHUGH: Aye.

12 COMMISSIONER CAMERON: Aye.

13 COMMISSIONER ZUNIGA: Aye.

14 COMMISSIONER STEBBINS: Aye.

15 CHAIRMAN CROSBY: Unanimous.

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17 (Meeting adjourned at 2:40 p.m.)

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1 ATTACHMENTS:

- 2 1. Massachusetts Gaming Commission January
- 3 29, 2014 Notice of Meeting and Agenda
- 4 2. DRAFT Final Phase - Issuance of Category 2
- 5 License Flow Chart
- 6 3. Massachusetts Gaming Commission January
- 7 28, 2014 Memorandum Regarding \$600
- 8 Withholding and Reporting Requirements and
- 9 attachment

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1 GUEST SPEAKERS:

2

3 MOHEGAN SUN/SUFFOLK DOWNS

4 Charlie Baker, Esq., DLA Piper

5 Kevin Conroy, Esq. Foley Hoag, LLP

6 John Kennedy, Vanasse Hangen Brustlin, Inc.

7

8 WYNN RESORTS MASSACHUSETTS

9 Jacqui Krum, Senior Vice President & General

10 Counsel

11 Kim Sinatra, Secretary and General Counsel

12 Chris Gordon, TMG Consulting

13 Suzanne Leckert, TMG Consulting

14 Keri Pyke, Howard Stein Hudson

15

16 EVERETT

17 Jonathan Silverstein, Esq., Kopelman and Paige,

18 James Errickson, Director of Planning and

19 Development

20 James Fitzgerald, WorldTech Engineering

21

22

23

24

1 CAMBRIDGE

2 Sue Clippinger, Director of Traffic, Parking,
3 and Transportation

4 Lee Gianetti, Director of Communications

5 Robert Haas, Police Commissioner

6

7 SAUGUS

8 Scott Crabtree, Town Manager

9 Ray Ausrotas, Town Solicitor

10 Dan Murphy, CDM Smith

11 Robert Luongo, Economic Development Coordinator

12 Dom DiMella, Police Chief

13 Donald McQuaid, Fire Chief

14

15

16

17

18 MASSACHUSETTS GAMING COMMISSION STAFF:

19 Catherine Blue, General Counsel

20 Richard Day, Executive Director

21 John Ziemba, Ombudsman

22

23 Jennifer Pinck, Pinck and Co.

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C E R T I F I C A T E

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I, Laurie J. Jordan, an Approved Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Laurie J. Jordan, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive on Transcript Format.

I, Laurie J. Jordan, further certify I neither am counsel for, related to, nor employed by any of the parties to the action in which this hearing was taken and further that I am not financially nor otherwise interested in the outcome of this action.

Proceedings recorded by Verbatim means, and transcript produced from computer.

WITNESS MY HAND this 31st day of January, 2014.

LAURIE J. JORDAN	My Commission expires:
Notary Public	May 11, 2018