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COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #226

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Lloyd Macdonald

Gayle Cameron

Bruce W. Stebbins

Enrique Zuniga

October 12, 2017 10:00 a.m.

MASSACHUSETTS GAMING COMMISSION

101 Federal Street, 12th Floor

Boston, Massachusetts 02110

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P R O C E E D I N G

CHAIRMAN CROSBY: Okay. We are calling to order the 226th meeting of the Mass Gaming Commission at our offices on Federal Street, October 12th at 10 o'clock a.m.

First item on the agenda, I will ask the treasurer to do, since Commissioner Macdonald was not in attendance at the entire meeting last year -- last week -- last meeting.

COMMISSIONER ZUNIGA: Last meeting. Thank you, Mr. Chairman. The minutes for the meeting of September 28th are in the packet, and I would move that they be approved subject to minor technical corrections and typographical matters.

CHAIRMAN CROSBY: Second?

COMMISSIONER CAMERON: Second.

CHAIRMAN CROSBY: I had one comment. Let's see now, what was it? Oh, on the -- when we got -- Commissioner Stebbins, when we got all the reports from the different

1 organizations in western Mass, there was --
2 there was a lot of overlap in the workforce
3 development plans. And we made a point of
4 talking about it would be good for them to
5 consolidate and collaborate, rather than have
6 these multiple overlapping proposals, and they
7 all said we intended to do that.

8 COMMISSIONER STEBBINS: Right.

9 CHAIRMAN CROSBY: But it seems to me
10 like that was a substantive enough point about
11 two-thirds of the proposals that it might be
12 worth noting in the notes.

13 COMMISSIONER STEBBINS: Okay.

14 CHAIRMAN CROSBY: Some way or other.
15 I specifically brought it up. I think
16 Commissioner Stebbins did too. Other than
17 that, I have nothing. Any other thoughts?

18 COMMISSIONER STEBBINS: Just one. I
19 think under the racing division, talking about
20 stake racing money at Suffolk Downs for this
21 coming Monday, I don't think we raced that
22 Monday.

23 MR. BEDROSIAN: It was the weekend.

24 MS. BLUE: It was the weekend after

1 they raced, I think.

2 MR. BEDROSIAN: We'll correct that.

3 MS. BLUE: We'll look at it. It was
4 the upcoming -- it was the upcoming day.

5 MR. BEDROSIAN: You're correct. It
6 was Saturday and Sunday of that weekend, so
7 we'll correct that.

8 CHAIRMAN CROSBY: Anything else?
9 All in favor. Aye.

10 COMMISSIONER STEBBINS: Aye.

11 COMMISSIONER CAMERON: Aye.

12 COMMISSIONER ZUNIGA: Aye.

13 CHAIRMAN CROSBY: Opposed? The ayes
14 have it unanimously.

15 COMMISSIONER MACDONALD: And one
16 abstention.

17 CHAIRMAN CROSBY: Oh, sorry. One
18 abstention because Commissioner Macdonald was
19 here. So 4-0 with an abstention from
20 Commissioner Macdonald. Thank you. Executive
21 Director Bedrosian.

22 MR. BEDROSIAN: Good morning,
23 Commissioners. I have two updates. One I
24 think we're all aware of, but it appears that

1 the gaming service employee
2 amendment/clarification is making its way
3 through the legislative process, which is very
4 positive, so we'll stand by -- I think it's
5 cleared the House, so we'll stand by and see
6 what happens. And I think the press referred
7 to the Chairman's remarks, the sooner the
8 better for planning purposes, certainly, so...

9 CHAIRMAN CROSBY: And we -- not to
10 jump the gun here, but Commissioner Cameron
11 and I mentioned this morning that in -- maybe
12 in anticipation of the possibility that's not
13 maybe -- don't count our chickens, but
14 assuming it gets through the House -- through
15 the Senate, as well, that we might want to
16 quickly ask MGM to give us their list of
17 categories and a draft of what they think
18 should be exempt categories that we can then
19 start to work on.

20 MR. BEDROSIAN: It's almost like
21 you're reading my mind.

22 CHAIRMAN CROSBY: Okay. Sorry.

23 MR. BEDROSIAN: So yeah, we've
24 talked about it. We've also talked internally

1 about how we might provide guidance from the
2 Commission, from staff, about the criteria
3 we'd be thinking about.

4 CHAIRMAN CROSBY: Okay.

5 MR. BEDROSIAN: So great. The
6 second one is a little more sobering.
7 Commissioners, you probably know the industry
8 conference, G2E, which is the big gaming
9 conference here. Sort of like yearly gaming
10 conference that pulls together regulators,
11 vendors, licensees, was out in Las Vegas last
12 week.

13 A few of us traveled out there.
14 Obviously, as a result of the events of a
15 tragedy of Sunday night, October 1st, it was a
16 challenging time to be in Las Vegas. But it
17 was important. The conference offers an
18 opportunity to see fellow regulators, visit
19 with our licensees, and also make contact with
20 businesses considering doing license --
21 business in Massachusetts.

22 As I traveled out there on Monday,
23 you're sort of watching the horrific events of
24 the night, watching the numbers go up, it was

1 hard to watch. By the time I arrived, there
2 was a heightened police presence, both at the
3 casinos and on the strip. And, of course, we
4 express our condolences for all those people
5 affected, the families of the victims, and
6 thank the first responders. It was -- we
7 can't even imagine what it took to make that
8 scene safe and attend to all the people who
9 are injured.

10 The reality, though, is, we plan for
11 the opening of destination casinos in
12 Massachusetts. You know, as a Commission we
13 need to be cognizant of public safety issues,
14 which we are. And as with any major public
15 safety incident, we will be attentive to the
16 action, after action plans and lessons
17 learned.

18 I know that, as part of the
19 conference and me with other regulators, we
20 were able to actually start some of those best
21 practice conversations with other regulators
22 around things like active shooter exercises
23 specific to casinos. And that we will
24 continue to work with our law enforcement

1 officials. Lieutenant Joyce, who is here from
2 the state police, and also our local
3 officials, who obviously have a big stake in
4 this. But I felt, and I think the
5 Commissioners also felt it was important to
6 acknowledge the events of October 1st, as
7 horrific as they are. I know a couple of our
8 Commissioners were actually out there at the
9 same time I was -- actually, before I was, and
10 out there for the events of that weekend.

11 CHAIRMAN CROSBY: Yeah. I was there
12 the night of the event and was in my hotel
13 room, and heard what I now know were shots.
14 But I did not know what they were. I thought
15 they was just noise coming up from above me.
16 And I could see Mandalay Bay right out there.
17 It was a horrifying time to be out there.

18 But the good news was, that I was
19 with a group of senior regulators, including
20 AG Burnett, who's the head chair of the
21 Commission in Nevada, who was very preoccupied
22 that day. But we were all talking about a
23 variety of things, including working together
24 on various issues, and were able to have a lot

1 of conversations about -- about active shooter
2 training, terrorism training, what are other
3 jurisdictions doing. Other jurisdictions are
4 farther along than we are for obvious reasons.
5 And there is a lot to be learned, and a lot of
6 good conversations were had on that. And I
7 know our troops -- not literal troops, but our
8 folks have been doing a lot of work on this
9 already and are now.

10 COMMISSIONER CAMERON: Yeah. I
11 happened to be out there as well. It was
12 pretty surreal to be there. I'm proud of law
13 enforcement and how they reacted. But I'm
14 well aware that long before this happened, our
15 MSP, along with Springfield PD, Everett PD,
16 Plainville PD, they've had numerous
17 conversations about how to collaborate. And
18 you know, meetings in particular about these
19 subjects, how they will work together to keep
20 these facilities safe.

21 So those conversations and meetings
22 are -- have started and will continue. All of
23 them very well trained. And I'm just
24 impressed by the collaborative efforts I see.

1 And so -- so I think those efforts to keep it
2 safe are well underway.

3 MR. BEDROSIAN: Commissioners,
4 that's all I have. I'm going to turn it over
5 to our CFAO, Director Lennon, for a fiscal
6 year 2017 budget closeout report.

7 MR. LENNON: Thank you, Executive
8 Director Bedrosian. Good morning,
9 Mr. Chairman and Commissioners.

10 CHAIRMAN CROSBY: Good morning.

11 COMMISSIONER MACDONALD: Good
12 morning.

13 COMMISSIONER CAMERON: Good morning.

14 COMMISSIONER ZUNIGA: Good morning.

15 COMMISSIONER STEBBINS: Good
16 morning.

17 MR. LENNON: Maria and I are here to
18 present to you the fiscal year 2017 closeout
19 report for the Gaming Control Fund. The
20 Massachusetts Gaming Commission spent 872,000
21 less in the Gaming Control Fund in fiscal year
22 '17 than revenue collected. Final spending
23 for the fund was \$26.3 million. The
24 Commission collected revenues of 31.68 in FY

1 '17. However, due to the fact that the
2 Commonwealth utilizes a modified cash basis
3 for accounting, 4.5 million of that revenue
4 was slot fees budgeted for FY '18 that were
5 actually received prior to June 30, 2017. And
6 those must be balanced forward into FY '18.

7 After balancing forward the FY '18
8 slot fees, the Commission's FY '17 revenue
9 collections totaled \$27.2 million, which
10 resulted in the \$872,000 surplus. This will
11 be used to reduce the FY '18 assessment on
12 licensees.

13 As shown on the summary chart on
14 page one, regulatory costs. So we broke our
15 budget down into separate areas. The
16 regulatory cost of MGC underspent its budget
17 by 1.68 percent, indirect underspent
18 projections by 8.6 percent. Attorney general
19 was within 1 percent of its total budget. I
20 think it's 6 percent. Research and
21 Responsible Gaming was under by 6.7 percent.
22 And the ABCC overspent by 18.8 percent. But
23 that had to do with the assessment of fringe
24 and indirect at the last minute that they were

1 unaware of.

2 Attachments A and B show deeper
3 detail into the budget categories. But the
4 two areas that I'd like to focus on are the
5 areas that we had the biggest dollar amount
6 reversions of -- or percentage and dollar
7 amounts, are the indirect and the Research and
8 Responsible Gaming.

9 Indirect is an assessment of
10 10 percent on all AA, CC, HH, JJ and UU object
11 classes. So that's alphabet soup in the
12 state, but it's, basically, all of the
13 straight payroll and consultant payroll areas.

14 It appears that some contracts and
15 object classes were not charged the full
16 10 percent by the state, as the total spending
17 in those object classes was \$16.37 million,
18 and we only got charged 1.5 million. So we've
19 reached out to the comptrollers. The books
20 are closed. They're not going to go back and
21 grab that money. But for future years, we'd
22 like to know why they didn't charge the full
23 10 percent so we can do a little better
24 budgeting here.

1 CHAIRMAN CROSBY: Why don't we just
2 let sleeping dogs lie?

3 MR. LENNON: We could. We could.
4 It's just, I don't want to continually over
5 budget and then have it come in lower. But we
6 could let sleeping --

7 COMMISSIONER ZUNIGA: Well, on that
8 note, just -- is there -- will the
9 comptrollers be revising that number anytime
10 soon?

11 MR. LENNON: No, because we're at
12 the 10 percent no matter what. Unless we get
13 a direct federal grant, we get hit with 10
14 percent of the ACH and J and U object classes.

15 COMMISSIONER ZUNIGA: Right. Which
16 we've talked about is -- we don't believe we
17 should but --

18 CHAIRMAN CROSBY: A different item,
19 right.

20 MR. LENNON: Yeah. In Responsible
21 Gaming, the bulk of the reversion has to do
22 with the Problem Gambling Solutions contract.
23 Not spending out the total amount, the UMass
24 grants coming in 100,000 under budget, and

1 then actually delaying the implementation of a
2 technical solution from the final research
3 component of the law, until we can work with
4 our other two licensees to figure out what the
5 best way to get the data in and automize it,
6 and have it crossed over two sections would
7 work well.

8 So we've made a lot of work with
9 Plainville on that. We were looking at
10 possibly going into a technical solution, but
11 it doesn't make sense this early so we're
12 still kind of hobbling along on that, until we
13 get the two other licensees into the room.

14 However, the overall Gaming Control
15 Fund, if you look at it, was less than
16 3 percent off its projected spending, which
17 is -- usually, want to be between one and
18 3 percent. I think we can get better. But
19 I'm happy that we've fallen within that range.

20 Turning to the revenue side, once
21 again, a good number here. We're 18,700 above
22 our initial projections. Some of that had to
23 do with the project that Maria, Agnes and the
24 licensing team worked on with the IEB, about

1 billing our licensees for additional costs on
2 anything above their initial amount for
3 primary gaming vendors, and anything that
4 exceeds the 15,000 down payment. And then,
5 for the key gaming employees, anything above
6 the 1500. And then, also moving forward and
7 tracking when we have additional qualifiers
8 for the licensees, that money coming in. So
9 that was an additional 59,000 that they
10 brought in this year that was a result of
11 their work on the Mass SP, or aspiring
12 supervisor program.

13 205 CMR 121 describes how the
14 Commission shall assess its operational costs
15 on casino licensees, including any increases
16 or decreases as a result of over or
17 underspending. Specifically, CMR 205 121.052
18 deals with the case where annual assessments
19 are in excess of actual expenditures. In
20 keeping with prior year practice, we are going
21 to balance forward the credit of the -- and
22 credit the FY '18 assessment. The result of
23 the balance forward of 872,000 in unrestricted
24 revenue from FY '17 will decrease the FY '18

1 assessment from 24.45 million to
2 23.58 million. The chart on the last page of
3 the memo shows how the the assessment in FY
4 '17 are apportioned, and how much the
5 licensees will get back in FY '18.

6 I will be providing the first FY '18
7 quarterly budget update at the public meeting
8 on October 26th. After that meeting, we'll be
9 sending out the next quarterly bill for
10 assessments, which will reflect the credit
11 from this balance forward.

12 At this point, I'd like to open it
13 up for any additional questions or comments.

14 COMMISSIONER MACDONALD: I just had
15 a simple question, Derek. What is the acronym
16 ISA stand for? I saw it in several of
17 categories on the second chart.

18 MR. LENNON: So it stands for
19 Intergovernmental Service Agreement. And it's
20 just a contract between two state agencies.
21 That's all it is. So we pay them to do
22 services that they're better equipped at doing
23 than we are.

24 COMMISSIONER ZUNIGA: That's the way

1 we manage our contract with SEIGMA, for
2 example, with UMass because it's also a state
3 agency, and DPH, the money that comes from the
4 Public Health Trust Fund that goes through
5 programs to DPH --

6 MR. LENNON: AG's office.

7 COMMISSIONER ZUNIGA: The AG's
8 office.

9 MR. MACDONALD: The BCC and the AG's
10 office.

11 COMMISSIONER ZUNIGA: AG's office,
12 right.

13 MR. MACDONALD: Okay. Thank you.

14 COMMISSIONER ZUNIGA: I just have
15 one general comment. I think it's great --
16 great budget management, great results. I
17 just want to emphasize the point you made
18 about predicting -- coming within a very close
19 range, predicting some of those revenue items
20 and cost items. We continue to get better.
21 Some of it is very variable because of the
22 timing. These are new programs.

23 The example that I was thinking
24 about, in DPH, they started now funding real

1 programs and then it's hard to predict when --
2 when an FTE's actually going to come in, or
3 when they really ramp up on some of those
4 costs we budget accordingly. But, you know,
5 in the end, it's still a prediction whose
6 action depends on someone else.

7 So having those variability is going
8 to be -- you know, the nature of the -- the
9 nature of the beast. I think there's -- the
10 overall approach to budgeting is great,
11 conservative and, you know, flexible where --
12 where we can so...

13 MR. LENNON: Thank you.

14 CHAIRMAN CROSBY: Yeah. It's a
15 very -- very buttoned up, as usual. Thank
16 you.

17 COMMISSIONER CAMERON: Great. Thank
18 you.

19 COMMISSIONER STEBBINS: Very smart.

20 MR. LENNON: Thank you.

21 COMMISSIONER STEBBINS: Maria and
22 the rest of the team, too.

23 CHAIRMAN CROSBY: Mike, just while
24 we're -- there's no monitor here, which we

1 usually have. I assume that doesn't --

2 MR. SANGALANG: The stream is going
3 out fine.

4 CHAIRMAN CROSBY: The stream is
5 going out ordinarily.

6 MR. SANGALANG: The monitor is
7 broken.

8 MR. BEDROSIAN: We don't have a
9 budget for the monitor.

10 CHAIRMAN CROSBY: Talk to
11 Mr. Lennon. All right. Thank you.

12 COMMISSIONER CAMERON: Thank you
13 very much.

14 CHAIRMAN CROSBY: Next up is Item 4,
15 research and responsible gaming, Director
16 Vander Linden.

17 MR. VANDER LINDEN: Good morning,
18 Commissioners.

19 CHAIRMAN CROSBY: Good morning.

20 COMMISSIONER MACDONALD: Good
21 morning.

22 COMMISSIONER CAMERON: Good morning.

23 COMMISSIONER ZUNIGA: Good morning.

24 COMMISSIONER STEBBINS: Good

1 morning.

2 MR. VANDER LINDEN: I'm joined this
3 morning with Rod Mon -- I practiced saying
4 that beforehand, honest to gosh, and -- and I
5 still messed it up. Motamedi, research
6 manager, and Thomas Peake, research analyst at
7 the UMass Donahue Institute Economic and
8 Policy Research Group. Today, they will
9 present the latest in a series of economic
10 reports released by the Donahue Institute and
11 is a part of our much, much larger SEIGMA
12 study.

13 I find this report particularly
14 interesting and exciting, as we turn our focus
15 to the impacts of the operational phase of
16 casinos in Massachusetts. This report
17 illustrates the economic footprint of PPC's
18 operations, including employment, wages,
19 vendor spending, and fiscal impact from taxes
20 and other assessments paid to the government.

21 Our research team also analyzed how
22 shifts and patron spending as a result of the
23 gaming expansion affected the state. Moving
24 forward, I believe that the presentation that

1 they have today and they -- will become the
2 template, as we look at Wynn and MGM as they
3 move into their operational phase. So I'm
4 going to turn it over to Rod first.

5 MR. MOTAMEDI: All right. Thank
6 you, Director Vander Linden. Thank you,
7 Commissioners, for inviting Tom and I here to
8 talk to you about this today. We're really
9 eager to talk about the work that we've done.
10 And I'm sure you're very eager to hear about
11 it. I'm going to disappoint everyone and
12 making you wait a little bit longer.

13 I want to do a little bit of context
14 setting. I know this is old hat for a lot of
15 the Commission, but given that we might have
16 new folks in the crowd, we might have new
17 folks watching, I'm going to take a few
18 minutes everyone's time and just do a little
19 bit of that.

20 So the SEIGMA team, its social and
21 economic impacts of gaming in Massachusetts,
22 the UMass Donahue team is handling the
23 economic side of that. Our goal in this
24 project is to really measure and understand

1 the economic and fiscal affects of introducing
2 a brand new industry from scratch, from the
3 ground up into the state. How does it affect
4 the business and labor ecosystems? How does
5 it affect workforce development? How does it
6 affect taxes and spending and so forth? We
7 also want to tackle special topics as they
8 come up, whether it's lottery, whether it's
9 racing, whether -- whatever it might be as
10 needed.

11 Because of what I think we all agree
12 to be a forward-looking component of the
13 enabling legislation, there is a research
14 agenda as part of the introduction of casinos.
15 And specifically, the research agenda
16 importantly began well before the introduction
17 of the casinos to allow us to get a clean
18 baseline look at the existing social and
19 economic conditions in the state.

20 These baseline conditions are,
21 perhaps, most important for the social team,
22 on issues like problem gambling and so on, but
23 it also is helpful to us to get a clean look
24 at what are the business conditions? What are

1 the residential and commercial real estate
2 conditions and so on before introduction of
3 casinos.

4 Our study, then, progresses to the
5 development and construction stage of the
6 casinos. We've already presented the
7 construction impacts of PPC. We're
8 undertaking similar efforts with Wynn and MGM
9 right now, and we'll produce similar reports
10 then. Then, we are rolling into examining the
11 operations of the casinos. That includes
12 their hiring, their spending on vendors and
13 suppliers, and their patronage.

14 So we have this little
15 wheel-and-spoke diagram here. It's actually
16 simpler than it looks. If you look at the
17 three things on the left, the two pinks and
18 the -- the gray-blue, those are the lenses
19 through which we are examining the economic
20 impacts that are focusing on secondary data
21 collection.

22 So that's data that's been collected
23 by federal or state agencies that we are then
24 pulling, analyzing and compiling. Whether

1 it's a profile of the host communities,
2 whether it's the selection and evaluation of
3 matched communities to help us triangulate the
4 effects of the introduction of casinos or the
5 real estate analysis.

6 We have two components of the
7 project that are survey-based. The patron
8 survey, which is done by the UMass folks
9 directly going into the casinos and surveying
10 the patrons, and the new employee survey,
11 which we are doing with the help of the MGC.
12 We're getting some of the data from that for
13 evaluation purposes. And then, all the, sort
14 of, spokes on the right is data that is coming
15 directly from the source. Primary data either
16 from the casinos themselves, or from the MGC
17 or the lottery, or whomever.

18 So here's some examples of what
19 we're doing with those data sources. These
20 are reports that we've put out in the past,
21 say, 18 months or so. Baseline conditions of
22 residential and commercial real estate. Our
23 goal here is to see whether there's any
24 negative or positive impacts on real estate in

1 areas due to the casinos. There is sort of
2 a -- you hear, like, a NIMBY argument that
3 comes with them. Some people don't want to
4 live near them. Conversely, there might be,
5 for lack of a better term, let's call it
6 YIMBY, yes in my back yard. You know, we'll
7 be curious to see whether the casino does
8 anything positive to, say, commercial real
9 estate in downtown Springfield.

10 Obviously, there is some concern
11 about whether the casinos will compete or --
12 what's the word -- what's the opposite of
13 compete? What's the word I'm looking for?

14 CHAIRMAN CROSBY: Cannibalized?

15 MR. VANDER LINDEN: Cannibalized.

16 MR. MOTAMEDI: Well, compete with,
17 or, perhaps, cooperate with, or work side by
18 side with lottery. You know, that's an
19 interesting question because all the casinos
20 are going to be lottery vendors, so is it
21 going to be something that's just going to
22 happen in parallel, or is it something that's
23 going to cannibalize lottery dollars?
24 Something we also want to track.

1 Then, construction, we talked about
2 operating impacts. We'll talk about the new
3 employee survey will actually -- we've talked
4 about before. And we'll talk about a little
5 bit of aspects of the patron survey a little
6 bit later so I'll just have to skip over that.

7 We aren't doing any of this in the
8 dark. Obviously, we participate in these
9 public meetings, and we also provide a website
10 that's available and open to everyone. You
11 can look at our reports, the data we've
12 collected, and we encourage folks that do
13 this. This research agenda isn't just for us
14 to then do research and then not tell anybody
15 about it. We'd like it to go out there and
16 inform the public and the Commission.

17 And then, lastly, I just want to
18 talk about some of the data collection efforts
19 that we've done. This ties directly into our
20 economic modeling, which I think will provide
21 a little bit of information to pre -- sort of,
22 prime the pump for what Tom is going to be
23 talking about.

24 In order to understand how the

1 casino operates in the state, we need to know
2 quite a bit about who they employ, how much
3 those folks are paid, where they live. We
4 need to know about what things are they're
5 buying -- the casino is buying, where are they
6 buying those things from. We'd also need to
7 know quite a bit about who's coming there.
8 How much are they spending there? Do they
9 live in state? Do they live out of state?
10 What would they have otherwise done with that
11 money?

12 And these are all pieces of
13 information that you have to go directly to
14 the source to find. They don't exist. The
15 Bureau of Labor Statistics doesn't compile
16 this. The Census doesn't compile this. It's
17 something we have to go and ask. I wanted to
18 take a minute to thank the licensees for their
19 cooperation. Obviously, some of that is,
20 well, it's a condition of their license. But
21 I'd like to say, freely, that they've gone
22 beyond the letter of what they're required to
23 do and have really embraced the spirit of this
24 research agenda, and have been very helpful to

1 us in meeting our data requests in providing
2 the kinds of information that we need in order
3 to do this right.

4 CHAIRMAN CROSBY: Great. Thank you
5 for that.

6 MR. MOTAMEDI: And then, without
7 further adieu, these are just some of the
8 specific things we're populating with this
9 primary data collection. So again,
10 construction, supply chain, wages, locations,
11 gaming and nongaming spending, the recapture
12 and reallocation of patron spending. So how
13 much of this money is being brought back into
14 the state from out-of-state activities, and
15 how much of the money that's being spent at
16 the casinos is coming from existing and state
17 activity and just being moved to something
18 else.

19 These are key aspects of the pro and
20 con argument about the introduction of casinos
21 into the state, and we wanted to make sure we
22 have something to say about that. And that
23 really does it for me for the context setting.
24 I'll turn it over to Tom, who's going to talk

1 about the stuff that everyone's really here to
2 hear.

3 MR. PEAKE: Thank you,
4 Commissioners. I'll just start by saying this
5 has been an incredibly exciting project for
6 me. Ever since I got into the idea of
7 economic modeling, I always wanted to do a
8 project where, instead of making some
9 assumptions about what would happen, in the
10 future we actually take something that has
11 happened and evaluate the policy based on the
12 data.

13 I always knew that the client that
14 would allow us to do something like this would
15 be a regulatory body. And this project was
16 one of the big things that attracted me to the
17 Donahue Institute in the first place. So for
18 someone like me, I've been thinking about
19 doing a project like this since I was Rod's
20 intern back at a different company and in
21 college. So this is very exciting for me, and
22 I get pretty nerdy about it so...

23 CHAIRMAN CROSBY: Well, Rachel talks
24 the same way about the whole project having

1 been something she's been wanting to do all
2 her life. Right.

3 MR. MOTAMEDI: Our staff lunches are
4 very exciting.

5 MR. PEAKE: This specific component
6 has been my major thing for the last almost
7 three years now. And it's really exciting to
8 actually get -- to present some of these
9 findings, which I hope will be a blueprint not
10 just for the future casino operations, but,
11 really, for any project where a government
12 agency licenses someone to come in and then
13 wants to actually see what their impact is on
14 the economy. So thank you for the opportunity
15 to do this. Without further adieu --

16 CHAIRMAN CROSBY: Wait. Just want
17 to -- this is -- I think everybody knows this,
18 but we're anxious to get this out, too, and to
19 make it available to people. And it was
20 specifically meant to inform us and the
21 legislature so that we can address problems,
22 if they arise, as well as to make judgments,
23 eventually, about how it's gone. But we do
24 want the rest of the world to know. So you're

1 certainly, as I think you know, you're
2 encouraged to write about it, to publish about
3 it.

4 MR. PEAKE: Absolutely.

5 CHAIRMAN CROSBY: To take it to
6 conferences and so forth. You know, we want
7 this to be helpful to other folks in the
8 outside world as well.

9 MR. PEAKE: Great. Thank you. So
10 just a quick overview of what I'm going to do
11 today. I'll give a little introduction to,
12 specifically, the operating report. Then I'm
13 going to go into some detail about the model
14 inputs and the primary data that we collected,
15 in order to inform the model. So that
16 includes employment and wages, vendor
17 spending, some public sector impacts and
18 changes in consumer spending. From there,
19 I'll show a little bit about some of the
20 output that our model generated and I'll
21 conclude from there.

22 So probably, no one in this room
23 actually needs too much context, but
24 Plainridge Park Casino opened in Plainville,

1 Massachusetts in June 24, 2015, and that's
2 right on the Rhode Island border. Our goal
3 here was to, basically, use our economic
4 impact model to try and simulate what would
5 Massachusetts's economy look like, if
6 Plainridge Park Casino had never opened. What
7 are the differences? What are the impacts?

8 Here's a quick summary of the kind
9 of findings we have. I won't spend too long
10 on this, but just to give you a sense, there's
11 a mixture here of, sort of, primary data that
12 is, in and of itself, interesting. For
13 instance, about 556 year-round employees work
14 there. And, also, some stuff that actually
15 comes out of the model, for instance, about
16 2400 jobs statewide were supported. That
17 includes the 556 number. Vendors, governments
18 and other entities received about 30.2 million
19 in payments, with most of that being here in
20 Massachusetts. And most of the on-site
21 spending at the casino is spending that we're
22 considering either new or recaptured.
23 Meaning, that those dollars would not have
24 been spent in Massachusetts, had the casino

1 never opened. And we'll get into that in a
2 little bit.

3 So for us to accomplish this study,
4 we used a six-region REMI PI Plus economic
5 model. You can see the regions that we
6 developed here. So there might be some tables
7 later on that talk about Metro Boston or
8 southeast, for instance. So, you know, this
9 slide sort of shows what those regions are.
10 Notably, metro Boston includes Norfolk County,
11 and as such includes Plainville. So if things
12 seem like they -- like they have a big region,
13 like a big impact in metro Boston, part of
14 that is because it's county-based model. And
15 as such, Plainville actually falls into that
16 region.

17 So some of the data that we
18 collected for this model include employment
19 data from PPC. So that's employees, wages,
20 hours worked, and place of residence of
21 employees because that matters, where people
22 are bringing their money back when they --
23 when they drive home and where they spend it.

24 We got expenditure data from PPC.

1 So that includes vendor spending, payments to
2 government entities, payments to groups like
3 unions and professional associations, and
4 charitable organizations. Every dollar they
5 spent we were able to actually track and code,
6 and assess its economic impact.

7 We were able, from you guys, to
8 collect information on gross gaming revenue.
9 And we were able to estimate changes in
10 consumer spending from a survey that we
11 actually administered to patrons on site. I
12 really can't state how critical that is,
13 because anytime you have a big attraction, a
14 new attraction in an area, people are going to
15 be spending money on that, but that means that
16 they're not going to be spending money
17 somewhere else. So trying to figure out where
18 would that spending have otherwise gone is an
19 important part of, sort of, assessing what the
20 actual net impact of this is. And we'll show
21 more of that in a little bit.

22 But first I want to talk about
23 employment. We got really great, detailed
24 employment numbers from -- from PPC. PPC

1 hired 893 people. Although, not all of them
2 worked the whole year. If you saw that --

3 CHAIRMAN CROSBY: We're now talking
4 about the first year of operation.

5 MR. PEAKE: In the first year of
6 operation.

7 CHAIRMAN CROSBY: This is a year
8 ago, now, that we're talking about.

9 MR. PEAKE: Yes, yes. Since -- so
10 yeah, everything now that I'm talking about is
11 July 2015 to June 2016.

12 CHAIRMAN CROSBY: Right.

13 MR. PEAKE: PPC hired, in that time,
14 893 people. The reason, on an earlier slide
15 that said 556, is that not all of those people
16 worked the whole year. Some of them worked
17 for a season. Some of them stuck around the
18 whole time. Some of them were part-time or
19 full time.

20 So to get a sense of a number that
21 actually represented, like, average year-round
22 employment, what we actually did was took the
23 almost one million hours worked by PPC
24 employees during this time period and we -- we

1 divided that by the average hours worked by a
2 nonhotel gaming employee, according to The
3 Bureau of Labor Statistics. And that's where
4 we got that 556 number that, sort of, entered
5 the model. And that resulted in \$17.8 million
6 in wages paid.

7 As you can see, the southeast
8 region, which includes Attleboro, North
9 Attleboro, all of Bristol and Plymouth County,
10 was the biggest contributor to new hires. But
11 the metro Boston region and the rest of
12 nation, most notably Rhode Island, also
13 contributed a lot of employees.

14 As you can see here, the majority of
15 employees at PPC, something -- I believe it's
16 about 64 percent were full-time employees.
17 Just for context, 70-something percent of
18 total Massachusetts employees are full time.
19 So it's a little bit lower but still -- a bit
20 higher than I expected, given it's a service
21 sector establishment.

22 Here are the top 10 places of
23 residents for employees of PPC. Attleboro and
24 North Attleboro are the two main contributors.

1 They almost -- 20 percent is just those two
2 towns. The top 10 actually make up the
3 majority of hires at PPC. And out of those,
4 eight of the 10 are communities in
5 Massachusetts. The two outside are Providence
6 and Pawtucket, which is right across the
7 border.

8 And here I have a map of PPC hires.
9 And as you can see, they're pretty heavily
10 concentrated in the cities and towns around
11 Plainville. Although, a handful are coming
12 from as far away as Cape Cod or even eastern
13 Connecticut.

14 Moving on to vendor spending and
15 payments to government, in total, they spent
16 about \$30.3 million with the majority of that
17 going to payment to private sector vendors.
18 It's important to know that this table does
19 not include the money collected from the taxes
20 and assessments on their gross gaming revenue,
21 which were collected automatically, and thus
22 weren't actually in their -- their payment
23 database so we discussed those separately.

24 In terms of their private sector

1 vendors, if you break it out by industry, the
2 biggest single industry is wholesale trade,
3 with the majority of their wholesale trade
4 spending occurring in -- in Massachusetts.
5 The second biggest industry is miscellaneous
6 manufacturing. It's important to note that
7 that industry sector includes slot machine
8 manufacturing, almost all of which occurs in
9 Nevada.

10 A few of their other big components,
11 like utilities and professional and technical
12 services, they seem to tend to favor
13 out-of-state vendors. In many cases, that
14 might be because Penn National had a preferred
15 vendor at their other casinos. That's just
16 speculation. Something we had thought of.
17 Total, they spent \$18.6 million in private
18 sector vendors, with 7.8 million of that going
19 to Massachusetts, and the other 10.8 million
20 in spending going to out-of-state vendors.

21 CHAIRMAN CROSBY: Do you know what
22 the backup is on utilities? That's an odd
23 one, that it's out -- mostly, out of state.

24 MR. PEAKE: Yeah. If you'd like, I

1 could actually check those records and try and
2 see specifically what because --

3 CHAIRMAN CROSBY: But you don't
4 remember off the top of your head? Because I
5 would have thought utilities would all be
6 Massachusetts based utilities they would be
7 purchasing from.

8 MR. PEAKE: Yeah. You'd kind of
9 think -- I mean, a lot of that might be
10 telecom stuff. I can -- I can take a look at
11 that and send you a more--

12 CHAIRMAN CROSBY: Maybe that's --
13 maybe that's racing Internet -- you know,
14 racing signals and so forth. Yeah, just out
15 of curiosity.

16 MR. PEAKE: All right. I can take a
17 look at that later and send you a more
18 detailed breakdown of what that is.

19 COMMISSIONER STEBBINS: Thomas --

20 MR. MACDONALD: I think most
21 electric utilities are now out of state.

22 COMMISSIONER CAMERON: Is that true?

23 MR. MACDONALD: I've had some
24 dealing with it, yeah.

1 CHAIRMAN CROSBY: Maybe, the
2 parent -- you know, the parent corp.

3 COMMISSIONER STEBBINS: This is one
4 topic we've discussed with Penn, when they
5 come and do their quarterly report, even
6 though the check is getting cut and sent
7 someplace else, it's actually funding
8 operations from, you know, a local entity in
9 Massachusetts. So, you know, we've asked them
10 to kind of adjust that spending to show us,
11 okay, check may have gone to Cleveland, but
12 it's paying employees and services coming out
13 of Massachusetts.

14 MR. MOTAMEDI: Right. Right. We
15 had the sort of exact opposite problem in the
16 construction study, where, you know, the
17 drywall was bought from a Massachusetts
18 vendor, but that vendor isn't making drywall
19 in Massachusetts. They're just reselling
20 drywall that they bought something --
21 somewhere else.

22 So really, what's staying in
23 Massachusetts is, perhaps, labor component and
24 maybe just the retail markup on the product

1 they're buying. But all the manufacturing
2 is -- is really happening elsewhere. So it's
3 -- it's something that we try to chase down,
4 but once you get into, like, the third tier
5 then nobody knows who anybody is, and where
6 did this come from and who knows, but we're
7 working on it.

8 MR. PEAKE: So here I have a map of
9 PPC vendors by state. Most U.S. states
10 received at least some money from PPC.
11 Although, the two that really stick out are
12 Nevada, where, of course, most of the gaming
13 equipment was manufactured, if not all, and
14 Massachusetts.

15 Zooming in on Massachusetts, you can
16 see that a lot of the spending is either in
17 the city of Boston, or in the cities and towns
18 surrounding Plainridge Park and Plainville.
19 Although, the real outlier here, actually the
20 municipality that received the most money in
21 vendor spending was Plympton, Massachusetts in
22 Plymouth County. Which we're one of their
23 major wholesalers, as well as I believe, their
24 main veterinarian are located so...

1 And if you actually look at this,
2 you know, it makes it -- and this map kind of
3 looked like Boston receives this, sort of,
4 outside share. But if you actually think
5 about the population of these areas, per
6 capita, there's actually a good deal of
7 spelling going on, in the immediate area
8 around Plainville.

9 So I want to turn quickly to the
10 distribution of their gross gaming revenue.
11 The total gross gaming revenue at Plainridge
12 Park Casino in this first year of operation
13 was \$166 million. Out of that, from taxes and
14 assessments, Massachusetts collected
15 \$81.4 million. And that amounted to
16 \$66.4 million in new local aid, which was
17 distributed across the state.

18 This actually is really important
19 when we talk later, because when we talk about
20 fiscal policy with these, sort of, economic
21 models, the general assumption is that
22 communities then spent that money. And that
23 new spending, that \$66.4 million in new
24 spending created a lot of economic activity in

1 our model. And it's a really important
2 component of this. So that's something that
3 we're going to be --

4 CHAIRMAN CROSBY: Let me ask you a
5 question about that. I think the way it
6 worked -- this is earmarked for local aid, but
7 the local aid is an appropriation from the
8 general fund otherwise. And, in effect, I
9 think what happened was the legislature took
10 local aid from cities -- from -- from
11 Plainville, and reduced the appropriation out
12 of the general fund.

13 In other words, they give about a
14 billion to local aid from -- that's mostly
15 lottery revenue. But they didn't add -- give
16 a billion 66 million. They still gave a
17 billion and just reduced -- took the other 66
18 and put it somewhere else. So it didn't
19 increase local aid by 7 percent, which is what
20 it would have looked like. So does the -- in
21 effect, the spending went somewhere else. It
22 didn't -- wasn't spending -- wasn't like
23 incremental spending on these cities and
24 towns. They didn't get an extra 7 percent

1 because the legislature just reduced the
2 amount from somewhere else. So how does that
3 affect the calculation?

4 MR. PEAKE: That's really
5 interesting feedback. My gut would say that
6 it probably doesn't actually affect the total
7 economic impact too much, because whether the
8 state is spending that money, or whether the
9 municipalities are spending that money,
10 they're going to have similar economic
11 impacts. But that's something that I
12 definitely would like to look -- to look into
13 further.

14 CHAIRMAN CROSBY: Yeah.

15 COMMISSIONER ZUNIGA: Is it fair to
16 ask the converse of that question, which is
17 without this the state could have caught --
18 would have caught, you know, local aid by some
19 amount. Maybe not the exact amount but --

20 CHAIRMAN CROSBY: Maybe.

21 COMMISSIONER ZUNIGA: But there
22 would have been some kind of impact.

23 COMMISSIONER CAMERON: To balance
24 the budget.

1 COMMISSIONER ZUNIGA: Some kind of
2 negative impact. In other words, the
3 prevention of a negative impact is also a
4 positive impact.

5 MR. PEAKE: And in terms of the way
6 that we model these things, the idea is that
7 they are essentially the same, because the --
8 saying a good thing, or it would happen, or a
9 bad thing would not happen. One way or
10 another, what we are saying is, if we're
11 comparing an alternate world where this casino
12 didn't open, this is the activity that's
13 different, one way or another.

14 COMMISSIONER ZUNIGA: Right.

15 MR. PEAKE: So I'd actually -- I'd
16 love to have, you know, a more in-depth
17 conversation about that but...

18 CHAIRMAN CROSBY: You know, what
19 might be worth making a note, we could put you
20 in touch with people at A and F,
21 administration and finance, to make sure that
22 you understand exactly how -- this -- you
23 know, this is easy. Now, it's just going to
24 local aid and the Racehorse Development Fund.

1 But when it starts coming in from the other
2 casinos it goes all over the place. And
3 tracking how that gets spent is going to be
4 interesting. So let's make a note to put you
5 in touch with A and F so you can have a
6 contact there and really understand now, and
7 in the future, where that money goes.

8 MR. PEAKE: That would be very
9 valuable.

10 CHAIRMAN CROSBY: Okay.

11 MR. MOTAMEDI: I would like to add
12 that if -- while we're talking about how a
13 positive thing or the prevention of a negative
14 thing are both equivalent, it is worth
15 pointing out that while the total economic
16 impacts might be pretty similar, whether this
17 66 million goes into local government spending
18 versus state government spending, I think what
19 is important to keep in mind is that the
20 geographic distribution of the impacts would
21 not necessarily resemble what we're about to
22 show you.

23 So one of the -- I mean, I don't
24 want to ruin the punch line, but it is

1 important that money flows into PPC from all
2 over the state, and then flows back out all
3 over the state due to this distribution via
4 local aid. And that in and out flow would be
5 very different if it goes into the state
6 coffeers and then into state priorities,
7 which is not necessarily distributed equally
8 across the state.

9 CHAIRMAN CROSBY: Right.

10 MR. PEAKE: Okay. So let's talk
11 quickly about patron spending and tourism. So
12 this is what I -- I was getting to earlier,
13 what we really want to figure out is where is
14 this money -- where would this money have been
15 spent otherwise. And that's a really tricky
16 question to ask. We're actually sort of
17 taking all the spending at PPC and breaking it
18 down into three, sort of, groups.

19 So some spending we're considering
20 new. And what new means is new to
21 Massachusetts, not new to the universe. This
22 is spending that wouldn't have occurred in
23 Massachusetts, if PPC had never opened. So
24 that includes recaptured patrons, who were

1 previously gambling out of state and are now
2 choosing to gamble at PPC instead. That also
3 includes new tourists, who are visiting
4 Massachusetts because of PPC, or maybe people
5 who are just coming across the border from
6 Rhode Island, but would have gone back home
7 right after that and choose to stick around to
8 gamble at PPC, instead of gambling in their
9 home state.

10 The second, sort of, spending, is
11 what we're calling reallocated spending. So
12 that would have occurred in Massachusetts, but
13 on goods and services other than casino
14 gaming.

15 And the third type of spending we
16 have is what we're calling incidental
17 spending. So that's spending that would have
18 occurred whether or not PPC had opened. So,
19 obviously, none of the on-site spending is
20 incidental. It's all either new or
21 reallocated. But say that you're a Plainville
22 resident, who we're surveying, and you say
23 that -- you know, you went to gamble at the
24 casino. Well, what did you do on your way to

1 or from there? Oh, I got a burger. Well, you
2 probably would have gotten that burger anyway.
3 So we don't want to attribute that economic
4 activity to Plainridge Park because it's
5 likely they would have spent that regardless.

6 So we use that to build this, sort
7 of, decision tree. I could spend, probably,
8 all day talking about this. But I don't -- I
9 don't want to inflict that on anyone. But the
10 basic idea is that using these questions, are
11 you a Massachusetts resident? Would you have
12 gambled out of state, if this casino wasn't
13 here? And did PPC prompt your visit to this
14 area?

15 Using those three questions, we're
16 able to, basically, split the whole universe
17 of consumers up into these various categories
18 and assign a label of either new, reallocated
19 or incidental to both their on-site and
20 offsite spending. And we use that to then
21 determine how each dollar they spend, once
22 weighted through the system that the folks on
23 the social side created, how each of those
24 dollars actually impacts the Massachusetts

1 economy.

2 So to give you a sense, we know that
3 \$166 million was spent on on-site gaming
4 spending. From their financial information,
5 we're estimating that \$6.5 million was spent
6 on on-site nongaming spending. So that's
7 mostly food and beverage spending on site at
8 the casino. It's a little bit of
9 entertainment, as well.

10 And then, we're also estimating that
11 \$4 million was spent on estimated offsite
12 spending. We use the patron survey and the
13 ratios of our known spending to their reported
14 offsite spending to estimate that number. And
15 the idea -- that's restaurants and whatnot on
16 the way there and back, but also gas stations
17 and, you know, shopping in the area.

18 COMMISSIONER STEBBINS: Do you
19 include the lottery spend in these numbers?

20 COMMISSIONER ZUNIGA: I don't think
21 it's included.

22 MR. PEAKE: That's a good question.
23 Let me -- can I get back to you on that?

24 COMMISSIONER STEBBINS: Sure.

1 MR. PEAKE: All right. I think that
2 if they're -- if they spent money on the
3 lottery during their visit, then they
4 presumably would have reported that as gaming
5 spending. But I want to make sure we don't
6 have a question specifically asking that. And
7 if we don't, I might want to actually talk
8 about specifically asking that.

9 MR. MOTAMEDI: This 166 million,
10 however, is the number that we know directly
11 from their taxes paid. So we got that number
12 -- you know, we know that number right down to
13 the penny, not from the survey. So while we
14 -- there might have been some confusion in the
15 heads of the respondents, as to whether we're
16 asking them about lottery or not. It doesn't
17 affect that number that we're actually using.
18 It might help us distribute, percentagewise, a
19 little bit in the background. But our top
20 line number is directly from the -- the stuff
21 you can pull from the MGC website.

22 COMMISSIONER STEBBINS: Okay.

23 COMMISSIONER ZUNIGA: Yeah. And on
24 that note, Rod, is it fair to say the same

1 thing about the on-site nongaming spending?
2 We have a figure that PPC can provide relative
3 to, you know, how much they charge for burgers
4 on site. And then you also have a source of
5 data, which comes from the patron survey.
6 Have you -- do you essentially reconcile those
7 two numbers to come up with that --

8 MR. MOTAMEDI: We do, yeah. This
9 number we actually pulled -- because we
10 started this quite awhile ago, we actually
11 pulled from their SEC-required financial
12 statements and then we ran it by them. We
13 said, we pulled this number. Does this look
14 good to you guys? They said, yeah, that's
15 about right.

16 So we're using the patron survey
17 data to, sort of, distribute money and not
18 necessarily come up with the top-line figures.
19 We're using hard, reliable data for those.

20 COMMISSIONER ZUNIGA: Got it.

21 COMMISSIONER CAMERON: Are you
22 including the racing numbers for both gaming
23 and nongaming spending?

24 MR. MOTAMEDI: Racing, I think, is

1 in the gaming; is that correct?

2 MR. PEAKE: Yes.

3 MR. MOTAMEDI: Yeah.

4 COMMISSIONER CAMERON: But the food
5 and beverage on the racing side would be
6 included?

7 MR. PEAKE: That would also be in
8 the nongaming, yes. So here's a map of the
9 geographical distribution of patrons. You can
10 see it's a little bit more spread out than the
11 employees, but still largely concentrated in
12 eastern Massachusetts and northeastern
13 Rhode Island.

14 CHAIRMAN CROSBY: This isn't
15 weighted by dollars?

16 MR. PEAKE: No. These are just
17 respondents.

18 CHAIRMAN CROSBY: Just people.
19 Right so...

20 MR. MOTAMEDI: If your Massachusetts
21 geography is good, you can sort of -- you can
22 kind of see exactly where Route 1 is in that.
23 And it, essentially, bisects -- you know, both
24 halves of that scatter plot is essentially --

1 is essentially Route 1.

2 CHAIRMAN CROSBY: Right.

3 MR. PEAKE: So just a little bit of
4 information about the -- sort of, the breakout
5 of patrons at PPC, based on how they are
6 actually interacting with the Massachusetts
7 economy. We're estimating that 58 percent of
8 the spending at PPC, or a \$100 million was by
9 patrons who were recaptured gamblers from
10 other states. 21 percent, or \$36.6 million
11 was reallocated spending that would have
12 otherwise occurred somewhere else in
13 Massachusetts. And the rest was spent out of
14 state.

15 The out of state stuff is a little
16 bit more complicated, particularly, because
17 it's on the border. Some of those people
18 would be completely new to Massachusetts,
19 while others would have visited anyway but
20 spent money on other stuff. But just, on a
21 very high level, this is what we're seeing.
22 We break it down into further detail on the
23 report. And I have that broken out, also, by
24 specifically gambling spending and nongambling

1 spending, and off-site spending.

2 And you can see the proportions
3 between them are roughly similar, with the
4 nongambling and off-site spending the share of
5 reallocated patrons is a little bit higher,
6 which suggests that the people who are
7 visiting the casino, who otherwise would not
8 have been gambling, out of state probably were
9 a little bit more interested in the -- in the
10 nongambling activities than the people who
11 would have otherwise, gambled out of state,
12 which, as a narrative, sounds -- seems
13 somewhat intuitive. So --

14 CHAIRMAN CROSBY: To put this in
15 a -- in a very simple frame, you know, one of
16 the driving forces behind the expanded gaming
17 law was to recapture or repatriate dollars
18 that Massachusetts residents were spending in
19 other states. And it was in the nature of
20 somewhere around a billion dollars a year,
21 going up and down depending on the season,
22 depending on the year and so forth.

23 So if you take this at face value,
24 it looks like little Plainridge has recaptured

1 about 100 million of that billion, which sort
2 of makes sense when you think about the big
3 picture. But it also suggests that that
4 objective is being met. You know, we're doing
5 what the -- what the statute was meant to do,
6 which is bring back those dollars and get the
7 jobs and the tax revenue that are associated
8 with those dollars.

9 MR. PEAKE: Right.

10 COMMISSIONER ZUNIGA: Yeah. I was
11 going to speak to that in a -- in a different
12 context, or in a slightly different take. I'm
13 adding up the capture, the recapture from
14 state residents and the spending by out of
15 state residents, and that's a good 78 percent
16 of -- of the revenues, you know, depending
17 on -- I'm just taking the totals, not just
18 gambling and nongambling.

19 MR. PEAKE: The only thing I would
20 say to that is that some of those out-of-state
21 gamblers may have visited Massachusetts either
22 way.

23 COMMISSIONER ZUNIGA: Okay.

24 MR. PEAKE: And they -- you know,

1 for instance, they're going to visit their
2 family in Attleboro. And now, instead of
3 going out to the bowling alley, they're going
4 to the casino to pass the time.

5 And so, you can't necessarily
6 attribute -- say that all of the out-of-state
7 spending is new. Most of it is. And again,
8 we do break this down into more detail in the
9 reports. There's a fairly extensive section
10 and an appendix on this subject.

11 COMMISSIONER ZUNIGA: I still think,
12 tell me if you agree or compare to other
13 industries or other initiatives like this.
14 It's a high recapture. It's a high
15 out-of-state -- new activity for out-of-state
16 recapture.

17 MR. PEAKE: Yeah. I'm pretty
18 confident saying that a solid majority of the
19 spending that occurred at PPC would not have
20 occurred in the Commonwealth of Massachusetts,
21 if PPC had never --

22 COMMISSIONER ZUNIGA: Were never
23 here. Right.

24 COMMISSIONER CAMERON: And is

1 that -- that's survey results and what other
2 data points to give you that firm --

3 MR. PEAKE: That's based on our
4 survey. We asked people whether, if the
5 casino never opened, they would have spent
6 their money gambling out of state. And just
7 the in-state residents who did say that that's
8 what they would have done, account for over
9 50 percent. I believe it was 58 point -- 58
10 percent to all spending that -- that we had
11 measured.

12 So that's basically -- concludes
13 what our -- what the data we collected was. I
14 want to briefly touch on how we modeled this
15 and show you some, sort of, high-level
16 results.

17 So this is sort of a schematic for
18 what the REMI model actually looks like, in
19 terms of the equations. And, basically,
20 what's going on here is, if you change any of
21 these blocks, it then changes one or two of
22 these other blocks, which then go to change a
23 few other blocks until it eventually goes back
24 to change the initial block again. And so,

1 you run this, sort of, iterative process,
2 where there's these thousands of equations
3 relating these things to one another, bouncing
4 around this model. And after a number of
5 iterations, you can, sort of, gather what the
6 ripple effect of any direct change to the
7 economy would be.

8 So in this case, we put in a large
9 number of different direct effects, and this
10 is -- they ran through this model. And this
11 is, sort of, a high-level sense of what we
12 came up with.

13 COMMISSIONER MACDONALD: Excuse me,
14 Tom, before you get to the details, can you
15 remind us what REMI stands for?

16 MR. PEAKE: REMI is the name of the
17 company. It's Regional Economic Models,
18 Incorporated. The model that we use is what
19 they call their PI Plus model, which is, sort
20 of, the standard-issue REMI model that most
21 people use for these sorts of things.

22 COMMISSIONER ZUNIGA: And it's
23 widely used throughout the United States and
24 the world, Rod? Not being modest, because you

1 used to work there.

2 MR. MOTAMEDI: Yeah, I used to work
3 there. So I, myself, have done projects in,
4 probably, 40 of the 50 states using REMI
5 models in addition to, geez, China, Ireland,
6 Belgium, Netherlands, UK. So, you know, all
7 over the place. Everything from cap and trade
8 in Guangdong Province to how to burn chicken
9 litter on farms in Florida to make electricity
10 and everything in between. So it's definitely
11 widely used. It contrasts with, say, the
12 IMPLAN model that other people -- a lot of
13 other folks use. They're kind of the two
14 standard models in the industry.

15 COMMISSIONER MACDONALD: Rod, what's
16 that second one?

17 MR. MOTAMEDI: IMPLAN, I-M-P-L-A-N.
18 It used to stand for -- it used to stand for
19 -- oh, geez, I don't remember.

20 MR. PEAKE: Impacts and planning.

21 MR. MOTAMEDI: Impacts and planning.
22 Something like that. But it's IMPLAN, as far
23 as I'm concerned. And so, they -- they differ
24 in their capabilities. The REMI model is far

1 more appropriate for the things that we're
2 doing here, specifically because it
3 understands time, which IMPLAN does not. So
4 it has a year component. And just by being
5 able to understand that there is such a thing
6 as time, the model is then able to understand
7 that things take time.

8 So that, just because you introduce
9 a change doesn't mean that the full effects
10 are realized immediately. So it can take time
11 for those ripple effects to propagate. It
12 also allows for changes in things like cost
13 and wages and so on, which IMPLAN doesn't
14 handle very well.

15 MR. MACDONALD: So it's a model
16 which is commonly employed elsewhere, you said
17 domestically and internationally, so
18 presumably, then, the output in terms of your
19 data would have some -- some credibility
20 amongst -- amongst informed people elsewhere.

21 COMMISSIONER ZUNIGA: Huge.

22 MR. MOTAMEDI: For sure.

23 MR. MACDONALD: Huge?

24 COMMISSIONER ZUNIGA: Huge

1 credibility, yeah.

2 MR. MOTAMEDI: Yeah. I -- you know,
3 we've definitely done a lot of important work.
4 The Massachusetts Department of Revenue uses a
5 REMI model for their analyses. The
6 Rhode Island Department of Revenue uses a REMI
7 model. The Connecticut Department of Economic
8 Community Development has one. The state of
9 Vermont has one. And that's just around here.
10 So it's a -- I think New York City Economic
11 Development Corporation has one. So there's
12 quite a bit of use just in -- in our
13 neighborhood, let alone what's going on
14 elsewhere.

15 MR. PEAKE: Great. So here I've
16 broken down the impacts of the first year of
17 operation into sort of two groups, and then
18 taken the net of them. What I'm saying for
19 the regional operating impacts, that's,
20 basically, everything that we discussed before
21 we started talking about the shifts in
22 consumer spending. So that's the wages, the
23 vendor spending, the new revenue that's then
24 being spent by government entities. And we're

1 estimating that that created a bit more than
2 2700 jobs -- created or supported about 2700
3 jobs in the Commonwealth of Massachusetts,
4 with the majority of that occurring in the
5 large metro Boston region, but with some --
6 some economic impact in every region.

7 In addition to that, the statewide
8 impacts from changes in consumer spending
9 that -- particularly, what we saw was the
10 20-something percent shift of the total
11 spending that was reallocated from other sorts
12 of activities in Massachusetts. We're
13 estimating that that probably meant a loss of
14 support for about 340 jobs in Massachusetts
15 for a net impact of 2,417 is our -- is our
16 estimate for the total number of jobs
17 supported.

18 The reason I don't present the
19 statewide impacts from changes in consumer
20 spending on a regional basis is because, as a
21 result of the survey data that was used for
22 that, I'm confident in that number. But the
23 exact regional distribution, there could be 10
24 or 20 more or less jobs in one region or

1 another. Just because of the level of detail
2 that we need to drill down, we felt it would
3 be prudent to just express that number as a
4 statewide number, but show the operating
5 impacts at a regional level to, sort of, give
6 you a sense of where a lot of this is going
7 on.

8 CHAIRMAN CROSBY: So walk us
9 through, sort of, hypothetically. Those --
10 the 340 lost jobs, how does that come about?
11 Just give an example, sort of.

12 MR. PEAKE: Sure. If there was
13 somebody who previously frequented a local bar
14 and now, instead, frequents the casino, then
15 that's a certain amount of money lost. Maybe
16 that doesn't lead to a whole job being lost.
17 Maybe that's just someone loses a little bit
18 of tips here or there. So these aren't
19 necessarily entire jobs, but it's the
20 equivalent of about 340 jobs.

21 MR. MOTAMEDI: I would also point
22 out, to rewind the conversation a little bit,
23 that something -- in this case something
24 negative happening, or something positive not

1 happening are equivalent. So this could be
2 hiring that doesn't happen that was expected
3 to happen, rather than, necessarily, someone
4 being told we don't need you anymore.

5 So it's -- it's important that, when
6 you're talking about how things in this, sort
7 of, parallel universe that we're evaluating
8 could be different, fewer jobs doesn't
9 necessarily mean -- again, doesn't necessarily
10 mean firing. It just could be hiring that
11 doesn't happen, which in a lot of these cases,
12 is probably the more likely scenario, is that
13 we're a little less busy now and so we don't
14 need that second barback, or we don't need
15 that third docent for the museum, or we don't
16 need -- you know.

17 So I think it's more -- it's more
18 that kind of stuff like that on the margin,
19 would be my, sort of, intuitive guess. But I
20 have no way of proving it one way or the
21 other.

22 MR. PEAKE: And it's also worth
23 mentioning, as I did earlier, that this --
24 this sort of thing is what you'd expect to see

1 when any new attraction, whether it's an
2 amusement park or a stadium, or a museum opens
3 up. You know, no one's printing money to
4 spend it there. So where -- that money has to
5 be coming from somewhere.

6 In this case, what we're saying is
7 that we estimate that most of that money is
8 coming from out of state, either from
9 Massachusetts residents, who would have spent
10 it out of state, or from out-of-state
11 residents. But there is always going to be a
12 certain amount of sort of -- a certain amount
13 of negative, whether that is people losing
14 jobs, or people just not hiring. But as you
15 can see on net, the effects of this are -- are
16 overwhelmingly positive.

17 MR. MOTAMEDI: I'd like to just
18 build on what Tom said and go into this
19 reallocation question a little bit more
20 because it is -- I think it is jarring for a
21 lot of folks to see that it causes these
22 negative numbers. But again, I would like to
23 point out that, as Tom said, this is true of
24 any kind of attraction.

1 So let's just go 2-miles down the
2 road and think about Gillette Stadium. If
3 Gillette Stadium were to disappear, or to had
4 never been built, there would have been a lot
5 of beer and hot dog spending that would be
6 reallocated back to regions all over the
7 state. So that would put a lot of money in
8 the pockets of, sort of, bars and restaurants,
9 sports bars, restaurants and so on, all over
10 the state, if every -- if eight times a year
11 60,000 people wouldn't take a bunch of money
12 and go to Gillette Stadium to spend that money
13 on tickets, food, beverage, parking, et
14 cetera.

15 So any attraction -- the Boston
16 Children's Museum, the museum of -- Masters
17 Museum of Contemporary Art in North Adams,
18 anything that draws folks from across the
19 state that provides them an alternative choice
20 to spend their money is going to create this
21 kind of push-pull in it, so it's sort of
22 inevitable.

23 CHAIRMAN CROSBY: This isn't jarring
24 at all. I mean, this is something we fully

1 understand. And one of the major knocks on
2 casinos, frequently, is that all they do is
3 recycle some money from someplace else.
4 There's no net gain. So we want to ask the
5 question, is there a net gain here? And what
6 is -- if there is, what is it?

7 MR. MOTAMEDI: Right.

8 CHAIRMAN CROSBY: But, honestly,
9 facing the negative is a critical part of
10 that. I wish we'd thought about that when --
11 at the Public Health Trust Fund meeting, when
12 Rebecca was bringing up the concerns that
13 these numbers all just looked so -- what about
14 the downside? Well, we forgot to mention that
15 the downside is calculated into these numbers.

16 MR. PEAKE: And to be fair, if we
17 used a nationwide or a New England-wide model,
18 instead of a Massachusetts-specific model,
19 we'd probably be seeing a slightly different
20 story here --

21 CHAIRMAN CROSBY: Absolutely.

22 MR. PEAKE: -- because there's a lot
23 of spending that's not going on in other
24 states now. So --

1 CHAIRMAN CROSBY: Well, yeah, this
2 is a --

3 COMMISSIONER ZUNIGA: But you're
4 talking to a state agency, Massachusetts.
5 That's the lens that's -- that we were --

6 CHAIRMAN CROSBY: It is a zero-sum
7 game at some point. You know, at some
8 universe it's a zero-sum game. And, you know,
9 that's why Connecticut is so upset with what's
10 going on in -- you know, Connecticut -- the
11 Massachusetts casinos. That's -- that's too
12 bad. But we're not here looking at that
13 universe. We're looking at our own. And the
14 legislature did it on purpose, because they
15 wanted the impact of -- on our part of the
16 universe.

17 MR. PEAKE: Sure.

18 COMMISSIONER CAMERON: But as you
19 point out, that's a -- that net is impressive.

20 CHAIRMAN CROSBY: Yeah.

21 COMMISSIONER CAMERON: This is not a
22 close call.

23 CHAIRMAN CROSBY: Not even close,
24 right.

1 MR. PEAKE: I mean, whether or not
2 that'll be the case in future casinos depends
3 on the population that they're attracting
4 and --

5 CHAIRMAN CROSBY: Right.

6 MR. PEAKE: -- a lot of other
7 things, the geography.

8 CHAIRMAN CROSBY: It'll be
9 fascinating to see. Yeah.

10 MR. PEAKE: So you know -- but in
11 this one case, yeah, I would -- I was actually
12 surprised with exactly how high the net was.
13 But I actually want to go into that number for
14 a second and just one final point.

15 MR. MACDONALD: Before you do, Tom,
16 could I just ask a question, following up on
17 what the chairman was observing just now?

18 Is there -- is there any data that
19 you have been collecting that would allow you to
20 make a -- you know, an informed -- an informed,
21 you know, judgment as to whether we're --
22 whether on a regional basis, for example, we're
23 approaching a zero-sum game here?

24 MR. PEAKE: So, like, on a New

1 England level, for instance?

2 COMMISSIONER MACDONALD: Yeah.

3 MR. PEAKE: I'd need to think about
4 it. We don't collect any data from outside
5 Massachusetts at this point so...

6 CHAIRMAN CROSBY: But you did a
7 license plate survey.

8 MR. PEAKE: Sure. We did.
9 Although -- so -- so in this case that could
10 potentially be used. I mean, we have a sense
11 of how much money is being spent by patrons
12 coming from Rhode Island. We have an estimate
13 for that. And same with everywhere else.

14 CHAIRMAN CROSBY: And you have a --
15 and you have a clear estimate how much is not
16 being spent in Rhode Island and Connecticut as
17 a consequence. I would say the answer to
18 Commissioner McDonald's question would be yes.
19 There's a high degree of probability that, if
20 you just looked at this as a regional basis,
21 it would be a zero-sum game. This number
22 would be in the nature of zero.

23 MR. PEAKE: One thing that would
24 make this a little bit difficult to model is

1 that our model only shows Massachusetts. So
2 we could give a guess of how much money is not
3 being spent in those regions. But what we
4 would have a harder time doing is figuring out
5 exactly how that interacts with those
6 economies, because we don't have regions to
7 represent those areas in our model. So that's
8 the one problem.

9 And, frankly, if we even had the
10 money for more regions, I would probably be
11 more interested in looking local -- like, on a
12 more fine-grain level in Massachusetts than
13 doing that. But yes, you're right. We
14 actually -- if we had the regions, we could do
15 that.

16 MR. MOTAMEDI: We can estimate how
17 many Massachusetts dollars are no longer going
18 to the other states because we were
19 essentially asking people that question,
20 right? So we're saying, right here,
21 \$100 million in Massachusetts money is no
22 longer going to some casino somewhere else. I
23 don't know if we specifically asked where they
24 would have gone. We do ask them, like, what

1 places they have typically frequented, but we
2 don't necessarily say attach this dollar to a
3 property, which is kind of a dubious question
4 anyway. People aren't that precise.

5 But, you know, it is interesting to
6 see how -- whether -- how those properties are
7 responding. You know, is -- are the
8 Connecticut properties doing more marketing,
9 again, further south. Are they then targeting
10 New York more aggressively.

11 And then there's also -- there's
12 state trade, right? So the -- PPC is sending,
13 what, \$5 million or something to Rhode Island
14 in wages that they are then spending in their
15 local economy. And so, they're -- when you
16 have states that are the size of counties in
17 some of the western states, you know, these
18 borders are porous and there's a lot of trade
19 and commuting that goes on.

20 So how they would all tie together
21 net economically is a thorny question that is
22 hard to answer in -- in the detail that I
23 think Tom and I would answer these questions.
24 But no dispute that our survey would allow us

1 to at least talk about how many Massachusetts
2 dollars are no longer going to gaming out of
3 state.

4 COMMISSIONER ZUNIGA: What I think
5 is important, also, perhaps to think about, is
6 that this was always predicted to be a
7 regional impact, the slots parlor. The one
8 that I will be very interested in, in this
9 context, will be Wynn, who predicted in their
10 application that there will be an important
11 portion coming from out of the country, not
12 just the New England region.

13 And, you know, provided that we
14 continue, and we will, we have every intention
15 to continue these studies with the same
16 methodology, we'll be able to capture
17 international spending, for example.

18 MR. MOTAMEDI: I think, to go back
19 to earlier presentation, I think that's where
20 that -- what is it, the player card data would
21 come in handy, especially, is to get a better
22 idea of where is this money coming from.
23 Especially, when you get these huge
24 properties, we still intend to do patron

1 surveys, but it would be nice to have a
2 another way of backing into these.

3 MR. PEAKE: Absolutely. And just to
4 make one more point that I think is kind of
5 interesting here. What I did is, I took all
6 of the impacts that created this output and I
7 split them up into two groups. And one of
8 those groups is everything that was happening
9 except the government spending. So all of the
10 wages, all of the vendor spending, all the
11 shifts in consumer spending. And then, the
12 other one was just the spending from the
13 government, from the spending of these new
14 revenues.

15 And what I basically found is that
16 the vast majority, a little over two-thirds of
17 the employment impacts from the casino, are
18 the result of just this very, very large
19 amount of new revenue being spent in the
20 state. And this is consistent with what we
21 would expect to find in the normal economic
22 impact analysis, where a place that generates
23 556 jobs you would expect this, sort of,
24 ripple effect for that to be a few hundred

1 extra jobs, not a few thousand extra jobs.

2 So -- or almost 2,000 extra jobs.

3 So this is -- this is to be
4 expected, but I think it's an important
5 takeaway from this. That if there's one -- if
6 there's one really, really essential piece of
7 how this has affected Massachusetts' economy,
8 it's been that it's generated a lot of new
9 revenue. And that revenue ends up going to
10 things. So that's just one important little
11 takeaway that I wanted to add. And then, I
12 just wanted to touch, really quickly, on, sort
13 of, the next steps.

14 MR. MACDONALD: Tom, before you go
15 on --

16 MR. PEAKE: Yeah.

17 MR. MACDONALD: Earlier, the
18 Chairman had observed that -- at least I think
19 it was him, might have been Commissioner
20 Zuniga, that these funds that are going to the
21 local aid -- into local aid, could have
22 collateral consequences of money that
23 otherwise would have gone into local aid being
24 disbursed -- being disbursed elsewhere. Is

1 there a -- is there a corrective that you've
2 applied here to take a count of -- of that in
3 the total that you've identified here as
4 increased jobs on account of increased
5 government spending?

6 MR. PEAKE: I'm happy to look into
7 that -- that further. But, you know, the
8 reality is what -- on a regional level there
9 might be a difference depending. But at the
10 end of the day, whether the state is spending
11 the money, or whether the municipalities are
12 spending the money, it's still a large amount
13 of new money that's being spent in state. And
14 so, on a statewide basis, I'm still pretty
15 confident with that number. But I'm happy to
16 take another look at it.

17 COMMISSIONER ZUNIGA: So is it fair
18 to say that that 1600 employment impact is the
19 employment that results from all that local
20 aid revenue, you know, the revenues that came
21 from the gaming taxes?

22 MR. PEAKE: That's correct.

23 CHAIRMAN CROSBY: And the host and
24 surrounding community monies.

1 MR. PEAKE: Yes. That's also in
2 there.

3 COMMISSIONER CAMERON: There's
4 another 30 million in there.

5 COMMISSIONER ZUNIGA: Right.

6 MR. PEAKE: And, also, the fact that
7 the state also generated just revenue, in
8 addition to the -- the gross gaming revenue --

9 COMMISSIONER ZUNIGA: Right.

10 MR. PEAKE: -- and payments to
11 various state government entities.

12 MR. MOTAMEDI: So these results are
13 consistent with these \$66 million being spent,
14 which is what we think is the most likely
15 option. In this case, being spent by local
16 governments as distributed through the local
17 aid formula, again, if it goes to the state,
18 as we've already talked about, that geographic
19 distribution might be different, but the end
20 number are probably relatively similar.

21 What this is probably not a good
22 reflection of is if rather than -- if some of
23 the spending would have been offset by
24 increased or decreased taxes. So that would

1 have had -- so changing taxation to keep
2 revenues constant would have had a different
3 economic impact than -- than just taking this
4 money and kind of -- the dollars are fungible.
5 You sort of put more in this pot and some of
6 the overflow fills into another pot and you
7 end up spending -- so the dollars kind of move
8 around and they get spent one way or another.

9 But if the -- the counterfactual was
10 taxes would have had to have gone up in order
11 to keep spending constant or so on, then those
12 results would have had different -- reducing
13 government -- reducing consumer spending, or
14 increasing business costs have different
15 economic ramifications than increasing or
16 decreasing government spending. So it doesn't
17 anticipate that option. But it does
18 anticipate the money being kind of kept level
19 and the spending occurring.

20 COMMISSIONER MACDONALD: So with
21 this additional source of revenue coming into
22 the system, that one would expect less of an
23 impact on economic activity, if it was
24 accompanied by a simultaneous reduction in the

1 tax rate, for example.

2 MR. MOTAMEDI: Yeah. So reducing
3 the tax rate --

4 MR. MACDONALD: I mean, the state --
5 the state tax rate.

6 MR. MOTAMEDI: Right. If you said
7 that we're taking the \$66 million that we're
8 getting from taxes on GGR and to
9 counterbalance that we will cut taxes by
10 \$66 million so that total spending stays the
11 same, that would still have a positive impact
12 on the state. There would be more pocket --
13 money in the pockets of individuals in
14 businesses and so on, but those effects would
15 not necessarily be the same as these.

16 Government spending tends to be a
17 lot more impactful on employment, because the
18 provision of government services is very labor
19 intensive, relative to most other industries,
20 and a government services, sort of, by
21 definition are locally supplied.

22 So it's -- if I have extra money to
23 spend on, let's say legal services or
24 financial services, the legal service,

1 financial services might not be provided by an
2 in-state firm, especially, if I'm a big
3 company. My increased retail, the vast
4 majority of things that I'm buying, the cost
5 of goods sold is just going somewhere else,
6 right, it's just a retail markup that would
7 stay in state.

8 And so, putting more money in the
9 pockets of individuals, while it might improve
10 their welfare, might not necessarily create
11 the same job impacts that providing more money
12 for government services would. Again, on the
13 margin there's obviously -- we're not talking
14 like huge swings here but that -- again, the
15 provision of government service is labor
16 intensive.

17 And insofar as governments contract
18 things out, whether it's construction, or
19 whether it's purchasing things, that also puts
20 a lot of money into the pockets of private
21 businesses and private individuals. So even
22 though there's 1600 jobs here that are
23 supported by government spending, I think less
24 than half of them or half of them --

1 MR. PEAKE: A little less than half.

2 MR. MOTAMEDI: A little less than
3 half of them are actually in the public
4 sector. So the vast majority of jobs that are
5 being created are actually private sector
6 jobs. They're just -- their method of support
7 is through this, sort of, channel of the
8 government funding.

9 COMMISSIONER ZUNIGA: Of local aid.

10 MR. MOTAMEDI: Of local aid.

11 COMMISSIONER ZUNIGA: So that
12 reminds me, so are you capturing, for example,
13 the money that is spent now on regulatory, our
14 jobs, yours and mine?

15 MR. MOTAMEDI: No, not yet. Not
16 yet. We have -- we have plans on doing a
17 bigger fiscal impact, which we haven't gotten
18 to yet. But no, we don't capture the gaming
19 Commission, I don't think directly, because
20 those aren't -- this isn't being funded out of
21 those taxes on slot GGR.

22 COMMISSIONER ZUNIGA: We're not.

23 MR. MOTAMEDI: So right now, we're
24 just looking at -- and we're not looking at

1 racing yet either. So this doesn't also
2 include any of the impacts that the -- the
3 horseracing fund would be supporting. So
4 we're just looking at the 80-some-odd percent,
5 85 percent, that's going to -- to local aid.
6 And just things that are found through local
7 aid, or the host and surrounding community
8 payments that -- that PPC was able to show us.

9 COMMISSIONER ZUNIGA: Well, this
10 is -- it's great. I think -- I just want to
11 make a couple of points. Great -- great to
12 have you guys. It's always great to have a --
13 you know, a discussion on a high level that
14 you're able to guide us through, because I
15 know there's a lot of detail under all of
16 these numbers. But a couple of things. The
17 556 figure, in terms of number of jobs reminds
18 me of the prediction that Plainridge did of
19 direct jobs, which was right in the ballpark,
20 I think a little less, when they submitted
21 their application, and where our consultants,
22 you know, evaluated them and agreed with --
23 with those numbers, for the most part.

24 I'm also -- you know, we've also

1 been very -- watching the revenues portion.
2 And one piece that makes me think about timing
3 for our next iteration of this, whether it's
4 with MGM or what have you, was that there was
5 going to be this stabilization of revenues
6 this year. It takes -- it takes a little
7 while for any one of these operations to get
8 to a stable environment, because they find
9 their footing, they figure who their clients
10 are. At least, for the Category 1s, you know,
11 it was either year two or year three. I
12 forget for Plainridge it was year two. It was
13 earlier, but not necessarily the first year.

14 I think that, you know, as we
15 continue the research agenda discussions and,
16 again, the next iteration, I'd be interested
17 in just understanding the timing, especially
18 as it relates to when we should be measuring,
19 you know, those -- those revenues because, for
20 example, we're also -- been seeing some
21 increases in revenues in Plainridge on its
22 second year, which, again, makes me think that
23 they're figuring out, they're stabilizing in
24 some ways what -- what their clientele may be.

1 MR. PEAKE: Right. So I actually --
2 we had a little slide in here for the next
3 steps for us.

4 COMMISSIONER ZUNIGA: Okay.

5 MR. PEAKE: We're going to keep
6 collecting the primary data. We're going to
7 be collecting the construction data. We're
8 also -- we're hoping to actually perform these
9 operating analyses on a regular basis. We
10 might be presenting them as a -- less than a
11 long form report and more, sort of, in a
12 truncate like fact sheet type of thing,
13 because the methodology's likely to remain
14 somewhat similar.

15 We haven't exactly landed on exactly
16 how we're going to do that. But yeah, the
17 idea is that we'd like to keep following
18 Plainridge on a regular basis, and the other
19 ones when they come online, to sort of see
20 how, over time, as sort of the patron behavior
21 changes, how that actually affects their
22 impact on the economy, absolutely.

23 COMMISSIONER STEBBINS: I had two
24 quick questions with respect to the last

1 slide. Obviously, the patron's survey was
2 probably one of the more intensive -- labor
3 intensive pieces of that process. Do you see
4 that kind of being repeated as you do updates
5 on Plainridge Park Casino's success?

6 MR. PEAKE: I think that it's
7 absolutely essential that we -- we continue
8 doing patron surveys, because the -- if the --
9 if the demographics of who's visiting shift,
10 that's going to actually change how it impacts
11 our -- our economy. So we might not be able
12 to get to the -- I think we did one a little
13 while back. We're going to be doing one this
14 year. So I think there was a year in between
15 where we didn't. So we might not be able to
16 for every casino, do one every year.

17 We do want to regularly collect that
18 data because there's a good deal of literature
19 suggesting that, over time, you know, the
20 exact demographics of who visits casinos does
21 shift. And we want to be able to capture that
22 and model how it affects the economy.

23 COMMISSIONER STEBBINS: Another
24 question. This gets really granular, and it

1 doesn't necessarily just impact PPC, but the
2 other two Class 1 licensees, looking at real
3 estate data we hear stories now that there's a
4 tremendous amount of speculation going on in
5 Springfield and in and around Everett. How do
6 you lay that kind of speculation value based
7 on real estate sales prior to opening, and
8 maybe as it relates to prior values of that
9 property?

10 MR. MOTAMEDI: So we've -- the real
11 estate report that we have already finished
12 looked at the baseline conditions for all the
13 host communities in both commercial and
14 residential real estate.

15 COMMISSIONER STEBBINS: Right.

16 MR. MOTAMEDI: So we're tracking --
17 we're tracking all the sales transactions,
18 the -- residential sales -- arm's length sales
19 transactions, so none of the I sold the house
20 to my sister stuff. But -- and then, we're
21 tracking commercial real estate through
22 absorption rates, occupancy, lease rates per
23 square footage, the amounts of rentable
24 building area in the city so we'll be able to

1 see if there's new building area going up, in
2 addition to occupancy rates changing, lease
3 rates changing, et cetera. So we're try to
4 keep track of all of that. So insofar as the
5 speculation shows up in actual higher prices
6 being paid for things, we'll be able to find
7 that.

8 COMMISSIONER STEBBINS: Okay.
9 Great.

10 CHAIRMAN CROSBY: Anybody else?
11 Great.

12 COMMISSIONER CAMERON: Thank you.

13 MR. VANDER LINDEN: I have just two
14 -- two points. The patron and license plate
15 survey is an incredibly useful source of
16 information. And as you can see, we
17 highlighted some of it here. Further
18 information about the patron and license plate
19 survey will be coming up in a -- in a couple
20 weeks. The frequency of which we -- we do
21 that type of survey, I think we need to -- we
22 need to figure out what is the optimal
23 frequency of that to get the maximum benefit
24 of it, because it is a time intensive and

1 costly process to do that type of surveying at
2 the casinos. And I think that, once we have
3 three -- three casinos up and running, we'll
4 need to think about that strategically so
5 that -- that we're getting a good sense of
6 what -- of what's happening, but at the same
7 time taking into consideration just exactly
8 how intensive that process is.

9 COMMISSIONER CAMERON: Did you use
10 students with UMass shirts for those surveys?

11 MR. VANDER LINDEN: Yeah. We
12 used -- it was, basically, UMass graduate
13 students that was -- that was led by Rachel's
14 team.

15 The second point -- this is -- this
16 is, I think, a very good picture of what the
17 economic impacts are. We also pay very close
18 attention to the social impacts and -- and the
19 work of, kind of, taking a look at what
20 happened one year after the opening of
21 Plainridge Park Casino on the social impact
22 side is well underway. Social impacts,
23 oftentimes, take a little bit longer to really
24 get a sense of what those impacts are.

1 So, for example, we went -- on the
2 social side there was a survey, general
3 population targeted survey that was launched
4 one year after the opening of Plainridge Park
5 Casino. They're in and out of the field with
6 that. They're doing the data analysis. And
7 that -- that is also going to be a fascinating
8 report, to take a look at those impacts coming
9 down the line.

10 COMMISSIONER MACDONALD: Can I ask a
11 question? You know, Rod, this is year one of
12 Plainridge Park. We're in almost year 2-1/2
13 now. Any indication of a -- even if very
14 tentative, as to whether the trend lines
15 established in the year -- year one data have
16 been extended into year two and 2-1/2?

17 MR. MOTAMEDI: Having not really
18 looked into it in any detail, I can speculate,
19 based on some of the information that we've
20 been getting from the -- from the MGC's new
21 employee survey, that hiring seems to be
22 pretty stable. So -- so I would speculate
23 that employment on site has remained
24 relatively stable. I have no reason to

1 believe that the employees are being paid any
2 less.

3 The revenues are right out there for
4 everyone to see, so we know what the revenues
5 are doing. So I think that the results would
6 be very similar to what you're seeing here. I
7 mean, employment has remained stable, the
8 revenues have gone up a little.

9 COMMISSIONER MACDONALD: Actually,
10 increased.

11 MR. MOTAMEDI: Right. And so -- so
12 I think with that, that would probably put a
13 little bit more money into -- into vendor
14 spending, a little bit more money into taxes,
15 a little bit more money -- so here and there.
16 But I think that the scale in proportionality
17 of it should be pretty similar to -- to what
18 you're seeing here.

19 CHAIRMAN CROSBY: The big issue for
20 Plainridge will be, what happens when the
21 other casinos open.

22 MR. MOTAMEDI: Right.

23 CHAIRMAN CROSBY: And maybe a little
24 bit what happens when the second Twin Rivers

1 Casino opens will have some impact. But the
2 big question, I think, is what happens when
3 MGM and Wynn open, obviously.

4 MR. MOTAMEDI: Right. And I think
5 that's an area for our patron surveys that --
6 start understanding, sort of, the internal
7 market competition as well. You know, have
8 you been to this -- have you been to the other
9 properties in Massachusetts? How often do you
10 go there? What is the, sort of, internal
11 patronage patterns look like.

12 CHAIRMAN CROSBY: Right. Right.

13 COMMISSIONER CAMERON: Thank you.
14 Interesting.

15 COMMISSIONER ZUNIGA: Thank you very
16 much.

17 MR. MOTAMEDI: Thank you.

18 MR. MACDONALD: Yeah, thank you.

19 CHAIRMAN CROSBY: And we're going to
20 postpone the other report until next week,
21 right, or next time?

22 MR. VANDER LINDEN: Yeah. Correct.

23 CHAIRMAN CROSBY: Some future
24 meeting.

1 COMMISSIONER ZUNIGA: Take a small
2 break?

3 CHAIRMAN CROSBY: Yeah. We'll take
4 a quick break and then we'll start up again
5 with Director Griffin.

6
7 (A recess was taken)

8
9 CHAIRMAN CROSBY: All right. We are
10 recalling to order public meeting No. 226 at
11 about 20 minutes of 12, and we are on to
12 research -- I mean, we are on to workforce
13 supplier and diversity development.

14 MS. GRIFFIN: Great. Good morning,
15 Commissioners. It's still morning.

16 CHAIRMAN CROSBY: Good morning.

17 COMMISSIONER MACDONALD: Good
18 morning.

19 COMMISSIONER CAMERON: Good morning.

20 COMMISSIONER ZUNIGA: Good morning.

21 COMMISSIONER STEBBINS: Good
22 morning. I'm joined by Jeff Hayden from
23 Holyoke Community College, Marikate Murren,
24 and Wanda Gispert from MGM. You may remember

1 that at the public meeting No. 217, at the
2 MassMutual Center in Springfield, you approved
3 MGM's Springfield's operational workforce
4 development plan with the provision that
5 within 90 days further details be presented
6 back to the Commission with respect to their
7 local recruitment strategy for meeting the
8 35 percent employment goal for the hiring of
9 Springfield residents. So today, MGM
10 Springfield is back to present that -- those
11 details.

12 The Commission asked for local
13 recruitment strategy to highlight how they
14 would recruit the, approximately, 3,000 people
15 to have any chance at achieving the MGM goal
16 of 35 percent Springfield residents. Of
17 particular note, when you asked for this local
18 hiring strategy, the gaming school was just a
19 plan. MGM Springfield and Mass Casino Careers
20 Training Institute have since come to an
21 agreement regarding a gaming training school
22 to be located in Springfield, with the goal of
23 providing enough cohorts to get people through
24 the pipeline to fill the, approximately, 600

1 positions for table games and poker.

2 I also want to, by way of
3 background, mention that this is the second
4 version submitted to Commission staff. Based
5 on feedback from Governor Baker's Workforce
6 Skills Cabinet and the Regional Employment
7 Board of Hampden County, MGM has strengthened
8 their plan to include public partner
9 coordination and additional recruitment
10 strategy details to get to the nearly 1,000
11 Springfield residents that they need to hire
12 by next September.

13 The Workforce Skills Cabinet -- and
14 I should mention that Juan Vega is behind me.
15 He's assistant secretary of communities and
16 programs out of The Executive Office of
17 Housing and Economic Development. And anyone
18 else? No?

19 So Juan is here. And I should say
20 that he and the Workforce Skills Cabinet voice
21 their shared interest in this plan being
22 robust and successful in getting Springfield
23 residents hired. The Workforce Skills Cabinet
24 mentioned that they are partners, and they

1 want to support these efforts in any way that
2 they can.

3 And, in fact, to that end,
4 congratulations are in order for the Holyoke
5 Community College team and MGM as a partnering
6 organization. Am I steeling your thunder,
7 Jeff?

8 MR. HAYDEN: No.

9 MS. GRIFFIN: Well, I won't mention
10 details, but the Baker administration
11 announced yesterday, a grant to Holyoke
12 Community College. And I'll let him share the
13 details. So back to the plan. MGM has
14 included in the plan before you today,
15 additional details. I'm going to turn the mic
16 over to Marikate Murren and Wanda Gispert of
17 MGM to go over their local recruitment
18 strategy.

19 MS. MURREN: Great. Thank you,
20 Jill. Good morning, Chairman, Commissioner --
21 Commissioners. It's a pleasure again to be
22 here --

23 COMMISSIONER CAMERON: Good morning.

24 COMMISSIONER ZUNIGA: Good morning.

1 MS. MURREN: -- even though we had a
2 little bit of traffic coming east, but we got
3 here. It's really a pleasure to be in front
4 of you again to really detail the
5 implementation that is already happening in
6 Springfield, to go after and to meet the
7 commitment of the 35 percent locally.

8 We are going to do a tag team, if
9 that's all right. Please interrupt us as any
10 moment with any additional questions. And I
11 will not steal your thunder, but would like to
12 thank the Baker administration and everyone
13 for that grant. It will go a long way on
14 getting that facility up and running. Not
15 only for our Holyokers, but also for our
16 residents of Springfield. So that's going to
17 be -- it's a huge win, not only for the
18 college, for us as a company, but the entire
19 region to continue with the workforce
20 development in the part of western Mass.

21 So I just wanted to remind everyone
22 first of our commitments. Jill already
23 mentioned the 3,000 headcount jobs that we
24 will be bringing to Springfield, the MGM

1 Springfield. 80 percent, the intent is to be
2 full time, with a 20 percent post part-time.
3 We have a 90 percent to hire locally from the
4 region, as you all recall. And we'll be
5 focusing today's presentation on the
6 35 percent for our local residents. And as
7 everyone knows, that's from the entire area of
8 Springfield.

9 50 percent minority hires, which the
10 company is already meeting, 50 percent women,
11 which we continue to meet, and, obviously is a
12 huge focus for myself. And then, also, the 2
13 percent veteran hire. So just wanted to --
14 just to remind everyone in the audience, if
15 you were not familiar.

16 CHAIRMAN CROSBY: So you're at a --
17 you're at a 50-percent minority hire so far?

18 MS. MURREN: Yes.

19 CHAIRMAN CROSBY: How many employees
20 do you have now on site?

21 MS. MURREN: I have 164.

22 CHAIRMAN CROSBY: No kidding. In
23 Springfield?

24 MS. MURREN: That's right.

1 CHAIRMAN CROSBY: Wow.

2 MS. MURREN: As -- so, Chairman, as
3 you recall, we did take over the management of
4 the MassMutual Center.

5 CHAIRMAN CROSBY: Oh, that's right.
6 Yeah.

7 MS. MURREN: And so, we on-boarded
8 and saved 137 jobs for downtown Springfield.
9 Everyone came over from the past management
10 team. And so, everyone has moved over into
11 MGM, and they're part of our family as team
12 members.

13 CHAIRMAN CROSBY: I forgot about
14 that. Yeah. Right. Great.

15 MS. MURREN: At this time, I'm going
16 to turn it over to Wanda, just to speak about
17 the workforce strategy as a topline.

18 COMMISSIONER ZUNIGA: Before we do
19 that Marikate --

20 MS. MURREN: Yes, sir.

21 COMMISSIONER ZUNIGA: -- you
22 mentioned, briefly, the Springfield local --
23 locality is defined by which cities?

24 MS. MURREN: It's defined by

1 Springfield, so all zip codes in the
2 Springfield area.

3 COMMISSIONER ZUNIGA: Okay. All
4 right. Thank you.

5 MS. GISPERT: Good morning.

6 CHAIRMAN CROSBY: Good morning.

7 COMMISSIONER MACDONALD: Good
8 morning.

9 COMMISSIONER CAMERON: Good morning.

10 COMMISSIONER ZUNIGA: Good morning.

11 COMMISSIONER STEBBINS: Good
12 morning.

13 MS. GISPERT: Hi, again. I'm Wanda
14 Gispert. I'm regional vice president of
15 talent and workforce development. So I wanted
16 to start out just a little bit on an overview
17 of talent and workforce development, because I
18 find when we say workforce development,
19 oftentimes, that term is confusing from public
20 sector versus nonpublic.

21 So my role in the organization is
22 make sure that we create the pipelines that
23 will fill positions for the next five years.
24 So it's a five-year plan to make sure that the

1 jobs still string through to us, because we're
2 here to stay and we'll certainly need that
3 talent.

4 Oftentimes, people say, how is it
5 that you're going to make sure that the hires
6 are Springfield local, when you go into
7 different areas? And, really, the answer to
8 that is you go into a community and you
9 partner with the nonprofits and the agencies
10 that are in the community first. So your
11 One-Stops, you go there first. Their purpose
12 is to serve people in the community. You
13 reach out to your local areas.

14 A secret is, you go to
15 unitedway.org, put in the zip code and they
16 have 25 partners that come up already. So you
17 work with people local to the city anyway
18 because that's their initiative. So you just
19 align your footsteps along with the people
20 that are already serving people in that
21 community. So, again, that's your -- your
22 One-Stops, United Way, different sectors,
23 disability sectors, veteran sectors. People
24 that are already in the city servicing people

1 in the city. I align myself with them, and
2 that's why -- why we're able to be so
3 successful with the partnerships that we have,
4 targeting just the local.

5 So what you see on the screen above
6 is, you see the development that's going on
7 within the city. That means every high school
8 that's in the city of Springfield, we go out
9 and make sure that they're getting the
10 information on the high school level. We have
11 thousand us graduates coming out in June of
12 next year. Guess when mass hiring is for me.
13 June of next year.

14 So we go out and we target with
15 training classes that are free on entry-level
16 positions. Guest service is the most
17 important skill. Math is the most important
18 skill so that you can count money, give proper
19 change. We're training the high schoolers so
20 that when they come out -- some people will
21 certainly go directly into the workforce. And
22 we're happy to have them because we're -- the
23 schools today, giving them free guest services
24 trainings. So that's how we align ourselves

1 with the local communities.

2 From there, we go to the recruiting.
3 And then, even after we open we're still
4 building those skills, those programs remain.
5 So when I sit down with the places like
6 Goodwill now and give them the training, the
7 curriculum on guest service, that continues
8 after we open, because, generally, when we
9 open we need to hire more people, because word
10 gets out, the demand comes, and then more jobs
11 are created.

12 And then, backfill. Certainly,
13 there are other people in the area that we
14 will hire from, and they'll need to hire other
15 hospitality professionals. Guess what, that
16 training can filter out to every hospitality
17 company in the immediate market. So if
18 someone applies with us right now and they
19 don't get a job, we direct them back to
20 One-Stops because they're still looking for a
21 job, and they're still looking for a
22 hospitality job. So partnering with the
23 community and the companies -- and I have
24 another slide further in that'll talk about

1 how we're ramping up, not just for us but for
2 the other businesses in the area.

3 MS. MURREN: If we were to
4 extrapolate some of the research just from the
5 Donahue, so Penn National, approximately 500
6 hires that had an impact of 2400 jobs, we're
7 looking at an impact in Springfield of 15,000
8 as a baseline to start. Not counting the jobs
9 from MGM Springfield direct.

10 So the impact -- you know,
11 extrapolating, of course, some of the data,
12 the impact that the resort and MGM Springfield
13 will have on the region is going to be an
14 additional 15,000 jobs. So it's not only just
15 talking about the backfill for our positions,
16 but we've made that commitment as, you know,
17 there will be some organic transition from
18 people, but we've made that commitment locally
19 to provide resources, the SkillSmart platform,
20 some of the other data points that we're using
21 to assist being the good corporate partner
22 that we intend to be in Springfield.

23 The next slide is just really
24 quickly, just reminding the Chairman and

1 Commissioners, of the sourcing strategy, we
2 really wanted to focus on the bottom, using
3 the Hampden Regional Employment Board.
4 Unfortunately, Dave Cruz wasn't able to be
5 here with us. We had some conversations with
6 him, and also had a great conversations with
7 Jennifer James. But we're really going to
8 concentrate on Springfield and the local, but
9 just wanted to remind the Commissioners this
10 is part of our workforce development plan we
11 provided you in May.

12 So I really wanted to -- this is
13 where we'll really do a deeper dive into the
14 Springfield recruitment strategy for you. We
15 are -- the first logo is the city of
16 Springfield. Of our 3,000 positions,
17 35 percent equates to 1,045. That does not
18 necessarily account for any type of over
19 hiring on an on-call perspective. Wonderful
20 lessons learned from National Harbor.

21 We know now that in certain
22 positions we're going to hire over. From an
23 on-call perspective, talking to, as Wanda
24 already mentioned, some of the attrition we

1 might have, people knowing. And it's
2 interesting. I think one Commissioner once
3 said that the moment you open your doors,
4 Commissioner, you never close. And I think we
5 have to do a really good job of educating the
6 community in the area. Is some people just --
7 it's hard to get your arms around that. It
8 still hits me, and I've been with the company
9 three years. But the moment we do open, we
10 won't close, you know, second, third shifts,
11 working holidays. So that's part of the
12 education and part of the workforce
13 development.

14 CHAIRMAN CROSBY: Marikate, I didn't
15 quite -- so what was your over hire thing?

16 MS. MURREN: So we would hire --
17 over hire about 15 percent, sir, from an
18 on-call perspective.

19 CHAIRMAN CROSBY: So you'd say,
20 people, we're going to get you soon. Somebody
21 else is starting, but we're assuming that
22 there's going to be turnover, and so you're on
23 call to work for us?

24 MS. MURREN: Exactly. So there's a

1 large level of on-call employees. And then,
2 as there is attrition from part time and full
3 time, so our on-call would then jump to part
4 time. And then, our part time would then have
5 the ability to fill our full time.

6 CHAIRMAN CROSBY: Yeah, that's a
7 great idea. We saw a lot of -- there was a
8 tremendous turnover in Plainridge, too, which
9 is not quite analogous, but it's partially
10 analogous, but much of the same reasons you
11 were talking about. People think, wow,
12 working the casino's really cool. But all of
13 a sudden, at two in the morning it's not so
14 cool. So that -- I think that's a great way
15 to accommodate that.

16 MS. MURREN: But I think, what also
17 helps with that attrition, too, is getting out
18 in the field a little bit sooner from a
19 workforce development. We launched, as you
20 know, SkillSmart almost 16 months prior to
21 opening. We've been in the field for years.
22 All of our core partners are in the
23 Springfield area. So really educating people
24 about hospitality and entertainment.

1 And to your point, sir, about the
2 hours of being 24/7. We don't shut down for
3 holidays. We're open all the time. So I
4 think that's something we really continue to
5 concentrate on.

6 So the middle -- the next logo is
7 Hampden's Regional Employment Board. As
8 everyone knows in the room, they really are
9 the fiscal agent for the public
10 infrastructure. They are funding the Career
11 One-Stops, FutureWorks, which is in our
12 hometown in Springfield, literally, a quick
13 10-minute walk up State Street. And then
14 we've got Career Point, which is just 7-miles
15 up the road.

16 Within that, also, is Hampshire, up
17 in Northampton. That's an easy drive coming
18 down to 91, so they will, of course, be
19 included. And then we've got, a little bit
20 more west is Berkshire. And I have some
21 numbers, Commissioners, that I'll send you and
22 share with you a little bit later.

23 So we will be using the REB as that
24 financial infrastructure to help us get the

1 individuals from the city of Springfield from
2 the One-Stops. Currently, in last year's
3 fiscal year '17 21,445 individuals went
4 through FutureWorks and Career Point. Those
5 were the two closest to our facility. Of that
6 21,000, 10,400 total individuals entered
7 employment. Now, that entering employment is
8 from unemployed but also underemployed.

9 And just one more to call out.

10 As -- as you all know, we have our diversity
11 plan that we are basically targeting
12 unemployed and underemployed. So the Career
13 One-Stops is a logical place for us to go.
14 And then, with Dave Cruz's help and all of his
15 staff, he'll continue to put our -- and be,
16 kind of, that broker for us in helping getting
17 additional grants from a state and federal
18 prospective. Not grants for Springfield, but
19 for our nonprofit entities.

20 And then, the bottom logo is really
21 our career launch. We have 4700, I believe,
22 current people within SkillSmart now. The
23 majority of city -- are city of Springfield
24 residents. As you know, as we have -- we

1 start to launch our career center - and I have
2 some really exciting news. I'm going to wait
3 on that to share with everyone - we'll be able
4 to use that facility right next to our resort
5 to get people more into -- into employment.

6 CHAIRMAN CROSBY: Do you have
7 metrics on the 4700, like, how many are
8 unemployed and -- for example; do you know
9 anything about those people?

10 MS. GISPERT: We know things about
11 them. We know if they're a veteran or not.
12 We have other breakdowns. But we don't know
13 if they're employed or not.

14 CHAIRMAN CROSBY: Okay.

15 MS. GISPERT: We know what jobs that
16 they're most interested in with us.

17 CHAIRMAN CROSBY: Right. Okay.

18 MS. MURREN: So at this time, I want
19 to turn it over to Jeff Hayden, that will --
20 to speak to MCCTI, which is the gaming school.
21 He'll also speak to the Culinary Institute
22 and, obviously, TWO, which is Training and
23 Workforce Option. That, as you recall, is the
24 partnership with STCC and Holyoke. And

1 they'll be one of our great partners with
2 adult basic education, ESOL, and anything else
3 that we need from an employee perspective
4 moving forward. So let me just turn it over
5 to you, Jeff.

6 MR. HAYDEN: Good morning,
7 everybody.

8 CHAIRMAN CROSBY: Jeff.

9 COMMISSIONER MACDONALD: Good
10 morning, Jeff.

11 COMMISSIONER CAMERON: Good morning.

12 COMMISSIONER ZUNIGA: Good morning.

13 COMMISSIONER STEBBINS: Good
14 morning.

15 MR. HAYDEN: It's a pleasure to be
16 with you again. Before I get into the gaming
17 school and recruitment for that, I really want
18 to set the stage in terms of where the
19 Regional Employment Board of Hampden County
20 and the Regional Employment Board of Hampshire
21 Franklin fit into the picture.

22 And many of you know that regional
23 employment boards, or workforce investment
24 boards, are conveners in a sense. So they

1 gather the demographics. They have the
2 recruitment data, they do analytics. And so,
3 they can set the stage for MGM as they come
4 into the region, and they can set the stage
5 for us as we start to recruit people to train.

6 We have a longtime relationship
7 with -- with both REBs. We work regularly
8 with them. We're on the phone with them this
9 week to be a joint applicant on a grant, and
10 so we are constantly in connection with them.
11 And since they charter the career centers,
12 it's also a very strong connection between the
13 REBs, the colleges and the career centers.
14 And so, we think that because of our long
15 history of working with these organizations,
16 that there's an advantage there. And there's
17 a synergy that will help us be more effective
18 and more efficient.

19 I think, the other important part
20 about the REBs that's important is that they
21 have the vocational pipeline to the vocational
22 high schools, and for culinary programs for
23 some of the hospitality programs and other
24 training programs. Those graduates who are

1 coming out in June that Wanda wants to talk
2 to, those are the folks that are going to come
3 from those schools. And in Hampden County,
4 especially, because it's only six schools that
5 are -- vocational schools in that region.
6 There is a tight network between the regional
7 employment board and them.

8 And, also, the regional employment
9 boards have a business network. And the
10 business network is helpful, especially, for
11 example, in the culinary area, we now have 40
12 partners working with us with the Commonwealth
13 Corporation grant to train people in
14 entry-level hospitality and culinary. So 40
15 partners because of that network that the
16 regional employment board has.

17 And, obviously, they're a connection
18 to funding. So not only the grant funding
19 that Marikate mentioned, but also the vouchers
20 from WIOA. They have a strong connection with
21 the Department of Transitional Assistance, in
22 terms of money that can come from there and
23 the Mass Rehab Commission. And so, there's
24 a -- that network and that relationship will

1 help us build what we need to do. We're
2 constantly looking to them for help, in terms
3 of recruitment for grant programs or college
4 programs that we do now, and we anticipate
5 that that will continue.

6 The career centers, for us, provide
7 referrals, but they also provide the initial
8 case management, which, for the underemployed
9 and the unemployed is vital and because,
10 oftentimes, there's obstacles to employment
11 that they face that other folks looking for a
12 job don't face. And so, having that initial
13 conversation at a career center with that
14 individual is really helpful before they even
15 think of going into the gaming school, or
16 going into a hospitality training program.

17 In terms of the recruitment for the
18 gaming school and MCCTI, you know, obviously
19 we're going to partner with MGM, in terms of
20 their efforts. You know, so there'll be
21 events, there'll be advertising. We will
22 continue to push people to SkillSmart as a way
23 to identify, not only their employment
24 profile, but also to see where the gaps in

1 training are.

2 So that will be a significant part
3 of recruitment, but we'll also continue the
4 flyers, the e-mail stuff, the -- you know, the
5 interpersonal connection that is so vital, in
6 terms of getting people into training
7 programs, because a person doesn't go into a
8 training program because they saw this nice
9 slick ad in a magazine. They go into it
10 because someone they know has gone into it, or
11 someone they trust is advising them to go into
12 it. And so, that's so important for us and
13 we'll continue to do that.

14 Right now, we're working on that
15 Commonwealth Corporation grant. And over
16 50 percent of the people who have applied for
17 that, and we're at about 120, are from
18 Springfield, Springfield proper. And so,
19 we're confident that, in terms of the gaming
20 school, we'll meet those numbers that MGM has
21 committed to, and we're optimistic that not
22 only will we go beyond those numbers, but in
23 terms of employment as a whole, we're hoping
24 that we have a really high quality workforce

1 that we can deliver to them. And, frankly, as
2 a lifelong resident of western Massachusetts,
3 that's a source of pride for me, is can we
4 deliver something to this international
5 company that they will see of value. And I
6 know and I hope that we can.

7 In terms of the other types of
8 recruitment efforts, as we often partner with
9 community-based organizations, so whether it's
10 the New England Farm Workers, or Partners for
11 Community, or Valley Opportunity Council, any
12 of those entities, we partner with them to
13 have them provide us with people who might
14 have entered one of their programs and is
15 looking for the next step.

16 What Wanda described, in terms of
17 those on-the-job free training -- not
18 on-the-job, the job training for specific
19 occupations that's one, two, three weeks long,
20 the -- she turned to me the other day and she
21 said, you know, oh, by the way, when they
22 finish that particular training guess where
23 they're headed next? They're headed next to
24 the training that you offer. So if it's in

1 security, it's a one- or two-week introduction
2 for them, and then they come towards us with a
3 seven-, eight-, nine-, 10-week program,
4 depending on what the course of study is.

5 And so, that type of pathway, and
6 especially since we can talk about that with
7 the community-based organizations, is very
8 important. And, obviously, there's the
9 partnerships with all the different workforce
10 partners that exist, as well as the other
11 colleges. And I mentioned before, in terms of
12 hospitality, employers that, you know, we have
13 a network of 40 for this particular grant,
14 overall our hospitality list is now over a
15 hundred, in terms of the businesses that we're
16 connected with.

17 In terms of the ABE and ESOL, that's
18 a source of recruitment for us as well. So,
19 you know, if you think of all these different
20 programs that you've heard over the course of
21 your lifetime and you say, you know, oh, gee,
22 there's an ABE program, and there's an ESO
23 program, and there's a workforce program, and
24 there's a college program, and you see them

1 all as separate things kind of just floating
2 out there, the uniqueness of what MGM has put
3 together here is that these are all entities
4 that are now connected. And so, we're looking
5 at taking people who are in a particular
6 program and moving them up to the next level.
7 And so, that whole pathway notion is how we're
8 going to recruit. And with ABE and ESOL, we
9 have a career pathways program that we've been
10 working on in our Ludlow facility. And from
11 the Ludlow facility, we were working with
12 somewhere around 25 students, and about 10 of
13 them enrolled in the hospitality culinary
14 training program that I mentioned earlier with
15 Commonwealth Corporation.

16 In terms of the new culinary center,
17 which the good news yesterday was that the
18 governor provided a \$229,000 letter, but soon
19 to be check, to do new equipment in the MGM
20 HCC hos -- our Culinary Arts Institute. And
21 that will help us with our funding. We --
22 this is now the second grant that we've gotten
23 from the skills cabinet for that. It's
24 equipment-based. And, as you know, this

1 endeavors about a eight or \$9 million project.
2 And so, every little bit helps. And I was
3 saying to Bruce earlier, to Commissioner
4 Stebbins earlier, that the \$229,000 will buy
5 lots of pots and pans. And so, we're happy
6 about that.

7 And in terms of recruitment for the
8 Culinary Arts Institute, on the credit side we
9 had a goal of a hundred students for this
10 year, this -- the year that ended in May, and
11 we had 150 instead. So we're optimistic that
12 as we expand into our new facility we'll be
13 able to grow it. We have very aggressive
14 goals. We're hoping that within a
15 year-and-a-half we'll have 320 students there.
16 And so, it's significant growth, but we think
17 we can do it.

18 On the noncredit side, as I've
19 mentioned we've done -- over 700 individuals
20 have been trained in various grant programs
21 over the past 2-1/2 years, with 50 percent of
22 them coming from Springfield. And our goal
23 for fiscal year '18, the year we're in now, is
24 500 individuals going through noncredit

1 workforce programs.

2 And then, lastly, in terms of TWO,
3 it's our joint effort with Springfield
4 Technical Community College to provide custom
5 contract training to businesses, we're hopeful
6 that not only will we be able to provide some
7 of the ABE, ESOL, and on-the-job trainings
8 that MGM needs, but that we'll also be working
9 with many of those companies that are looking
10 for help with the backfill issue. And so,
11 we're currently working with Baystate Health
12 Systems, with Holyoke Hospital, with
13 Cooly Dickinson, with MassMutual, with
14 Smith & Wesson, with Pratt & Whitney, all
15 kinds of large companies, but also dozens and
16 dozens of smaller companies in the region to
17 help them scale up their workforce. It's
18 great to be in the workforce business and to
19 have people say we need people. And that's
20 the place we are with our economy.

21 And just one last point, is that, as
22 we rely on the career centers, the One-Stop
23 Career centers, to provide us with that
24 initial assessment of people. We also have

1 built into our structure a very thorough and
2 rigorous recruitment process. And so, we'll
3 do an assessment with them. We'll test where
4 their English and math is right out of the
5 gate. We'll do a preliminary CORI on them.
6 We'll have an interview, where we have a
7 detailed discussion about what employer
8 expectations are and some of the realities of
9 the job are. You know, as you said, gee, I
10 didn't know I was going to be here until two
11 in the morning, right? And so, getting all of
12 those types of things on the table ahead of
13 time so that these adults can make the types
14 of judgments that are best for them and best
15 for their families.

16 We want to remove obstacles. So
17 things like transportation, childcare,
18 eldercare are things that we talk about with
19 them regularly. We refer them to agencies in
20 the valley. We have done training all over
21 the valley, but in Springfield, in Holyoke, in
22 Chicopee. And we're hopeful by having that
23 model, where we're flexible and we can go to
24 other locations, that, that will be useful to

1 the residents who are in need of the services.

2 In addition to removing obstacles,
3 then we do career counseling, we do remedial
4 work with them. And then, they finally get to
5 that intro to the Massachusetts gaming class,
6 where, in that we try to confirm job readiness
7 again, resumés, how you present yourself,
8 types of language, how to communicate, how to
9 work on the team. All of those types of
10 things, as well as customer service, CPR and
11 problem gaming as you mentioned.

12 So it's a very rigorous process, and
13 one that we're really excited to be partnering
14 with MGM on. And we think that we can
15 meet the -- the goals that have been set.

16 MS. MURREN: And just a little bit
17 of an update, it is our intent to have the MOU
18 for the gaming school executed by next week so
19 we can get it to -- to the staff of the MGC so
20 we can continue to move forward and have the
21 school licensed so we can get that up and
22 going.

23 The outreach for the school will
24 begin next month. We'll give you a heads-up

1 of when that's going to happen. And the first
2 drive will, of course, be people getting into
3 SkillSmart.

4 But I wanted to turn it over to
5 Wanda, who will go into the regional
6 vocational technical schools, some of the
7 other college programs, and just do a little
8 bit of a deeper dive with the CBOs.

9 MS. GISPERT: So we'll start with
10 the vocational technical schools. In the
11 area we --

12 CHAIRMAN CROSBY: Excuse me. Could
13 I -- I have -- a question fleeted through my
14 mind and I -- I don't want to lose it. Jeff,
15 are there enough English language training
16 slots available? You've mentioned several
17 times, my memory from prior days was that
18 there was a huge backlog of ES -- ESOL
19 programs.

20 MR. HAYDEN: Yeah. It's still a
21 challenge and still will be. I think we'll
22 have additional capacity, given the work that
23 we're doing with -- with you and with MGM on
24 this project. But what our focus is, really

1 with current people who are enrolled, is
2 getting them into job placement opportunities.
3 And so, with that being successful, then some
4 of those slots will open up.

5 There is -- statewide there's a
6 great need for more dollars per ESOL. As you
7 might know, the -- through the Executive
8 Office of Education, the Department of
9 Elementary and Secondary Education has put out
10 an RFP for the regional programs for ABE and
11 ESOL. We'll be an applicant for that again.

12 CHAIRMAN CROSBY: So there's money
13 coming in the pipeline to -- to try to
14 eliminate that bottleneck?

15 MR. HAYDEN: There is money coming
16 into the pipeline. You know, I guess I'm the
17 one sitting at the table eating the pie and
18 saying, gee, I wish there was more pie, you
19 know. And so --

20 CHAIRMAN CROSBY: But does that --
21 does that create a serious blockage to getting
22 these other programs realistic?

23 MR. HAYDEN: In terms of the goals
24 that have been set for MGM's hiring, it's a

1 challenge but not a limiting factor. I think,
2 for the growth of the region, which ultimately
3 is what you all had wanted to see happen, it
4 creates not only a challenge, but -- but it
5 creates a bottleneck. And so, you know, I
6 think we all have -- those of us in workforce
7 development have to advocate for continued
8 resources in that regard.

9 CHAIRMAN CROSBY: Right.

10 MR. HAYDEN: And, oftentimes, the
11 state monies that are set aside for it need to
12 be supplemented. And I think, perhaps, by
13 engaging businesses and engaging various
14 private foundations, we might be able to draw
15 more attention to it. That's one of the
16 strategies that we're developing at HCC.

17 CHAIRMAN CROSBY: Great.

18 Commissioner Stebbins, you know, it's
19 something for us to think about in your
20 project. You know, that would be a really
21 interesting strategic place to put some of
22 that economic development money, maybe, coming
23 down the road.

24 COMMISSIONER STEBBINS: It's a

1 recommendation that's been repeated a number
2 of times.

3 CHAIRMAN CROSBY: Yeah. Okay.
4 Good. Shows how smart I am. Okay. Sorry I
5 brought up a boring old topic. Okay. Sorry,
6 Wanda. Didn't mean to interrupt.

7 MS. GISPERT: No, that's okay. It's
8 important. We partnered with the vocational
9 technical schools in the area, Springfield
10 with Putnam Technical. And what our goal is,
11 is to make sure that the programs that they
12 already have in place were sending our subject
13 matter experts out there to have conversations
14 of our particular needs.

15 So, for example, where you have the
16 culinary programs, we've sent out our
17 executive chef to talk about the types of
18 restaurants that we're bringing and what types
19 of specialized training is needed for these
20 positions. And so, that's on a high school
21 level.

22 However, those students are
23 graduating with certifications for food
24 handling that we need. And it actually makes

1 them more qualified than people just applying
2 because they have an interest in the job. So
3 I'm really proud of the vocational schools in
4 the area. Westfield is another one. And
5 you'll see in a slide, later on, how they have
6 partnered with us to make sure that they are
7 teaching specifically the skills we have asked
8 for. So we've had a lot of cooperation from
9 the technical high schools in the area.

10 COMMISSIONER STEBBINS: Wanda,
11 sorry. Does that mean -- I saw the slide that
12 you talked about, but this goes back to you
13 guys had talked about a task or initiative to
14 go through your job compendium and figure out
15 what jobs could be offered to somebody coming
16 out of high school?

17 MS. GISPERT: Coming out of high
18 school, yes.

19 COMMISSIONER STEBBINS: So am I to
20 understand that you've, kind of, done that
21 work and that's the information being shared
22 with the voc tech schools?

23 MS. MURREN: That's a hundred
24 percent complete, already been vetted

1 internally.

2 COMMISSIONER STEBBINS: Okay.

3 MS. MURREN: And so, that is already
4 done, Commissioner.

5 COMMISSIONER STEBBINS: Okay.
6 Great.

7 MS. GISPERT: The great part about
8 that, there are so many positions that people
9 can take at different levels. Remember, we
10 have a bowling alley, we have a movie theater,
11 we have candy shops, we have an arcade. We
12 have so many positions in retail and
13 restaurant, quick service, so those jobs are
14 ideal for someone coming out of high school.

15 COMMISSIONER CAMERON: But then I
16 heard that you also encourage those -- those
17 new employees to continue their training and
18 education so that they would be eligible to
19 move up in the workforce.

20 MS. GISPERT: Absolutely. It is a
21 cycle. So I start out with the free training,
22 and we ends up always inviting them to go to
23 community college. Guess what, we have
24 tuition reimbursement. Let us help you pay

1 for this. And then, once they get out of the
2 two years, they feed into the four years. So
3 partnerships with Cambridge College feeds them
4 through. Again, every year your tuition
5 reimbursement bucket from MGM replenishes. So
6 we should see people build their careers just
7 through that cycle. And, quite frankly,
8 that's how I built my career. You got to
9 work, sometimes straight out of high school.
10 And you use the tuition reimbursement, you go
11 to college, and you move up and educate
12 yourself along the way. So I know of what I
13 speak --

14 COMMISSIONER CAMERON: That's great.

15 MS. GISPERT: -- because it's worked
16 for me.

17 COMMISSIONER CAMERON: That's really
18 encouraging to hear.

19 MS. GISPERT: We also have what we
20 call MGM Day. And it's when we have senior
21 leaders go out and talk about their
22 experiences, just like I share it with you,
23 how I started at 18, so that the students can
24 really see themselves in us. They look at us

1 now, but they don't understand the journey.
2 So if they see that we made the journey they
3 can --

4 COMMISSIONER CAMERON: Yeah.
5 Mentoring.

6 MS. GISPERT: Absolutely. It goes a
7 long way. I'll talk about, a little bit, the
8 One Stops that we have the training right now.
9 If you were to go on Career Points website
10 you'll see, again, MGM Day. This is a day
11 that people can register for classes. And we
12 teach interviewing skills because we know what
13 we're looking for in interviews.

14 We also teach guest service, because
15 that's an essential skill for people to have.
16 Luxury guest service, how you greet people,
17 good morning, good evening, good afternoon,
18 and not a casual greeting.

19 So we're teaching those at no cost
20 all around the city. We start at the One
21 Stops, we're in the high schools. And anyone
22 that calls us, we have a menu of five classes
23 you can ask us to come and teach at no cost.
24 And that's what we've been doing. So really

1 happy success with that.

2 COMMISSIONER CAMERON: Thank you.

3 MS. MURREN: So I wanted to just
4 really reiterate again, this selection process
5 was also in your workforce development book in
6 May. Just to really get the sense of the
7 numbers, we're really thinking of a thousand
8 Springfield residents. Company standard
9 minimums, you know, we want to interview
10 three-to-one so that then brings us to 3,000.
11 And then, depending on the job, sometimes
12 we'll need anywhere from 10 or even higher,
13 maybe 20 to one to get that pipeline.

14 We are on track right now to meet or
15 exceed National Harbor applications. We are
16 on track, as I had mentioned, I think it was a
17 few weeks ago, over a hundred thousand
18 applications. We can't really put a number on
19 the unique side, but just to refresh your
20 memory, National Harbor had 43,000 unique
21 applicants to the property. We have 3,000
22 positions.

23 We really are confident that of the
24 pipeline and all the good work that Wanda and

1 her partnerships with our community colleges,
2 our CBOs, our FBO, which is our faith-based
3 organizations, the partnership and the
4 foundation we have built will be
5 long-sustaining. And Jennifer James and I are
6 really on that same page.

7 Workforce development does not end
8 the day we open our doors. It continues. And
9 with all the hard work and the partnerships,
10 we then turn to our partners, with Jeff Hayden
11 and John Cook and Dr. Royal, to really keep
12 those programs going.

13 The success and the opening of MGM
14 Springfield, and the success of the programs
15 that the schools are offering, will help
16 generate additional state and federal funding.
17 And that's the cycle as we continue. Because
18 we always said, coming to Springfield was
19 different for the company.

20 Coming to Springfield was truly
21 workforce development. It wasn't a hiring
22 model. That's easy for us to do, if we were
23 going to open another resort in -- in
24 Las Vegas or close to another competitor. It

1 would just basically be a steal.

2 This is really creating that
3 foundation. That was the reason for the
4 legislations. We're proud. And when we come
5 to see you a year after, and the Donahue
6 Institute will report on our numbers, we're
7 confident we'll hit that 15. And I'll give
8 anyone two-to-one. We might even be a little
9 bit higher on that, because I am confident in
10 the partnerships, you know, that we have
11 established over the years and continue to
12 work on.

13 And I just wanted to pause there,
14 Commissioner and Chairmen, to see if you had
15 any questions. But I did want Wanda just to
16 really highlight some additional -- three new
17 programs that we have, and partnerships that
18 will have a huge impact on our city residents
19 but wanted to just pause for a moment.

20 COMMISSIONER ZUNIGA: Yeah. The
21 figure you mentioned, Marikate, the hundred
22 thousand application, is that for
23 National Harbor?

24 MS. MURREN: They actually were at

1 123, does that -- is that thousand?

2 MS. GISPERT: 116.

3 MS. MURREN: So National Harbor was
4 116,000 applications with about 43,000 unique
5 applicants. And as you recall, within our
6 system you can apply up to three jobs, so
7 that's why there are so many.

8 COMMISSIONER ZUNIGA: Okay. So
9 43,000. How much, in advance to the opening
10 did you -- did they begin to see a big spike
11 in interest, and how are you trending relative
12 to that?

13 MS. GISPERT: We're trending well.
14 You'll see a big spike right around January,
15 when a lot of positions come on board that are
16 more your line level positions. So
17 immediately, security, surveillance, will come
18 on first. So you'll see a trend and spike for
19 there.

20 For now, of course, many of the
21 leadership positions come on board. So a lot
22 of positions that are available, a lot maybe
23 people can't qualify for, they are
24 advance-degrees positions to lead departments.

1 But right around January, February, and then
2 March, the more jobs we post -- I can tell you
3 last week we got 1,000 applications just with
4 the jobs that we have on -- on the system now,
5 which we might have 16 jobs. So the more --

6 CHAIRMAN CROSBY: Sixteen?

7 MS. GISPERT: Mm-hmm. So the more
8 jobs we post, they more they're pushed out to
9 the job boards, LinkedIn, Indeed, and then you
10 get the spike.

11 COMMISSIONER STEBBINS: Just where
12 there is -- if we could go back a slight to
13 the recruitment strategy, because there's
14 something I didn't want us to pass over. And
15 that is your recruitment partner being the
16 other colleges. You know, on average, you
17 know, colleges in the Hampden County, and
18 probably you throw in UMass, you get 11,000
19 people with mortarboards walking out looking
20 for work. Now, they're all not going to want
21 to work for a wonderful employer like you
22 but --

23 MS. MURREN: I find that hard to
24 believe.

1 COMMISSIONER STEBBINS: I know. So
2 do I. But, you know, try to just give us just
3 a quick overview as to the outreach and
4 conversations you have with those partners.

5 MS. GISPERT: Sure. Absolutely. So
6 we've met with these colleges and
7 universities, in particular the career center,
8 because two things we want to do. I like to
9 expose students to our industry while they're
10 in school. We have a lot of on-call,
11 part-time positions. Those positions will be
12 posted at their career center.

13 People forget that we have
14 accounting, finance, IT, marketing, HR. So if
15 you're majoring in something that's not
16 necessarily gaming, come to our resort, have a
17 part-time job, get exposed to the industry.
18 And when you graduate with accounting, guess
19 what, we have a accounting department. So
20 it's easier for people to make that transition
21 when they're familiar with the business
22 already.

23 So on a weekly basis, on Monday, all
24 of our job postings go out to the business

1 partners, to their career centers. So whether
2 you're a hospitality focus, college or not,
3 you're still getting that information because
4 we need more than just hospitality.

5 COMMISSIONER STEBBINS: Okay. Thank
6 you.

7 MS. MURREN: So, Wanda, I think you
8 wanted to call out -- I'm going to just go
9 through some of these slides, Commissioners,
10 to get to some of the call-outs that Wanda
11 wants to -- to bring, which is -- the first
12 one is the Career Readiness.

13 MS. GISPERT: So the Career
14 Readiness. That is that menu of classes that
15 we talked about that we provide at no cost.
16 So places like Job Corp, New England Farm
17 Workers, (inaudible) any of the high schools
18 that we have in the area. And right now we
19 have about 12 high schools that we're working
20 with. You see Roga (phonetically) up there as
21 well. So any one of our partners can call us
22 up and say, can you conduct an interview prep
23 class? I did one just yesterday with the
24 Goodwill of Pioneer Valley. And the

1 interesting thing is, they didn't know I was
2 with MGM. They did mock interviews. And so,
3 I could critique them and I could give them
4 pointers, but we didn't want to tell them MGM
5 is in the room because people get a little
6 nervous.

7 So after I worked with the young
8 adults I said, okay, I am with MGM Resorts.
9 And they just all screamed, oh, we really want
10 to work there. But they were able to hear the
11 coaching from someone -- I will conduct many
12 of the interviews. And they were grateful for
13 that.

14 So any nonprofit can call us. Any
15 school can call us and say, I want a interview
16 prep class or a luxury guest service class.
17 And that's what we're there to do.
18 Fifty-minute sessions, bite-size sessions so
19 that people can understand what we need. And
20 then we point them to further training, if
21 they desire more.

22 So those are the classes that we've
23 identified, luxury guest service, master job
24 skills. This class was designed for

1 retention. Oftentimes, people that get the
2 job don't necessarily keep the job because of
3 bad habits. Maybe, their first conflict with
4 the manager they quit, as opposed to having
5 the skills to ask questions or work things
6 out. So that is designed for retention. How
7 do you behave once you get the job? What if a
8 schedule changed? You should go talk to your
9 manager first. Don't just give up and not
10 come to work. So that's why we put that class
11 in place.

12 We also have, of course, the career
13 day that I mentioned, and then we have a
14 digital resumé and prep workshops. Those
15 workshops are designed for places like
16 LinkedIn, right? Everybody needs a LinkedIn
17 profile. We go, we do the headshots.

18 Dress for Success is our partner
19 with that. They bring in the blazers and we
20 say, okay, let's do our professional headshot.
21 Let's help you create your LinkedIn account,
22 because once that account is created, it's
23 easier, it's faster to apply for jobs with
24 MGM. You just hit import my LinkedIn profile

1 and it fills in and populates the application.
2 So we're making it faster for people to apply.
3 I don't know what's wrong with my mic. Got
4 it.

5 MS. MURREN: If you recall, last
6 time I was touching things I shouldn't so I
7 will help you out there, Wanda.

8 MS. GISPERT: Okay. Thank you.

9 MS. MURREN: The next one is the
10 AARP partnership.

11 MS. GISPERT: So we signed a
12 partnership with AARP because, again, on-call,
13 part-time, oftentimes people retire and they
14 realize, wait a minute, three weeks at home, I
15 think I want something else. So this is a
16 great partnership for people that desire to
17 come into the industry. We absolutely value
18 people with experience behind the eyes. They
19 make great mentors in the workplace because
20 they've already had a career.

21 So AARP is one of our partners. We
22 have access to the database of everyone in the
23 area so that we can present our jobs directly
24 to the people in this market.

1 Also wanted to point out the -- the
2 preapprenticeship training program that we're
3 working on. This is a brand new project
4 because, oftentimes, when you talk about
5 training, people think college, and some
6 people just shut down at the thought of
7 college. So we wanted smaller, bite-size
8 classes, one week, two weeks, three weeks.

9 We've identified some positions that
10 you see there that are high-volume positions.
11 That means I need more than 50 headcounts for
12 each of these positions. So we partnered with
13 Cambridge under their continuing education
14 side to provide these classes. Fourteen
15 classrooms right downtown Springfield to
16 prepare people for these courses.

17 And then, once you take these
18 courses, we also give you the complimentary
19 guest service because that's at the heart of
20 everything that we do. You leave this, you
21 have a quick certification, and you can apply
22 to us directly. You must be a city of
23 Springfield resident to take part in this
24 program.

1 We have the capacity to -- I can't
2 see it from here, but I think it's 1200
3 people, put 1200 people through this that are
4 city of Springfield residents. We'll run two
5 -- 10 cycles, and they start in February.

6 COMMISSIONER STEBBINS: I'm familiar
7 with Cambridge College. I actually, when I
8 worked in Springfield we helped move 'em
9 downtown. But what's the -- the cost on the
10 student?

11 MS. GISPERT: So the cost on the
12 student, we've asked that it not exceed more
13 than \$99 per week --

14 COMMISSIONER STEBBINS: Okay.

15 MS. GISPERT: -- so that it's very
16 manageable. We expect to have scholarships
17 available, as well, for people that need it.
18 Not everybody will need it so we will donate,
19 as well. We're donating the curriculum, the
20 instructors. Cambridge has offered to donate
21 space so the cost can be lower.

22 And what we're hoping is, graduates
23 will again follow that cycle. They come to
24 work for us. Cambridge has given us a

1 corporate discount for tuition. So come work
2 for us, use the tuition reimbursement, go back
3 to school, finish your education. So this is
4 just a way to get people in. Training's not
5 so bad when it's one, two or three weeks. But
6 then, once they get the role to move up, let's
7 go to the partners and move up that way with
8 schools.

9 This is the first in the area.
10 There is not a hospitality preapprenticeship
11 program in the area. So this will be the
12 first. And this benefits everyone. So if we
13 put 1200 people through this process, at the
14 end we get to hire from this, we'll open up a
15 career fair so that other hospitality
16 employers in the area can partake in this.

17 So this isn't branded MGM, as you
18 see, because we've opened it up for other
19 employers to take advantage. So this is our
20 gift to the community in helping backfill.

21 CHAIRMAN CROSBY: That's great.

22 COMMISSIONER MACDONALD: Wanda, is
23 that AARP partnership that you have, is that
24 part of a national program of AARP, or is this

1 something that has been developed in
2 Springfield?

3 MS. GISPERT: So it's something that
4 I started in Springfield. But because we're a
5 national company, it is extended to the other
6 locations as well. But we're the -- we're the
7 reason that the other locations have it.

8 COMMISSIONER MACDONALD: Oh, really.
9 Congratulations.

10 MS. GISPERT: Thank you.

11 MS. MURREN: One last bit of
12 information I would like to give is at our --
13 our career center. We are due to open two
14 months ahead of schedule. We probably open
15 around the second week in November. So I'll
16 make sure, once we lock down our last bit of
17 IT, we'd love anyone available to come out,
18 because we really will use that facility to
19 invite our city residents to come in, learn
20 how to use SkillSmart, use our three interview
21 rooms to get into the system, practice your
22 interview skills. So it's going to be a
23 wonderful opportunity. And it's right next to
24 our garage, so we can assist with some of the

1 parking opportunities that we have in
2 Springfield. So I'll make sure I keep you all
3 updated on that date. We'd love to have you
4 in Springfield.

5 COMMISSIONER ZUNIGA: We'd love to
6 see it.

7 COMMISSIONER CAMERON: Thank you.

8 MS. MURREN: Thank you so much for
9 the opportunity. If you have any additional
10 questions, we're happy to answer them.

11 COMMISSIONER STEBBINS: This is -- I
12 mean, I'm impressed. I mean, this is a lot
13 more meat on the bones than maybe we saw back
14 in May and compliment both you and Wanda, and
15 your team, on pulling a lot more of this
16 information for us to see together. I would
17 make one suggestion.

18 You obviously have a number of
19 collaborative state partners, one of them who
20 just got a 200-and-something thousand dollar
21 grant to buy pots and pans. But, you know,
22 we're less -- we're less than a year out, and
23 I know that doesn't help you get any sleep.
24 But what I would suggest is, kind of, base it

1 off -- you know, somewhat of our AOC model,
2 but, you know -- you know, the REB can be the
3 driver and the host, but I think the
4 Commission, our partners, skills cabinet,
5 every month like to check in, just kind of see
6 where we are, see what things you might need
7 of us, see what things we can be helpful to
8 you on.

9 But this 35 percent and 90 percent
10 was a big piece of why you were selected at
11 the local level and, certainly, I would say
12 gave you great strength when your application
13 came to us. It's something that a lot of
14 people are going to judge you by and judge us
15 by, so I don't think we want to miss the
16 opportunity to keep the communication on a
17 regular basis and avoid pitfalls before we're
18 back here a year from September saying we
19 missed it.

20 So, you know, Jill, you know, Juan,
21 Jeff, you know, I think we can work with
22 Jennifer and, you know, Dave Cruz to try to
23 figure out who those groups can be on a call.
24 Doesn't need to be an in-person meeting like

1 we do with the AOC. But, you know, we saw so
2 much value in those meeting every month,
3 keeping everybody on task, keeping everybody
4 in the room, you know, working together, that
5 I think it's something just for this next year
6 that we ought to try.

7 MS. MURREN: No. Understood. You
8 know, we are going to be successful because of
9 the cross collaboration. Not only of the
10 Commission, the community colleges, you know,
11 the CBOs and everyone, but it is also the
12 skills cabinet. That's why we were selected,
13 because of -- we have demonstrated in the past
14 continued partnership.

15 And this project is different. It
16 has a different feel than -- and that's why --
17 that's why I'm there. And so, I hear you,
18 Commissioner. We'll continue to update Jill
19 and the skills cabinet. Jennifer James and
20 Dave Cruz have been wonderful partners. I
21 can't say enough of -- of Jeff Hayden and
22 everyone at STCC. So that will be a
23 commitment that -- that we can surely meet.

24 COMMISSIONER CAMERON: I think,

1 Commissioner, you got the two-to-one odds,
2 right?

3 COMMISSIONER STEBBINS: Yes.

4 MS. MURREN: That's right. You know
5 I -- I think it was brought up last -- last
6 time we were together about some of us not
7 sleeping. I -- I actually do because of the
8 partnerships we have. Yes, it's going to be
9 an effort, but that's why we take it on,
10 because we believe in what we're doing.

11 It's not just about the resort. But
12 it really is transforming families and
13 futures. And that's what gets me up every
14 morning. It's something that Jeff -- we both
15 believe in. We've given our blood and sweat,
16 and so has Bob LePage. And we thank him too.

17 So we're happy to take that on, keep
18 you a little bit -- keep you updated, of
19 course. Anything you need from us, we can get
20 in front of you, too. Maybe, we can meet in
21 the middle because of the traffic. But we'll
22 figure -- figure that out, Commissioner, for
23 sure.

24 MS. GISPERT: Or a really robust

1 e-mail. I'm going to tell you, and I tell
2 people this all the time, I've opened up a
3 couple hundred hotels. And my last property
4 was National Harbor. We were extremely
5 successful. PBS has reached out to do a
6 documentary on how we were able to meet our
7 numbers for hiring locals. I sleep quite
8 well.

9 And the more we can spend time out
10 there executing and just sharing that
11 information...so I will definitely pull
12 together a list of things that I'm doing to
13 keep you updated. But the more I can spend
14 out there getting people ready for these
15 opportunities the better.

16 CHAIRMAN CROSBY: Great. That's
17 really -- really a -- great.

18 COMMISSIONER ZUNIGA: Yeah. Really
19 good.

20 CHAIRMAN CROSBY: This is a minor
21 number, but we're going to need a bunch of
22 GameSense employees. And they're probably not
23 in the -- in your job categories yet. But
24 that -- it's -- we ought to pass the word back

1 to Mark and Marlene because this -- your
2 system would be a great way to capture people
3 for GameSense, too.

4 MS. MURREN: Please do. You know,
5 if you were to give us the job description, we
6 can get it to SkillSmart. We can even put it
7 in on there a lot sooner so we can start
8 building and, kind of, mining that pipeline
9 for you. So we're happy -- happy to do that.

10 MS. GRIFFIN: Great idea. We'll
11 definitely follow up on that.

12 MS. MURREN: Great.

13 COMMISSIONER ZUNIGA: Can I just --
14 one thing. These are all great strategies,
15 very broad and comprehensive. And there's
16 this recurring theme of collaboration and
17 leveraging, which is great.

18 I'm thinking of the earlier
19 presentation of -- and putting my research hat
20 for a second here. And it occurs to me that
21 there will be invariably, just because this is
22 the nature of the market, some people who may
23 be residing in Springfield currently and
24 decide to get a better house, let's say, or

1 whatever, or for other reasons move out, and
2 the same -- somebody who sees a job
3 opportunity and decides to move in. And it
4 matters in this conversation of the local
5 hiring.

6 You know, you've already spoken to a
7 lot of incentives that are embedded. You
8 know, the tuition and the proximities are
9 going to be a huge incentive that, you know,
10 just by being -- people will generally want to
11 be close to their jobs.

12 But is there anything else that
13 maybe the city could be thinking about, or we
14 could facilitate relative to what Commissioner
15 Stebbins was saying, you know, coordinating
16 with other state agencies, relative to
17 retaining residents there, not necessarily
18 losing them after employment we'd be very
19 happy to think about.

20 COMMISSIONER STEBBINS: I know the
21 city had a first-time home buyers program for
22 awhile. I don't know what the status of that
23 is.

24 You know, it occurred to me and

1 Jeff, I think, the mayor of Holyoke, kind of
2 stepped up and began to talk to a number of
3 agencies following the natural disaster that
4 hit Puerto Rico. Many island residents have
5 family in Springfield, in Holyoke. And, you
6 know, I think, you know, the mayor's
7 leadership has demonstrated we might need to
8 prepare for an influx of people who are
9 leaving the island until it gets rebuilt or
10 come back. But also might be an opportunity
11 there for workforce development needs, as
12 well. But kind of wrapped around the whole
13 context of bigger issues at hand.

14 CHAIRMAN CROSBY: Jill,
15 Bob DeSalvio's going to love this question.
16 But this is a really impressive model. It's
17 really, really deeply intertwined in the
18 community, really community-sensitive
19 collaborative.

20 They're -- Wynn is nine months
21 further away, but do you have a sense whether
22 they're, sort of, in the process of putting
23 together the same kinds of programs and
24 networking as MGM has done?

1 MS. GRIFFIN: Wynn has been
2 networking in the community. But right now,
3 they're in the process of hiring their HR and
4 workforce staff. And my sense is, that in the
5 new year that will be a priority, to create
6 the workforce development plan and move
7 forward in these efforts.

8 MS. GISPERT: I will say this, when
9 I leave this meeting, I'm meeting with
10 President Jackson at Cambridge. And they're
11 looking to plug and play this program at
12 Cambridge here.

13 CHAIRMAN CROSBY: Oh, great.

14 MS. GISPERT: That we're using. So
15 we're starting something in Springfield that
16 they hope to duplicate here for Wynn.

17 CHAIRMAN CROSBY: Great. Well, this
18 gives us -- this gives us a great prototype,
19 you know, to help -- it's not like they don't
20 know what they're doing. They do. But this
21 is a really great prototype that I think will
22 help us help them. Help us judge, but also
23 help us help them structure their system
24 because it's really great.

1 MS. GRIFFIN: So I should add, just
2 the other day I was at Bunker Hill Community
3 College with Bob DeSalvio and his hotel staff
4 -- his leadership, including hotel and -- and
5 the head chef, and they were talking culinary
6 and -- so that is already starting to start.

7 CHAIRMAN CROSBY: Great. Jeff?

8 MR. HAYDEN: Yeah. And I do know,
9 Chairman, that the folks at Bunker Hill are
10 working on workforce and credit strategies.
11 And so, it might be appropriate to have them
12 as part of MCCTI do that update, you know, for
13 you in the future.

14 CHAIRMAN CROSBY: Great.

15 MS. MURREN: Apologies for Wanda.
16 She's just running to that meeting, to make
17 sure we can get that preapprentice training
18 program up and running for the Commonwealth.
19 Apologies.

20 CHAIRMAN CROSBY: No problem.
21 Anybody else?

22 COMMISSIONER CAMERON: No.
23 Excellent job.

24 CHAIRMAN CROSBY: Yeah, great stuff.

1 COMMISSIONER CAMERON: Impressive.

2 MR. MACDONALD: Very impressive.

3 CHAIRMAN CROSBY: Thank you very
4 much.

5 COMMISSIONER ZUNIGA: Thank you.

6 COMMISSIONER STEBBINS: Thank you.

7 MR. MACDONALD: Thank you, Jill.

8 CHAIRMAN CROSBY: Okay. It is now
9 12:45, which is actually what it was supposed
10 to be. No, it's not.

11 MR. MACDONALD: It's supposed to be
12 12:15.

13 CHAIRMAN CROSBY: It's supposed to
14 12:15. Do we want to go ahead and do
15 John Ziemba's vote?

16 COMMISSIONER MACDONALD: Yes.

17 COMMISSIONER CAMERON: That's quick,
18 isn't it?

19 MR. MACDONALD: I think it's very
20 quick. And then, is legal quick, also?

21 COMMISSIONER CAMERON: No.

22 MS. BLUE: Legal has, I think, a
23 couple of regulations so it probably will take
24 a little bit longer.

1 CHAIRMAN CROSBY: So maybe we just
2 do -- do John and then want to have lunch?

3 COMMISSIONER CAMERON: Yeah. We'll
4 take a quick break.

5 CHAIRMAN CROSBY: All right. So
6 we'll finish up Item No. 6 and then we'll take
7 a lunch break.

8 MR. ZIEMBA: Great. Thank you.
9 Thank you, Mr. Chairman and Commissioners.

10 Commissioners, the Commission is
11 required to make appointments to several
12 committees under the Gaming Policy Advisory
13 Committee. Two new members are being
14 presented today for consideration, for the
15 Region A and Region B Local Community
16 Mitigation Advisory Committees. I recommend
17 the Commission consider appointing such
18 members for a one-year term, consistent with
19 what we have done earlier. And I also
20 recommend that these appointments serve at the
21 pleasure of the Commission.

22 The first recommendation is for the
23 Region A LCMAC, Mayra Negrón-Rivera. She's a
24 human service provider. Under the statute, we

1 get to recommend or appoint two human services
2 providers at both the Region A and Region B
3 regions.

4 Ms. Negron-Rivera is presently the
5 chief operations officer at Inquillinos
6 Boricuas En Accion.

7 CHAIRMAN CROSBY: How'd he do?

8 MR. ZIEMBA: In Boston.

9 MR. MACDONALD: You got a critic
10 behind you.

11 COMMISSIONER ZUNIGA: And in front
12 of you, but who remains silent.

13 MR. ZIEMBA: I tried. IBA is a
14 nonprofit organization and community
15 development corporation offering affordable
16 housing and supportive programming to improve
17 knowledge, life skills and the health of
18 participants of all ages. Mayra Negron-Rivera
19 has almost 20 years experience in business
20 finance and operations. She is in charge of
21 real estate, asset management and property
22 management of a CBC of 521-unit portfolio. I
23 believe Commissioner Zuniga will provide a
24 little more detail regarding the -- her.

1 But before I do that, let me just go
2 to the second recommendation, which is Kim Lee
3 for the Region B LCMAC, also, human service
4 appointee. Ms. Lee is presently the vice
5 president of development marketing
6 communications for the Center for Human
7 Development in Springfield. CHD is a
8 nonprofit organization that delivers a broad
9 array of critical, social and mental health
10 services to over 18,000 people each year in
11 western Mass and Connecticut.

12 Now, during her career spanning
13 almost three decades, Kim has demonstrated
14 consistent achievement in managing resources,
15 building strategic -- strategic corporate,
16 state and nonprofit alliances, identifying
17 tapping new revenue sources and working to
18 implement innovative solutions delivered
19 through nonprofit businesses.

20 Along the way, she's built extensive
21 relationships with her peers in nonprofit and
22 for-profit organizations with municipal and
23 state government officials, and with local and
24 regional media. And in regard to Ms. Lee,

1 Commissioner Stebbins will provide us a little
2 more detail in regarding that potential
3 appointment.

4 COMMISSIONER ZUNIGA: Well, let me
5 speak a little bit about Maya. It's -- the
6 detail is really a personal note because I
7 know Mayra well. I'm really happy that she
8 agreed to serve in this LMAC. I was a board
9 member of IBA, Inquillinos Boricuas En Accion,
10 which is really --

11 MR. ZIEMBA: Very close.

12 COMMISSIONER ZUNIGA: Which is the
13 right pronunciation, I gather. Puerto Rican
14 Tenants in Action, which is a wonderful
15 organization in the south end, they do a lot
16 of -- they provide affordable housing and a
17 lot of programs relative to, essentially, a
18 lot of what happens and what we want it to
19 happen, in terms of workforce development.
20 All the way from their Esquelita, which is a
21 preschool program, up to their pathways and
22 programs into Bunker Hill Community College.

23 So there's a lot of people that they
24 see, that they service, that have experience

1 with. And, therefore, I really think their --
2 that experience will be very valuable. It's
3 also local and has a lots of roots in -- in
4 the south end and in the Puerto Rican
5 community. So I think I'm really glad that
6 she has agreed to -- to help us with this.

7 CHAIRMAN CROSBY: Great.

8 COMMISSIONER STEBBINS: I can speak
9 a little bit to the other nominee in the human
10 service provider category. I've known Kim for
11 a number of years. I think going back to when
12 she worked for Square One, which is probably
13 one of the more successful child daycare
14 service operators in and around the
15 Springfield community. She's now over at
16 Center for Human Development, which is one of
17 the larger human service agencies serving
18 families throughout western Massachusetts.

19 You know, in addition to a number of
20 organizations that she's worked with on the
21 nonprofit side, she's also been what I would
22 say would be one of the faces in the community
23 of these agencies. So, you know, to
24 qualifying her as a networker, somebody who's

1 out speaking to the business community,
2 talking with local residents. You know, she's
3 certainly a visible public face, and has been
4 in her various capacities.

5 But she certainly has a strong
6 passion for the community. She's grown up in
7 Springfield and still lives in the area. Her
8 husband is a member of the Springfield Police
9 Department, so there's great connections
10 throughout her work experience and her
11 personal experience with the region.

12 And she was quick to call me and
13 thank me for the opportunity. We'll see if
14 she does that after a year from now. But for
15 the most part, she's -- she's excited about
16 being invited to serve on the Community
17 Mitigation Advisory Committee.

18 CHAIRMAN CROSBY: Anything else?

19 COMMISSIONER CAMERON: Two excellent
20 candidates. I think we had a little
21 recruitment by the commissioners. Thank you
22 for that.

23 COMMISSIONER ZUNIGA: There was.
24 There was.

1 CHAIRMAN CROSBY: Do we have a
2 motion? Do we need a motion? We need a
3 motion, right?

4 COMMISSIONER ZUNIGA: Yes.
5 Mr. Chair, I'll move that the Commission
6 approve the recommendations for appointments
7 under the Gaming Policy Advisory Committee,
8 specifically Mayra Negrón to the Region A
9 Local Community Mitigation Advisory Committee,
10 and Kimberly Lee to the Region B Local
11 Community Mitigation Advisory Committee.

12 MR. MACDONALD: Second.

13 CHAIRMAN CROSBY: Further
14 discussion? All in favor? Aye.

15 MR. MACDONALD: Aye.

16 COMMISSIONER STEBBINS: Aye.

17 COMMISSIONER CAMERON: Aye.

18 COMMISSIONER ZUNIGA: Aye.

19 CHAIRMAN CROSBY: Opposed? The ayes
20 have it unanimously. All right. We'll
21 adjourn until 1:30.

22

23 (A recess was taken)

24

1 CHAIRMAN CROSBY: We are good to go,
2 reconvening public meeting No. 226 at about
3 1:30. We are starting off with the legal
4 item, I believe, Item No. 7. Catherine Blue.

5 MS. BLUE: Good afternoon,
6 Commissioners. We have here today
7 Carrie Torrissi and Bruce Band to present on
8 Item A. Then, we'll have Deputy Counsel
9 Grossman for Item B and C. So we'll let
10 Carrie start.

11 MS. TORRISI: Good afternoon,
12 Chairman and Commissioners.

13 CHAIRMAN CROSBY: Good afternoon.

14 COMMISSIONER MACDONALD: Good
15 afternoon.

16 COMMISSIONER CAMERON: Good
17 afternoon.

18 COMMISSIONER ZUNIGA: Good
19 afternoon.

20 MS. TORRISI: So we're here to
21 discuss with you the table game equipment
22 regulations, 2015 CMR 146. We had looked at
23 these regulations in February, when we had
24 gone over a survey of how other jurisdictions

1 handle equipment regulations, and then we had
2 brought a draft to you in March, after which
3 we had put it out to our licensees for
4 informal comment. So before we get to a few
5 changes to the draft that have been made, I'm
6 just going to briefly go over the comments
7 that we received.

8 When we had put this regulation out
9 for informal comment, we had asked our
10 licensees to look at the specific question of
11 whether we wanted to handle the formatting of
12 these regulations in the same way that we did
13 the rules of the game.

14 So as I'm sure you remember, the
15 rules of the gam regulations outline how table
16 games are approved, conducted, et cetera, and
17 then they reference the actual rules of play,
18 which are posted on the Commission's website,
19 rather than in the regulation itself.

20 We had taken that approach with
21 respect to the rules of the game for several
22 reasons, including the potential need for
23 quick for frequent changes to the rules of
24 play, the sheer volume of the rules of play,

1 which are several hundred pages, the ease of
2 which the language could be broken into two
3 distinct categories, and the different
4 audiences for those two categories.

5 So we did receive written comments
6 on the question posed from MGM, which are
7 included in your packet. MGM has suggested
8 that we break apart the draft of Section 146
9 into a regulation component and a technical
10 standards component, which would be posted on
11 the website in an approach similar to the
12 rules of the game.

13 General Counsel Blue, Director
14 Bedrosian, Mr. Band and I went through an
15 exercise of breaking that language apart to
16 see what that would look like. After our
17 review, we do recommend that we keep the table
18 game equipment information together in one
19 document, all to be read cohesively.

20 We found that the actual equipment
21 specifications, which would be what we would
22 be talking about pulling out, were really a
23 small fraction of the regulatory language, and
24 that they were so intertwined with procedural

1 language, security language, that pulling them
2 out would be very impractical, and there
3 really -- wouldn't really see any benefit to
4 that.

5 What you would end with would be
6 table game equipment information in multiple
7 places that would need to be read together,
8 where that wasn't really the case with the
9 rules of the game, where there were distinct
10 sets of information that could be read
11 separately and the audiences were sort of
12 different.

13 So if we look at the reasons we had
14 taken that approach with the rules of game,
15 the potential need for quick or frequent
16 changes, the volume, the two clearly-defined
17 categories and the audience, we didn't really
18 see any of those reasons here.

19 So we're happy to answer questions
20 for you on that issue, before we move on to
21 comments we received, if you have any.

22 CHAIRMAN CROSBY: Anybody?

23 COMMISSIONER CAMERON: So I think
24 one of the reasons the licensees, or at least

1 this one licensee makes that recommendation,
2 is for changes that can be made more quickly,
3 correct?

4 MS. TORRISI: Correct.

5 COMMISSIONER CAMERON: They don't
6 have to go through the regulatory process.
7 And I believe you had an exemption that would
8 allow quick changes; is that correct?

9 MS. TORRISI: For new equipment,
10 yes. If -- in the rules of the game
11 regulations we have a variance procedure for
12 new games that might come up that might
13 require new equipment. So we do have a
14 procedure for that. And as far as other
15 equipment goes, it's my understanding that
16 it's fairly static and won't really change.

17 COMMISSIONER CAMERON: And the new
18 equipment, after it's been tested, could go on
19 the floor immediately, while we worked on the
20 regulatory changes needed?

21 MS. TORRISI: Yes.

22 COMMISSIONER CAMERON: Okay.

23 MR. BEDROSIAN: And, Commissioner
24 Cameron, I was actually, sort of, a fan of

1 unifying the, sort of, look and process of
2 rules of the game and table equipment, but
3 spending time with staff when they did a red
4 line of what was in what was out. It looked
5 like spaghetti. I mean, just -- it just
6 didn't make sense.

7 COMMISSIONER CAMERON: Right.

8 MR. BEDROSIAN: So I think this
9 compromise -- we're still trying to achieve
10 the goals of what our licensees would want,
11 which is flexibility, quite frankly, at the
12 same time the harmony of having, you know, a
13 really robust regulation.

14 COMMISSIONER CAMERON: Right.

15 MR. BEDROSIAN: The rules, as I
16 understand learning little industry from
17 Mr. Band, rules of the game can change much
18 quicker. You can do something with a game
19 very quickly, equipment, obviously, is a
20 little more of an asset. We're trying to bake
21 in a process where, even with new equipment,
22 we can be a little more agile than a
23 traditional regulatory environment would
24 allow.

1 COMMISSIONER CAMERON: Right.

2 COMMISSIONER ZUNIGA: What happens
3 with small changes to equipment? I'm just
4 curious.

5 MR. BAND: Well, most of the time
6 small changes might be on layouts or something
7 like that, which would probably be the
8 introduction of a new bet or a new game. So
9 we would handle it through the test procedure
10 to see how it goes. We're allowed to approve
11 equipment in -- you know, to be used in that.

12 After discussing it, I think we all
13 agreed that it would be a lot easier for the
14 licensees to have all the gaming equipment in
15 one area, and not to have to look over here
16 and over there and, in all likelihood, would
17 end up missing something.

18 COMMISSIONER ZUNIGA: Sounds good.

19 COMMISSIONER MACDONALD: So what is
20 the procedure that is included here that would
21 allow for a quick change on a temporary basis?

22 MS. TORRISI: So it's in the rules
23 of the game regulation that allows for, if a
24 new game is proposed, which I believe includes

1 a new bet or something like that.

2 MR. BAND: Yes.

3 MS. TORRISI: If that game requires
4 new equipment, it can be used immediately as
5 part of the test process for the new game.

6 COMMISSIONER ZUNIGA: But in
7 general, there's a 45-day, remind me?

8 MR. BAND: Yeah. They would give
9 us -- the IEB, a petition to start a new game,
10 including the math behind the wagers or the
11 game. And then, they also have to have a
12 sponsor, which would be one of our licensees
13 to do it, and then we start a test period on
14 that game.

15 COMMISSIONER MACDONALD: But that
16 would be just equipment that's involved in a
17 new game.

18 MR. BAND: Yes.

19 MR. MACDONALD: If you have
20 equipment involved in old games, you don't
21 have -- you don't have a provision for any
22 kind of expedited treatment?

23 MR. BAND: In a sense, I don't quite
24 know what kind of big changes you would make

1 to current equipment. But in all likelihood,
2 it would be something to create a new wager or
3 bonus wager, so we would look at it as a new.

4 MR. MACDONALD: As a new game?

5 MR. BAND: Yes.

6 CHAIRMAN CROSBY: And we always have
7 the ability to do expeditious reg changes, if
8 we need to, right?

9 MR. BAND: Yes.

10 CHAIRMAN CROSBY: It's not like
11 we're locked into something that we can't move
12 on, if we have to, if some unusual
13 circumstance arises?

14 MR. BAND: Correct.

15 COMMISSIONER ZUNIGA: And the
16 regulations don't specify manufacturer or
17 anything like that. It's --

18 MR. BAND: Yes.

19 COMMISSIONER ZUNIGA: It specifies
20 standards. So, you know, as long as they meet
21 the standards...

22 MR. BAND: Yeah. I didn't see
23 anything the gaming showed that would have
24 been problematic for us.

1 COMMISSIONER ZUNIGA: Right.

2 MS. TORRISI: All right. So we also
3 received comments from Scientific Games, which
4 Mr. Band is going to go through with you.

5 MR. BAND: They actually had the
6 same suggestion as MGM on their first
7 objection. Again, they question, you know,
8 not doing something real generic in layout.
9 But if they're bringing in new wagers or new
10 type of layouts into the -- our gaming
11 jurisdiction, they would go through the test
12 period to get that, you know, approved. And
13 there is no slow down for them.

14 The other thing is, with having the
15 trade name they, I think, have some concerns
16 because some of their games have Scientific
17 Games on it, instead of Wynn or MGM.

18 We usually like to have the casino
19 name on the layout, because it helps as
20 evidence as to where this table's actually
21 located. So there would be nothing that would
22 prevent them from getting, like, a plastic
23 layout to screw onto the thing that said MGM,
24 Wynn, or something like that. And that's the

1 purpose of having the logo on the layouts.

2 MS. TORRISI: Any questions on that?

3 COMMISSIONER ZUNIGA: Was there a
4 third one or...

5 MR. BAND: The first one was that
6 they thought it should be handled like our
7 rules of the game.

8 COMMISSIONER ZUNIGA: Yes.

9 MR. BAND: They had the same comment
10 with that.

11 COMMISSIONER CAMERON: So,
12 Mr. Chair, I move that the Commission approve
13 the draft of 205 CMR 146, as included in the
14 packet and authorize the staff to take --

15 MS. TORRISI: Excuse me,
16 Commissioner. I'm so sorry to interrupt. We
17 do have a few changes to the regulations we're
18 going to go through also.

19 COMMISSIONER CAMERON: Oh, I'm
20 sorry. I thought we were done with our
21 questions. These are the changes that are
22 made by the testing lab, right, and we're
23 following suit?

24 MR. BAND: Yeah. There's one for

1 the testing lab, where we would use the GLI
2 critiquers for electronic table games and
3 shuffle machines. Very similar to what we do
4 with slot machines.

5 And then, on page 79 there were a
6 couple references. Initially, they had casino
7 security controlling any evidence of cheating.
8 And that really hurts the continuity of
9 evidence for us. It should come to the Bureau
10 for our control.

11 COMMISSIONER STEBBINS: That edit,
12 by the way, on the top of 79, can you just go
13 back and look at it, it reads a little bit
14 funny. The red line -- the red line one all
15 the way over.

16 MR. BAND: Yeah. Originally, it
17 said that a member of the gaming licensee's
18 security department shall be required to
19 ensure and trust and maintain, secure any
20 evidence that way. And it really should be
21 with us, because it would be locked up in our
22 evidence room and, you know, all that kind, so
23 that was a change.

24 Then, I think the second one, number

1 four, had to do with GLI. Then, in 146, 55,
2 instead of them petitioning the Commission, we
3 had them Commission the Bureau just to
4 expedite the procedures.

5 And then, we added in that all
6 gaming imprinted with a unique serial number.
7 Again, that's for evidence. If there's a
8 certain chute used in a cheating scam, we have
9 to be able to identify and say yes, this is
10 the one that's the serial number that we had.
11 So it's just putting a number on the
12 equipment.

13 COMMISSIONER CAMERON: And they have
14 to do this in many other jurisdictions, right?

15 MR. BAND: Yeah.

16 CHAIRMAN CROSBY: All right. Try it
17 again?

18 COMMISSIONER CAMERON: So,
19 Mr. Chair, I move that the Commission approve
20 the draft of 205 CMR 146, as included in the
21 packet, and authorize the staff to take the
22 steps necessary to file the regulation with
23 the Secretary of the Commonwealth and to
24 proceed with the regulation promulgation

1 process.

2 COMMISSIONER MACDONALD: Second.

3 CHAIRMAN CROSBY: Further
4 discussion? All in favor? Aye.

5 MR. MACDONALD: Aye.

6 COMMISSIONER STEBBINS: Aye.

7 COMMISSIONER CAMERON: Aye.

8 COMMISSIONER ZUNIGA: Aye.

9 CHAIRMAN CROSBY: Opposed? The ayes
10 have it unanimously.

11 COMMISSIONER CAMERON: Thank you.

12 CHAIRMAN CROSBY: Thank you.

13 MR. BAND: Thank you.

14 CHAIRMAN CROSBY: Item B.

15 MR. GROSSMAN: Good afternoon,
16 Mr. Chairman, members of the Commission.

17 CHAIRMAN CROSBY: Good afternoon.

18 COMMISSIONER MACDONALD: Good
19 afternoon.

20 COMMISSIONER CAMERON: Good
21 afternoon.

22 COMMISSIONER ZUNIGA: Good
23 afternoon.

24 COMMISSIONER STEBBINS: Good

1 afternoon.

2 MR. GROSSMAN: Well, we have before
3 you, for the first time for your initial
4 review, amendments to Sections 138 and 140.
5 And at the end, we will ask that we be
6 directed to circulate these for informal
7 comment at this juncture.

8 They pertain to two particular areas
9 of the internal control sections, but both are
10 intended to help clarify and assist in the
11 financial reporting and recordkeeping
12 processes that we undertake, along with the
13 gaming licensees.

14 The first pertains to the Gaming
15 Day. And as you can see, we've recommended
16 that the Gaming Day be modified to a uniform
17 time from, essentially, 6:00 a.m. to 5:59:59,
18 the next day. That'll help to ensure that our
19 systems are in a line with the casino systems.

20 And I should just add that, before I
21 really get into this, that these amendments
22 were designed in coordination with all of the
23 respective departments represented here within
24 the Commission, and were the result of this

1 collaborative effort we have these here before
2 you. And, certainly, any members of the team
3 are available to answer any specific questions
4 as to these proposals. So that's the first
5 one, dealing with the amendment to the Gaming
6 Day provision.

7 The second has to do with what we've
8 colloquially referred to as "unsecured drop."
9 And that term, actually, is a little more
10 limited than the changes that are proposed
11 here. The unsecured part of the unsecured
12 drop, generally refers to the fact that cash
13 or other things of value, tickets or gaming
14 coupons, were placed into a slot machine but
15 didn't make it into the slot drop box, where
16 they belong. So you'd find just cash or
17 tickets laying in the bottom of the machine
18 during the drop or at other times.

19 So the question becomes, how do you
20 handle and how do you treat, from a financial
21 perspective, these items of value? And these
22 proposals here before you are intended to
23 ensure that these are -- they're all handled
24 in a uniform manner across all of the gaming

1 licensees, and that we're more easily able to
2 reconcile our figures.

3 There are five general categories.
4 I'm happy to go into them in as much detail.
5 And, certainly, we're standing available to
6 address any questions. But as a general
7 matter, there are five categories that -- of
8 unsecured drop, if you will, that could arise.

9 And the first is -- and this is
10 addressed in number seven. It's about halfway
11 down, where, during the drop, meaning, during
12 the period of time where the casino goes
13 around and collects the slot drop boxes, that
14 there is cash or other value found in the
15 machine but not in the box. So there's just a
16 \$20 bill or a ticket laying somewhere in the
17 machine.

18 A determination is later made during
19 the count that it did, in fact, register on
20 the coin-in meter, meaning, that it was
21 played. In that event, it would be considered
22 part of the gross gaming revenue calculation,
23 because it was money or other value put into a
24 machine, it was played by a patron, but for

1 whatever reason it just didn't make it into
2 the box. So that would be considered part of
3 the gross gaming revenue calculation.

4 Conversely, number two is just a few
5 lines down from there, is the scenario, during
6 the drop again you find this value outside the
7 box but it did not -- it's determined after
8 the count that it did not register on the
9 coin-in meter. And this, I'm told, and -- can
10 happen for a variety of reasons.

11 People could input a lot of cash
12 into a slot machine and not really notice they
13 didn't get the right amount of credits on
14 their machine, or maybe they put money in and
15 it didn't register but didn't bother to go
16 tell a slot clerk that not enough credits were
17 put on the machine, or any other host of
18 reasons.

19 But they put money in, it did not
20 register on the coin-in meter and it's now
21 sitting on the bottom of the machine. So in
22 that case, it would not be considered gross
23 gaming revenue because it was never played, it
24 never ticked the coin-in meter, and we say in

1 here that it would be processed as unclaimed
2 cash. So it would be taken into the --
3 ultimately, into the cage, held for one year.
4 The person who played it could demonstrate
5 that they the money, essentially, and it could
6 be returned to them, if they were able
7 demonstrate that it was, in fact, theirs. So
8 that's the second scenario.

9 The third scenario would be after
10 the count is performed, that there's greater
11 value in the box than on the coin-in meter.
12 In that case, there would be excess cash in
13 there. And that, too, would be treated as
14 unclaimed cash, would be set aside for one
15 year to see if anyone happens to claim it.
16 And that is -- that's addressed on the bottom
17 of first page in paragraph seven.

18 The fourth scenario happens at a
19 time, other than the ordinary drop time. So
20 sometime, other than when they're going around
21 picking up all the slot drop boxes, for some
22 reason they open up the slot machine for
23 repairs or other purposes and they notice that
24 cash, or a ticket or coupon is sitting in the

1 machine but not in the drop box. So we've
2 clarified here that, in that event, they bring
3 it to the cage, essentially, and process it
4 ultimately when that machine is dropped, in
5 accordance with the earlier provisions to
6 figure out whether it was money that
7 registered on the coin-in meter or did not,
8 and then it's handled accordingly. So that's
9 the fourth scenario.

10 COMMISSIONER ZUNIGA: Well, that
11 last scenario was already -- it's really a
12 subset of the first scenario, right, you just
13 happened to catch it at a later time because
14 of the drop?

15 MR. GROSSMAN: At a different time.
16 See, you can't really tell, I'm told, at that
17 point, whether it registered on the meter or
18 not. You really need to wait until a count is
19 made of the contents of the box.

20 COMMISSIONER ZUNIGA: So there's a
21 number of -- in other contexts, a lot of what
22 your department does is reconciling these --
23 you know, these multiple scenarios in which
24 there's an overage, and eventually it washes

1 out because, you know, it made it the
2 following day or what have you. Will we
3 continue to have that process here, in which
4 we allow for those time differentials, this
5 last scenario that you outlined, as opposed to
6 trying to reconcile every day to the day and
7 to the penny?

8 MR. LENNON: Yes. Yes, we would
9 have that time period. As you know, we don't
10 actually close out until the 15th of the
11 following month, so things are fluid until
12 then.

13 However, these scenarios -- and
14 we've worked with our only up-and-running
15 licensee right now, PPC, are causing over an
16 annual basis, close -- at least hundreds of
17 variances that they need to track down, where
18 bills either slide or tickets slide in
19 between, and they're counting them as part of
20 the drop process, and then they've thresholds
21 that they actually have to go and investigate.

22 So this is not only this whole team
23 here, but it's one requested by our operating
24 licensee right now to clarify this, because it

1 helps their accounting and their slots team
2 from tracking down things that they just can't
3 find the answer to.

4 COMMISSIONER ZUNIGA: Will they
5 also -- what about the -- and I'm sure we'll
6 get comments, but a much larger operation that
7 drops, perhaps, are less frequent or more
8 frequent?

9 MR. BAND: Depends on volume. My
10 guess is it only drop the slot for, you know,
11 maybe one time a week in each zone, you know,
12 spread it out over five days. But if volume's
13 heavy you have to pick up more. But it would
14 be the same for a large property as it would
15 be for a Penn property.

16 COMMISSIONER ZUNIGA: But the
17 regulation -- the regulation allows for all
18 that catch up?

19 MR. BAND: Yes.

20 COMMISSIONER ZUNIGA: Regardless of
21 the time frame, you know, you'd be able to
22 reconcile when operationally feasible.

23 MR. BAND: Right.

24 COMMISSIONER CAMERON: So I think,

1 Mr. Lennon, you said this accounts for
2 hundreds of dollars?

3 MR. LENNON: No.

4 COMMISSIONER CAMERON: Is that
5 hundreds of --

6 MR. LENNON: Specific instances of
7 variances. So if you have a \$5 bill that went
8 in and the -- the electronic record system on
9 the box, as well as ACSC, which is at Penn,
10 are expecting two different numbers, which
11 comes back different from the count, they have
12 thresholds where they actually have to go and
13 investigate that and try and figure out, which
14 sometimes means only a 10-coin test, sometimes
15 they go deeper in and get the slot department
16 involved, depending on the dollar amount
17 involved.

18 But if they can determine right away
19 that this bill sitting outside of the box
20 really is the same amount of bills that we're
21 expecting a variance on, same amount of coin
22 picks that we're expecting a variance on and
23 there's the same dollar amount, we can just
24 write that off as unclaimed cash, rather than

1 going through the procedure, even though they
2 basically know what the -- what the end result
3 will be.

4 COMMISSIONER CAMERON: Okay. So
5 this has happened hundreds of times since this
6 casino opened?

7 MR. LENNON: Correct.

8 COMMISSIONER CAMERON: And that's
9 about your experience, Mr. Band, that's --

10 MR. BAND: Yes. Normal.

11 COMMISSIONER CAMERON: -- normal
12 procedure? Okay.

13 MR. BAND: Anything from a faulty
14 meter to, you know, box --

15 MR. LENNON: Equipment that's just
16 shifted a little bit inside -- inside the
17 component of the -- of the slot machine. And
18 it means the money slides between the bill
19 validator instead of in the bill validator.

20 COMMISSIONER CAMERON: I see.

21 MR. LENNON: A ticket slides in
22 between. Those are a little easier because
23 you can actually see whether they're live or
24 not, because the second they run through the

1 bill validator they go into redeemed. But
2 still, that's a process that the accounting
3 team has to go through. It's a process that
4 the accounting team has to go through. But
5 this could simplify their operations.

6 MR. BARROGA: And we're discussing a
7 few hundred scenarios, compared to millions
8 upon millions of transactions. So those
9 systems, whether it's the MGC systems or
10 Plainridge systems, is, literally,
11 99.99 percent accurate.

12 COMMISSIONER CAMERON: So even
13 though it's hundreds, it's a small percent?

14 MR. BARROGA: Yes.

15 MR. LENNON: Oh, we're talking basis
16 points. We're not even talking about a
17 percentage point.

18 COMMISSIONER ZUNIGA: That's what
19 happens when you have a central monitoring
20 system that can reconcile to the penny, or the
21 thousandth of a penny.

22 CHAIRMAN CROSBY: Go ahead.

23 MR. GROSSMAN: Just quickly. The
24 fifth scenario, I believe it sits on page

1 three at the very top, we just -- we clarified
2 that in the event that there's a shortage, so
3 after the meters are read and, essentially, it
4 appears as though there should be more cash in
5 the box than there is, I take it, then an
6 investigation be commenced. The finance team
7 and IEB be involved as appropriate. And this
8 is just a clarification as to what the process
9 in that event should be.

10 So that's the so-called unsecured
11 drop section. We then clarify the companion
12 section. In the Gaming Revenue Fund,
13 unclaimed revenue section, which is 138.68 and
14 just add that into the process.

15 And, finally, on page five, we have
16 just updated the definition for gross gaming
17 revenue calculation purposes as to what the
18 drop includes, which is these unsecured funds,
19 in the event they're on the meter but outside
20 the box. So those are the proposals we have
21 before you.

22 CHAIRMAN CROSBY: Further
23 discussion? We don't need to do anything
24 right now, right, you're just -- this is your

1 first --

2 COMMISSIONER ZUNIGA: Informal
3 draft.

4 CHAIRMAN CROSBY: -- informal?

5 MR. GROSSMAN: I think, if the
6 Commission's comfortable with it, we'll begin
7 just circulating it, get some comments and
8 bring it back to you shortly.

9 CHAIRMAN CROSBY: Great.

10 COMMISSIONER CAMERON: Great. Thank
11 you.

12 CHAIRMAN CROSBY: Thank you.

13 COMMISSIONER STEBBINS: Thank you.

14 MR. MACDONALD: Thank you.

15 COMMISSIONER ZUNIGA: Thank you.

16 CHAIRMAN CROSBY: That's it?

17 General Counsel Blue.

18 MS. BLUE: Our next item is the
19 Plainridge Park Casino request for an NDA.
20 We've had this come before you before. There
21 are some -- you know, more familiar items.
22 There are some new items so Deputy General
23 Counsel Grossman will take you through all of
24 them, and then we can discuss them as -- as

1 you're ready.

2 MR. GROSSMAN: We have before you,
3 essentially, is four individual requests from
4 Plainridge Park Casino to add items to their
5 existing Nondisclosure Agreement. And just
6 briefly, by way of background, you'll recall
7 that Nondisclosure Agreements are governed by
8 139.02 of our regulations.

9 In order it to be declared so-called
10 confidential by the Commission and have an
11 item included in the Nondisclosure Agreement,
12 it either has to be considered a trade secret
13 or something that would be detrimental to the
14 gaming licensee, if it were made public.

15 So all of the items we discuss need
16 to fit into one category or the other. All
17 four of the items that we'll go through here
18 have been requested by Plainridge Park Casino
19 on a suggestion that they do fit into those
20 categories.

21 You'll recall that some of these
22 have been before you before, quite some time
23 ago. We paused the proceedings, when we
24 wanted to look further into the monthly

1 disciplinary report, which was a compilation
2 of, essentially, all violations at Plainridge
3 Park Casino that we were gaining access to.
4 So we took a step back to figure that
5 situation out and all these others,
6 essentially, were carried with it. We've
7 since resolved that situation.

8 Plainridge is going to rescind its
9 request to have the monthly disciplinary
10 report added into the Nondisclosure Agreement,
11 and we're left with just the four others. And
12 I'll just move through those at this point, if
13 that's okay.

14 CHAIRMAN CROSBY: Yep.

15 MR. GROSSMAN: I'll go through them
16 in the order they appear in the packet.

17 The first is -- it's listed as
18 number 29 on Plainridge Park Casino's grid.
19 It's the page after the one or two that's up
20 on the screen there. It pertains to video
21 recordings, audio recordings and photographs
22 obtained from the casino's surveillance system
23 through, essentially, any means.

24 They have, as you can see here,

1 suggested that, certainly, it would be
2 detrimental to them, if some of these items
3 were made public. And I believe the staff is
4 in support of this and recommends that we do,
5 in fact, include this item in their
6 Nondisclosure Agreement.

7 CHAIRMAN CROSBY: Okay.

8 MR. GROSSMAN: Would you like to --
9 you want to deal with them individually, or
10 collectively?

11 CHAIRMAN CROSBY: Yeah. Let's just
12 one by one. But it sounds like we're ready to
13 move on with the second one.

14 MR. GROSSMAN: Okay. The next one
15 right underneath it is the floor plans, just
16 one up from there. Back to the other page.
17 Well, the floor plans are fairly
18 self-explanatory. We all know what floor
19 plans are.

20 So my only recommendation with
21 regard to this one is that, as a general
22 matter, I think we would all agree that there
23 are some parts of floor plans that should be
24 deemed confidential, but there are other parts

1 of the floor plans that we put upon the screen
2 and talk about. So my recommendation would be
3 that the floor -- those parts of the floor
4 plans that depict sensitive areas of the
5 casino, including things like the cage, the
6 count room, the main bank, the back of the
7 house, including the armored car areas and
8 things of that nature be included in the
9 Nondisclosure Agreement. But the public parts
10 of the gaming area and the restaurants, I
11 don't see need to be protected, because anyone
12 can just walk in the casino and see what's
13 going on.

14 CHAIRMAN CROSBY: Okay. Comments?

15 COMMISSIONER ZUNIGA: Are these --
16 these are submissions. I recognize the prior
17 compliance person. Are these submissions that
18 we have approved before, or was that just
19 because of the timing thing that you
20 explained?

21 MR. GROSSMAN: These were never
22 approved. You looked at them, but we hit the
23 brakes on all of them while we resolved that
24 disciplinary report issue.

1 COMMISSIONER ZUNIGA: Right.

2 MR. GROSSMAN: So these need to be
3 addressed affirmatively.

4 COMMISSIONER ZUNIGA: Because once
5 we approve one, you know, it carries over. We
6 don't need to be approving them year to year
7 or anything like that?

8 MR. GROSSMAN: No. I think it'll go
9 into the Nondisclosure Agreement -- if you
10 approve these, what we'll do is, I'll add --
11 I'll drop an amendment to the existing
12 Nondisclosure Agreement. We'll have to bring
13 it back before you just for ratification, and
14 then we'll ask the executive director to sign
15 off on it, as we did before.

16 COMMISSIONER ZUNIGA: Right.

17 MR. GROSSMAN: The next one you'll
18 see actually addresses the monthly
19 disciplinary report. As I mentioned,
20 Plainridge has withdrawn that particular
21 request so we don't need to address it, as
22 we've handled that with them.

23 On the flip side of this page here,
24 so the next page, addresses standard operating

1 procedures. These are parallel to the
2 internal controls, which we have included in
3 the Nondisclosure Agreement. These standard
4 operating procedures outline exactly how they
5 handle, internally, many of the processes that
6 are certainly very sensitive, and something
7 that we would not want to be made public. And
8 it would, in fact, be detrimental to them, if
9 it were made public, so we recommend that this
10 request be approved for inclusion.

11 COMMISSIONER ZUNIGA: I thought this
12 one was -- we must have approved the internal
13 controls.

14 MR. GROSSMAN: The internal controls
15 are included. This is a separate issue. So
16 they've internal controls, and then they have
17 standard operating procedures.

18 MR. BAND: SOPs go into the fine
19 details as to how they do it. It's just a
20 further explanation of the internal controls.

21 CHAIRMAN CROSBY: Comments?

22 COMMISSIONER CAMERON: It appears
23 that all of these items are gaming related,
24 none of them racing related, correct?

1 MR. GROSSMAN: No. There's no
2 racing related ones. There's just one last
3 one, and this is a new request that you've
4 actually never seen before. This is labeled
5 number 32. It's a couple pages back. And it
6 pertains to what is referred to as a
7 side-by-side report. This is a report that we
8 have requested and they've been providing, as
9 I understand it, which essentially compares
10 the numbers on their CMS with our CMS to help
11 reconcile the differences. It includes such
12 things at the daily win, the drop, the date
13 and time of the insertion of certain player
14 cards, serial numbers and things of that sort.

15 And, though, as a general matter,
16 many of -- much of the information that's
17 contained in this, I think's actually covered
18 in other areas of the existing Nondisclosure
19 Agreement.

20 Just for clarification, I don't see
21 any harm in just flagging this report itself,
22 individually, and including this within the
23 Nondisclosure Agreement, as well. So I think
24 we would recommend that this be approved, as

1 well.

2 COMMISSIONER ZUNIGA: And this is a
3 report that we generate because of our CMS?

4 MR. LENNON: This is a brand-new
5 report. We don't actually pull this level of
6 detail in anywhere at this current time. It
7 snaps the meters at the casino at the actual
8 time of drop and sends it over to us to line
9 it up with what our meters would be at the
10 actual time of the drop.

11 So we have end to day to end of day.
12 But, as you know, the drop happens early
13 morning to after end of day -- end of gaming
14 day. So there's a variance between those,
15 which is what you're talking about, that wash
16 that happens regularly. This snaps them at
17 the exact same time. We're not pulling this
18 in anywhere.

19 So this is -- I think this one's
20 vitally important and would give up a
21 competitive disadvantage, if we did not file
22 an nondisclosure on this one.

23 COMMISSIONER ZUNIGA: Sounds good.

24 MR. GROSSMAN: That concludes all of

1 the requests.

2 CHAIRMAN CROSBY: Okay.

3 COMMISSIONER ZUNIGA: Sounds like
4 you're agreeing with all of the requests; is
5 that a fair statement to say?

6 COMMISSIONER CAMERON: One was a
7 partial.

8 COMMISSIONER ZUNIGA: With a
9 partial -- with a partial floor plan.

10 CHAIRMAN CROSBY: Further
11 discussion? Do with he have a motion?

12 COMMISSIONER ZUNIGA: Sure. I'll --
13 I'll move that the Commission approve the
14 requests for a Nondisclosure Agreement, NDA,
15 from Plainridge Park Casino, as presented in
16 the packet and discussed here today.

17 CHAIRMAN CROSBY: Second?

18 COMMISSIONER STEBBINS: Second.
19 With the one exception being the --

20 COMMISSIONER ZUNIGA: With the one
21 exception. Yeah, let me further clarify that
22 motion. With the exception of the public
23 areas of the floor plans, as discussed by
24 Attorney Grossman.

1 CHAIRMAN CROSBY: Okay. Further
2 discussion? All in favor? Aye.

3 MR. MACDONALD: Aye.

4 COMMISSIONER STEBBINS: Aye.

5 COMMISSIONER CAMERON: Aye.

6 COMMISSIONER ZUNIGA: Aye.

7 CHAIRMAN CROSBY: Opposed? The ayes
8 have it unanimously. Thank you.

9 COMMISSIONER CAMERON: Thank you.

10 COMMISSIONER STEBBINS: Thank you.

11 COMMISSIONER ZUNIGA: Thank you.

12 CHAIRMAN CROSBY: Next up, I
13 believe, is Director Wells.

14 MS. WELLS: Good afternoon,
15 Mr. Chairman, members of the Commission. On
16 the agenda this afternoon is a suitability
17 vote for a Penn National qualifier. You've
18 already received the report, which gives more
19 detail on the investigation.

20 In general, the qualifier up for
21 consideration today is William Fair. He is a
22 qualifier for Penn National Gaming. He was
23 deemed a qualifier when he was promoted to the
24 position of executive vice president chief

1 financial officer. Currently, he reports
2 directly to CEO, Tim Wilmont. Investigation
3 was conducted by Trooper Tom Roger and
4 financial investigator, Naushan Jahant
5 (phonetically).

6 You know, as we do with all the
7 qualifier investigations, we took steps to --
8 I confirmed the individual's identity, looked
9 through employment history, education,
10 criminal record, gaming licensure
11 directorships and interests in other
12 businesses, civil litigation, medial coverage,
13 and did an analysis of financial stability and
14 integrity.

15 Mr. Fair attended Claremont Men's
16 College and received a BA in economics and
17 political science, in 1984. He received an
18 MBA from U Penn, the Wharton School, in 1992.
19 He was employed in various executive
20 management positions, prior to coming to
21 Penn National Gaming. He was at American
22 Skiing Company, Universal Studios in Disney
23 Development Company.

24 He briefly retired in 2009, before

1 coming and joining Penn National Gaming,
2 originally as the chief development officer,
3 before being promoted to executive VP CFO,
4 which was earlier this year.

5 Mr. Fair has been granted numerous
6 gaming licenses and racing licenses in
7 different jurisdictions. The investigation
8 confirmed active licenses in good standing in
9 Missouri, Texas, Pennsylvania, Kansas, Ohio
10 and Ontario.

11 In general, there were no issues
12 with Mr. Fair relative to his suitability to
13 hold qualifier licensure and be found suitable
14 by the Commission. He demonstrated by clear
15 and convincing evidence that he is the
16 requisite character and integrity to be
17 licensed by the Commission in that position.
18 And the IEB's recommendation is that you vote
19 to find him suitable.

20 CHAIRMAN CROSBY: Discussion?

21 MR. MACDONALD: Only to say, I
22 reviewed the reported and I concur with the
23 recommendation by the IEB.

24 COMMISSIONER CAMERON: Agreed. Very

1 clean report.

2 CHAIRMAN CROSBY: Do I have a
3 motion?

4 COMMISSIONER CAMERON: Mr. Chair, I
5 move that we approve the executive vice
6 president CFO, William Fair for licensure.

7 CHAIRMAN CROSBY: Second?

8 COMMISSIONER STEBBINS: Second.

9 CHAIRMAN CROSBY: Further
10 discussion? All in favor? Aye.

11 MR. MACDONALD: Aye.

12 COMMISSIONER STEBBINS: Aye.

13 COMMISSIONER CAMERON: Aye.

14 COMMISSIONER ZUNIGA: Aye.

15 CHAIRMAN CROSBY: Opposed? The ayes
16 have it unanimously. Thank you.

17 MS. WELLS: Thank you.

18 MR. MACDONALD: Thank you.

19 COMMISSIONER CAMERON: Thank you.

20 MR. BEDROSIAN: Mr. Chairman, I
21 apologize, I need to step out for a short
22 Webinar.

23 CHAIRMAN CROSBY: Okay.

24 MR. BEDROSIAN: So I hope to be back

1 by about three o'clock.

2 CHAIRMAN CROSBY: Okay. Let's take
3 a real quick break before we settle -- the
4 topic left is yours, Commissioner Stebbins,
5 right, that's the one that's left?

6 COMMISSIONER STEBBINS: Yep.

7 CHAIRMAN CROSBY: So why don't you
8 get your folks set up and we'll take a quick
9 break and then finish off that section.

10

11 (A recess was taken)

12

13 CHAIRMAN CROSBY: All right. We are
14 reconvening public meeting No. 226. I'm going
15 to pass the gavel over to Commissioner
16 Stebbins, who will conduct this last and
17 important part of our meeting.

18 COMMISSIONER STEBBINS: Okay. Good
19 afternoon. This work -- this part of the
20 hearing kind of picks up where we left off at
21 our last meeting out in Springfield. For my
22 colleagues, as many of you know, we solicited
23 strategies from a number of our stakeholders
24 with respect to the use of the Gaming Economic

1 Development Fund.

2 I'll remind everybody, the Gaming
3 Economic Development Fund is not ours. It is
4 subject to appropriation by the legislature.
5 But money that comes in from the taxes on our
6 Class 1 licensees, 9-1/2 percent of that tax
7 revenue goes into the Gaming Economic
8 Development Fund. There are a number of uses
9 and priorities that legislature gave to that
10 fund. You'll hear some of those priorities in
11 alignment with those priorities talked about
12 today.

13 We are happy to have a number of
14 presenters from the various stakeholders that
15 submitted strategies. They're going to go
16 through either a quick presentation, or a
17 quick discussion about what some of their
18 recommended strategies are. I've informed
19 them all that they have about 10 minutes.
20 I'll be keeping time. There won't be a big
21 buzzer, but if you see me start to do this, or
22 raise a finger, you got about a minute left.
23 We'll try to keep things moving along, and
24 that way it'll allow us some time for my

1 colleagues and I to ask a few quick questions
2 at the end of your presentation.

3 Again, we have folks from the
4 Greater Boston area, in and around our Everett
5 casino, as well as some folks from in and
6 around Plainville. As I suggested to them, we
7 didn't necessarily hold a hearing down in
8 Plainville because the cost of webcasting is
9 somewhat prohibitive, so we're happy that you
10 were able to travel into Boston and be part of
11 the meeting today.

12 With that, we will kick it off.
13 And these were arranged in order by when their
14 presentations or their strategies came in the
15 door. We figured we'd give them a little
16 benefit for being first or early, so that's
17 why they're listed the way they are. But
18 we'll start off with Bristol Community
19 College. And you're teed up ready to go.

20 MR. UCCI: Thank you. Good
21 afternoon, Mr. Chairman, members of the
22 Commission. Thank you for this opportunity.
23 My name's Anthony Ucci, I'm associate vice
24 president of academic affairs at Bristol

1 representing a team down there.

2 One thing to say before we get
3 started, we weren't sure where the team was
4 going with this so these proposed strategies
5 are, essentially, a variety of different
6 strategies of different scale and different
7 scope. And we felt that were in spirit of
8 fund, but we certainly aren't expecting that
9 all of these would necessarily move forward.
10 But we did want to provide all the variety of
11 different activities that the college would
12 benefit from.

13 They fall in three major areas.
14 Enhancing student services, essentially,
15 improving their experience of students on
16 campus, a number of different capital projects
17 that we feel would support the gaming and
18 broader hospitality industry, and if the
19 Commission was interested in going after a
20 major regional activity, a number -- an
21 economic development project, as well.

22 The college has a number of
23 activities associated with the workforce
24 training fund. It's a fund designed to bring

1 students into education experience and move
2 them out to work. Unfortunately, the fund is
3 limited, so a number of these activities,
4 Bridge to College activities, ESOL, GED, et
5 cetera -- HiSET, I should say, additional
6 funds could be sought to support these
7 activities, as well as for individuals who are
8 not eligible for these because they don't pay
9 into the workforce training fund.

10 In addition, we have a number of
11 different STEM and environmental-related
12 activities on campus that could benefit from
13 funding from this. These include internships,
14 summer jobs, as well as forming of a type of
15 conservation core among the community
16 colleges. We also have, potentially, develop
17 scholarships.

18 One area where we're very interested
19 in, where there's not additional funds, is for
20 study abroad programs. This is very limited
21 in a community colleges scenario where these
22 funds could potentially be used and expanded
23 to enrollment. Again, there's very limited
24 state funds to support that, as well. So

1 there's a whole series of these that could
2 potentially be expanded that would take
3 advantage of these funds.

4 In terms of capital improvement
5 funds, minor improvements could include a
6 number of different improvements of our
7 STEM -- our STEM laboratories and other
8 related -- other related facilities on campus.
9 We currently have a large backlog of requested
10 -- of requested improvements, as well as a
11 large backlog of anticipated projects that are
12 unfunded that this opportunity -- this fund
13 would allow us to move forward in a number of
14 different areas. Definitely, STEM related,
15 health care related, as well as other emerging
16 industries that we could potentially support
17 with advantage of these funds.

18 In addition, we have three major
19 capitol projects that we feel are closely
20 related to the hospitality industry that we
21 could directly benefit from. This includes
22 major improvements on our theater facility on
23 campus. The theater facility was built
24 originally with the campus, has not been

1 upgraded since. It is the largest theater in
2 the Fall River area. We believe it's the
3 largest theater in Bristol County. We were
4 hoping, potentially, to get funds for this.
5 We're seeking a number of different sources,
6 but this fund will definitely improve this.

7 This not only benefits our students,
8 it would benefit the community as a whole.
9 It's used for, obviously, theater
10 presentations, but we host debates, we host
11 music recitals and a number of other community
12 events, and the theater itself is badly in
13 need of renovation. As I said, it's original
14 to the campus, so at this point over 30 years
15 old. So it is limiting our ability at this
16 point.

17 So some of things potentially to do
18 was upgrade to more state-of-the-art digital
19 equipment, potentially, renovating the
20 facility itself. Things like chairs,
21 carpeting, even, for that matter, the
22 equipment behind stage is also very old and
23 outdated. We feel this would be a big
24 improvement to the local arts economy and

1 support the hospitality industry in our area.

2 Another potential project is to
3 support our fitness and wellness center. We
4 currently have a small fitness and wellness
5 center on campus. We would like to expand
6 that and make it more centrally located on the
7 campus, and incorporate it into our health
8 care and some of our other wellness project --
9 programs on campus.

10 Currently, it's very independent.
11 It's not involved, actually, in instruction in
12 any way. We would like to relocate it so it
13 was adjacent to our health -- allied health
14 programs. In particular, our occupational
15 therapy program and a new physical therapy
16 program that we are in the process of -- I
17 should say, occupational assistant program and
18 physical therapy assistant program that we're
19 in the process of developing.

20 We feel this would be benefit to the
21 student, the community, but also provide much
22 needed instruction in this area, which is a
23 very strong growth field. Both of those areas
24 are in the top five, in terms of employment

1 growth rates over the current decade. Give
2 you some idea of what we were hoping to
3 accomplish.

4 Lastly, we have our culinary arts
5 kitchen. It's currently in our retrofitted
6 old cafeteria kitchen. It's not actually set
7 up as an instructional facility. We have
8 retrofitted and done well with what we have
9 and updated the equipment, but the industry as
10 a whole in culinary arts, its instruction has
11 changed a great deal over the last 20 to 30
12 years. And being able to move in that
13 direction, and to develop a instructional
14 kitchen would dramatically improve that
15 experience of our students.

16 Many of those students are already
17 working in the hospitality industry in our
18 region, as well as a number of them in the
19 gaming industry here and around the country.
20 So this would be a big opportunity for us to
21 be able to move forward to a higher quality
22 and better instruction overall. Give you some
23 idea.

24 Lastly, if the Commission interested

1 in supporting a major regional project, one of
2 the major activities that Bristol is currently
3 in the process of developing is a training
4 center to support the offshore wind industry.
5 We feel this is a fantastic opportunity for
6 Massachusetts, particularly for the southeast
7 Massachusetts, but for the Commonwealth as a
8 whole. We have already -- have a ongoing
9 partnership between Mass Clean Energy Center,
10 organized labor, a number of other
11 participants, Pure Revotion (phonetically)
12 Energy Management, the leaseholders of the
13 offshore wind areas off the coast.

14 And if the Commission was interested
15 in pursuing a major regional project, a
16 significant amount of funds could be used to
17 support this. At this point, it's projected
18 40,000 jobs will be in the -- in offshore wind
19 industry by the end of next decade, and many
20 of them will be located in New England and
21 Massachusetts, as this a center and the major
22 source of offshore wind.

23 In terms of a workforce project,
24 offshore wind technician -- or wind energy

1 technician, I should say, is actually the
2 number one industry, in terms of growth for
3 the decade for 2014 to 2024. And this is just
4 a -- the letter here is -- is, essentially,
5 these all written out in a little greater
6 detail.

7 CHAIRMAN CROSBY: Great.

8 COMMISSIONER STEBBINS: I had a
9 couple of quick questions. What for the
10 community colleges is, kind of, the
11 traditional funding mechanism when you're
12 looking for capital improvements; is it some
13 type of bond bill or --

14 MR. UCCI: It's a mixed bag, in all
15 honesty. We were actually having this
16 conversation earlier today. If it's a major
17 project, we would probably go through
18 Bondville and be subject to Department of
19 Capital Asset Management, and for buildings,
20 et cetera. But for this scale project, for
21 the projects, you know, in the range of a
22 half-a-million dollars and under, generally,
23 that is it either comes out of college
24 resources, or we seek resources from a wide

1 variety of other sources.

2 We have received federal and state
3 grants. We've received gifts from
4 corporations and from individuals to support
5 these types of activities. But they are few
6 and far between, and, oftentimes, particularly
7 grants, are very limited in scope so they
8 don't actually fit well, in terms of funding
9 hospitality-related projects. They tend to be
10 more STEM related and -- of that nature.

11 COMMISSIONER STEBBINS: You know,
12 we've heard a lot from western Mass about,
13 kind of, a existing need for culinary and
14 hospitality talent, even before you've
15 introduced somebody like MGM. What can you
16 tell us, you know, about the need down in
17 southeastern Massachusetts, in terms of
18 culinary and hospitality workforce needs?

19 MR. UCCI: Well, currently, all of
20 our graduates are employed. In fact, we have
21 a challenge because they're in such high
22 demand that, oftentimes, they're hired before
23 they complete their degree. We have had huge
24 demand over this summer to support the areas

1 around us, Newport, Cape Cod, et cetera, where
2 there's a real shortage of hospitality workers
3 and trained individuals.

4 We're very proud of the growth in
5 the tourism industry in Bristol County.
6 There's been a real boom, in terms of
7 restaurants and a number of hotels are going
8 online, as well as, you know, other tourism
9 type activities. And these type of
10 individuals with a culinary background, or for
11 that matter, a hospitality background, are
12 definitely in demand.

13 CHAIRMAN CROSBY: Anybody else?

14 COMMISSIONER MACDONALD: I just
15 might just make an observation. It appeared
16 that most, if not all of these, with the
17 exception of your proposal with regard to the
18 offshore wind institute, that they're directed
19 to what appears to be improvements or
20 enhancements of currently existing programs
21 and services at the college. And my own view,
22 which is one that's subject to being -- to
23 being refined, is that this particular fund
24 has, as its objective, as suggested by its

1 title, economic, you know, development --
2 development fund.

3 And so, just from a quick review, I
4 would think that the -- that this last, you
5 know, proposal that relates to the -- to the,
6 you know, underwriting and, perhaps, critical
7 underwriting of what's necessary to have the
8 offshore wind institute, you know, becoming
9 operational is the one that falls most
10 naturally within the -- within the
11 objectives -- statutory objectives of the
12 Economic Development Fund. I may be wrong on
13 that, but that's my -- my first cut here.

14 CHAIRMAN CROSBY: I actually was
15 going to say something, which was sort of a
16 different point -- an opposite point, but I
17 think they actually -- they're compatible.
18 This is a really interesting, and as you
19 suggested, very comprehensive list of stuff.
20 It's a menu of stuff. And it'd be great if
21 there were money around to do them all, and
22 there won't be.

23 I think that the wind turbine is a
24 really, really interesting project. And if --

1 if, whether it's through this fund or some
2 other, you know, working with your local
3 legislators to try to get that in people's
4 mind -- the legislature's mind, that's a
5 really good idea.

6 And what I thought -- think
7 Commissioner Stebbins had in mind, when he put
8 this project together, was not so much just to
9 talk about economic development in the
10 abstract, but to talk about economic
11 development, which was leveraging what has
12 been -- happened already with the casinos.
13 Such as, your culinary arts program and some
14 such as some of your basic training,
15 preparatory training for students who could
16 then could go on to community college and get
17 jobs in the casino and related areas.

18 Those -- so as a strategy matter,
19 you might hone in on those two as part of the
20 proposal that the -- Commissioner Stebbins
21 will be -- or the white paper that
22 Commissioner Stebbins will put into the
23 legislature. But for other monies, you know,
24 the -- I think Commissioner Stebbins idea was

1 some of this fund might go into investing in
2 things which leverage the casino investment.
3 The rest of it could go to whatever. But I
4 think that wind farm idea would be a great one
5 for the other portion of the fund, or some
6 other capital investment, because it's an
7 exciting idea. But strategically --

8 MR. UCCI: We certainly are seeking
9 all sorts of different opportunities in that
10 way. And we have a -- some, you know,
11 wonderful opportunities in that one. But this
12 would certainly be a great way to support a
13 real growth industry for the Commonwealth.

14 CHAIRMAN CROSBY: But you might
15 think about fine-tuning those other two that
16 really do directly fit in the, sort of, sweet
17 spot that I think Commissioner Stebbins -- am
18 I right, that you were -- you were really
19 trying to think about creating?

20 COMMISSIONER STEBBINS: Yeah. I
21 mean, it's -- you know, we have talked
22 about -- as I pointed out earlier, I think
23 some of things in your proposal definitely fit
24 within the priorities that the fund outlined.

1 It does mention STEM. It does mention, kind
2 of in a broad category, regional economic
3 development initiatives.

4 You know, I think this Commission
5 maybe speaks to some more credibility, when we
6 can tie it back to things that will continue
7 to help make our licensees successful, expand
8 employment opportunities and, obviously,
9 hopefully create a steady stream of revenue
10 for the Commonwealth and for communities kind
11 of going forward.

12 But, you know, I'd like the kind of
13 full-blown approach. I think we're going to
14 have, again, more credibility, as the chairman
15 points out, as tailoring some -- honing in on
16 some of those things that can tie back to the
17 casino/hospitality industry, you know, down in
18 southeastern Mass.

19 But, you know, as we saw with a
20 couple of strategies out in western
21 Massachusetts, it's kind of, let's put
22 everything forward because a lot of it does
23 regional economic -- potential regional
24 economic impact, which we're all anxious to

1 see, especially down in southeastern Mass.

2 COMMISSIONER CAMERON: I had the
3 exact same thought as the two of you. The
4 projects that some of the students -- support
5 projects, as well as the culinary, tie most
6 closely to the needs of casino industry. So I
7 had that same thought, that those two in
8 particular were, you know, directly related
9 to -- to what the needs of both student --
10 workforce development, you know, students
11 needs, as well as casino needs for a trained
12 workforce.

13 MR. UCCI: I agree.

14 COMMISSIONER CAMERON: I have heard
15 from a number of your professors about the
16 need for culinary unit students. And, you
17 know, certainly, a facility that would allow
18 you to have more students makes sense.

19 MR. UCCI: Yeah. Demand is
20 certainly there.

21 COMMISSIONER CAMERON: Yeah.

22 MR. UCCI: All right. Thank you
23 very much.

24 COMMISSIONER STEBBINS: Thanks very

1 much. We'll quickly move on to their
2 counterparts at Bunker Hill. You know,
3 it's -- earlier I was pleased to be introduced
4 to the -- I don't know if she's new, but the
5 president of Roxbury Community College.

6 So it has been exciting for me, as a
7 former member of a community college board of
8 trustees, to see community colleges working
9 together. That wasn't necessarily the
10 experience I had the opportunity to have. But
11 a lot of this has really been ginned up about
12 the gaming act and the creation and
13 development of these large casinos. And, you
14 know, collaboratively seeing them all come
15 together and try to address workforce issues,
16 training issues and a number of other issues.
17 It's been exciting. So with that...

18 MS. MURILLO: Good afternoon,
19 Commissioner -- Chair and Commission members.
20 My name is Alice Murillo, and I'm the
21 associate provost of the Chelsea campus of
22 Bunker Hill Community College. I'm pleased to
23 be here, and I welcome this opportunity to
24 share with you some of the ideas that we've

1 been discussing with Region A and the
2 community colleges within our region.

3 We have -- we truly appreciate the
4 Gaming Economic Development Fund, recognize it
5 as an opportunity for economic development
6 within our region, our broad region, Region A,
7 for job growth and tourism promotion. And we
8 see this as a fund that can serve long-term
9 impact to the vitality of the casino
10 development and what's to come in the future
11 and this fast-growing industry that we know is
12 going to benefit our community with jobs and
13 opportunities.

14 We have had discussions within our
15 region -- we have had discussions within our
16 region. Our region of the Massachusetts
17 Casino's Careers institute Region A includes
18 Bunker Hill Community College as a lead
19 college, with North Shore Community College
20 and Roxbury Community College. And, of
21 course, within our three colleges we have a
22 lot of partnerships with community-based
23 organizations and other educational
24 institutions, so it's really a large group

1 that work together to advance economic
2 vitality for our area.

3 We have had discussions regarding
4 what we'd like to do, based on the statute
5 that we've read, and all the initiatives that
6 are available to us. And we've emphasized and
7 worked on highlighting three particular areas.
8 Workforce training, higher education
9 scholarships and individual training grants,
10 and, also, summer jobs and experiential
11 opportunities.

12 So we, as a group, are focusing on
13 these three, as specified within the
14 development fund statute. And the reason why
15 we have chosen these three areas is that we
16 believe and recognize that these three
17 strategies will maintain a skilled workforce
18 into the future for the casino and hospitality
19 industries. It will ensure access to
20 education, training, and employment for those
21 who are unemployed and underemployed within
22 our region. And we definitely want the
23 opportunity to have hands-on learning and
24 intensive on-the-job training for youth and

1 adult participants, because we believe that
2 will provide the most success, long-term
3 continuation within the industry.

4 So in looking at these three areas
5 and discussions about workforce training, we
6 are interested in looking at, first of all,
7 contextualized English for Speakers of Other
8 Languages instruction. We have three colleges
9 have developed over the years and continue to
10 refine and improve models to incorporate what
11 we consider the best way of introducing
12 English as a second language. That's the
13 contextualized model.

14 And our emphasis with these
15 initiatives would be to incorporate that with
16 in the context of gaming and the hospitality
17 industry. So we'd be looking at
18 contextualized English for specific positions.
19 For example, English for dealers, English for
20 housekeeping, so that it really is reflective
21 of the industry and more meaningful for the
22 student who's pursuing the instruction. What
23 did I do here? Okay, I need help now. There
24 we go.

1 We also find that there's a real
2 opportunity to look at how we deliver
3 instruction for those students who need basic
4 education. When we talk about basic
5 education, those academic skills so they can
6 complete their high school diploma
7 equivalency, call it the HiSET or the GED.
8 And we find that we have a real opportunity
9 with the integrated education and training
10 program, where students can be able to pursue
11 that academic skills component, along with
12 courses that are needed for entry into the
13 casino industry, having those be offered
14 concurrently. Rather than the tradition model
15 of getting your HiSET and then going into
16 workforce training, let's do those
17 concurrently and it becomes more valuable
18 because you can integrate, contextualize the
19 HiSET component with the casino course and
20 programs. And that will then allow those
21 students, once they complete the HiSET, to be
22 able to enter the industry and have a job
23 right away.

24 We also know, because it's happened

1 in other areas, that we find ourselves with
2 displaced workers because of the expansion of
3 the casino industry. So we want to be
4 available to support these workers, assist
5 these individuals who have lost employment due
6 to that expansion. And this could be done on
7 an individual basis, or working directly with
8 the employers. Again, leveraging whatever the
9 employers can offer to provide that support to
10 those that have been displaced.

11 We are also in the workforce
12 training looking at skills training for the
13 incumbent worker. We know that once the
14 individuals get jobs within the industry,
15 that, hopefully, their employer will be able
16 to continue to support them, in terms of
17 educational opportunities. So we find that we
18 can provide college-level instruction, as well
19 as tailored instruction.

20 So we'd be looking at including
21 training programs that could enhance their
22 experience, to include supervisory training,
23 human resource and oversight laws and
24 regulations kind of training that would

1 benefit the individual, as well as the
2 employer. And, of course, these programs
3 could also be customized to support what the
4 employer is requesting, and, again, leverages
5 the resources that the employer can bring to
6 the table.

7 Higher education and scholarships is
8 one that's very important to all community
9 colleges. Very much so in our region, when so
10 many of our students are dependent on
11 financial aid. So we find that we need this
12 to be essential to provide access for those
13 who are unemployed or underemployed. And
14 those are the folks who are being served by
15 our community colleges already.

16 We want to ensure, through the
17 scholarships and training grants, to maintain
18 a diverse pool of training participants and
19 employees. And, of course, the cost of
20 tuition is always too much, so we want to be
21 able to defray that tuition and fees, and
22 other expenses related to their educational
23 programs. And we would focus on supporting
24 those individuals who are pursuing programs

1 that are tied to the casino and the
2 hospitality industries, like culinary arts,
3 gaming, information technology, which is a big
4 one here, also, in the Boston area, and a
5 hospitality tourism, business administration,
6 marketing, all of those areas that would
7 support the casino and hospitality industries.
8 And, of course, it's also an opportunity to
9 support the incumbent worker who wants to
10 advance within their job. And, again,
11 advancement within the job would be an
12 opportunity for the employer to help support
13 some of these activities. How'd I get there?
14 Okay. One more. Actually -- okay. Thank
15 you.

16 All right. And then, our third area
17 of emphasis for us is summer jobs and
18 experiential opportunities. For us, it's
19 really important that our students -- those
20 who are in training get paid for the work that
21 they do. So we'd like to be able to have paid
22 work experience to prepare workers for
23 high-demand positions in the gaming and
24 hospitality industries, and, also, for those

1 who are working within the region. And we
2 want these experiences to be on a continuum so
3 that they become more intense as they pursue
4 their work in the field, or their educational
5 programming so that they're better prepared as
6 they're moving along within this process.

7 How would that work for us? We'd be
8 looking at summer jobs. Those summer jobs
9 would be on-the-job training for first-year
10 students, who are pursuing careers in gaming
11 and/or hospitality fields. We would look at
12 paid internships for those students who are
13 advancing and towards the tail end of their
14 program, more intense kinds of experiences.

15 And the third one, apprenticeship
16 model, is very timely, because we want to be
17 able to, over the next few years, look at how
18 we work with the state in the strategic
19 planning process for apprenticeships and see
20 how we incorporate some apprenticeship
21 opportunities within multiple areas that
22 support hospitality in the gaming industry.

23 And all these opportunities, summer
24 jobs and experiential opportunities, of course

1 would be co-funded, not only by the Commission
2 funds from the statute, but also by the
3 employer, to make sure it's a meaningful
4 experience and a well-worth investment for
5 both parties.

6 And with that, I conclude with one
7 final statement. We are in Region A. We have
8 three community colleges, but we've been
9 convening to have conversations, that's how we
10 work together with our broader community. We
11 had our first convening in July. And we are
12 having our second one in -- next Monday.

13 We've brought together about 50
14 stakeholders from the region, including the
15 REB, community-based organizations, city
16 government, chambers, educational institutions
17 from all level, community-based organizations
18 that do informal trainings. And what we want
19 to do is make sure that we develop pathways.

20 So wherever someone is starting to
21 be aware and support it for the gaming and
22 hospitality industry, that there's a pathway
23 for them throughout our intricate group of
24 folks within our region. And that's a plan

1 for us to continue with this work on a
2 quarterly basis, all the way through the
3 opening of the casino and beyond.

4 COMMISSIONER STEBBINS: Thank you.

5 MS. MURILLO: Any questions?

6 COMMISSIONER STEBBINS: Just a
7 couple quick follow-up questions. One of your
8 slides kind of intrigued me, which was talking
9 about displaced worker assessment referral,
10 and assisting individuals who may lose
11 employment due to the expansion of casinos.

12 We certainly saw, actually, in our
13 present today from the UMass Donahue
14 Institute, that there's somewhat of a
15 reallocation of spend. I might have gone and
16 bought a burger at your restaurant, now I'm
17 going to buy a burger at Wynn. It's probably
18 an expensive burger, but I'm buying my burger
19 at Wynn. I guess, the question is, you know,
20 what's leading you to, kind of, make that
21 assessment at this point?

22 MS. MURILLO: Within our -- I mean,
23 I guess it's happened to other places. But
24 within our region, we talk about the small

1 entities, the small businesses losing that
2 capacity to compete. So does it mean, then,
3 that maybe a whole strip of streets are bought
4 out by Wynn, and, therefore, all those small
5 businesses are gone, or they're competing,
6 then, against larger firms? So how, then, do
7 we take care of those employees for the small
8 businesses who are leaving because of that
9 competition, and get them ready to work,
10 maybe, with a bigger corporation?

11 And I think of a simple example as a
12 flower shop. Maybe, small within the area.
13 All of a sudden, lots of flower orders are
14 being requested at Wynn and so they don't have
15 the capacity, they lose out. But someone else
16 can come in and create a bigger organization.
17 But they have different expectations from a
18 small business. So how do we get these folks
19 ready to adapt to a bigger organization, give
20 them the skills they need so they can compete?
21 They might have the field experience of
22 working with flowers at a shop, but there are
23 other skills that are different and needed by
24 a larger corporation or a larger firm.

1 So how do we refer them to those
2 opportunities, make them aware of it, and
3 there are gaps, in terms of their skill sets,
4 how do we assess that and help them get ready
5 so that they can be competitive? And, of
6 course, working with that larger employer that
7 may come in so they understand what we're
8 doing and how we can do it well so that they
9 can be able to absorb those employees.

10 COMMISSIONER STEBBINS: Okay. You
11 talked about the -- a summer jobs program.
12 Just for my information, what age population
13 are we thinking?

14 MS. MURILLO: Well, for youths, I
15 know it's a little different and challenging,
16 but I -- because it's the casino environment,
17 we might be limited to age. We're thinking
18 of, at least, our freshman students, their
19 first year they're 18 years and older. There
20 may be limitations as to what they can do, but
21 at least some sort of exposure so they have
22 some bits and pieces. If not in the casino,
23 maybe in other organizations around the
24 casino, or organizations that offer the same

1 kinds of hospitality types of experiences.

2 COMMISSIONER STEBBINS: Okay. What
3 is the -- you know, I asked this question of
4 BCC, what are you seeing as the local -- and
5 Sunny may talk about this as well, what are
6 you seeing as the local need for hospitality
7 and culinary talent?

8 MS. MURILLO: We have a solid
9 program, and I know we could support more
10 enrollment and more students. Our capacity is
11 limited by our facilities.

12 So we have a wonderful kitchen.
13 It's not just getting more money to get a
14 second kitchen, because we don't have a
15 building for the second kitchen, it's a matter
16 of working with partners.

17 So how do we work with some of the
18 schools, maybe in the area, that have kitchens
19 that are not used in the evenings, on the
20 weekends. How do we work with the REB. We
21 have a project right now of rehabbing a space
22 that used to be a kitchen and it's now going
23 to be updated to support that.

24 So until we get a new facility on

1 our campus, we have to look at extending our
2 schedules so that maybe we're offering classes
3 on Saturday and Sundays, and at midnight.
4 We've done that before, or working with
5 partners in the community that have kitchens
6 that are not being used at certain downtimes,
7 and how can we have access to that. And
8 that's going to be a whole regional kind of
9 collaborative to make that happen.

10 COMMISSIONER STEBBINS: Okay.

11 COMMISSIONER ZUNIGA: But do you --
12 just to expand on that. Do you see some bit
13 of a waitlist, or you have to turn people
14 away, or are you also anticipating an
15 increasing and then you have to --

16 MS. MURILLO: Yes.

17 COMMISSIONER ZUNIGA: -- you have to
18 meet --

19 MS. MURILLO: At this point, we're
20 fine, in terms of meeting the needs. But I
21 know, as we get closer to the casino opening,
22 we're probably going to see an impact on the
23 waitlist, so we want to get ready for that.

24 COMMISSIONER ZUNIGA: Fair enough.

1 COMMISSIONER STEBBINS: Anybody
2 else?

3 COMMISSIONER CAMERON: I thought
4 your proposal was right on point with these
5 jobs, these opportunities, in assessing what
6 your students will need to get there.

7 MS. MURILLO: Thank you.

8 CHAIRMAN CROSBY: And I agree with
9 Commissioner Stebbins. The displaced worker
10 focus is something we've -- actually don't
11 think anybody's every -- we've talked about
12 backfilling, where filling jobs where people
13 leave. But we never really talked about the
14 -- addressing the needs of people who lose
15 their positions. And that's a -- that's a
16 really innovative, important idea.

17 COMMISSIONER STEBBINS: And I know
18 we have some folks here from north shore, so I
19 want to recognize them and thank them for
20 attending this afternoon as well.

21 CHAIRMAN CROSBY: There were heads
22 nodding behind you. Very impressive.

23 MS. MURILLO: It was a joint
24 project.

1 CHAIRMAN CROSBY: Thank you.

2 COMMISSIONER ZUNIGA: Thank you.

3 COMMISSIONER CAMERON: Thank you.

4 COMMISSIONER STEBBINS: Thank you.

5 MR. MACDONALD: Thank you.

6 COMMISSIONER STEBBINS: We will
7 invite some folks from the Mass Cultural
8 Council. As you'll see in their presentation,
9 they have some work related to Springfield.
10 But I think, to save some travel time for
11 them, we decided to invite them to the Boston
12 meeting instead of Springfield.

13 MS. SIMMONS: Thank you.

14 MS. JENKINS: Good afternoon. And
15 thank you for -- I'll start again. Good
16 afternoon. My name is Meri Jenkins and I'm
17 with --

18 MS. SIMMONS: Oh. Lisa Simmons.

19 MS. JENKINS: And we are from the
20 Massachusetts Cultural Council. And if you
21 don't know the council, we're the state arts
22 agency. We receive our allocation directly
23 from legislature, and also through the
24 National Endowment for the Arts. But we're

1 here today to ask you whether or not you will
2 consider a proposal that deepens and broadens
3 our work -- the work that we're already doing
4 in our communities in Massachusetts.

5 So I just want to touch on what the
6 economic circumstance of our industry is in
7 the state. In particular, focusing o the
8 nonprofit arts and cultural organizations. As
9 you probably know, we are blessed in this
10 state with an extraordinary array of
11 first-class organizations, who provide both
12 the residents and visitors who come to this
13 state with a great experience. And in that
14 process, they are an economic force in and of
15 themselves.

16 There are 62,000 jobs in the
17 nonprofit part of our sector alone. We have
18 never tried to count all the artist that live
19 in the state, simply because there are so many
20 of them. Turn any street corner and you'll
21 find an artist around -- just around it.

22 The organizations inject \$2.1
23 billion annually into the state economy. They
24 generate another 2.5 billion in economic

1 activity. And that's related activity.
2 That's through hospitality, restaurants,
3 transportation, shopping, and other
4 recreational activities.

5 In 2015 alone, these organizations
6 generated a \$104 million in taxes and fees
7 directly to the Commonwealth, to our state
8 coiffeurs. The Mass Cultural Council delivers
9 our work through a variety of grant programs,
10 to organizations, to artists, to schools and
11 so on.

12 The cluster of programs that we're
13 really talking about in our community-based
14 work are the local cultural council program,
15 which is present in every city and town in the
16 state. It is 37 years old. We've been
17 running it for 37 years. And it is the
18 largest, decentralized arts funding program in
19 this country. The cultural district
20 initiative was launched five years ago, and we
21 have designated 43 cities and towns with
22 cultural districts since that time.

23 I was responsible for the Adams Arts
24 Program, that's a other John and Abigail Adams

1 arts program, an economic development program
2 that was designed to attach itself to
3 revitalization efforts in community, to boost
4 the capacity of our sector, and increase
5 visitation on the part of residents and
6 visitors alike. We launched a festivals
7 program two years ago, and now support over
8 240 festivals in this state. And then, we
9 have an arts development program, which is
10 really about the development of cultural
11 space.

12 MS. SIMMONS: So I think that we all
13 understand that culture is essential to the
14 health and the vitality of any community. And
15 what Meri was talking about, the 351 cities
16 and towns that are covered by 329 local
17 cultural councils, which is the program which
18 I run, as well as festivals program, is a
19 really important part of the -- one of the
20 programs at the Mass Cultural Council.

21 Now, we recently just
22 re-regionalized. One of the reasons for that
23 was because we wanted to support those local
24 cultural councils and the programs within the

1 region in a way that we could help them
2 cross-market, that they could
3 cross-collaborate, cross-program and provide a
4 stronger economic impact.

5 So right now, we have six staff
6 members who are working within 17 regions.
7 And in many ways, they mirror the same regions
8 as the regional tourism councils. And that's
9 for us to help harness all the assets that are
10 in those communities. So we work really -- we
11 will be working closely with them to create
12 and support a cultural agenda, which has been
13 a really important part of the work that we're
14 doing going forward.

15 Now, we're focusing on seven
16 communities. And we're here to talk about the
17 Gaming Economic Development Fund about these
18 seven communities that will expand to many
19 other communities, but we're starting with a
20 pilot program of seven to talk about creating
21 a cultural compact within these communities.
22 And that cultural compact is to help us drive
23 growth in existing, creative economy
24 initiatives that are happening in areas across

1 the state to build relationships in diverse
2 populations. Not only populations of, you
3 know, ethnicity and race, and age and gender,
4 but, also, within municipalities.

5 One of the things that we have come
6 across in the Mass Cultural Council world with
7 the local cultural council programs, is that,
8 sometimes they're disjointed and not so much
9 connected with the municipalities on our work
10 that now we're working on regionally. And --
11 and with this fund, economically and
12 financially, is to help them become much more
13 a part of the municipalities and work much
14 closely, in order to create these livable,
15 creative cities around the Commonwealth. And
16 that comes to cultivating these towns and
17 supporting them through infusing this funds.
18 So that's really a huge part of us working
19 regionally, and it's a way that we have
20 started to think about the council going
21 forward.

22 MS. JENKINS: We have a track record
23 of building partnerships on a local and
24 regional, and a statewide basis. On a

1 statewide basis with other agencies, including
2 the Massachusetts Office of Travel and
3 Tourism, the Department of Housing and
4 Community Development, the Massachusetts
5 Historic Commission, the Executive Office of
6 Economic Development, and all of branches that
7 that involves. And that's been an important
8 and critical, and legislatively, key role that
9 we -- that we have with those other agencies.

10 On a regional basis, we've enjoyed
11 relationships with the regional tourism
12 councils, and also with the economic
13 development councils and chambers, and so on.

14 On a local basis, and I think this
15 is, sort of, really key, so much of the
16 partnership work is relationally-based. We've
17 secured relationships with many of our
18 municipalities. And, as you may know, several
19 of them have very robust councils in their own
20 right. As I said, our intent so to deepen
21 that work and to take it into -- to boost and
22 increase the wherewithal for municipalities to
23 do that work. Arts and culture isn't
24 something that's generally included, but is of

1 great interest these days, when it comes to
2 what is termed as a place-making agenda.
3 Creative place-making really puts artists and
4 cultural organizations at the center of that
5 activity. And in doing so, we believe that
6 we're building vital communities, and we're
7 also increasing economic impact. And that's,
8 importantly, the role we play. That we
9 have -- we've fostered relationships between
10 public, private and nonprofit organizations to
11 really look at how to rethink or reimagine the
12 future of a community from a cultural
13 perspective.

14 And that work, we began that work
15 through the Adams Arts Program over 20 years
16 ago, and have supported over a hundred
17 projects in a variety of communities,
18 including the ones where there are now going
19 to be casinos present, in order to look at the
20 ways in which our sector can play a role in
21 community and developmental strategies.

22 MS. SIMMONS: Now, these are the --
23 these are the seven communities that have we
24 have chosen to be a part of this cultural,

1 compact pilot program. And the reason why we
2 chose them is because they are
3 representatives, pretty much, of the cities
4 and towns that are across Massachusetts. And
5 they're all very excited about the opportunity
6 to work together with their communities and
7 create these strategies of community and
8 economic development, which, as Meri says,
9 will lead to more vital -- vital communities.

10 So we're going to charge them with
11 working very closely with their key leaders
12 and economic development and tourism, and
13 local cultural councils and cultural districts
14 where that's appropriate, and to, sorts of,
15 infuse what we're calling the power of culture
16 in -- in communities.

17 Meri talked a little bit about the
18 funding for the cultural district programs and
19 for Adams, and how that made such a huge
20 difference, and makes a huge difference in
21 communities across -- across the Commonwealth.
22 The local cultural council program also
23 infuses \$3.3 million into cities and towns
24 across the state of Massachusetts, as well,

1 and a grant program that provides grants to
2 individual artists, as well as organizations,
3 as well as schools, so that every single city
4 and town receives some sort of funding to be
5 able to regrant and grant out funds to -- to
6 these communities to help them become a more
7 viable and vital cities an towns.

8 MS. JENKINS: So our intent with
9 this fund is to provide grants and advocacy
10 for the municipalities we'll be working with.
11 So to boost the efforts that are underway
12 around this conversation, to provide them with
13 the training and tools they will need as they,
14 sort of, investigate this as a possibility.
15 And then, to target investments to artists in
16 the cultural sector, in order to ensure that
17 they can deliver on the programs. So they can
18 go -- they can get into the marketplace and
19 they can deliver the programs that they'll
20 need to do, in order to be able to do this
21 work.

22 We also want to ensure that, in this
23 mix, we are not only focusing locally, but
24 we're bringing to the table the regional and

1 state agencies that have an appropriate role
2 to play, when it comes to thinking about
3 economic development strategies.

4 You've heard, today, about the
5 rehabilitation of the theater at the Bristol
6 Community College. And that kind of
7 initiative is exactly what we've been doing
8 through our cultural facilities fund, which
9 we've spread out about eight -- \$18 million
10 amongst many of our organizations, to do the
11 very practical thing of restoring some of our
12 most historic sites in the state.

13 And so, these alliances that I'm
14 mentioning are, sort of, really key.
15 Oftentimes, it's about regenerating a --
16 cultural asset. And I would cite The Colonial
17 Theatre in Pittsfield as an example, which was
18 a shattered, historic theater with a paint
19 shop attached to the front of it, that, for
20 many years laid dormant, and is now an active
21 and vital part and that brings both -- and
22 boosts the quality of life for the people who
23 live in Pittsfield and the surrounding area,
24 but also, importantly, provides a vital

1 cultural asset for the city of Pittsfield that
2 just wasn't there before. And the city now
3 has four theaters that are busy and active on
4 a year-round basis.

5 I think, also, we are always
6 interested in looking at ways to boost the
7 visibility of our sector. And through the
8 partnerships that we forge with the Mass
9 Office of travel and Tourism and in other
10 ways. That marketplace helps boost their
11 capacity, and it helps provide them with the
12 financial resources that they need to go about
13 doing their work.

14 So this -- our strategy with this
15 fund is to explore, investigate, learn, and
16 also work with the seven communities, and then
17 expand upon that and bring out the people into
18 the mix. Just as we've done through the
19 cultural district program, through the
20 festivals program, and through our local
21 cultural council program. So there's a strong
22 track record here of working with our sector
23 and working with other partners to get this
24 done. Thank you.

1 MS. SIMMONS: Thank you.

2 COMMISSIONER STEBBINS: Thank you.

3 You know, as I was reading through the slides,
4 I think I generated more comments than actual
5 questions. I think, what you're talking
6 about, what you're describing, has, I think, a
7 tremendous opportunity to partner with our
8 licensees.

9 I mean, let's start with
10 Springfield. You're cultural district is
11 almost right across the street. You have a
12 licensee that's looking to program outdoor
13 space for entertainment, for arts. If you to
14 back and look at our license application,
15 there is actually a question on our
16 application that says, how are our license
17 going to focus on public art?

18 So I think there are tremendous
19 opportunities here. I'd love to hear, you
20 know, opportunities for more collaboration
21 around, you know, the Everett area and the
22 cultural districts that may reside in the
23 Everett area, as well. But, you know, I think
24 I walked away from your presentation, you

1 know, with more ideas than I necessarily had
2 questions, because I think there are some
3 opportunities here.

4 MS. JENKINS: There are tremendous
5 opportunities, I think. I would also make
6 mention that this agenda aligns itself within
7 the -- with an agenda that's all right
8 underway through the Community Compact program
9 that Karyn Polito has been so successfully --
10 so successfully understood when this
11 administration came about. And we see this as
12 aligning itself with what they're doing in the
13 executive branch of which we are not a part,
14 but it's an important piece of the
15 conversation.

16 Just down the road from Everett is
17 Lynn. And recently, Lynn undertook a mural
18 project and produced, in very short order, and
19 if you've not had the opportunity to go an
20 have a look at them, they are really
21 tremendous. And there at significant -- you
22 know, in a community that's often thought of
23 as sort of being downtrodden, this is a breath
24 of fresh air on the buildings and fabric of

1 that city that really puts a stake in the
2 ground around change in a really positive way.
3 It really, I think beautifies the city.

4 And we've seen that -- yesterday, in
5 Springfield, they just launched a mural that
6 was a celebration of the work of the game
7 company, Milton Bradley. So it's -- it's not
8 hard to find this work. And it's not hard
9 here to find the artists that can do it, or
10 the organizations that can boost what it is
11 you are trying to get at through your work
12 here at the Commission.

13 COMMISSIONER ZUNIGA: Remind me,
14 there's a portion of the gaming tax that goes
15 to the Mass Cultural Council; is that -- is
16 that correct?

17 MS. BLUE: Yes, there is, once the
18 Category 1s are up and running. I don't
19 remember the percentage off the top of my
20 head, but it's once the Category 1s get up and
21 running.

22 COMMISSIONER ZUNIGA: Yeah, there's
23 a percentage that comes. And sometimes I get
24 mixed up with if it's a percent of the 25, or

1 a larger percent, you know, of a hundred. But
2 have you had any kind of thoughts or ideas, or
3 discussions with -- like the Gaming Economic
4 Development Fund, we don't control the Mass
5 Culture Council Fund from these taxes. But I
6 would like to think that the legislature would
7 listen to the discussions that go here, and
8 some of the recommendations that will be, you
9 know, forthcoming. But if you haven't, that's
10 one area that I would -- I would encourage you
11 to explore, because there's additional funds
12 that come from the gaming taxes to the
13 Mass Cultural Council.

14 CHAIRMAN CROSBY: You're familiar
15 with that, right?

16 MS. JENKINS: Yes, we are familiar.

17 MS. SIMMONS: Yes.

18 MS. JENKINS: Yep. Absolutely.

19 CHAIRMAN CROSBY: Okay. Because
20 that will start to occur in September of next
21 year.

22 MS. SIMMONS: Next year.

23 MS. JENKINS: That's correct.

24 CHAIRMAN CROSBY: That seems to

1 me -- I think this is really interesting kind
2 of synergy, and a really kind of interesting
3 way to invest in culture, and as a
4 community-building tool, the, sort of, broad
5 way that you're talking about it. But I think
6 it would make a lot of sense for you to spend
7 a fair amount of time teeing up specifically
8 how you would do that.

9 You can easily get estimates. We
10 can give it to you, if you don't have it,
11 about what kind of money will be in that fund
12 when. And be ready to talk to the -- the
13 legislature, the Weighs and Means committees
14 and whatever committee it is that oversees
15 your activities. And go in there with a
16 specific proposal before anyone else gets
17 their eyes on the money, which was the same
18 thing that Commissioner Stebbins had in mind
19 for the fund that has our name associated with
20 it.

21 You don't need to come to the Gaming
22 Economic Development Fund. You've got your
23 own fund that I think, you know, you would be
24 well-served to have a clear idea on how you

1 want it utilized before anybody else gets
2 around to talking about it.

3 MS. JENKINS: I understand what
4 you're saying, and I appreciate it. The
5 intent behind that funding is that it will go
6 -- as I understand it, it will go to the
7 organizations that are likely to potentially
8 be affected. I see it as a boost to their
9 wherewithal to connect with the work that's
10 underway in -- that will happen as a result
11 and the boost in visitation that will result
12 with the -- with the, sort of, development to
13 the casinos in the state.

14 We've worked with the City of Revere
15 most recently on some of their efforts. We've
16 also been in some of the organizations in
17 Springfield over the past year about how they
18 can connect. This is not -- you know, this is
19 a positive thing. Casinos are part of the --
20 are the entertainment industry, an important
21 part of it, and they attract a lot of people.
22 The question is, is how do you then get them
23 to use the city that they're in as well.

24 In conversation with Springfield,

1 there was a suggestion that one executive
2 director had, where he said that he would like
3 to see, in every room in the casino, a piece
4 of art by an artist from Massachusetts. And
5 we kind of like that idea. And that's the
6 sort of dialogue, I think, that is really
7 important here. This money will -- is focused
8 a little differently. You know --

9 CHAIRMAN CROSBY: Is there --
10 there's no in effect earmarking, Catherine, is
11 there; do you have the statute there? I think
12 it just says the Mass Cultural Council.

13 COMMISSIONER ZUNIGA: Subject to
14 appropriation so --

15 CHAIRMAN CROSBY: Oh, subject to --

16 MS. BLUE: It is subject to
17 appropriation, I believe.

18 COMMISSIONER STEBBINS: Most of them
19 are.

20 CHAIRMAN CROSBY: Right. It is
21 subject to appropriation, but does it have any
22 earmarkings for the utilization of it, or does
23 it just go to the Mass Cultural Council in
24 general, right here?

1 MS. BLUE: So what it says is
2 2 percent of the revenues. And this is the
3 Category 1, so it's 2 percent of the 25
4 percent.

5 CHAIRMAN CROSBY: Right.

6 MS. BLUE: Of which one-quarter of
7 the revenue shall be dedicated to the
8 organization support program of the Mass
9 Cultural Council, and three-quarters of the
10 revenue shall be dedicated to support
11 nonprofit, municipally-owned performing art
12 centers impacted as a result of the operation
13 of gaming facilities.

14 CHAIRMAN CROSBY: Oh, so you're
15 right. Okay.

16 MS. BLUE: But then it says,
17 "Provided, however, that funds dedicated to
18 such performing art centers shall be used to
19 subsidize fees paid to touring shows or
20 artists, and provided further that funding
21 shall be appropriated to a competitive grant
22 process to be developed and administered by
23 the Mass Cultural."

24 CHAIRMAN CROSBY: All right. Good.

1 Then, I misunderstood. You knew it better
2 than I did. So we will think about this --
3 not that we control the money. But -- but I
4 see why you're talking to us about this,
5 because there is -- there is an earmark in
6 effect, a direction mandated in the statute.

7 COMMISSIONER STEBBINS: Anybody
8 else?

9 MR. MACDONALD: I gather that some
10 of the energy behind this proposal is that
11 you're experienced with the Adams Arts
12 Program.

13 MS. JENKINS: Correct.

14 MR. MACDONALD: Could you just,
15 briefly, as you've gone beyond your 10
16 minutes, but just briefly, what are the major
17 elements of the Adams Arts Program?

18 MS. JENKINS: The Adams Arts Program
19 was established -- the first iteration of the
20 program was called The Cultural Economic
21 Development Program. It was launched in 1998.

22 It was the first program of its kind
23 in the country that really -- it was an
24 attempt to get cultural organizations at the

1 table for economic development conversations.
2 Not that they were not economic engines in
3 their own right, but there needed to be some
4 alignment there, we felt strongly. And we
5 knew that small investment, Seed funding,
6 could help make a difference. It was designed
7 as a partnership program that had to be a
8 diverse group of stakeholders who came
9 together to develop a shared economic agenda.
10 And that program took off.

11 Over the course of a three -- a
12 five-year period we supported only about 16
13 initiative in a variety of communities that
14 were linked to revitalization, capacity and
15 visitation.

16 MR. MACDONALD: So is it a
17 Commonwealth-wide program?

18 MS. JENKINS: That's right.
19 Commonwealth-wide program. It was highly
20 competitive and offered on a yearly basis.
21 Our agency was cut in 2002. And the program
22 was suspended and relaunched like a rocket in
23 2004, as the -- and renamed as the John and
24 Abigail Adams Arts Program.

1 And over the time period between
2 2004 and 2017, we've supported implementation
3 and planning projects. We kept the framework,
4 because we know that the arc of economic
5 development, it's not overnight, necessarily.
6 Not when you're trying to shift the negative
7 perspective of a community to increase, or the
8 presence of artists and organizations within
9 that community to get at -- to entice people
10 to come back to a community, or to think about
11 it, rethink it in a -- in a somewhat different
12 way.

13 And I would say that we've seen
14 significant success. And I can cite
15 New Bedford, for instance, as an example.
16 They launched -- they launched their program
17 called, the AHA! program for art history and
18 architecture. They were one of our first
19 grantees. And the first time the program was
20 offered it was a monthly-themed program. The
21 first time it was offered there was more
22 people on the staffs of the -- the staff of
23 the organizations that were involved than
24 there were who visited.

1 So they could have actually thrown
2 in the towel at that point. You know, there
3 are a lot of economic development projects
4 that are dead in the water. However, they
5 were persistent and tenacious, and over the
6 course of the period of time that they've been
7 running this project, not only have the
8 organizations seen significant impact, but the
9 impact on the downtown New Bedford, I think,
10 has been significant.

11 So, routinely, from five to nine on
12 a Thursday night, people come back into town,
13 2,000 people turn out just for that one
14 program. And we've seen that repeated again
15 and again in other cities. Pittsfield picked
16 that program up. It's been enormously
17 successful for them. If what we can --

18 MR. MACDONALD: I think my
19 colleagues might think that this is a planted
20 question because I'm from New Bedford, and
21 very -- very, very familiar with the AHA!
22 program. I didn't realize its origin with you
23 all.

24 MS. JENKINS: That's right. We

1 Seed-funded it, and continue to support it for
2 the last 18 years, and are happy to do so.

3 COMMISSIONER STEBBINS: Thank you.

4 MS. SIMMONS: Thank you.

5 MS. JENKINS: Thank you.

6 COMMISSIONER CAMERON: Thank you
7 very much.

8 COMMISSIONER STEBBINS: Metro North
9 Regional Employment Board.

10 MR. SCHWARTZ: Are you guys tired
11 yet?

12 COMMISSIONER STEBBINS: Nope.

13 MR. SCHWARTZ: No? Still going?
14 Wow. So my name is Sunny Schwartz. I'm the
15 president and CEO of the Metro North Regional
16 Employment Board. And we are the workforce
17 development board for 20 cities and towns
18 north of Boston, which include most of the
19 cities affected by the Wynn development,
20 including Everett, Chelsea, Malden, Medford,
21 Revere, Cambridge, Somerville and more.

22 So if you're not familiar with what
23 a workforce board is, we are a convener, we're
24 a funder of workforce development in the

1 region, we build partnerships, and we work
2 with both employers, job seekers and workers
3 in the region to solve workforce development
4 needs.

5 So I just want to say we're super
6 excited about the Economic Development Fund
7 and -- so whoever thought of it, brought it
8 in, thank you, because it's very exciting to
9 have new money in Massachusetts for economic
10 development. We're also excited that you
11 recognize that workforce development is a big
12 part of economic development, because if we
13 don't have the skilled workers for jobs, there
14 is no economic development.

15 So I have really broad-based
16 recommendations that are in six buckets. And
17 I tried to include where I knew that there
18 might be a funding mechanism for them. And
19 I'm happy to talk more about that as you
20 develop the white paper for the legislature.

21 I'm on the executive team of the
22 Workforce Solutions Group, where Chairman
23 Crosby was just talking with us this week
24 about the CORI issues, which we're fully in

1 support of changing those regulations. The
2 Workforce Solutions Group is a statewide
3 advocacy group on workforce development, so
4 we're thinking about these issues and working
5 with the legislature all the time. So I'm
6 happy to, kind of, help you think these things
7 through in any way.

8 So the first bucket is very simple,
9 is job training. So there aren't enough
10 people to take the jobs that the casinos are
11 going to bring. So Wynn is bringing 4500 jobs
12 to the region. They're mostly gaming,
13 culinary, hospitality, cash-handling and
14 security jobs.

15 So in some cases there are training
16 programs that already exist for these, but
17 they don't have enough resources to train up
18 the people that are needed for both Wynn, and
19 also to backfill all the jobs that Wynn is
20 going to steal from all the other employers in
21 the region.

22 In some cases, there aren't
23 job-training programs that exist, and we need
24 to develop new job-training programs. So

1 we're recommending funding for both expanding
2 existing programs and starting new programs.
3 A couple possible funding mechanisms for that,
4 one is called The Workforce Competitiveness
5 Trust Fund.

6 This is a fund that exists sometimes
7 in the state budget. It's not a regular line
8 item. It has been funded periodically over
9 the years. It's sector-based training. It's
10 run through Commonwealth Corporation. Happy
11 to talk to you more about that.

12 But what you might like to know is
13 it there's a bill that's sitting with Senate
14 Ways and Means right now to take 5 percent of
15 the workforce training fund, which is funding
16 for people who are already working to fund
17 this Workforce Competitiveness Trust Fund,
18 which is to fund training for people who are
19 unemployed.

20 That -- that proposal of that bill
21 would take a million dollars from the
22 Workforce Training Fund and require a
23 million-dollar state match. We just had a
24 meeting with Chairwoman of Senate Ways and

1 Means, Karen Spilka, a couple weeks ago. And
2 she was struggling to -- she liked the bill
3 but struggling to think about where the match
4 was going to come from. And one of the ideas
5 was this Gaming Economic Development Fund.

6 Really, that should be funded at
7 least \$5 million. So, you know, we could
8 consider one to 4 million to go in to match
9 what could come out of the Workforce Training
10 Fund to fund this. And that would make a
11 healthy amount of money for a line item that
12 really doesn't exist right now, but is very
13 much needed.

14 Another idea is there are vouchers,
15 what are called individual training vouchers
16 that come through all the career centers
17 statewide. The mechanism for that is a
18 federal mechanism. There's very limited
19 resources. So in our region of 20 cities and
20 town, you know, there's something like a
21 hundred vouchers. I mean, very, very limited.
22 They go very quickly.

23 So there could be vouchers that are
24 run through the same system, but that are

1 targeted to, potentially, jobs related to the
2 casino. There's lots of ways to use that with
3 a mechanism that already exists to kind of
4 expand that pie.

5 And then, just a little plug because
6 I'm in metro north, is we're really concerned
7 about Wynn. We're concerned that the jobs are
8 going to be taken by nonlocal residents,
9 because our local residents aren't ready for
10 the job. So because MGM is opening sooner,
11 we'd like to consider using some of the
12 revenue in FY '19 from MGM, since this is a
13 statewide fund, to fund some people in the
14 region, near Everett, to take those jobs right
15 when Wynn opens, because we know that most of
16 hiring's going to be done when they open,
17 before they open in June of 2019.

18 So we'd like to get our residents in
19 those jobs. And you could do a lot of
20 short-term training between January and June
21 to get our residents ready. So just a little
22 metro north plug.

23 So bucket number two, similar to my
24 friends at the community college, are two

1 areas of basic skill remediation and what we
2 fondly call job readiness or soft skill
3 training. So this is adult basic education,
4 English, language training for nonnative
5 English speakers, job readiness, or things
6 like interviewing, resumé writing, career
7 coaching, you know, teamwork problem-solving.
8 Our residents will not be ready for jobs
9 without this so it's absolutely critical.

10 You know, unemployment is low. The
11 people who aren't working aren't work because
12 they have some kind of deficit. So they have
13 an English language deficit, they don't know
14 how to get a job, they have some math deficit.
15 We need to remediate that, in order even that
16 they're ready for job training.

17 So some possible funding mechanisms
18 for that is the Gaming Commission could do a
19 public procurement, as you did for the
20 Workforce Development Funds this year. I know
21 the community colleges talked about funding to
22 go to them, which we support. There's also
23 other training providers that do this. And
24 so, you know, we think public money should be

1 procured publicly, and then the provider that
2 has the best proposal would get those funds.

3 There's also a lot of programs that
4 are funded by the Department of Elementary and
5 Secondary Education to do this work. There
6 could be an expansion of that. And then, we
7 want to continue to integrate, you know,
8 adults basic education and English language
9 and job readiness into workforce development
10 programs. And I agree with Alice, that this
11 should be contextualized or can be
12 contextualized to the gaming industry, and we
13 know how to do that.

14 So bucket number three, and this is
15 near and dear to my heart, probably, the thing
16 I want to stress the most, Everett, you know,
17 is a community that needs a lot. I've sat
18 with the mayor. The mayor expects a lot out
19 of this. He wants his residents to get these
20 jobs. He's not the only one. The mayor of
21 Malden wants his residents to get these jobs.
22 The city manager of Chelsea.

23 So what is needed is career
24 counseling referrals, letting people know how

1 to access the jobs, where the training exists,
2 what are the pathways. Oh, I want to -- as
3 the mayor of Everett said, everyone -- you
4 know, there are people walking around those
5 casinos with suits. I want my residents, you
6 know, to get those jobs.

7 So how do they get those jobs? So
8 you got to go to Bunker Hill and get a
9 certificate in hotel and restaurant
10 management, but the average person doesn't
11 know that. So we need -- we need a central
12 place where people can go to get information
13 about casino jobs and casino-related careers.
14 All the effects that are going to happen on
15 the community.

16 Everett city hall, they have a lot
17 of space. I can tell you, the mayor would
18 love to see a career center there. We fund
19 and charter the career centers in the region.
20 We could put a satellite career center right
21 in Everett city hall. I don't care if you
22 want to put it where Wynn's going to be, you
23 want to put it in Everett city hall, whatever
24 the politics are. But we need something in

1 the city of Everett, where other -- where
2 Everett residents and others can access this
3 kind of information in order to get these
4 jobs. So we're happy to work with you on
5 that, happy to help staff that, but it's --
6 will need some funding.

7 CHAIRMAN CROSBY: Sunny, were you
8 here when MGM was making its presentation, I
9 can't remember, about its workforce plan?

10 MR. SCHWARTZ: No.

11 CHAIRMAN CROSBY: Okay. Because
12 there's a -- they've laid out -- they're nine
13 months ahead of Everett, but they've laid out
14 a plan, which includes, as a practical matter,
15 the same functionality, as you're talking
16 about in the career center, that consolidates
17 all the different jobs that talk -- that helps
18 winnow people out, which ones are you possibly
19 qualified, where do you get the training?

20 So -- and we were talking with Jill
21 about making sure that they have this same
22 functionality in place that -- at Wynn and in
23 Everett. So I think -- I think this should be
24 in our pipeline in one form or another

1 already, or in Wynn's pipeline.

2 MR. SCHWARTZ: Well, we would
3 appreciate anything the Gaming Commission can
4 do to push Wynn along that line, because we
5 have yet to see a workforce plan from Wynn.

6 CHAIRMAN CROSBY: Well, they don't
7 have one yet but it's coming.

8 MR. SCHWARTZ: Yeah. Thank you. So
9 bucket number four, this is because when I
10 looked -- when we looked at what this Economic
11 Development Fund could fund, STEM was a big
12 part of it. And I wanted you to know that
13 there are currently six regional STEM networks
14 in the state. They're funded through the
15 Department of Higher Education. We've been
16 told that that funding is going to end after
17 this year.

18 The priorities are around expanding
19 work-based learning opportunities and
20 developing STEM -- like early college and
21 career pathways, and deepening computer
22 science and engineering curriculum in schools.

23 This is short money. This is
24 \$300,000 that's funding these six STEM

1 networks. The money's going to go away, and,
2 you know, we're concerned about what's going
3 to happen to these networks that had been
4 built. There's one in Boston and metro north
5 has -- have one together, and there's six
6 around the state. So there's a lot of good
7 work that's going on that could disappear
8 without more support.

9 COMMISSIONER ZUNIGA: Why are they
10 going away, I'm curious? Budget cuts?

11 MR. SCHWARTZ: I don't know. I just
12 heard that the governor is not funding them
13 anymore. You know, they've been there. They
14 weren't funded, they weren't funded. Now,
15 they've been funded for the past two years so
16 I don't know why. But we can easily talk to
17 our folks at the Department of Higher Ed and,
18 you know, figure out what's going on there, or
19 if there's anything that can be done to keep
20 them going. But it's -- like I said, for
21 short money there's a lot of good work that's
22 being done around STEM work across the state.
23 So we can find out more.

24 And then, the fifth bucket is around

1 regional planning. I'm not sure if you're
2 familiar with this. This is really being led
3 by the Executive Office of Labor and Workforce
4 Development, and part of the new federal
5 workforce development law, which calls for
6 regional planning.

7 So there are 16 workforce
8 development regions in the state. This
9 regional planning makes seven, sort of, super
10 regions and brings together workforce
11 development economic development and education
12 to develop a plan together for that uber
13 region, and really look at solving, like a
14 priority occupation with a big skills gap. So
15 it's not doing everything. It's like trying
16 to do one thing that really needs to be done.

17 So in our region, we have Boston,
18 metro north and metro southwest. We're
19 looking at health care and IT, because there
20 are, you know, large industries in all of our
21 regions where there's very big skills gaps.

22 So it's a cool thing that we're
23 doing. We have to make these blueprints by
24 early 2018 to address this skills gap. But

1 there's no money to actually fund the
2 implementation of it. So we're going to make
3 these regional plans.

4 And so, I think there's something to
5 be done there, because there's been a great
6 effort to -- to create these, and then there's
7 not funding to actually -- for the
8 implementation of it. You know, this is the
9 funding could go, you know, in partnership
10 with the Executive Office of Labor and
11 Workforce Development. And I'm happy to talk
12 more that about that, too.

13 And then, my sixth buckets, which is
14 not on here, is really thinking about youth
15 jobs. And one area of possible funding -- so,
16 you know, the youth -- youth have suffered the
17 most, as unemployment has really gone down for
18 adults, teen, and youth unemployment is still
19 very high. There's lots of reasons for that,
20 and it's a really big problem.

21 If you all think about your first
22 job, how old were you? And that job really
23 helped launch you into success in college and
24 career. And we need to get all of our kids

1 working when they're in high school.

2 So there is a state line item
3 called, School to Career Connecting
4 Activities, which goes through the Department
5 of Elementary and Secondary Education. It's
6 woefully underfunded. So in metro north, for
7 instance, we get \$90,000 to be in six school
8 districts. So -- first of all, there's 14
9 school districts we're not hitting. We just
10 added Everett this year. We -- actually,
11 Everett was not part of it, but I said we ned
12 to add Everett. And the idea is to get these
13 kids working while they're in high school.

14 So, again, it could be short money,
15 if you want to focus on a couple of regions,
16 especially -- you know, could be statewide for
17 more money, or a couple of regions around the
18 casinos to make sure that we have more kids
19 that are getting career awareness and
20 internship job experience while they're in
21 high school.

22 So a simple \$100,000 could double
23 the money we have in metro north to give more
24 to the districts we have, which include

1 Chelsea, Malden, Everett, Somerville.

2 COMMISSIONER STEBBINS: Thanks,
3 Sunny. I had a couple of quick questions.
4 And you picked up a lot of points we've heard,
5 because of our working relationship with the
6 -- with the skills cabinet, about the regional
7 workforce plans. Assistant Secretary Vega was
8 here earlier, and even invited me to, I guess,
9 come to one of the listening sessions on the
10 16th of November, which I'm hoping to do.

11 You know, you touched on
12 something -- first of all, comment. MGM was
13 in here earlier. MGM has used a tool called,
14 SkillSmart to hopefully connect people --
15 residents interested in employment using any
16 work experience they might have had with the
17 job that they're thinking about with MGM, and
18 then looking at -- it gives a quick assessment
19 of, well, you're short in these areas. And it
20 might direct them to a training program at the
21 community college.

22 But I'd invite you, if you haven't
23 seen it, I think you can connect through it
24 off our website under MGM. But appreciate

1 your feedback on that, in terms of that
2 potentially as a tool to help address this
3 kind of kink in the linkage, so to speak.

4 Lots of conversations and the
5 strategies around discussing scholarships.
6 And MGM and the community colleges opening up
7 gaming school. There is actually -- you know,
8 there's going to be a minimal tuition to go to
9 gaming school. Is there a kind of -- a policy
10 in the -- in the workforce and employment
11 world of what constitutes some skin in the
12 game from the student to make sure they go? I
13 mean, you kind of -- if I'm paying for even
14 part of it, I'm more likely to go than if it's
15 being offered free. And I don't -- you know,
16 what's your experience been with that? I
17 mean, the scholarship issue keeps coming up.
18 And I'm just trying to get it in context of
19 what the boundaries of that are.

20 MR. SCHWARTZ: I think there's a lot
21 of things you can do that engenders commitment
22 from the students that doesn't necessarily
23 involve them paying for it.

24 COMMISSIONER STEBBINS: Okay.

1 MR. SCHWARTZ: So the traditional
2 workforce system, through the Workforce
3 Education and Opportunity Act, you have to be
4 extremely low income to qualify for a training
5 voucher. So there's no financial commitment
6 that can be asked of the students, because
7 they simply do not have the money. And,
8 again, you're dealing with people who may have
9 been unemployed for a long time. They just --
10 even 50 bucks is a lot for them. But there's
11 a very rigorous process by which students are
12 selected. And when they go through that
13 process, the dropout rate is very small
14 because they've already gone through a lot of
15 hurdles. And if they were going to drop out,
16 they were going to drop out sometime during
17 the process.

18 So we can put in similar, rigorous
19 processes, where you can see if people don't
20 have the commitment, aren't going to make the
21 time, you're going to weed them out before
22 they would take a slot that would cost money.

23 COMMISSIONER STEBBINS: Okay. Good.
24 Thank you.

1 COMMISSIONER ZUNIGA: A couple of
2 the buckets that you mention, Sunny, I made me
3 think of the grant that you were awarded
4 recently. And I suspect we will continue to
5 consider that from our Community Mitigation --
6 even own funds to make sure that there's
7 workforce readiness, because there's this
8 window that closes quickly, because you're
9 right, that the majority of the -- of the
10 hiring will be shortly in anticipation to the
11 opening of the casino, for which you need to
12 have a workforce ready -- ready workforce, and
13 that takes a little bit of time.

14 So I'm encouraged about, you know,
15 the broadness of your buckets here, but I
16 think at least a couple of them will continue
17 to entertain under some of the work that Jill
18 does with -- or the Community Mitigation Fund.

19 MR. SCHWARTZ: Yeah. And we deeply
20 appreciate that grant. We think of that grant
21 as a start. So, you know, we're funding two
22 culinary arts training programs in our region,
23 one in Everett and one in Somerville, and
24 creating a, kind of, casino career adviser

1 network. There's so much that needs to be to
2 get our community ready for these jobs, that
3 that's a start, and we need a lot more, if we
4 expect local residents to be able to access
5 these jobs.

6 You know, we're really concerned
7 about the effects on other employers in the
8 region, because we know that Wynn -- Wynn is
9 really going to take a lot of existing
10 employers. And then, how do we backfill those
11 jobs for the businesses that are already
12 there. And we just don't have the pipeline
13 for it.

14 You asked about, you know, culinary
15 and hospitality in other regions, I mean, our
16 culinary, our restaurants already can't find
17 people, in Cambridge, Malden. And, you know,
18 Wynn is just going to exacerbate that to a
19 breaking point, if we don't really develop a
20 pipeline of training.

21 COMMISSIONER STEBBINS: Anybody
22 else?

23 CHAIRMAN CROSBY: Thank you.

24 COMMISSIONER CAMERON: Thank you.

1 MR. MACDONALD: Thank you.

2 COMMISSIONER STEBBINS: Thanks.

3 Appreciate it. Next we'll invite up, I think
4 Paige is here from the town of Plainville. We
5 have folks from Plainville, Foxborough and
6 Wrentham, and the Kraft Group and everybody
7 else, kind of, out there. I got to introduce
8 Paige and point out how kind of excited I was
9 when she called me up.

10 As you know, all of our host and
11 surrounding communities got copied on the
12 invitational letter to -- to the lot of the
13 stakeholders that we've heard from. And
14 Foxborough, like every other host and
15 surrounding community was kind of copied on.
16 Paige called me up and she goes, yeah, this is
17 kind of in my September to-do file. This was
18 the beginning of September. But she goes, I
19 think we have some exciting things we can
20 suggest to you. I've already talked to my
21 colleagues in Plainville and Wrentham.

22 I was down at PPC, like, two days
23 later and they said -- Lance George had said
24 Paige had already come in to see them and talk

1 about partnering. So this is unique in that
2 this was somebody, kind of, on the list of ccs
3 that stepped forward and put a strategy
4 together and offered it up. So that was
5 exciting to see. But with that, I'll
6 introduce you.

7 MS. DUNCAN: I thought it was
8 written to me. I thought that you wanted all
9 my ideas so...just to introduce, I do have a
10 group with me. I have Chris Yarworth, he's
11 from Plainville. I have Mike Johns from -- on
12 the right there, he's from Wrentham, but I
13 actually work with him in Foxborough, as well.
14 He wears two hats. We have Beth Wierling from
15 the Kraft Group, and we have Steve Kenney from
16 Plainridge. So you might know him. So we do
17 have a group here. The outlet folks were
18 going to come at the morning trip, but they
19 couldn't make the afternoon trip so...

20 COMMISSIONER STEBBINS: Okay.

21 MS. DUNCAN: So I have a little
22 slide show, and I will go through it. I'm
23 sure you've already seen it but we do have a
24 proposal that the three towns have cooperated

1 on. And we've also brought in Patriot Place,
2 Gillette Stadium, Plainridge Park and the
3 outlet mall.

4 So and as you can see -- when I
5 first had this idea, I didn't even know,
6 geographically, whether it would make a
7 perfect picture. It does. It like -- it was
8 a nice little -- if it had been linear it
9 wouldn't have fit on my page so I was pretty
10 lucky on that.

11 So we have teamed up to do this.
12 And we've partnered with these three major
13 destinations. Everybody's familiar with
14 these. I'm sure some of you have visited
15 these destinations.

16 I have the benefit of having been
17 in -- the planner in Wrentham for 10 years,
18 prior to -- I've been in Foxborough now for
19 two years. So I've always felt that the
20 outlet mall, believe it or not, is an untapped
21 resource.

22 I have all sorts of stories where I
23 could tell you about people in Ukraine or
24 somewhere else where you mention the town of

1 Wrentham and they say, oh, I don't like that
2 place, and my wife goes shopping there, oh, we
3 go shopping there. It is an
4 internationally-known destination, which is
5 crazy.

6 So combined, these -- these
7 destinations bring about 20 million visitors
8 to our region for the year, and they're all
9 located within 7-miles of each other, right
10 around -- along 495, or right along Route 1.

11 So Patriot Place, if you haven't
12 been out there, but it's a mixed-use
13 development. It's really become quite an
14 entertainment venue. I know they started out
15 with some retail, but we're really finding,
16 you know, as we're seeing the face of retail
17 changing out there in the world, it's become a
18 great destination for conferences, for
19 meetings. You know, lots of people in
20 Foxborough go there for dinner because you
21 have a wide variety of choices.

22 They have two hotels, and the health
23 care facility -- we have a established health
24 care facility with Mass. General. And, in

1 fact, they just -- they're getting ready,
2 believe it or not, to tear down one of the
3 buildings, the shopping buildings there at
4 Patriot Place, and build another five-story
5 medical building. So it's really becoming a
6 successful destination for medical.

7 So we have -- I'm not going to read
8 all these, you all seen them, but we have a
9 lot of restaurants out there, two upscale
10 hotels, which probably still isn't even
11 enough, and then the Bass Pro Shops. People
12 come from all over the region to go down
13 there, and then I mentioned the health care
14 facilities.

15 Other things that people don't know
16 about, though, in the town of Plainville, you
17 might have heard about The Diary of a Wimpy
18 Kid series, well, the gentleman lives there.
19 And there was this old market that had been
20 abandoned, and everybody had a real attachment
21 to this market. But it couldn't be salvaged,
22 so he came in and he built a beautiful
23 building, along with the parking lot and a
24 whole area. And he has a community building

1 in there, and it's -- it's really an
2 attractive thing. We love to highlight that.
3 We think that could become something, you
4 know, that kids in region, when they're -- if
5 they're traveling with their parents, oh,
6 let's go see that place.

7 COMMISSIONER ZUNIGA: I should
8 probably say that Mr. Kinney's one of my
9 favorite authors.

10 MS. DUNCAN: Oh, see, not only for
11 children, then. It's for the grownups as
12 well.

13 COMMISSIONER ZUNIGA: When you read
14 it to your kid, it's even better.

15 MS. DUNCAN: Yes. And I actually --
16 I have to admit, have seen several of the
17 movies with my children, so it's even gone to
18 the movies.

19 I'm sure we've all been to
20 Great Woods. I know they keep changing the
21 name, but it'll always be Great Woods to me.
22 And then, the TPC, which is now, I guess, a
23 different name, Dell Technologies
24 Championship, but that's a big draw to our

1 region. So we want to capitalize on -- on all
2 these resources.

3 And then we have downtown. Like,
4 most communities, we're all trying to recreate
5 our downtown. The Town of Foxborough did a
6 master plan, and that was the number one
7 priority of the residents, was trying to get
8 back that -- that small town feel.

9 Wrentham, same thing, and
10 Plainville. They -- Wrentham is -- has a
11 beautiful little downtown already, and I'd
12 like to augment that. You know, get some
13 visitors in there to notice it. Everybody
14 thinks of Wrentham as an outlet mall, but
15 there's a lot of little stores and a beautiful
16 bed and breakfast downtown.

17 And then, Plainville, thanks to
18 Plainridge being there, they're getting ready
19 to build a new town hall, new public safety
20 building. So they're really seeing the
21 positive effects of the casino down there.

22 So what we're seeing, is that all
23 these people who come from Europe or wherever,
24 they're staying in Boston and they're making

1 day trips out to our region. They're not
2 staying over night.

3 In fact, I went online and Googled
4 to sort of see how they talked about it, and
5 this quote is taken directly from one of the
6 resources there. That, basically, you can
7 take the commuter rail to Franklin and grab a
8 cab, or you can take a bus tour.

9 We're finding a lot of people get on
10 a bus, they come into the outlet mall, they
11 spend the day there and they go home. They
12 don't see anything in our community, they
13 don't go to Plainridge, they don't even know.
14 In fact, a lot of people, even in our state I
15 found, didn't know about Plainridge.

16 I was going to the Patriots game
17 opening night and I had my best friend with
18 me, she's from the town of Hudson, and we went
19 past Plainridge and I said, oh, there's
20 Plainridge Casino and she's like, casino?
21 Yeah, there's a casino here.

22 So I think our region is sort of a
23 sleeper region. You know, we all know about
24 it, but I don't know that everyone knows about

1 it. So we want to convert the one-day
2 travelers into multiday travelers.

3 We have plenty of hotel rooms. But
4 obviously, with the more demand we would love
5 to see more. All towns love hotel rooms
6 because they bring occupancy taxes, so it's
7 a -- its' a great resource. We already have
8 quite a few restaurants in place, not only in
9 Plainridge and Patriot Place, but within our
10 communities. We'd love to draw people, you
11 know, outside of these three major
12 destinations and start to explore our region.

13 And why this project was on my
14 September to-do list was because I spent most
15 of the summer working on the commuter rail
16 project. I don't know if you know, but the
17 Town of Foxborough, in cooperation with the
18 Kraft Group, was able to get the Fiscal
19 Management Control Board to approve a pilot
20 program to provide a commute rail service out
21 to Foxborough.

22 So that will start in the Spring of
23 2019, and it's something very exciting. But
24 it's up to Foxborough now to fill those

1 trains. So we need -- this came up at a good
2 time because we might be able to, through
3 workforce development and visitors, fill some
4 of those trains.

5 And then, I don't know if you read
6 last week, but the -- we remain in the running
7 for The World Cup in 2026, so that would be
8 pretty exciting, and that would be a huge draw
9 to our region.

10 So let's get into strategies.
11 Basically, the way -- the term that was used
12 was tourism management infrastructure. We're
13 lacking that. You know, we have a lot of
14 great resources, but it's not organized and
15 people don't know about it. So what we -- the
16 first step we'd like to take is to get some
17 expert.

18 You know, I'm not an expert in
19 marketing or tourism, or anything. We'd like
20 to get, whether it's a team, an individual,
21 or -- I don't know exactly how it would be --
22 work out, but we want to make sure that we
23 have a seat at the table. If people are
24 planning tours, or if they want to do

1 something, that we become a destination. And
2 not just for one single bus trip to see one
3 venue, but to understand the full-service
4 nature of our region.

5 So we're -- you know, we want to hit
6 the dry market, which obviously, Plainridge
7 isn't known entirely through the state
8 already, so we want to hit those folks. But
9 we also want to get those that are coming from
10 farther away.

11 We've had great interactions since
12 this letter came out. We were in touch with
13 the Greater Boston Convention and Visitor
14 Bureau. They reached out. They were -- have
15 been so helpful. We would also work with the
16 Metrowest Visitor's Bureau, and maybe some
17 day, if we became successful we'd want to have
18 our own. We coined it Metro South. We've
19 since learned that Brockton already has that
20 name so we'll have to go back to the drawing
21 board on that one, but we thought we were so
22 smart with Metro South.

23 And then, we also acknowledge,
24 though, that there'll need to be some sort of

1 tracking, you know, to monitor this. We're
2 not just creating some entity that goes off on
3 its own. We want to make sure there's value
4 added through this.

5 So one of the big things I've been
6 spending my time on is transportation. As I
7 mentioned, Foxborough's station is going to be
8 coming on line. We want to create a shuttle
9 that will link our three destinations that we
10 mentioned, Patriot Place, the outlet mall and
11 the Plainridge casino, and try to create an
12 opportunity for people to move between those
13 venues.

14 A lot of people from Europe do not
15 want to get in their cars. They're not going
16 to be comfortable driving here, and they --
17 they count on public transportation. We don't
18 have much of that outside of the city. We
19 don't have much of that so we want to make
20 sure that we find a way that folks can get off
21 the train, get on a shuttle bus, and, you
22 know, go to any one of these destinations, go
23 to the hotel, and move about through the
24 region.

1 We also want to make sure our
2 downtown's included. That's -- we have -- you
3 know, people love New England so let's share
4 the New England character that we already
5 have.

6 And then this -- right now, under
7 the pilot program the commuter rail is only
8 going to be on weekdays. So, if warranted,
9 you know, if we can build enough of a demand,
10 we'd love to see about using some of these
11 funds to expand that service. Obviously,
12 that's subject to coordination with DOT.

13 I've learned a lot about what goes
14 into the workings, so it's not just a matter
15 of adding extra trains. I know it's a lot
16 more than that. But, you know, we'd like to
17 work with them to see if we can increase that
18 opportunity for visitors to get out on the
19 weekends, and workforce to get out on the
20 weekends.

21 We do have a thriving workforce
22 area. You know, we have low unemployment and
23 such, but we also see a aging labor force, and
24 we're also seeing the Patriot Place and the

1 likes of that type of -- outlet mall, are
2 having trouble, like others have said, getting
3 employees to work there.

4 You know, there's just not enough
5 people in the region who want to work on
6 those, sort of, hospitality industry jobs. So
7 we -- we acknowledge that already. And if we
8 start to create more popularity, we'll need to
9 augment that. So we want to start working on
10 attracting the workforce.

11 One, sort of, delta we saw, is that
12 one of the concerns with the extension of the
13 Fairmont line to Foxborough was a fear that it
14 would decrease access for a -- environmental
15 justice communities, you know, Dorchester and
16 the Fairmont area. And we'd work closely with
17 them on this. And what we'd love to be able
18 to offer them is the ability to do some
19 work -- you know, have the commuter rail come
20 on to Foxborough and actually help them by
21 coming out to jobs out here.

22 And so, we would love to be able to
23 find a way to bring those folks out to our
24 region to work. And right now, we all know

1 the commuter rail is meant to bring people
2 into Boston not out of Boston. So we'd like
3 to find a way to make that a little more
4 symbiotic so we can bring some folks out
5 there.

6 So, again, we'd like to work with
7 DOT and the MBTA to look at this. And
8 everything costs money so that's where the
9 fund would come in. And we do believe it
10 would be directly related to economic
11 development and to workforce development.

12 And then, the last mile connection.
13 Say they get off the train, how do they get
14 over to their job at Plainridge or at the
15 outlet mall, or wherever. So, again, we want
16 to work for that.

17 And we also recognize -- I actually
18 took the train in one time. The folks at the
19 Fairmont Coalition asked me to do so. I took
20 the train in, and then I transferred over and
21 I had to take the train out one stop. My
22 train from Walpole into, I think, Readville,
23 was \$2. I worked over the tracks and got onto
24 another line and went one stop to

1 Upham's Corner and it was \$6.75.

2 So that's an unfair disadvantage for
3 that region. They're served by commuter rail,
4 not by high speed -- by, you know, high-speed
5 rail. So they -- and they pay a premium. So
6 we'd like to find a way -- I also understand,
7 though, that DOT isn't necessarily in a
8 position to subsidize everything so we're
9 looking at, maybe, the Gaming Economic
10 Development Fund could assist in that,
11 providing some subsidies to help these workers
12 gets to these jobs without getting burdened by
13 high transportation costs. So more on that.

14 We also -- this isn't our area of
15 expertise, workforce development, but we -- in
16 keeping with -- hearing our community partners
17 having trouble filling jobs, and knowing that
18 the priority of this is -- is workforce
19 development, we wanted to see if there's an
20 opportunity to create some grants, or some
21 sort of program. Although, we defer to
22 experts on how to go about that, but something
23 to train our -- to train people in our region,
24 to ensure that that hospitality industry is

1 supported.

2 We have Dean College in nearby
3 Franklin. We mentioned Bristol Community
4 College, and they were already here. So we --
5 you know, we'd like to work them to, sort of,
6 support that workforce development for our
7 region.

8 So in the summary, we want to create
9 a sense of place. You know, a destination.
10 Right now, I don't know that anybody thinks of
11 our region as a cohesive region.

12 We want to create that identity.
13 We'd like to partner with the experts out
14 there, who are already doing what we would
15 like to do for our region. We want to make
16 sure that we have someone who's representing
17 us at the table to drawing these tour groups.

18 Folks, you know, if they're coming
19 over from China, you know, come out to our
20 area for the weekend, or for a couple days.
21 We want to have conferences. You know, we
22 have all this set up. We'd like to compete
23 with everybody else and bring in people out to
24 our region.

1 And then, this is all to convert one
2 day travelers into multitravelers. We'd like
3 to get the shuttle route. And we need to work
4 with the DOT about increasing the commuter
5 rail.

6 And then, workforce development, we
7 want to increase opportunities for reverse
8 commute, provide last-mile connections, create
9 a subsidy on this transportation issue. And
10 then, also, create a grant to train
11 perspective and current employees. So I thank
12 you for consideration. I don't know if you
13 have any questions or comments. I'd love to
14 talk about it.

15 COMMISSIONER STEBBINS: Just -- for
16 me, just one quite -- one or two quick
17 comments. You know, a lot of what you talked
18 about kind of fits in with what, I think,
19 Plainridge Park envisioned as -- you know, as
20 a new player.

21 They wanted to make sure their
22 patrons -- I think they had a stay and play
23 type of rewards program. It's come, enjoy
24 Gillette, go over to Wrentham, take in

1 Xfinity. So everything, you know, kind of
2 aligns with what was in Plainridge park's
3 original gaming license application.

4 You know, my only other comment
5 would be, it would be great if we could make
6 sure there was a partnership to get you off
7 the ground with an existing CVB, and somebody
8 that, obviously, is understanding where the
9 travelers is coming in, and a chance to get
10 them, perhaps, out of Boston, but down to --
11 you know, extend their stay and enjoy, you
12 know, the assets that you just talked about.

13 But great presentation. And thank
14 to your colleagues in crime for making the
15 visit up here.

16 MS. DUNCAN: Thank you.

17 COMMISSIONER CAMERON: Yeah, some
18 great ideas, really.

19 MS. DUNCAN: Thank you.

20 COMMISSIONER CAMERON: And it's nice
21 to see the collaboration with three
22 communities.

23 MS. DUNCAN: It is. It's great.
24 You know, I think -- Plainridge stands to

1 benefit as well, because like I say, that
2 outlet mall it's incredible the draw they
3 have. And we all know, you know, Patriot
4 Place. So I think it could actually enhance
5 the gaming for our region, as well, as they
6 face more competition coming up so...

7 COMMISSIONER STEBBINS: One of the
8 pitfalls of moving east was my daughters
9 discovered the Wrentham Outlets. Thanks.

10 COMMISSIONER ZUNIGA: You mentioned,
11 really quickly, something that's key, and that
12 should really be in the mindset, if it isn't
13 already, of the Plainridge people, and that is
14 competition. There's competition coming from
15 within the state. And they are going to have
16 to be a lot more proactive in getting that
17 customer. Maybe from farther away, or getting
18 them to spend a little bit more time and look
19 at opportunities, like everything that you
20 speak about.

21 So just to pick up on the theme that
22 Commissioner Stebbins was talking about, it's
23 something that we really need to think, along
24 with Plainridge, as to how we can leverage --

1 you all can leverage their current efforts
2 or -- to continue, attract those customers for
3 longer.

4 MS. DUNCAN: And Plainridge is quite
5 welcoming. They brought me right in. In
6 fact, it worked out great because they had,
7 apparently wanted to -- they required or they
8 were going to make donations to some
9 charities. And so, when they met with me they
10 said, oh, by the way, we need to donated some
11 money to your town. I'm now a hero because I
12 just go the this -- this grant. And I was
13 like, oh, thanks. So it worked out well. I
14 think I checked a box of for them and it made
15 me look like the hero. And it went to a good
16 cause, opioid task force, so I don't even want
17 to make like of that, but it was nice to be
18 able to -- to make that connection.

19 COMMISSIONER STEBBINS: Absolutely.

20 MR. MACDONALD: I'd be curious as to
21 if there's any resistance to what you're
22 trying to do from the residents of these
23 relatively bucolic communities. This notion
24 of a reverse commute, in promoting reverse

1 commute, I could see, from my own experience
2 of coming from a very rural part of
3 southeastern Massachusetts that is resistant
4 to some of the kind of development that you're
5 talking about. Is there any? Or is there --

6 MS. DUNCAN: Well, no. So the
7 benefit is Foxborough itself went through a
8 major master plan effort, just finished it in
9 2015. And Route 1 was identified as our
10 target area. So we -- we are -- the community
11 is vested in making Patriot Place, Gillette
12 Stadium really thrive. So for us -- and then,
13 actually, our -- but the number one priority
14 was their downtown.

15 So I think you're right. There's a
16 fine line. I mean, if we were suddenly
17 inundated and the whole downtown was thriving
18 with tourists, I don't know that that's the
19 vision. But bringing in more folks to
20 support -- right now, our downtown doesn't
21 really have much going on. Nail salons, pizza
22 places and Chinese restaurants, you know,
23 fortune teller. That sort of thing. We're
24 trying to bring in, you know, restaurants,

1 maybe an ice cream store, but it's hard to
2 find that balance so you really need to bring
3 people in.

4 So there is a fine line, I agree.
5 Going through the commuter rail effort it
6 turned out not to be a big issue. We brought
7 up reverse commute quite a bit, and we
8 committed to, you know, trying to get a
9 shuttle off the ground, trying to figure out
10 if we could do something, and there was not
11 any sort of organized protest or -- I mean,
12 people seemed thrilled when we got the
13 commuter rail so...

14 I think, as long as it doesn't
15 change the community character too much we're
16 okay because it helps the tax dollar. But we
17 will be mindful, you know, making sure we
18 remain our New England character.

19 CHAIRMAN CROSBY: Go ahead.

20 COMMISSIONER STEBBINS: Did you want
21 to add something?

22 MR. YARWORTH: Yeah, just to follow
23 up on that --

24 COMMISSIONER STEBBINS: Come on up

1 here and grab a seat and introduce yourself.

2 COMMISSIONER ZUNIGA: Introduce
3 yourself.

4 MS. DUNCAN: You got it. You're
5 good.

6 MR. YARWORTH: Chris Yarworth,
7 director of planning and development in
8 Plainville. So yeah, we've been very active.

9 That whole Route 1 corridor, there's
10 a 650,000 square-foot project on the
11 Wrentham-Plainville line, with a couple of new
12 hotels coming in. Retail, office, assisted
13 living, a 40B component that's up there.

14 And the town -- both towns, Wrentham
15 changed their zoning -- I'm a Wrentham
16 resident, also, to allow that. And
17 Plainville's worked very closely to get some
18 development there. That whole section along
19 Route 1 we're try to develop.

20 So I think the town of Plainville,
21 as you've been there, many parts are rural.
22 But the parts that are commercial, we want as
23 much commercial as we can. We're really going
24 all out to streamline permitting, get people

1 in there.

2 On the other hand, because of the
3 casino, we just purchased, I believe a
4 million-and-a-half for 103 acres of open space
5 on the other side of town. So people
6 understand that, you know, you do one thing
7 well, and then you can use that -- profits
8 from that to build a new town hall, to build a
9 new public safety building, to buy open space.

10 So the community is very -- is a
11 very coherent feeling that what we're doing is
12 the right way to go forward here, working to
13 get this whole area commercialized where it
14 should be commercialized, and kept rural where
15 it should be kept rural. And the commercial
16 lets you do that in your other areas. So I
17 would agree with Paige on that.

18 COMMISSIONER STEBBINS: Good point.

19 CHAIRMAN CROSBY: I think this is
20 great. And it really fits exactly in the
21 sweet spot Commissioner Stebbins was always
22 looking for, was how do you build on and
23 leverage from the impact the casinos are
24 already having.

1 And this, I think it's aspirational,
2 you know, to actually put a budget to this,
3 and a timeline to this. But I think this is
4 the kind of thing, my guess would be, that the
5 legislature would really -- at least, the
6 legislators from that area, would think really
7 seriously about. But you'd have to turn it
8 into a yesable proposition.

9 This isn't enough, you know, for
10 them to turn it into a -- something they can
11 say yes to. But if you figured it out at
12 budget, that in '18 it would be this, and '19
13 in that, '20 that, here's what it'll go for,
14 and here's what the subsidy, here's how you do
15 the last mile, whatever, I think it's a really
16 attractive -- conceptually, a really
17 attractive proposal, and would urge to you
18 turn it into, you know, buttoned-up meat and
19 potatoes.

20 MS. DUNCAN: We will do that.

21 CHAIRMAN CROSBY: Okay.

22 COMMISSIONER CAMERON: Thank you.

23 CHAIRMAN CROSBY: Great.

24 MS. DUNCAN: Thank you very much.

1 COMMISSIONER STEBBINS: Thank you.

2 COMMISSIONER CAMERON: Congrats to
3 the team.

4 CHAIRMAN CROSBY: Thank you.

5 COMMISSIONER STEBBINS: Dave
6 O'Donnell, Greater Boston CVB. I think he's
7 the last presenter.

8 CHAIRMAN CROSBY: Is this the last
9 one?

10 COMMISSIONER STEBBINS: Yeah, this
11 is the last one.

12 CHAIRMAN CROSBY: Oh, this is the
13 last one. Okay.

14 COMMISSIONER MACDONALD: How do you
15 like being the last one?

16 COMMISSIONER STEBBINS: Saved the
17 best for last.

18 MR. O'DONNELL: It feels great.
19 It's actually a nice dovetail with the
20 presentation that Paige just delivered
21 so...good afternoon. My name is
22 David O'Donnell. I work with the Greater
23 Boston Convention and Visitors Bureau. And
24 just at the outset, I'd like to say, first of

1 all, thank you for allowing the chance to
2 discuss with you today how these funds would
3 potentially be utilized. But, also, I wanted
4 to say how supportive we are and enthusiastic
5 we were, when we saw Paige's proposal. Those
6 towns of Foxborough, Wrentham, Plainville, are
7 indeed, within the geographical purview of the
8 Greater Boston CVB's regional tourism council.

9 And in addition to that, we are a
10 membership organization in Plainridge Park,
11 Patriot Place, Wrentham Village. These are
12 all members of my organization. So we are
13 very encouraged by how innovative and
14 cohesive, and collaborative her model is, and
15 I wanted to say that at the outset, before I
16 get into my proposal here.

17 CHAIRMAN CROSBY: Great.

18 MR. O'DONNELL: So the strategy we
19 have is devised around the idea of creating
20 training modules for sales, services,
21 marketing and workforce training to meet the
22 needs of Chinese visitors, who are just
23 blossoming into Greater Boston's number one,
24 overseas inbound market. In a minute, I'm

1 going to get into some of the numbers so you
2 can see how kind of mind-boggling they are.
3 But the idea is that China is now doing
4 something that is unprecedented in the history
5 of tourism across the globe.

6 In the U.S, they have surpassed
7 Mexico, the UK, Canada for spend, which is
8 amazing, when you consider those are our
9 traditional markets. And this growth from
10 China has all happened, really, in the last
11 five to 10 years. And we can get into a
12 little bit of the reason why.

13 But what we think Wynn is going to
14 have a very sophisticated and robust
15 China-ready program, as the Chairman was
16 saying earlier, it's about helping the
17 licensee, but also leveraging the licensee.
18 And we feel like there's developing around the
19 area of Wynn, in Chelsea and Everett, and
20 Medford and Somerville, where there are
21 retailers and hotel leaders that might not be
22 as prepared as Wynn to be as China-ready with
23 their programming.

24 So our strategy is to work with a

1 number of partners, member companies and
2 hospitality partners in the area around where
3 Wynn is going to be, including Assembly Row
4 with over 60 retailers and restaurants. Colin
5 Hotels. You guys, perhaps, aren't familiar
6 with Colin. That's a hotel management company
7 that has properties around both
8 Plainridge Park and Wynn.

9 So they would be a great candidate
10 for us to develop these training modules
11 designed for Chinese visitors, in particular.
12 And we would ultimately want to reach out to
13 hospitality programs at colleges and
14 universities, as well.

15 So this training module to service
16 Chinese visitors would start at that level in
17 workforce training -- or, sorry, in curricular
18 training, but then also go into the workforce
19 training, as well, because local hospitality
20 industry partners would be tapping into the
21 same -- same module. And then, ultimately,
22 we'd hope to replicate this module, not only
23 across the Commonwealth, but New England and,
24 perhaps, to service other international

1 audiences, as well.

2 I wanted to do a quick map, sort of
3 like Paige did, to kind of emphasize that
4 there is a relevant geographical issue to
5 consider here. Here we have Wynn, in Everett
6 of course, but we will also have Assembly Row
7 right across the channel here, Bunker Hill
8 Community College very close. I'm remiss in
9 not having the Chelsea campus of Bunker Hill
10 on here, which would be up closer to the
11 Homewood Suites over in Chelsea there.

12 And then, also, the AC by Marriotts
13 in Medford. So those properties are both
14 operated by Colin Hotels. As I mentioned,
15 they've got about five in the area, and
16 they've got two down at Patriot Place, as
17 well.

18 But back to China, since our
19 strategy is kind of revolving around China.
20 The Congress department is forecasting that
21 growth and visitation from China is just going
22 to going to grow. Even though there's a
23 little bit of a downturn in the economic
24 growth in China, this middle, upper class of

1 traveling population is going to continue to
2 grow, such that nearly 6 million Chinese will
3 probably come to the United States by 2021 or
4 so. And in Boston, they've already subplanted
5 the UK for our number one overseas market.

6 So let me be clear. Not
7 international. International would include
8 Canada and Mexico. Canada is still our number
9 one international market for inbound visitors.
10 But overseas, which is a separate metric,
11 China has now surpassed UK, which is amazing.
12 Five years ago, no one would ever predicted
13 that. Traditionally, UK, Germany, France are
14 always top three, but China kind of came out
15 of nowhere. And we want to raise our market
16 share.

17 So we know they're going to keep
18 coming, but it's about being competitive. And
19 if your market share's not increasing then
20 you're being complacent. We want to attract
21 500,000 Chinese to Boston by 2021. Again, we
22 need to have marketing and sales and training
23 modules in place so that our members in the
24 hospitality industry are prepared to meet

1 their needs.

2 Just a little snapshot here of the
3 spend and the visitation. Total spend from
4 overseas visitors, 3.5 billion, over a third
5 are coming from China. So that's the other,
6 kind of, alarming number. Not just the growth
7 of Chinese visitors, but how much they spend.
8 I mean, the visitors from the UK, they fancy
9 themselves as big shoppers, but nothing
10 compared to what the Chinese are doing, in
11 terms of when they come and how much they
12 spend. On average, about 5,000 per visitor.

13 Here's a chart that just indicates
14 again, commerce department graph for
15 forecasted growth over the next few years.
16 Chinese visitors of Boston, even since 2013 we
17 have over a hundred percent growth. If we
18 were talking about a decade ago, about Chinese
19 travelers, there's be 35,000, 40,000 to
20 Boston. They wouldn't even be near our top 10
21 of overseas inbound travelers. So the numbers
22 are astronomical, and the growth, and the
23 scale of that growth, and the scope of it is
24 amazing.

1 Chinese students are very important,
2 as well, because they live here in Boston. We
3 consider them part of our community, but they
4 are a vital conduit to those families' members
5 and friends in China that might come for a
6 holiday, Chinese New Year, student graduation,
7 parents' weekend.

8 And another remarkable number with
9 Chinese visitors, is they stay much longer
10 than other visitors. They stay almost 20
11 nights when they're here. And about half that
12 time they spend in hotels. So, again, the
13 hotel industry needs to be prepared to meet
14 these people's expectations, exceed their
15 expectations.

16 Here's some more numbers for
17 students, international students. These
18 aren't just Chinese students but international
19 students in Greater Boston at Massachusetts
20 colleges, you can see Northeastern and BU are
21 number one and two. And this chart just goes
22 over spend. So the Chinese students they live
23 here, they spend a lot of money.

24 My organization, a couple years ago,

1 launched a Weibo account. That is the
2 equivalent of Twitter in the social community
3 lexicon. And that's how we primarily engage
4 with Chinese students here, is over Weibo. So
5 if we're promoting an event, a festival, you
6 know, arts festival or culinary vendors,
7 anything to do with one of our members, that's
8 the channel that we reach the Chinese students
9 with here in Boston through, is Weibo.

10 So we already have a marketing
11 initiative aimed at Chinese visitors in place.
12 We have for the last three years. We just
13 need to expand it. Again, if the training is
14 going to be on par, and if the market share's
15 going to be where we want it to be.

16 We have a China-friendly marketing
17 committee. Wynn is actually on our
18 China-Friendly marketing committee. In fact,
19 my CEO, Pat Moscaritolo, is with Wynn right
20 now, at IMEX America, the big meetings and
21 incentives show in Vegas. But our committee
22 is across the spectrum of the hospitality
23 community. So it's hotels, restaurants,
24 retailers. You know, for example,

1 Legal Seafoods is on it, Mandarin Oriental's
2 on it, Sheraton Boston, Boston Duck Tours,
3 Harbor Cruises. So we try to really bring in
4 all elements of the hospitality and travel
5 trade industry to be part of this committee.

6 A big part of the rapid increase in
7 inbound Chinese visitors is because Massport
8 has been very successful in drawing and
9 winning direct routes from China. So it
10 started in 2014 with Hainan Airlines direct
11 route from Beijing. That was a weekly flight.
12 It's maintained that status as a weekly
13 flight. The next year, Hainan launched a
14 directly flight to Shanghai three times per
15 week, but that's now four times, because it
16 was successful. And then, in 2015, from Hong
17 Kong, which is, of course, a different
18 audience than mainland China, but nonetheless
19 very important for us to have that direct
20 flute -- route to Hong Kong on Cathay Pacific,
21 started as a four times a week flight, went to
22 five. Just this year, in March, went to a
23 daily flight from Hong Kong, Cathay Pacific.

24 So they've had a tremendous success,

1 those airlines and Massport. And Massport,
2 just in general, has increased by almost 50
3 percent its international direct routes.
4 China and the far east has been a very
5 important part of that strategy.

6 This slide, though, gets into where
7 we'd want to go from here, with expanded China
8 marketing initiative, where these sales and
9 services, marketing and training modules that
10 we would use the fund for would really start
11 to get activated.

12 Wynn Boston Harbor is going to be a
13 tremendous asset for us in creating a MICE
14 strategy. So in the travel trade tourism
15 industry MICE stands for meetings, incentives,
16 conferences, exhibition. So it's a very
17 important and high-spend segment of the
18 meetings travel industry.

19 And the MICE business out of China
20 is just off the charts. Especially, for
21 places like Hawaii and Vegas that have these
22 assets that they can blow away, especially
23 incentives groups, with the type of
24 destination experience they lay out there.

1 Bringing Wynn into the Boston market
2 is going to be critical for us to start
3 developing our own MICE strategy, and it's a
4 big part of our expanded China marketing
5 initiative. We also want to have trade
6 missions.

7 Now, we did our first trade mission
8 to China earlier this year with a few hotel
9 members and some tour attractions. We went to
10 Beijing, Guangzhou, Shanghai. We want the
11 next one to be even a more extensive trade
12 mission. We also want to do a domestic event
13 in New York and LA with receptive operators,
14 as we call them, that work with Chinese
15 partners to create bookings at a destination.

16 We want to continue to partner with
17 MOTTs, the Mass Office of Travel and Tourism,
18 and Massport, to host China-friendly seminars
19 with our members. We want to keep
20 collaborating with airlines, which we've been
21 doing for three years to bring in media and
22 tour operator familiarization groups. So, you
23 know, Hainan will send a bunch of writers over
24 here to write about Boston. We want to

1 continue and expand those kind of programs.

2 And then, we do want to reach out to
3 the colleges. We've already reached out to
4 student unions. We've got a great
5 relationship with Chinese student unions at
6 both Boston University and Northeastern. And
7 they really help us to tailor content to what
8 will be appealing to the Chinese audience at
9 those colleges. But we need to continue doing
10 that.

11 And then, this year we're launching
12 a WeChat program, or WeChat account. and for
13 those of you who aren't familiar with WeChat,
14 it's almost as though -- you know, in the
15 states we have all these social media
16 channels, Instagram, Twitter, Facebook. And
17 we -- people prefer to have, kind of, these
18 different channels, even though they like to
19 think their brand is consistent. China has
20 this channel called, WeChat that is just
21 prolific, prodigious. It's got almost -- it's
22 got almost a billion users on it. And it's
23 all of these social media channels that we
24 have kind of wrapped into one, plus things

1 like Trip Advisor, and increasingly, Expedia,
2 because with the advent of WeChat Pay people
3 can transact and e-commerce in China. It's
4 just going crazy.

5 Again, this is e-commerce. And
6 things like WeChat Pay are something that our
7 member companies and our partners here in the
8 Boston hospitality industry are completely
9 unable -- or are unequipped right now to deal
10 with. They need education, and they need a
11 training module. And these are the sort of
12 things that we would develop as part of our
13 utilization of these -- of these funds.

14 We are going to launch our own
15 WeChat account in about a month, the Greater
16 Boston CVB, so we'll see how that goes.
17 Launching it is one thing. Growing or
18 following is the more -- more critical
19 component to that. That'll be more
20 challenging.

21 But what we want to do is create, in
22 Greater Boston, the recognition that when
23 Chinese visitors come here they're going to be
24 taken care of, that our restaurants, our

1 retailers or hotels will know what they expect
2 exceed those expectations. And we all know
3 that the number one way in which Chinese
4 visitors, or prospective travelers determine
5 the next trip is from referrals. What their
6 friends tell them in person, or social media,
7 what they see on social media for influencers.

8 So our idea with these training
9 modules is to kind of convert them into our
10 largest sales force for the destination of
11 Boston. And part of this would be creating,
12 for our hospitality industry partners,
13 tangible checklists of what it means to be
14 China-friendly, or China-ready. For hotels
15 we'd have a checklist, for retailers we'd have
16 a checklist.

17 And then, in summary, it's all
18 about, you know, creating -- creating a model
19 or a training module. Yes, it's our first
20 focus on China, but ultimately could be
21 adapted to service other audiences and
22 demographics that we know will be coming into
23 the Boston market in greater numbers soon.
24 Those from Brazil and India, in the Middle

1 East, for example. But China is really on our
2 radar screen -- radar screen right now because
3 of how tremendous the growth has been, and the
4 fact that we don't think our hospitality
5 industry is prepared to meet their needs. So
6 that would be the first priority, Phase 1,
7 expanding the Chinese marketing initiative
8 that we've already put into place.

9 And then, Phase 2 would be -- would
10 be to create a grant program so that
11 businesses could take advantage of this
12 module, and we could use consultants or other
13 members of our company that are experts in
14 servicing the needs of Chinese visitors and
15 they would work with them to implement and
16 execute these -- these service programs. And
17 we'd have a pilot program. It'd begin with
18 the Colin properties around Wynn and around
19 Plainridge. But it would also be a pilot
20 program for Assembly Row because we think it's
21 equally as important for retailers and
22 restaurants to be able to implement this
23 program.

24 And then, Phase 3, which is further

1 out, 2021, we do want to introduce this at the
2 university and college levels to have it be
3 part of hospitality curricula that's happening
4 at the various community colleges, independent
5 colleges, and just universities in our area.

6 And then, we would hope to replicate
7 the model down in Paige's district, as well.
8 And hope that, down there, the same training,
9 marketing, workforce module -- training module
10 can be put into place there, because as she
11 mentioned, as we all know, the Chinese are
12 definitely going to Plainridge, and they're
13 definitely going to Wrentham Premium Outlets
14 and Patriot Place. And we want everyone
15 within our tourism council to be prepared to
16 meet their needs. So that's it. Thank you
17 very much.

18 COMMISSIONER MACDONALD: Thank you.

19 MR. O'DONNELL: Appreciate it.

20 COMMISSIONER CAMERON: Great.

21 COMMISSIONER STEBBINS: David, thank
22 you. And, you know, again, what struck me
23 again was the linkage with -- with Wynn, the
24 focus on the market. Not only the focus on

1 the Chinese market that we know Wynn wants to
2 bring to Boston, but, again, Chinese families
3 that come, leave their students at school tend
4 to stay a little bit longer, driving them out
5 to other attractions and assets is really
6 unique. And, obviously, you know, we're
7 excited about your interest in working with
8 the Plainridge -- Plainville area to, again,
9 support that licensee.

10 COMMISSIONER CAMERON: Excuse me. I
11 have another commitment. Thank you, David.

12 MR. O'DONNELL: You're welcome.

13 COMMISSIONER CAMERON: Very well
14 done.

15 MR. O'DONNELL: Thank you for
16 listening. Thank you. Yeah, for sure. And
17 as we were having the conversation we thought
18 to ourselves, okay, well, how are we helping
19 the licensee with this? We're not going to
20 tell Steve Wynn how to develop his China-ready
21 programs. He's already well beyond what we've
22 done.

23 COMMISSIONER STEBBINS: Right.

24 MR. O'DONNELL: So then we kind

1 of -- we kind of pivoted to think, well, it
2 doesn't necessarily have to be about helping
3 licensees as much leveraging the licensee and
4 helping others that are within our RTC and
5 that are members to be prepared for what he is
6 going to bring into the market. So that's --
7 that's why we started to identify other hotels
8 and shopping areas around Wynn, to start
9 creating this model, and then we can replicate
10 it and grow it from there.

11 COMMISSIONER STEBBINS: That's
12 great.

13 COMMISSIONER ZUNIGA: I think this
14 is really impressive. I think, just the point
15 that you made last is something that I had
16 heard during -- from our consultants during a
17 lot of the mitigation discussions. The
18 licensee's going to bring visitors, hopefully,
19 from outside of the region and further away.
20 And that creates a lot of economic
21 development. And it's incumbent of the -- on
22 everybody around them to -- to try to
23 capitalize and leverage.

24 I also want to emphasize something

1 that struck me throughout your presentation,
2 which is that you're really thinking in terms
3 of adapting to the tourists. Meaning, rather,
4 where they are convening a couple of places I
5 had never heard about, you know, virtually,
6 Weibo and such, it occurs to me that for the
7 longest time the tourism industry, especially,
8 in the United States -- and I can say this as
9 my adoptive country, we make it very
10 convenient and then the tourist adapts. If
11 it's standardized and if it's convenient, if
12 they know what they're getting, you know, then
13 they will come. But the notion of flipping up
14 -- flipping a little bit, saying we need to
15 meet the tourists and what they want. And,
16 clearly, this segment is exploding and a
17 priority.

18 MR. O'DONNELL: Yeah. Someone else
19 is going to do it, if we're not. So, again,
20 it's all about market share. We know that
21 market share will hover around 8 percent, but
22 to get to our goal it needs to be closer to
23 9 percent.

24 So the only way to think about it is

1 in the terms that you're -- you know, showing,
2 like that perspective. That we need to meet
3 their needs, understand their cultural needs,
4 but also the whole gamut of, you know, how
5 they research a destination, how they book,
6 how they transact, you know, what they expect
7 when they're here.

8 COMMISSIONER ZUNIGA: Right.

9 MR. O'DONNELL: You know, we've
10 spent decades learning what the Canadians and
11 the British and the Germans want and expect.
12 It's secondhand. With the Chinese, it's a
13 completely different ballgame so we have to be
14 proactively like that.

15 COMMISSIONER ZUNIGA: Yeah, that's
16 really good.

17 MR. MACDONALD: Very impressive.
18 Thank you.

19 CHAIRMAN CROSBY: Yeah, I agree.
20 This is great. I was going to ask you if you
21 have an Order of Magnitude budget and here it
22 is so that was great.

23 And the notion, I guess,
24 Commissioner Stebbins, is that we will put

1 forward some ideas, some as they've been
2 presented, some might be flushed out more,
3 like we talk would with Paige, and try to get
4 these in front of legislature so that for this
5 budgets cycle, right, for FY '19, because
6 they'll be planning. I'm not quite sure how
7 they're going to handle that.

8 It might be worth talking with them,
9 with A and F for the Ways and Means
10 Committees, because it -- usually your -- the
11 money's there, or they know for sure it's
12 coming. I'm not sure they know exactly when
13 the money's going to coming in.

14 COMMISSIONER STEBBINS: Right.

15 CHAIRMAN CROSBY: But are they going
16 to -- I guess they will be budgeting against
17 whatever the projected revenues are for that
18 fund. But I think this really hits the sweet
19 spot, too, like I was saying about Paige's
20 proposal.

21 COMMISSIONER STEBBINS: Yeah.
22 Absent, you know, what we're planning to do is
23 we've had staff, Jill, John Ziemba, Janice,
24 myself, thinking about some additional

1 follow-up questions, which maybe we don't have
2 a chance to get to today, pushing those back
3 out to our stakeholders, some of those just to
4 kind of flush out some more of the meat,
5 answer some questions we don't know about and
6 kind of educate ourselves a little bit.

7 I think to your point, Mr. Chairman,
8 from the last meeting, thinking about where
9 there is connectivity between the three
10 individual regions and kind of seeing
11 proposals that all mirrored the same. And we
12 certainly know there is some opportunities, I
13 think, around workforce, tourism certainly
14 comes up, and in trying to see how many of
15 these we can, kind of, connect together so we
16 can talk about them more of impacting all
17 three regions, in that, you know, there's some
18 requirement that all three regions will work
19 together, as we've seen the community colleges
20 do, but make sure there's, kind of, cross
21 partnerships and collaboration going on
22 between them all.

23 And we're just -- you know, as I
24 mentioned before, talking about the regional

1 workforce development strategies, we're just
2 kind of trying to be mindful of other
3 initiatives happening within state government
4 and some of the other executive agencies. You
5 know, the Community Compact being one of
6 those. How does that fit in? So we have a
7 number of stakeholders who are helping to
8 weigh in this, as well.

9 CHAIRMAN CROSBY: Great. Fabulous.

10 COMMISSIONER ZUNIGA: Thank you.

11 CHAIRMAN CROSBY: Thank you. Thank
12 you, Commissioner. Thank you, Dave. Thank
13 you, Paige. Thank you everybody.

14 COMMISSIONER STEBBINS: Just --

15 CHAIRMAN CROSBY: We have some
16 Commission --

17 COMMISSIONER STEBBINS: Yeah. Just
18 one more quick point. You also have a letter
19 from MAPC in your packet. They've touched on
20 a lot of the same issues that we've heard
21 about today.

22 One point I want to raise from
23 Mark Draisen's letter is, he says, you know,
24 in order to ensure that funding -- that the

1 funding benefits the host and surrounding
2 communities to the maximum -- maximum degree a
3 certain percentage of any new revenue placed
4 in the state programs must be assigned to
5 applicants within the communities most
6 directly impacted by the respective casino
7 development.

8 So a great letter from APC. All of
9 these strategies are up on our website so
10 people can weigh in and comment in public. We
11 also had a proposal that kind of came in from
12 Nashoba Valley. The regional administrators
13 up there talking about the need for funding to
14 leverage some infrastructure improvements,
15 which they hope can spark some economic
16 development.

17 I talked to the author of the
18 letter. I said, you know, happy to receive
19 your package. You're a little bit outside of
20 an immediate casino region, but, you know, to
21 respect their energy and passion and interest,
22 you know we certainly will, you know, includes
23 any strategy we got in the final white paper.
24 But, obviously, you know, it's a little bit

1 outside -- outside of our purview, but
2 recognizing the initiative that they took to
3 be part of the conversation.

4 CHAIRMAN CROSBY: Great.

5 COMMISSIONER MACDONALD: What's time
6 table objective for the -- for the white
7 paper?

8 COMMISSIONER STEBBINS: Well, some
9 time table's coming up. We're going to turn
10 around and get some follow-up questions back
11 out to all the stakeholders. Kind of,
12 continued conversation among, kind of, some
13 agencies that want to weigh in and give us
14 some -- some thoughts and viewpoints. I think
15 until early November people can weigh in, make
16 comments in the proposals.

17 We're kind of drafting pieces of the
18 background information for the white paper
19 right now. And then, you know, hopefully have
20 something to share with the rest of the
21 Commission early December and get it out the
22 door to the legislature.

23 CHAIRMAN CROSBY: We've got tired
24 Commissioners, but did we have anybody --

1 Commissioner, report topics, I know you had
2 some stuff you wanted to talk about.

3 MR. MACDONALD: Well, I've lost my
4 audience. I can say --

5 CHAIRMAN CROSBY: Yeah. There's
6 thousands out there on the Web.

7 MR. SANGALANG: Twelve.

8 CHAIRMAN CROSBY: Twelve?

9 MR. SANGALANG: There were more
10 earlier.

11 COMMISSIONER MACDONALD: I can make
12 -- I can make a very simple, you know, report
13 and then come back -- mic. I can make a brief
14 report and then come back at it another time
15 because I think that the subject matter is
16 quite timely.

17 And that is, that I spent two days,
18 thankfully two weeks before the tragedy in Las
19 Vegas, but at the International Center for
20 Gaming Research, or whatever the title at UNLV
21 have was, in the sports-betting conference --
22 or program. Not a conference, a program.
23 Very well attended. About 50 people from
24 around the world. And two takeaways that I

1 was surprised at. I think I've shared this
2 with one or two of you before, separately so
3 we don't have a Open Meeting Law violation.
4 But two take aways.

5 Number one, that -- that contrary
6 to, at least the impression that I had from
7 presentations that have been made to us, or
8 just conversations, or reading things in
9 the -- in the various papers and periodicals,
10 that sports betting is actually a very narrow
11 margin, very narrow margin gaming sector that
12 they don't want -- the casinos that have
13 their -- that run sports books out of their
14 premises, they really don't make much money on
15 it.

16 Rather -- and this was said -- this
17 word was used a number of times by different
18 speakers, is that sport -- sports-betting
19 books in the casinos is seen as an amenity.
20 It's not something that is core to the -- to
21 their operations. But nevertheless, an
22 amenity that they think is important for
23 bringing people onto -- onto the site.

24 The second takeaway that was really

1 interesting, and one that I hadn't -- hadn't
2 anticipated, is that notwithstanding there
3 being a vibrant sports betting industry in Las
4 Vegas and Nevada, you know, generally, and its
5 have gone been around forever, and I mean
6 forever, there's still a substantial black
7 market in sports betting under -- you know,
8 underworld, or whatever you would call it
9 there.

10 CHAIRMAN CROSBY: Even within
11 Nevada?

12 MR. MACDONALD: Yeah. Even within
13 Nevada. And the expectation is that, the
14 wider this goes around the country, that
15 the -- the new jurisdictions are probably
16 going to be even -- even more susceptible to
17 the -- or we will see more -- a more
18 significant retention of what's now a -- you
19 know, a black market in sports betting.

20 And the reason for that, in a
21 nutshell, is that -- that people don't pay
22 taxes on their earnings, that the games, the
23 different ways that they can package the
24 sports betting products, there is more variety

1 in the -- in the black market, and they also
2 stressed convenience.

3 I've never -- I've never placed a
4 sports bet, either legal or illegal so I
5 can't -- I can't, on a personal basis, have an
6 opinion about this. But this was stated a
7 number of times, is that we can expect -- or
8 it can be expected that there will be a
9 significant residual black market, which then
10 has, obviously, implications for law
11 enforcement and the continuing -- the likely
12 continuing heavy draw on law enforcement
13 resources, in order to keep a lid on it. Very
14 interesting.

15 CHAIRMAN CROSBY: Great. Anybody
16 else? Do I have a motion?

17 COMMISSIONER STEBBINS: So moved.

18 CHAIRMAN CROSBY: All in favor?
19 Aye.

20 MR. MACDONALD: Aye.

21 COMMISSIONER STEBBINS: Aye.

22 COMMISSIONER CAMERON: Aye.

23 COMMISSIONER ZUNIGA: Aye.

24 CHAIRMAN CROSBY: Opposed? The ayes

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have it unanimously. We are adjourned.

(Proceeding concluded at 4:28 p.m.)

1 GUEST SPEAKERS:

2 Marikate Murren, Vice President of Workforce
3 Development, MGM Resorts International

4 Jeffrey Hayden, Holyoke Community College

5 Rod Motamedi, Research Manager, UMass Donahue
6 Institute

7 Thomas Peake, Research Analyst, UMass Donahue
8 Institute

9 Wanda Gispert, MGM Resorts Workforce Development
10 Regional Vice President

11 Anthony Ucci, Associate Vice President for
12 Academic Affairs, Bristol Community College

13 Alice Murillo, Associate Provost, Bunker Hill
14 Community College

15 Meri Jenkins, Massachusetts Cultural Council

16 Lisa Simmons, Massachusetts Cultural Council

17 Sunny Schwartz, President and CEO, Metro North
18 Regional Employment Bureau

19 Paige Duncan, Planner, Town of Plainville

20 Chris Yarworth, Director of Planning and
21 Development, Plainville

22 Dave O'Donnell, Greater Boston Convention and
23 Visitor Bureau

24

1 MASSACHUSETTS GAMING COMMISSION:
2 Edward Bedrosian, Executive Director
3 Catherine Blue, General Counsel
4 Carrie Torrisi, Staff Attorney
5 Todd Grossman, Deputy General Counsel
6 Bruce Band, Deputy Director, IEB
7 Floyd Barroga, Gaming Technology Manager
8 Derek Lennon, CFAO
9 Karen Wells, Director, IEB
10 Michael Sangalang, Digital Communications
11 Coordinator
12 Mark Vander Linden, Director of Research and
13 Responsible Gaming
14 Jill Griffin, Director of Workforce, Diversity
15 Supplier Development
16 John Ziemba, Ombudsman
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C E R T I F I C A T E

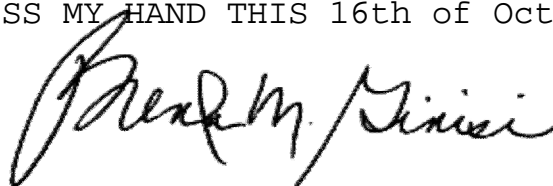
I, Brenda M. Ginisi, Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Brenda M. Ginisi, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive of Transcript Format.

I, Brenda M. Ginisi, further certify that I neither am counsel for, related to, nor employed by any of the parties to the action in which this hearing was taken and further that I am not financially nor otherwise interested in the outcome of this action.

Proceedings recorded by verbatim means, and transcript produced from computer.

WITNESS MY HAND THIS 16th of October 2017.



BRENDA M. GINISI

My Commission expires:

Notary Public

June 18, 2021