

1 THE COMMONWEALTH OF MASSACHUSETTS  
2 MASSACHUSETTS GAMING COMMISSION  
3 PUBLIC MEETING #168  
4  
5

6 CHAIRMAN

7 Stephen P. Crosby  
8

9 COMMISSIONERS

10 Gayle Cameron

11 Lloyd Macdonald

12 Bruce W. Stebbins

13 Enrique Zuniga  
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16  
17  
18

19 November 5, 2015 10:30 a.m. - 2:40 p.m.

20 BOSTON CONVENTION AND EXHIBITION CENTER

21 415 Summer Street, Room 107 A/B

22 Boston, Massachusetts  
23  
24

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

2

3 CHAIRMAN CROSBY: I am pleased to  
4 call to order the 168 meeting of the  
5 Massachusetts Gaming Commission once again at  
6 the Boston Convention and Exhibition Center at  
7 about 10:30 a.m.

8 Before we get to our normal items,  
9 there are just a couple of housekeeping  
10 matters, one of them exceedingly important. I  
11 am pleased to introduce to everybody our new  
12 Commissioner, retired judge, The Honorable John  
13 Lloyd Macdonald, who is a judge, a former  
14 federal and state prosecutor. He was appointed  
15 by Attorney General Healey to take Jim McHugh's  
16 place. He has been at work now for two days  
17 and one and a half hours. We are absolutely  
18 thrilled to have Lloyd here to join us.  
19 Welcome.

20 COMMISSIONER MACDONALD: Thank you.

21 CHAIRMAN CROSBY: Thank you. We  
22 have a modest little tradition of introducing  
23 certain kinds of VIPs who are in attendance.  
24 And I believe we have some. Mayor Carpenter

1 fresh from a re-election campaign,  
2 congratulations, welcome. Former Mayor Units I  
3 think is here, Jack Units. Former Mayor -- no,  
4 City Councilor over there, stand up and take a  
5 bow, Larry DiCara, City Councilor of Boston.

6 Last, just an announcement. We've  
7 been getting some calls at our office about the  
8 hearing at 3:00, which is on one of the racing  
9 applications. People were thinking because  
10 it's on our agenda here, on this same agenda  
11 that it would be televised. It won't be  
12 streamed on the web. So, for anybody who was  
13 expecting it to be, it won't be.

14 With that we will go to -- Did we  
15 skip the minutes?

16 COMMISSIONER ZUNIGA: There's no  
17 minutes.

18 CHAIRMAN CROSBY: No minutes today.  
19 Okay. Then we'll go straight to  
20 administration, Executive Director Wells.

21 MS. WELLS: Good morning, Mr.  
22 Chairman and members of the Commission and a  
23 special good morning to our new Commissioner  
24 Macdonald. The first item on the agenda under

1 administration is an update of the Executive  
2 Director search. I will turn that over to  
3 Commissioner Stebbins.

4 COMMISSIONER STEBBINS: Thank you,  
5 Director Wells. Just an update and an issue  
6 for us to consider. First of all, we continue  
7 to review candidates for first round  
8 interviews. We have a few more calls coming up  
9 in the next few days. We have received over 71  
10 resumes since the beginning of this process.  
11 Again, there is no fixed deadlines. So, we can  
12 continue to entertain candidates.

13 A question that has come up or an  
14 issue that I want to just discuss briefly with  
15 you is a question around using an assessment  
16 tool like Predictive Index or Caliper -- Those  
17 are just a couple of the companies that do  
18 this. -- using this tool as an assessment of a  
19 candidate's characteristics, motivation and  
20 potential.

21 We're delving into the costs. One  
22 of the costs provided to us was about \$350 for  
23 an assessment, which includes a write-up and  
24 some time on the phone with the reviewer. It

1 takes about an hour to complete. I don't want  
2 to look at this assessment tool as a deciding  
3 factor, but I think it can give us a very  
4 comprehensive assessment of the candidates who  
5 are moving toward the final stages of the  
6 interview process.

7           Again, it would not be a deciding  
8 factor but again I think it can help us give a  
9 clear assessment and overview of a candidate's  
10 potential.

11           What I wanted to discuss before I go  
12 back to one of these companies is an assumption  
13 that would probably be helpful in their review  
14 of a candidate to somewhat see how we all match  
15 up and whether it'd be the will of the  
16 Commission to submit itself to also  
17 participating in the assessment for each of the  
18 finalists.

19           So, I offer that out but I'd welcome  
20 any feedback as to people's thoughts.

21           COMMISSIONER CAMERON: I would like  
22 to know more about it. I'm not prepared at  
23 this time to say that that would be an  
24 effective tool for us to use. I just don't

1 have enough information from what you just told  
2 us to go in that direction.

3 I know some tools have been used  
4 that have not helped whatsoever. And I know  
5 there are others that some companies,  
6 organizations feel are helpful. So, I'm just  
7 not prepared not knowing enough about this to  
8 say that that's a good move for us at this  
9 point.

10 COMMISSIONER STEBBINS: Okay.

11 CHAIRMAN CROSBY: Other thoughts?

12 COMMISSIONER ZUNIGA: I take the  
13 opposite view. I think it would be applied  
14 simply as one of the many other factors to  
15 consider. I think it would be positive. But  
16 let's find out more about those details if we  
17 need to.

18 COMMISSIONER CAMERON: Once you have  
19 a written report like that it's very hard then  
20 to say it's just one of many factors, frankly.  
21 So, I would just like to learn more about it.

22 CHAIRMAN CROSBY: Commissioner  
23 Macdonald, any thoughts on this one?

24 COMMISSIONER MACDONALD: No, other

1 than to say number one, I have no personal  
2 experience in tools of this kind but any  
3 additional data point would presumably be  
4 helpful in making an ultimate decision.

5 CHAIRMAN CROSBY: Yes. I haven't  
6 had experience either. First of all, this may  
7 seem like a strange topic to be talking about  
8 at our public meeting. It is a minor matter,  
9 but the way we are constrained by the open  
10 meeting law, we cannot sit in our office and  
11 talk about this. We can only talk about it  
12 here in a public meeting.

13 I haven't had any experience with it  
14 either, but lots of people I know and respect  
15 think it is a valuable potential tool. If  
16 there are any sort of legal ramifications like  
17 Commissioner Cameron is suggesting, we ought to  
18 be careful about that. And it is certainly  
19 worth getting people whose judgment we trust to  
20 tell us which one makes more sense than  
21 another.

22 But as long as there's no negative  
23 to it, I certainly don't see any downside. So,  
24 I would be inclined to go forward assuming we

1 can get some good solid advice.

2 COMMISSIONER STEBBINS: What I would  
3 suggest is again we have a good packet of  
4 information from one of companies that does  
5 this. We are awaiting on some additional  
6 material from the other company. So, let me  
7 nail down the nuts and bolts of what each  
8 offers.

9 In the meantime, I can talk with  
10 Counsel about privacy that's available legally  
11 on material such as this. And we can report  
12 back at the next meeting.

13 CHAIRMAN CROSBY: And we have  
14 something like -- I know you've asked some  
15 questions of professional search people. And  
16 you might have them talk to Commissioner  
17 Cameron too to express her concerns and see  
18 what such a person would have to say to her.

19 COMMISSIONER STEBBINS: That'd be  
20 great.

21 CHAIRMAN CROSBY: Okay. Anything  
22 else? Thank you. What is your ETA would you  
23 say on a choice, on a selection?

24 COMMISSIONER STEBBINS: My goal has



1 and continues to be to have a candidate  
2 selected, candidates, finalists presented  
3 before the Commission before the end of the  
4 year hopefully before the holidays. So, I  
5 think we're still on that track. I see  
6 Director Wells smiling over there.

7 MS. WELLS: I am.

8 CHAIRMAN CROSBY: Interim Director  
9 Wells is smiling.

10 COMMISSIONER STEBBINS: But that  
11 continues to be our schedule and we're making  
12 great progress. Trupti Banda, our HR Manager  
13 has been extremely helpful as has Janice Reilly  
14 our Chief of Staff to keep all of the trains  
15 and boats running on time.

16 CHAIRMAN CROSBY: Again, just for  
17 the audience, the process will be that the  
18 Commissioners will not be involved in this  
19 other than Commissioner Stebbins is taking  
20 point.

21 When we get finalists from  
22 Commissioner Stebbins and his process, they  
23 will be interviewed in a public meeting by the  
24 Commission before any decision is made. Okay.

1 Next up?

2 MS. WELLS: Next item on the agenda,  
3 Mr. Chairman, is the update on Commissioner  
4 McHugh's post-Commission employment. And I'm  
5 going to turn that over to General Counsel to  
6 inform the Commission of the process.

7 MS. BLUE: Good morning,  
8 Commissioners. I wanted to report that I asked  
9 Judge McHugh and gratefully he has accepted to  
10 stay on for a limited amount of time as an  
11 employee in the legal department to help us  
12 with the litigation matters that he has very  
13 thoughtfully helped us with before.

14 I don't expect that we will use a  
15 lot of his time. I know he has a lot of other  
16 things that he wants to do. But he has agreed  
17 to be available to us on a limited basis as we  
18 need him.

19 He's also available to assist in  
20 transition issues if you would like to do that.  
21 So, I am very pleased to have his assistance  
22 and his support as we move forward.

23 CHAIRMAN CROSBY: Great, we can't  
24 let him get away.

1                   COMMISSIONER ZUNIGA: As are we. I  
2 think in those matters litigation, his input  
3 was always very valuable and to continue with  
4 that is fantastic.

5                   MS. BLUE: That's right.

6                   CHAIRMAN CROSBY: Great. Okay.  
7 Next up, Ombudsman Ziemba. Thank you, Karen.

8                   MR. ZIEMBA: Thank you very much,  
9 Chairman. First up today is Mass Gaming and  
10 Entertainment's 90-minute presentation on its  
11 RFA-2 application. This presentation is an  
12 opportunity for the applicant to provide an  
13 overview of its application to the Commission  
14 and to highlight matters that it deems  
15 important on its application.

16                   The 90-minute presentation is an  
17 important first step in the Commission's  
18 review. It does not involve public testimony  
19 but as is always the case we accept comments  
20 through our website [massgaming.com](http://massgaming.com). In  
21 addition public testimony is an important part  
22 of our process as part of our hearings that we  
23 hold on the application including the host and  
24 surrounding community hearings.

1           As has been our practice in the  
2 past, this is really an opportunity for the  
3 applicant to provide its testimony but mainly  
4 the Commission has asked clarifying questions  
5 regarding the testimony. This has not been  
6 typically an opportunity to delve into the  
7 finer details of the application, as we will  
8 get into those in our later hearings and  
9 throughout our review process.

10           With that as a backdrop, I'm going  
11 to ask John Donnelly, a partner for Donnelly  
12 Clark representing the Mass Gaming and  
13 Entertainment group to introduce his group  
14 including Neil Bluhm, Chairman of Rush Gaming  
15 and Mayor Bill Carpenter.

16           MR. DONNELLY: Thank you very much,  
17 John. Good morning, Commissioners and thank  
18 you. I am here on behalf of Rush Street  
19 Gaming, Neil Bluhm's company that has been in  
20 Massachusetts for many years working on this  
21 opportunity.

22           The applicant before you is Mass  
23 Gaming and Entertainment. We'll sometimes  
24 refer to it in this presentation as MG&E.

1 We've looked forward to this for some time.

2 We've gone through a rigorous  
3 suitability process as you're all aware of.  
4 And we're now into this stage of it. And we  
5 genuinely appreciate the opportunity to make  
6 this presentation to you today and tell you  
7 what our vision is for Region C, specifically  
8 Brockton and the entire Commonwealth.

9 We're going to have about seven  
10 speakers today. First off will be Neil Bluhm  
11 who has appeared before you before. He is the  
12 Chairman of Rush Street Gaming, founder of MG&E  
13 and a well-known developer. I know you've all  
14 seen his credentials in the past.

15 To his right is David Patent who is  
16 the President and Chief Operating Officer of  
17 Rush Street Gaming and in some ways a hometown  
18 boy. He went to Harvard undergrad. and law  
19 school and spent seven years in the city. And  
20 then went astray and ended up in the gaming  
21 industry.

22 Behind me is Mary Cheeks who has  
23 over 28 years' experience in the industry.  
24 Mary and I kind of grew up together in the old

1 days in Atlantic City. She started off as an  
2 internal auditor and now serves as senior vice  
3 president for finance for both of Rush Street's  
4 properties in Pennsylvania, the Philadelphia  
5 property and the Pittsburgh property. And I'm  
6 happy to announce that she will be taking over  
7 -- She'll be giving up those positions and  
8 taking over the GM position in Schenectady, New  
9 York as Rush Street develops that project. So,  
10 she's moving north.

11 Next to Mary is Wendy Hamilton who  
12 is another graduate from Atlantic City. She  
13 has been at Sugarhouse. A very successful  
14 casino, Sugarhouse in Philadelphia as the GM.  
15 Right now she is presiding over \$160 million  
16 plus expansion of that facility which will be  
17 opening December 31, believe it or not.

18 In addition to that group,  
19 recognizing the issues that have been raised by  
20 this Commission in some of the hearings and  
21 before, we went out and found two experts that  
22 we are going to present the Commission today.

23 Those two persons are first of all  
24 David Tennant who is a partner in the firm

1 Nixon Peabody. Nixon Peabody is a 700-person  
2 law firm with offices throughout the United  
3 States, has an office in Boston. And David is  
4 here to address the legal issues surrounding  
5 the recent decision affecting Taunton and the  
6 tribe which is near Taunton. David specializes  
7 in Indian gaming matters and we searched around  
8 and found him and are fortunate to have him  
9 here.

10 Also, next to David is Michael Soll  
11 who is the President for the Innovation Group.  
12 The Innovation Group is a nationwide and  
13 international consulting and advisor in gaming  
14 and leisure and entertainment, work for many,  
15 many governmental agencies, states and a number  
16 of private investors.

17 We went to Michael to ask him to  
18 address issues of competition, the market in  
19 Brockton, the market in Region C and any number  
20 of other issues affecting our ultimate decision  
21 that Brockton is the place to go.

22 Finally, we have with us the  
23 recently reelected Mayor Carpenter who we  
24 congratulate for that who has been a great help

1 in pushing this project through. I think also  
2 recognize -- I know recognizes the potential  
3 and will speak to you about the needs and  
4 desires and the effect that this project will  
5 have on his community.

6 With that I'll kind of disappear and  
7 I'd like to ask staff to play a short video.  
8 Thank you.

9  
10 (Video played)

11  
12 MR. DONNELLY: I will turn the  
13 microphone over to Neil Bluhm.

14 MR. BLUHM: Thank you. Thank you,  
15 Chairman Crosby and members of the Commission  
16 for giving us this opportunity to talk to you  
17 this afternoon on a beautiful day.

18 Before I get started, I'd like to  
19 introduce one additional person and that's  
20 George Carney. George is going to be our  
21 partner in this project, a minority partner.  
22 He controls the company that owns the land that  
23 we want to build this project on. He's been a  
24 longtime resident of Brockton. And George is



1 with us today.

2 We have been interested in  
3 developing a resort casino in the Southeast  
4 region for quite some time. And we are really  
5 enthusiastic about building this project in  
6 Brockton. We've had a lot of opportunities to  
7 build other projects at other locations in the  
8 Southeast region. But the Brockton site stood  
9 out as far superior to any of the other sites.  
10 And we really like Brockton for two key  
11 reasons.

12 The first is location, location,  
13 location, location. We are just off Route 24.  
14 We are roughly a mile off of it. So, we have  
15 easy access to a major highway. We are also 17  
16 miles away to the north of a possible tribal  
17 casino if that ever gets developed.

18 Secondly, equally important, is the  
19 desperate need of the city of Brockton for  
20 economic development. Brockton needs jobs, tax  
21 revenue and a catalyst for development. You'll  
22 hear more about that and all of these other  
23 issues today.

24 The project that we are talking

1 about is going to be a \$677 million project,  
2 which will make it one of the largest  
3 commercial developments in Southeastern Mass.  
4 and become a focal point for the region.

5 It will produce \$700 million worth  
6 of gaming tax revenue over the next 10 years.  
7 That is net of cannibalization. In other  
8 words, that is after factoring in the loss of  
9 any revenue by the other operating casinos in  
10 the state.

11 We think that this could well be the  
12 first casino to open in the Commonwealth. If  
13 we are selected by the first quarter of next  
14 year, we could be open and operating by the  
15 summer or early fall of 2018. And this will  
16 help revitalize Brockton and all of  
17 Southeastern Massachusetts, creating jobs,  
18 school funding, infrastructure, etc.

19 Most equally important is that this  
20 project will be successful and produce more net  
21 tax revenue for the Commonwealth even if there  
22 is a tribal casino. And as you will hear more  
23 today, there is a significant risk that that  
24 tribal casino will be delayed for many years

1 and may never be allowed to open after the  
2 federal courts have reviewed the decision of  
3 the Department of the Interior.

4 So, let me tell you a little bit  
5 about our company, Rush Street Gaming, and  
6 ourselves. And I've discussed this a few  
7 months ago with you all, so I will be brief,  
8 but just to hit a few of the highlights.

9 I grew up in Chicago. I was raised  
10 by a single mother. We were from meager means,  
11 frankly. I had a scholarship to Northwestern  
12 Law School. When I graduated, I went to work  
13 as a young lawyer in a major law firm in  
14 Chicago, became a young partner but always  
15 wanted to go into business.

16 So, I went into the real estate  
17 business and started a company from scratch  
18 with my roommate from college. Frankly, we  
19 didn't have a dime when we started. We had  
20 three people.

21 Over the years that company, JMB  
22 Realty, and others became one of the major real  
23 estate development firms in the United States.  
24 We have built or acquired in excess of \$50

1 billion of prime first-class real estate  
2 throughout North America.

3           Just as an important point is that  
4 we are first and foremost real estate  
5 developers of first-class properties that we  
6 can be proud of. We built many Four Seasons  
7 Hotels, mix used high-end properties like  
8 Century City in LA, the Mercantile Exchange.  
9 And as some of you may know, we've been  
10 involved in two very successful projects here  
11 in Boston.

12           We provided, shortly after we were  
13 in business, the equity to develop Faneuil  
14 Hall. We were 50-50 owner of that project.  
15 And subsequently, we provided the equity  
16 towards the development of Copley Place, were a  
17 partner. And before the project was finished,  
18 we ended up buying the developer Urban  
19 Investment and Development.

20           So, we owned for many years all of  
21 Copley Place, which we ultimately put into a  
22 REIT of which I was cochairman of the board,  
23 which subsequently merged. But we still retain  
24 an interest in that asset.

1           We got into the gaming business 15  
2 years ago roughly when we were approached to  
3 develop a project in Canada in Ontario. And  
4 that was our first introduction to the gaming  
5 business. And since then, we have been a  
6 leading developer of regional casinos and  
7 resorts since the great recession.

8           All of our facilities are ground up  
9 developments, have been delivered on time and  
10 on budget. They've involved in excess of \$2.5  
11 billion of capital has been invested. We  
12 employ in our gaming operation more than 9000  
13 employees in North America. They produce over  
14 \$1.5 billion of annual gaming revenue.

15           So, let me take you briefly just  
16 through some of our properties before we get  
17 into more details. The first project that we  
18 got involved in gaming was a casino resort in  
19 Niagara Falls, which we opened in June 2004.

20           That was a billion-dollar project  
21 overlooking Niagara Falls. It's got a  
22 beautiful hotel, state-of-the-art theater,  
23 shops and award-winning dining. It's  
24 considered the nicest casino resort in Ontario,

1 Canada. I am chairman of the board of the  
2 company that operates that property.

3 After that project, we decided to  
4 really get into casino development here in the  
5 United States. And our first project that we  
6 were awarded was a casino in Philadelphia.

7 Pennsylvania legalized gaming. They  
8 allowed -- called for two casinos in the city  
9 of Philadelphia. We were awarded one of those  
10 licenses in an RFP, similar to this, in late  
11 2007.

12 Shortly thereafter, the great  
13 recession hit in 2008 and a casino license was  
14 awarded in Pittsburgh. The developer in  
15 Pittsburgh started to develop the property, but  
16 ran out of money when the recession hit. It  
17 was about to go into bankruptcy.

18 And with the encouragement of the  
19 Governor of Pennsylvania and the gaming board,  
20 because we were already licensed, we were  
21 brought in to rescue this project that hadn't  
22 been built yet.

23 We provided the equity, restructured  
24 the debt and built a major project in

1 Pittsburgh, which is the only casino in  
2 Pittsburgh. And we are currently working on  
3 expanding it to potentially develop a hotel.

4           Shortly after we undertook that  
5 project, we finally got started on the  
6 development of the Sugarhouse Casino in  
7 Philadelphia. I mention the two casino  
8 licenses had been awarded. It's now the great  
9 recession. And it was not easy to get started.

10           The Philadelphia Sugarhouse Casino  
11 was the first casino in the United States to be  
12 developed since the great recession. The other  
13 license that was awarded went to another group  
14 who never could get their financing together.

15           And ultimately the gaming board of  
16 Pennsylvania revoked that license and took it  
17 back. So, we're the only casino in  
18 Philadelphia. And we are undergoing \$164  
19 million expansion that's scheduled to open next  
20 month.

21           In addition, we developed a casino,  
22 the first casino in Cook County, Illinois which  
23 is where Chicago is located. It's near O'Hare  
24 Airport. We opened in July 2011.

1           This is by far the most successful  
2 casino in Illinois, and frankly one of the most  
3 successful in the entire United States. We do  
4 twice as much revenue as any other casino in  
5 the state of Illinois. Our daily slot win per  
6 day is close to \$800 a day. We believe that's  
7 the highest win per position in North America.

8           And I am also proud to say that that  
9 casino is the first casino in the world that  
10 was a LEED Certified Gold casino. We recently  
11 were awarded a casino in an RFP like this in  
12 the capital region of New York in Schenectady,  
13 which we expect to start building within a  
14 month or two as soon as the official licenses  
15 are issued, which the gaming board there say  
16 they expect to before the end of the year. And  
17 we are ready to go on not one.

18           At this point, what I would like to  
19 do is turn this over to my partner David  
20 Patent. David is the President and CEO as  
21 you've heard of Rush Street Gaming. David is  
22 going to tell you much more about our casino  
23 operations and our Brockton project.

24           MR. PATENT: Mr. Chairman members of



1 the Commission and staff. It's good be in  
2 front of you again today, good to be back in  
3 Boston. I appreciate the promotion, Neil. I  
4 am the President and Chief Operating Officer.  
5 Our CEO is Greg Carlin.

6 I've been with Neil now for six  
7 years. It's been my privilege to work for Rush  
8 Street Gaming. I think what I'd say about our  
9 properties is it is really a team effort to  
10 operate and build them. We really have an  
11 outstanding team from the architects to the  
12 operators that work with us.

13 And we like to believe that we  
14 operate and build great properties. One of our  
15 core beliefs is that happy team members and  
16 happy customers equal success. And we focus  
17 very, very strongly on both of those.

18 And our results have been, we  
19 believe, pretty good. In every market that we  
20 operate, we exceed our fair share in terms of  
21 gaming revenue. But I think more importantly,  
22 all of our properties have been named -- have  
23 been voted by the people that work with us as a  
24 best place to work and for multiple times.

1 I have a little bit of an update.  
2 Rivers Casino in Pittsburgh has now been voted  
3 best overall gaming resort in Pennsylvania for  
4 six years in a row. That just came out in the  
5 last week. And it was voted one of  
6 Pittsburgh's best place to work by the  
7 Pittsburgh Business Times now for two years in  
8 a row.

9 Not only do we want to have happy  
10 team members and happy customers, but the local  
11 communities in which we operate we need to make  
12 sure that they are happy as well. So, we  
13 really try to integrate our team members, our  
14 presence, weave ourselves into the fabric of  
15 each of the communities that we operate in.

16 And on this slide, you can see a  
17 small sample of the recognition that our  
18 properties and our team members have received  
19 in Pittsburgh, in Philadelphia and in Des  
20 Plaines.

21 Now I'm going to introduce Mary  
22 Cheeks, who is our soon to be general manager  
23 for our property in Schenectady. She has been  
24 working with us in Pittsburgh and in

1 Philadelphia now for since the opening of  
2 Sugarhouse for over five years. She can really  
3 help take you through how we operate in the  
4 local communities.

5 MS. CHEEKS: Good morning. As David  
6 said, I'm CFO for the two Rush Street Gaming  
7 properties in Pennsylvania, recently promoted.

8 I joined the company six years ago  
9 coming from one of the largest gaming companies  
10 in the US. What interests me in Rush Street  
11 Gaming is that it's a growing company that  
12 truly cares about its employees, the property  
13 culture and making decisions for future growth  
14 not living just for today. With Rush Street  
15 Gaming, I have learned the real meaning of  
16 happy employees bring happy customers and a  
17 healthier bottom line.

18 Every Rush Street entity lives and  
19 breathes team member commitment. We have  
20 dedicated training for our team members and  
21 give priority to the host community that we  
22 operate in. We provide life-changing careers  
23 to our team members.

24 The average non-manager compensation

1 including tips and benefits exceed \$50,000  
2 annually. We promote from within the  
3 organization by developing our team through  
4 coaching and mentoring to achieve their career  
5 goals.

6 There's been more than 2000  
7 promotions since the casino opening. Ongoing  
8 career development through certification and  
9 seminars, education and wellness programs. We  
10 have health and dental benefits, a 401(k)  
11 program that immediately invests, which is  
12 unheard of and tuition reimbursement.

13 All Rush Street Gaming team members  
14 receive training on the scope, practice and  
15 procedures of responsible gaming as part of  
16 their new-hire orientation as well as annual  
17 reinforcement training.

18 I want to share with you Rush  
19 Street's commitment to diversity. We pride  
20 ourselves in a diverse workforce. We not only  
21 look to diversify in ethnicity and gender but  
22 also a diversity of thought for collaborative  
23 and well-organized operation.

24 As reflected on this chart on slide

1 11, each of our property has a high percentage  
2 mix of women and minorities. Rivers Des  
3 Plaines 43 percent women, 57 percent minority.  
4 Sugarhouse in Philadelphia, 41 percent women  
5 and 53 percent minority. Pittsburgh 40 percent  
6 women and 28 percent minority.

7 I'd like to highlight Pittsburgh,  
8 because you may look at that in comparison and  
9 think 28 percent is low. But we operate  
10 Pittsburgh in Allegheny County with a very  
11 small minority population, roughly about 18 or  
12 19 percent. So, we really do well. What's  
13 most notable is our senior leadership, vice  
14 presidents and above 45 percent women and 35  
15 percent minority.

16 Moving onto our commitment to  
17 quality jobs for the unemployed, 35 percent of  
18 Sugarhouse workforce was unemployed prior to  
19 the casino opening. Team members still share  
20 with me stories about being homeless now owning  
21 their first home or about the first real  
22 Christmas being able to be given to their  
23 children.

24 In every market we operate in, we

1 partner with organizations to help us recruit  
2 and train team members. The key is we not  
3 offer just jobs, but we offer careers.

4 As you see on this slide, we have  
5 strong ties with the community organizations  
6 and local colleges. In Schenectady, we have  
7 met with the community college there and they  
8 have allowed us to assist them in building the  
9 hospitality and gaming associates degree  
10 program. Additionally, we created certificate  
11 programs for those looking for specialty skills  
12 such as cash handling and customer service.

13 Here we have reached out to the  
14 local WIBA and Bridgewater State University,  
15 the Donahue Institute with the University of  
16 Mass. and Massasoit Community College. So, we  
17 do a good job in every market we work and we  
18 care about our team members. And I'll turn it  
19 over to Wendy Hamilton.

20 MS. HAMILTON: Good morning, Mr.  
21 Chairman and Commissioners. Thank you so much  
22 for the opportunity. My name is Wendy  
23 Hamilton.

24 I am the general manager at

1 Sugarhouse Casino in Philadelphia and I'm very  
2 lucky to have been with Rush Street for just  
3 over five years now, 21 years in the industry  
4 and these have been the best five, for real.

5 One of the things that I'm going to  
6 talk about is how identify great candidates.  
7 This is timely for me because as you heard we  
8 are working on a \$164 million expansion right  
9 now in Philadelphia.

10 So, when we opened in the fall of  
11 2010, we had 1100 initial jobs to fill. And at  
12 that time, because of what was going on in the  
13 greater economy we had 30,000 applicants for  
14 those jobs. That is one of the reasons that we  
15 developed a very unique application and  
16 interview process. In hospitality, we know we  
17 have one chance, one chance to give somebody a  
18 great opportunity and have them come back.

19 If they have a bad experience, it is  
20 very difficult to get them to come back and  
21 expensive to get them to come back the second  
22 time.

23 So, what makes one casino different,  
24 the people. It's all the same games.

1 Everybody tries to have great restaurants. But  
2 we knew that one of our opportunities was to  
3 have great people. So, 30,000 applicants is a  
4 great opportunity. Now what do you do to find  
5 the 1100 rock stars?

6 So, we set up a process of  
7 auditions. Panel auditions where some of the  
8 folks who are our initial management team go in  
9 a room with maybe 20 to 30 applicants at a  
10 time. We try to have some fun. And we see who  
11 has got a great personality. Who brings some  
12 energy, the people that we would want to serve  
13 us if we were out in any kind of establishment.

14 Those are the folks that we hired.  
15 We can teach people to run a casino. All of  
16 the skills that are necessary to work in a  
17 casino are things that we can teach people.  
18 So, we just like to start with really great raw  
19 material.

20 I don't know a whole lot about  
21 Brockton, although I have been there. From  
22 what I've heard from our team, it's actually  
23 very similar to the Fishtown section of  
24 Philadelphia, which is where Sugarhouse is.



1           It's a hard-working community.  
2           There are people who have lived there for  
3           generations. The economic profile of the area  
4           has changed. The industry that exists there  
5           has changed over the generations.

6           When we opened in Fishtown, the  
7           people of Fishtown were very excited to have  
8           those 1100 jobs come available. Today, we're  
9           in the process of hiring for an additional 500  
10          jobs that are part of this \$160 million plus  
11          expansion that we are working on.

12          So, we are back into the process of  
13          holding job fairs in the local community and  
14          running our panel auditions and finding the 500  
15          rock stars that are out there with great energy  
16          and great enthusiasm to serve our customers.

17          We have a saying at Sugarhouse and  
18          it comes up a lot because it's a great thing to  
19          always go back to to remember who you are.  
20          What's good for Philadelphia is good for  
21          Sugarhouse. What's good for Philadelphia is  
22          good for Sugarhouse. So, we look always to be  
23          considering our neighbors, our vendors, our  
24          employees, our elected officials, all of these

1 constituencies. And many of them overlap.

2 If when everybody is satisfied and  
3 everybody is part of the process, it's kind of  
4 easy to run a great operation. So, we like to  
5 maximize the outcomes for everybody. And we  
6 find the way we do that is to make sure we give  
7 focus to our local neighborhood first.

8 These are our customers. We also  
9 want to be our vendors. And we want them to be  
10 our employees. Who comes to work in a  
11 snowstorm? The guy that lives down the block.  
12 He makes it in. He unlocks the doors. He  
13 starts up the coffee pot.

14 So, our in business because we have  
15 so many front-line jobs and a fairly large  
16 management team, there's always a level of  
17 turnover and there's always some hiring going  
18 on. But again, when we do an expansion the  
19 size of which we are doing now, you know you  
20 have another big influx of brand-new hires.  
21 And it's something that the community in  
22 Philadelphia is very excited about.

23 To talk a little bit more about  
24 supporting local business, I think there's

1 three key areas where we work very closely with  
2 partners in Philadelphia, restaurants, hotels  
3 where we send our customers out because there's  
4 such great opportunities in Philadelphia. So,  
5 we send our best customers out to eat and to  
6 stay overnight in the city of Philadelphia.

7 Sports teams, we don't have the  
8 Patriots, but we still like our Eagles. We  
9 love to send our customers out to see even the  
10 Phillies, which I can't explain but we still do  
11 it, the Phillies, the Eagles, the Flyers, the  
12 Sixers. That got a lot of coughs, wow. So,  
13 that's one of the ways that we engage.

14 We also love to use local providers.  
15 So, things like Wells Meat and Isgro Bakery and  
16 Fishtown Fleet Wash come to mind. These are  
17 neighbors, members of their family are our  
18 employees. And they are our very important  
19 high dollar amount vendors.

20 Because everybody is engaged and  
21 everybody knows each other and everybody is  
22 part of a family, you can think that sounds  
23 corny but it's for real in our case, everybody  
24 wants the same outcome. So, everybody is

1 headed toward the same goal and everybody  
2 really works together and makes the operation  
3 the best that it can be.

4           We do hold vendor fairs frequently.  
5 The licensing process in any state to work in a  
6 casino or with a casino as a vendor can seem  
7 onerous to especially a small vendor. So, one  
8 of the key things that we do in our vendor  
9 fairs is make sure we are explaining the  
10 process to people and helping them kind of  
11 engage in what's necessary to get the license  
12 and get the initial fee paid in order to start  
13 to participate in selling us goods and  
14 services.

15           Then I am glad that I am the person  
16 chosen to talk a little bit about ripple  
17 effect, because nowhere I think has it happened  
18 more clearly or more recently than it has in  
19 the Fishtown Northern Liberties section of  
20 Philadelphia where we are.

21           I'm a Philadelphia girl born and  
22 raised. And the section where Sugarhouse sits  
23 is a riverfront that was commercial and marine  
24 related dozens and dozens of years ago. I

1 still have older living relatives who tell me  
2 stories about swimming on the banks of the  
3 river between the sugar factory and the  
4 electric plant.

5           Remnants of many of those buildings  
6 still exist. And in fact, the reason  
7 Sugarhouse is called Sugarhouse is it was a  
8 sugar refinery. The older folks in my family  
9 every in once a while someone will find a new  
10 picture from 70 years ago of so-and-so working  
11 in the sugar factory. And they always say,  
12 Wendy would love to see this. And I get it on  
13 my email.

14           Let's go back 10 or 15 years, a lot  
15 of those businesses were gone. And you had the  
16 hoax of old rusted warehouses and refineries  
17 sitting on what could be a beautiful riverfront  
18 and nothing was happening there.

19           Philadelphia has long been vexed by  
20 the fact that the riverfront in many areas of  
21 Philadelphia is cut off from the rest of the  
22 city by I-95. So, it was easy to kind of let  
23 that area fall apart and not do a whole lot  
24 with it.

1                   In the case of our immediate  
2 neighborhood, Sugarhouse was the first  
3 development in our immediate area to start what  
4 has been an amazing five-year run of  
5 development there. Just on October 1 of this  
6 year Live Nation opened a Fillmore theater  
7 directly across the street from us. They  
8 employ several hundred people.

9                   Many of the most famous celebrity  
10 chefs that are represented all over Center City  
11 Philadelphia are now opening within a block or  
12 two of our casino. There are three or four  
13 very smart, I think, local developers who when  
14 we opened started to amass parcels around the  
15 casino. And they've each moved forward with  
16 their own developments, entertainment and  
17 retail in nature and restaurants.

18                   And in addition, there are several  
19 individuals who owned parcels who hadn't done  
20 anything with them for years and years who are  
21 now developing those pieces. So, if you look  
22 at the slide, starting on the left that's kind  
23 of what you saw back in 2008.

24                   And just in the last seven years,

1 names that you would recognize are all over  
2 that neighborhood. It's a very hip place to  
3 come and live and to play. It's been named in  
4 some of the Philly press in the last 18 months  
5 as one of these -- I forget the term they use.  
6 -- but one of these hot neighborhoods that you  
7 need to go live in. Yoga, coffee and  
8 entertainment are in no short supply close to  
9 Sugarhouse at this time.

10           And when you talk to them, they will  
11 always tell you that when they saw Rush Street  
12 put a flag down and say we are going to do  
13 something with this neighborhood, it gave a lot  
14 of people kind of the final push that they  
15 needed to invest in that immediate  
16 neighborhood. It's really changed who it is.

17           So, again what's good for  
18 Philadelphia is good for Sugarhouse. The  
19 development of the neighborhood around us has  
20 obviously helped our business as well. So,  
21 it's nice to see the cycle kind of speeding up  
22 now and a lot more development in our immediate  
23 future. I'm going to hand it back to David  
24 Patent.

1 MR. PATENT: Thank you, Wendy. All  
2 right, let's talk about the Brockton project.

3 As Neil noted, we've got great  
4 access to the site. You can see where the site  
5 is relative to Route 24. We are about one mile  
6 from the exit. And it's actually pretty  
7 similar to our property in Des Plaines which is  
8 about one mile off the highway. Anybody who  
9 has built one of these casinos, access is  
10 critical and making it easy to get to is very  
11 important. That's another reason why we liked  
12 the Brockton site so much.

13 Through the video and through Neil,  
14 you've seen what some of the highlights are in  
15 terms of the amount of money that this  
16 development represents. The size of the  
17 casino, the number of food and beverage  
18 options, I believe we are planning on having  
19 nine of them, a full-service hotel, and also a  
20 very large multipurpose space.

21 We've got one in Pittsburgh that's a  
22 little less than half this size. We do a lot  
23 of events out of this. We do corporate  
24 parties. We do weddings. We do receptions.



1 We do some entertainment. This space will be  
2 significantly bigger we think, will be great as  
3 a regional draw for tourism as well for  
4 meetings, parties and entertainment.

5 When we thought about the design,  
6 every time we design one of these casinos, it  
7 is very important to make sure that what you  
8 are building is appropriate for the locality  
9 that you are in. And after meeting with  
10 members of the city council, meeting with the  
11 mayor, talking to local residents, local  
12 businesses, it was clear that for Brockton a  
13 large glass, tall hotel and a glitzy casino  
14 design really was not appropriate.

15 So, we really wanted to make sure  
16 that our architecture complemented the local  
17 area. So, you can see this rendering. The  
18 hotel is in the foreground. There's a car that  
19 I'm sure is hybrid that's pulling into the  
20 parking lot there.

21 We've got a very low slung hotel,  
22 approximately six stories. And really paying  
23 homage to New England with masonry and some of  
24 the gabled roofs. Frankly, got a very good

1 reception from the folks in Brockton.

2           The second, the hotel is in the  
3 background there. But this gives you an  
4 overview of what it's going to look like. So,  
5 it'll be very different than what I'm sure will  
6 be a magnificent project that Steve Wynn is  
7 building in Everett. But we are Brockton, so  
8 we want to build something that's very  
9 appropriate for that region.

10           Here is the site plan. A couple of  
11 highlights here. One thing you'll notice I  
12 think is just a lot of green. So, even where  
13 we have a large surface parking lot in addition  
14 to the parking garage that's at the bottom  
15 center, we like to plant lots of bushes,  
16 shrubbery, trees, etc. to create a nice  
17 environment. There's also some dedicated green  
18 spaces.

19           A lot of buffer space between the  
20 neighborhood and the casino itself. The green  
21 space in the middle there is where the casino  
22 is. It's far away from the edge of the  
23 property. We plan to have a little pond  
24 feature.

1 I think what's also important to  
2 look at is if you look at the parcels of land  
3 that are to the southwest and the west, there's  
4 a number of parcels that are really ripe for  
5 development. So to Wendy's point about what  
6 can happen when you build a casino in a  
7 neighborhood that has development opportunities  
8 and potential, we really do want to work with  
9 city on this entertainment district that we've  
10 talked about with them.

11 You can see Campanelli Stadium is  
12 toward the bottom left as well. There's the  
13 Shaw's Center that is really part of Campanelli  
14 Stadium. We absolutely want to partner with  
15 them, work to promote and operate events with  
16 them. We think there's a great opportunity to  
17 do that. And we've got ready-made partners  
18 already there for us.

19 As far as traffic improvements, when  
20 I was meeting with folks back over the past  
21 many months, the traffic issues was the number  
22 one concern that people had. What are you  
23 going to do to traffic? Are you going to make  
24 it worse?

1 Pedestrian safety in Brockton  
2 particularly in this area was a significant  
3 concern. A lot of very unfortunate incidents  
4 that had happened. So, we really did focus on  
5 making sure that pedestrian safety was first  
6 and foremost in our mind when we looked at the  
7 traffic improvements as well as the widening of  
8 some roads and just making life easier for the  
9 folks who drive there.

10 And frankly, after we won the  
11 referendum, the city came back to us and said  
12 look, we think there's additional work that you  
13 may want to do here. So, we actually agreed to  
14 an additional, I believe, \$1.6 million in  
15 traffic improvements, taking the total from  
16 \$8.5 million to over \$10 million.

17 Zooming in on the site a little bit  
18 more, here's what I would say about the  
19 amenities. We're going to have lots of great  
20 places for people to eat and drink at a lot of  
21 different price points. Everything from very  
22 inexpensive things to a high-quality  
23 steakhouse, we think.

24 But I think one of the keys to

1 success will be to involve local and regional  
2 businesses, merchants and not just what we buy  
3 but in also how we brand them and who operates  
4 or what we are putting there.

5 In Chicago, we partnered with the  
6 Gibson's Restaurant Group. They operate the  
7 best and the top, the most successful  
8 steakhouses in Chicago. So, we've got one of  
9 their outlets at our casino. In Schenectady,  
10 we have got a local icon really the Malosi  
11 (PHONETIC) Brothers who we're using for  
12 virtually all of our outlets.

13 And then in Philadelphia, as Wendy  
14 noted, we've got a number of local brands that  
15 we're utilizing at the casino. And I think  
16 Brockton represents a fabulous opportunity to  
17 repeat that model.

18 As far as the multipurpose space  
19 again, we just think that's a great opportunity  
20 to be a regional tourism draw. And as you can  
21 see on the map, there's a relatively large  
22 purple square there. It's not attached to the  
23 casino.

24 So, it will be very easy for people

1 who just want to come to a meeting or an event  
2 to do that and not feel like they need to go to  
3 the casino. We've also got a lot of really  
4 great outdoor areas too, because we think it's  
5 important for people to have things to do other  
6 than be inside the casino wall while they're on  
7 property.

8           You can see the features of the  
9 hotel. It'll be, like I mentioned, full-  
10 service. And it'll have its own restaurant,  
11 its own meeting spaces as well. We think at  
12 250 rooms, we'll be able to fill that pretty  
13 readily on a regular basis.

14           In terms of facility design, we  
15 definitely want to make sure that we build a  
16 great casino that's got that wow factor. So,  
17 what you are seeing here are some shots from  
18 Pittsburgh, the Rivers Casino in Pittsburgh.  
19 At the upper left is a shot from the  
20 Wheelhouse, which is our sports bar, which  
21 contains from what I'm told the largest  
22 television in the state of Pennsylvania.

23           We have a group of architects and  
24 designers that we work with on a regular base.

1 And they're not the least expensive, because we  
2 want to make sure we're creating special  
3 experiences for our customers.

4 And I can tell you, the casino in  
5 Pittsburgh, I don't know if anybody has been to  
6 that facility, but I would put that up against  
7 any casino in the country really including some  
8 of the nicer casinos in Vegas. It is a really,  
9 really first-class casino.

10 And I think when people walk in  
11 there they say, wow, I had no idea that  
12 something like this was in Pittsburgh. And it  
13 certainly is a lot nicer than Twin River, no  
14 disrespect meant to them, but if we're talking  
15 about repatriating dollars into Massachusetts  
16 this is a facility we plan to build on at a  
17 very similar level to Pittsburgh, will  
18 absolutely be a nicer alternative than what's  
19 south of the border.

20 On the top, you can see some shots  
21 of the event space in Pittsburgh. And then on  
22 bottom is the buffet in Des Plaines. Again, we  
23 really, really do focus on making a nice design  
24 that makes people feel like they're having a

1 great experience when they are there.

2 I believe that's Wendy Hamilton  
3 cutting some steak in the middle there. Nice  
4 job, Wendy. Some other shots of our food and  
5 beverage.

6 I want to spend a little time on  
7 this slide, because we really talk about making  
8 Brockton a destination. And we believe that  
9 that is a very important thing to focus on.  
10 It's something that we think is very realistic.

11 In Pittsburgh, for example, when we  
12 built the Rivers in 2009, there was a fair  
13 amount of development on the North Shore. The  
14 Steelers play at Heinz Field. It's pretty much  
15 right next door to us. There's a science  
16 center and another sports stadium where the  
17 Pirates play.

18 But since we've opened, there's been  
19 additional buildings of restaurants, a new  
20 hotel, a fairly large live venue is also  
21 located very close to us there. And it's  
22 really helped transform the North Shore into a  
23 very hip happening area for folks of all ages.

24 Our customers tend to run a little



1 more to the 40s and 50s. That's Marilyn Mccoo  
2 and Billy Davis, Jr. I'm dating myself. I  
3 remember watching them as a kid. I was at that  
4 concert. It was pretty nice. That's just an  
5 example of the kind of entertainment that we  
6 can bring, nationally recognized artists as  
7 well. Again, partnering with Campanelli  
8 Stadium and the Shaw's Center we think is a  
9 great opportunity.

10           You've seen the numbers on the jobs.  
11 I won't spend too much more time on it. But  
12 obviously that's critical and Mayor Carpenter  
13 can speak to that as well. Not only do we have  
14 the direct jobs from the casino itself in terms  
15 of the construction jobs and the full-time jobs  
16 at the casino, but the indirect jobs that are  
17 created by the casino because our team members  
18 eat locally. They shop locally. So, they  
19 actually inject additional revenue into the  
20 cities which help to create more jobs.

21           Revenues to the city, we've talked  
22 about how important those are. Mayor Carpenter  
23 certainly knows how important that is. And you  
24 can see just a summary of the upfront payment,

1 the host community agreement minimum of \$10  
2 million or 2.25 percent of our gaming revenues.  
3 And then what we believe some additional  
4 revenues to the city from various other taxes  
5 and fees that we will be paying.

6 We've been very pleased with the  
7 support that we've gotten from the local  
8 community. And frankly, what we've noticed is  
9 typically when you say you're potentially going  
10 to bring a casino to town, there are naturally  
11 a lot of concerns by the citizens.

12 We were very fortunate to win the  
13 referendum, very pleased to do so. But I can  
14 tell you in in Fishtown, we're a lot more  
15 popular now that we're operating than we were  
16 before we built the casino. And the same story  
17 is true Pittsburgh. The same is true in Des  
18 Plaines.

19 When people see how we really  
20 operate, how we partner with the communities,  
21 all of the thousands of hours that our team  
22 members donate to local charities and local  
23 groups, and how we sit on local boards and  
24 really help make ourselves part of the

1 community, we are a good neighbor and we think  
2 we are recognized as such.

3 Very important point here. We know  
4 that MGM is building a great facility out in  
5 Springfield. Mr. Wynn is building his facility  
6 up in Everett. We actually believe that if we  
7 are awarded this license around the March  
8 timeframe of next year, we could be the first  
9 to open in Massachusetts.

10 We've got a fabulous team. The  
11 folks at DMA which have been working with Neil  
12 I think for 30 plus years and overseeing our  
13 construction projects, the architectural firm  
14 of Klai Juba that helped us in Des Plaines and  
15 Schenectady, and also they will be working for  
16 us in Brockton, they are ready and can't wait  
17 to get started.

18 Obviously, to build this project  
19 it's going to take some money. So, there is a  
20 significant contribution of equity, close to  
21 \$180 million. But also approximately \$500  
22 million of debt financing. This is where I  
23 think Neil's experience and the success that  
24 we've had really serve us well.

1           We have been working with some of  
2 the leading financial institutions Wells Fargo,  
3 Goldman Sachs, Fifth Third Bank. And we've  
4 received highly confident letters from them  
5 that indicate their confidence that we could  
6 raise the debt necessary to build this casino.  
7 And that is with or without a tribal casino.  
8 So, under both scenarios, these banks are  
9 highly confident that we could get the  
10 financing.

11           Frankly, given the amount of money  
12 that's being put up in equity, we would never  
13 be undertaking this project -- Neil has said  
14 this many, many times. -- never be undertaking  
15 this project if we didn't believe that this  
16 could be successful.

17           Neil is a person who has been very  
18 successful in his life. He doesn't need this  
19 project. We are doing this because we think  
20 it's a great project. And it will be  
21 successful whether it's just us operating or  
22 whether there is a casino in Taunton. We are  
23 very confident on the financing piece.

24           In a minute, I'm going to turn it

1 over to Michael Soll from the Innovation Group.  
2 But I do want to comment just a little bit on  
3 the projections and the economics because  
4 Michael is from the Innovation Group.

5           They are probably the leading firm  
6 that does this kind of work looking at market  
7 size and looking at competition and estimating  
8 what kinds of revenues and jobs are going to be  
9 created by casinos. But we didn't just talk to  
10 the Innovation Group. We didn't just talk to  
11 Michael's firm.

12           We actually went out and spoke to a  
13 number of different firms. We got estimates  
14 from them, really triangulated on the numbers  
15 because again it was very important to get this  
16 right and make sure that this project was going  
17 to be successful.

18           So, while we ultimately retain the  
19 Innovation Group, we did look at other numbers.  
20 And those numbers were actually quite  
21 consistent in terms of the projections.

22           So, what Michael is going to take  
23 you through is quite similar to other numbers  
24 that we received from the other firms that we

1 reached out to. Michael?

2 MR. SOLL: Thank you. Good morning,  
3 Chairman, Commission. I think members of our  
4 firm have presented to you over the course of  
5 the process that you've gone through. I think  
6 you've heard a lot from us about numbers.

7 You'll know, as a company we work  
8 both on the public sector and the private  
9 sector side. We've worked for over 50 states  
10 and countries and as many private entities.  
11 And we work for over 125 Indian tribes. So, we  
12 kind of see all of the different angles in the  
13 process and kind of consider ourselves an  
14 honest broker for the industry.

15 The two areas that we focus on, and  
16 in this case that we focused on are the  
17 econometrics, which you've heard a lot about  
18 today, the job creation, the economic impacts  
19 and also the market and feasibility work.

20 So, before I go into the numbers,  
21 which is really what I'm really focused on, we  
22 normally present the job numbers and the ripple  
23 effect. This is the only client that we have  
24 that talks to that part of the presentation.

1           This is unscripted, but sitting back  
2 and noticing that it takes a certain type of a  
3 place and a certain type of a company to  
4 actually generate the type of economic impact  
5 enabling legislation instructs. So, I think  
6 that that's a testament and I felt compelled  
7 the point it out.

8           On the feasibility side of the  
9 equation, which is where I'm really going to  
10 focus today, we are looking at the landscape of  
11 the Northeast very carefully these days. The  
12 market has changed tremendously over the last  
13 10 years. There's been a lot of movement of  
14 new supply and movement of demand. And more  
15 patrons are going to play.

16           It's happening right now as you're  
17 introducing properties. And we're highly  
18 focused on what's happening. One of the last  
19 bastions of undeveloped opportunity really is  
20 in Southeast Massachusetts. So, what happens  
21 here is very important. I think a lot of  
22 people are watching.

23           The first slide I'm going to talk to  
24 really starts to look at the prospect of

1 additional supply in the region the way that we  
2 look at it at a very high level in terms of how  
3 many positions or how much gaming supply can be  
4 sustained. It's an important question because  
5 it dictates the sustainability of the  
6 operations in the market.

7 CHAIRMAN CROSBY: So, this is taking  
8 the presumed facility in Everett and the  
9 facility in Plainridge and the facility maybe  
10 at Twin Rivers and then dividing that into the  
11 population?

12 MR. SOLL: Correct. And for Judge  
13 Macdonald's benefit, in two and a half days I'm  
14 sure you haven't gotten too dirty into the  
15 details, the positions when we talk about  
16 positions in gaming would be a seat at a slot  
17 machine or a seat at a table. So, it's a way  
18 of looking at the distribution of supply.

19 So, when you look across these  
20 markets basically we're showing that the number  
21 of adults of gambling age above the age of 21  
22 as a ratio to the number of positions in the  
23 market.

24 So, Brockton is what we would call a



1 constrained market. Southeast Massachusetts is  
2 a constrained market area. So, we're going to  
3 come back and look at that again with Taunton.  
4 So, the presentation is really set to look  
5 first now at Brockton. And then we're going to  
6 take the next step and layer Taunton into the  
7 equation. So, everything that you're going to  
8 look at now is about Brockton alone.

9           So, on the next slide you'll see  
10 this map which will be very familiar to you in  
11 terms of the region obviously. But there are a  
12 few key factors that are going to be important  
13 in some of the points I'm going to make.

14           You can see here prominently  
15 featured are the state lines, of course, and  
16 the types of properties that are either built  
17 or being built in the region. We've taken some  
18 trouble to distinguish what you see as yellow  
19 dots, which would be slot facilities, slot only  
20 facilities with the blue dots which are  
21 resorts, larger properties and a different type  
22 of a customer experience.

23           We know from the gravity model which  
24 we adapted to gaming about 15 years ago and

1 have continued to improve that the weighting  
2 factor and the draw for a resort property, it's  
3 greater than a slot only facility. It's also  
4 different. It's not meant to serve the same  
5 purpose.

6 But it does cause people to behave  
7 differently when they're moving around the  
8 market. So, some of what I'm going to talk  
9 about in the next few slides really will draw  
10 on that distinction and also on where the state  
11 lines are. Because from the Massachusetts  
12 perspective, it's the dollars that are new or  
13 recaptured in the state that best fulfill the  
14 intent of the enabling legislation.

15 The other thing I would point out on  
16 the map, which just disappeared -- Thank you,  
17 Ryan. -- is that what's not on the map is where  
18 you see Newport now may re-manifest itself  
19 farther north and farther east in a property in  
20 Tiverton which you've probably been hearing  
21 something about, which will further add to the  
22 supply outside of Massachusetts in the region.

23 And of course, there is a lot of  
24 activity in Connecticut which is not as

1 critical to Southeast Massachusetts, more of a  
2 broader impact.

3           On the next slide now we're going to  
4 really get into the numbers themselves. The  
5 number that I would be most concerned with if I  
6 had this decision to make, the decision you  
7 have to make, is not only how much tax revenue  
8 will be generated by the property, and it's  
9 been identified annually at about \$100 million  
10 dollars from Brockton.

11           But \$71 million of that are new  
12 dollars, incremental dollars that are taking  
13 into account Everett, taking into account  
14 Springfield. You are still netting \$70  
15 million. We are essentially creating \$70  
16 million in new revenue. And that will be true  
17 every year that Brockton exists.

18           Importantly, the dollars that are  
19 coming with that tax revenue are being  
20 attracted significantly from out of state and  
21 they're bringing those back into the state that  
22 are currently going to your neighboring states.  
23 And I'll get into the math behind that in a  
24 moment.

1           In addition, you've got an \$85  
2 million license fee which you are well aware of  
3 on the front-end. This is again this is net of  
4 cannibalization.

5           The next slide really starts to  
6 layer the properties that you've licensed, lays  
7 them out in layers in this case Brockton into  
8 the equation. The \$404 million that we are  
9 forecasting Brockton would generate is coming  
10 with a minor cost to the existing licenses.

11           You can see in each case,  
12 Plainridge, Springfield and Everett and their  
13 operators are taking what I would consider a  
14 very minimal impact in each case. One that we  
15 would not estimate would have a significant  
16 impact on their bottom line or destroy their  
17 return on investment. Something that we  
18 measure for for these companies on a regular  
19 basis. So, I think this is the impact. And  
20 this is the answer to the burning question,  
21 does it put anyone out of business in your  
22 state?

23           The next slide reflects the tax  
24 revenues associated with those revenue levels.

1 So, there's the \$101 million we keep talking  
2 about the will come out of the Brockton  
3 property. It then shows the tax impact each of  
4 the other properties. And that's where we net  
5 the \$71 million of incremental gain. It's the  
6 \$101 million subtracting the difference in each  
7 of those other three properties.

8 I'd also like to point out before we  
9 leave this slide that \$115 million of the \$400  
10 million in revenue are coming from out of  
11 state. So, that's 25 percent of the revenue  
12 will either be coming from someone who doesn't  
13 live in Massachusetts or someone who is  
14 currently leaving Massachusetts to play and  
15 would not be captured at one of the other  
16 properties in Massachusetts.

17 Let's go to the next slide. We're  
18 going to now layer Taunton into the equation.  
19 So, these slides are pretty much mirrored  
20 images of the slides we just went through, but  
21 we're going to in each case layer in the impact  
22 of the property in Taunton.

23 So, on the supply and demand balance  
24 slide or absorption as we like to call it. The

1 avoidance of saturation another way to put it.  
2 You still are at a very high ratio of adults to  
3 gaming positions even with Taunton layered in.  
4 So, 280 adults per position is a very robust  
5 dynamic for supply and demand.

6           The next slide will go back to the  
7 map. Now we're going add the Taunton site to  
8 the map. And a couple of new information is  
9 revealed when we look at the map with Taunton  
10 added. It contrasts the position of Brockton  
11 relative to Rhode Island and relative to Wynn  
12 and Plainridge. So, with a 27-mile distance  
13 between Brockton and Wynn and Brockton and  
14 Plainridge and Taunton below, you're kind of  
15 creating a triangle of business to be  
16 maintained in Massachusetts.

17           The issue is that Plainridge as a  
18 great slot facility isn't going to stop all of  
19 the traffic down to Twin River who are seeking  
20 more of a resort experience, table games and  
21 hotel rooms. If you take a look at where  
22 Brockton is, it's in a good position to  
23 intercept some of the business from the south  
24 part of Boston that might head to Rhode Island

1 now.

2 Taunton, not only would it still  
3 have the ability to draw traffic from Boston  
4 because players don't go to the same property -  
5 -- Sorry, guys. -- every time they gamble, they  
6 like to mix it up. And they have different  
7 experiences they're looking for.

8 So, Taunton is not cut off by  
9 Brockton, but more importantly it is addressing  
10 the rest of Rhode Island business and even  
11 Connecticut business. So, it plays a role in  
12 helping the state. The question I know you're  
13 asking is can they both survive and we believe  
14 definitively they can. So, let's look at the  
15 numbers.

16 So, the \$70 million incremental  
17 number that we were throwing out there for a  
18 Brockton only scenario, even with Taunton we  
19 are talking again about a \$40 million  
20 incremental tax benefit. And I'm going to show  
21 you on the bar chart in a moment how that is  
22 distributed between the properties. But that's  
23 a \$40 million impact at the 25 percent tax rate  
24 plus your \$85 million upfront payment which

1 you'll maintain.

2 But the point here is that the tax  
3 impact to the state is always greater with a  
4 Brockton casino. Again, cannibalization is  
5 netted out in these numbers. If we turn the  
6 slide again, we are now looking at Penn, MGM  
7 and Wynn properties at Brockton and Taunton  
8 layered in.

9 And you can see there is a similarly  
10 minor decrease on the top line for each of  
11 these properties, topline revenue, not below a  
12 threshold of, in my opinion, thriving. People  
13 may have different opinions of thriving versus  
14 surviving. But there is no significant threat  
15 to the health of these businesses at the levels  
16 that have been presented to you.

17 In fact, whether it was through our  
18 firm or our competitors, most of these  
19 properties have only been able to finance their  
20 properties with the anticipation of maximum  
21 amount of competition in the market. So, it's  
22 baked into the numbers to put it another way.

23 And on this slide, which really sums  
24 up the tax scenario, you're looking at \$71



1 million with Brockton only, and the \$40 million  
2 with Taunton and Brockton, a lower number with  
3 Taunton only. So, all scenarios, the  
4 Commonwealth collects more in taxes with a  
5 Brockton casino.

6 More importantly, and this I think  
7 is the most important point I'll make, and then  
8 my turn will be up, the number of jobs that are  
9 created in each of the scenarios is very  
10 revealing about the actual economic impact.

11 The reduction in revenue, which I've  
12 characterized as being relatively minor in each  
13 case, doesn't prohibit people from still  
14 needing good jobs to pay their employees and  
15 good jobs in the Commonwealth.

16 So, the two properties together are  
17 generating at least 3000 new jobs. We're not  
18 sure of what Taunton's business plan looks like  
19 exactly in terms of the jobs it will create,  
20 but 3000 jobs. So, I feel that's a  
21 conservative number.

22 At a minimum, more likely case is  
23 that you'll have double the jobs by having both  
24 properties in place. So, leaving 12- to 1500

1 jobs on the table I believe is one of the risks  
2 of not awarding a casino in Brockton.

3 That wraps my formal comments. I'll  
4 turn it back to Mr. Bluhm.

5 COMMISSIONER ZUNIGA: Can ask a  
6 clarifying question, Mr. Soll? What year did  
7 you assume for the charts where you presented  
8 the scenarios?

9 MR. SOLL: It's based on  
10 stabilization after 2018 opening, so first full  
11 year after stabilizing.

12 COMMISSIONER ZUNIGA: For each of  
13 the scenarios. So, you have to assume that the  
14 tribe would be there as well in the second  
15 scenario.

16 MR. SOLL: Correct.

17 MR. BLUHM: So, if I could more or  
18 less summarize and just make a few additional  
19 comments about the economics.

20 First, I should mention, as my  
21 partner pointed out, after we got their numbers  
22 -- We're putting up our own money here. We're  
23 not promoting somebody. We're putting up our  
24 money. And every casino we've done is

1 successful. And I don't need to do this if I  
2 think this is going to be risky and I'm going  
3 to lose my money and cause a problem for you or  
4 Brockton, etc.

5 So, we actually went out and got  
6 additional data from other firms, competitors.  
7 And the numbers are all fairly similar. So,  
8 that gave us some added comfort, frankly, in  
9 order to move forward.

10 But one thing is clear, we believe  
11 that our casino will be successful in Brockton  
12 even if there is a tribal casino because this  
13 particular site is 17 miles away from where a  
14 tribal casino would be. Some of the other  
15 sites were very close. And this gave us  
16 considerable breathing room.

17 In addition, which I think is very  
18 important point, whatever cannibalization  
19 occurs whether it's us alone or Taunton alone,  
20 if you add a second casino, it doesn't hardly  
21 affect the loss to the other properties.  
22 Because if somebody is coming to us who might  
23 otherwise go to the Wynn project, it's not  
24 really going to matter whether they're coming

1 to us or there's also another casino 17 miles  
2 away further to the south. So, there's very  
3 little additional cannibalization if you have  
4 two casinos.

5           Lastly, you may ask yourself because  
6 people say wait a minute, there's not going to  
7 be any taxes paid in the Taunton casino if you  
8 have your casino. But the point is that we  
9 still pay our 25 percent. And we do so much  
10 more business that when you add those together  
11 zero for Taunton tax but our total tax, the  
12 dollars are still higher with two than they  
13 would be if there was just Taunton, etc.

14           So, the Commonwealth makes more  
15 money every year if we are there. They make  
16 the most if we are alone. They make the  
17 second-most if we and Taunton are together.  
18 But under every scenario, they make more if we  
19 are there. And of course, as Michael pointed  
20 out, the job creation and economic development  
21 is huge.

22           CHAIRMAN CROSBY: Mr. Bluhm, excuse  
23 me. The other side of the impact of no tax for  
24 Taunton would be the availability of 25 percent

1 of their gross gaming revenue to do things  
2 with.

3 How do you factor in the impact on  
4 the competitive environment if you're paying 25  
5 percent and your competitor is paying zero?

6 MR. BLUHM: Because we think we have  
7 a better location because we're 17 miles  
8 towards a greater population. And we are used  
9 to a lot of competition in the markets we are  
10 in. We think we will do fine.

11 If we didn't, I wouldn't be sitting  
12 here. I don't need this. I really don't. I'm  
13 not a public company that has to show a new  
14 project. I'm writing my own check. I've made  
15 mistakes in my life. But we're trying to be as  
16 careful as we can about this. And we think we  
17 will be successful.

18 Now there is a very significant  
19 possibility that there will never be casino in  
20 Taunton. We're going to talk about that in a  
21 minute. But putting that to the side, we  
22 wouldn't undertake this if we thought that we  
23 wouldn't be successful if we have a competitor  
24 17 miles away that isn't paying any tax.

1           We are in a much better location.  
2 We are 17 miles closer to the major population  
3 areas. And there's enough people, based on the  
4 charts we just looked at, to support both of  
5 them.

6           And we've thought about this  
7 enormously, studied it twice. There isn't any  
8 question if they're not around this will do  
9 fantastic. That is a factor in our own minds  
10 because they may never open or they may be  
11 delayed.

12           But there's no question that there  
13 is significant risk and cost to the  
14 Commonwealth if we don't get a license because  
15 it is highly likely that the casino in Taunton  
16 will be delayed for many, many years and may  
17 ultimately never open. And that is a real,  
18 real probability. And we've spent a lot of  
19 time analyzing that factor.

20           In doing that what we've done is  
21 we've talked to a number of experts in the  
22 field of gaming law, Indian gaming law. And we  
23 engaged amongst others the Nixon Peabody firm  
24 who has a very prominent Indian law practice,

1 headed by David Tennant who just sat down next  
2 to me.

3 David is also the head of the Nixon  
4 Peabody appellate practice. But he is a  
5 recognized leader in Indian law amongst  
6 attorneys in the United States. And we have  
7 asked David what is the likelihood that the  
8 project will be tied up in Taunton? And what  
9 is the likelihood that it may never open?

10 And we've asked him to discuss that  
11 with you today and answer any questions you may  
12 have.

13 MR. TENNANT: Thank you, Neil. Good  
14 morning, Commissioners. We have reviewed the  
15 US Department of Interior's decision taking  
16 land into trust for the Mashpee and our  
17 findings are as follows.

18 First, the record of decision issued  
19 by the Department is seriously flawed in  
20 several respects including in adopting  
21 extremely broad definitions of who is an  
22 eligible Indian and what constitutes a  
23 reservation within the meaning of the Indian  
24 Reorganization Act of 1934 better known as the

1 IRA.

2 The reading that the Department has  
3 given to those definitions is unprecedented.  
4 It's novel. They've never done it before in  
5 any of their many records of decisions  
6 regarding land into trust acquisitions for  
7 tribes.

8 And most importantly, the  
9 definitions that they've adopted are in  
10 conflict with the plain language of the IRA and  
11 its legislative history.

12 They have done so because they have  
13 recognized apparently that the Mashpee do not  
14 qualify under the definition of an Indian that  
15 was at issue in the Carcieri decision. That's  
16 the Supreme Court case in 2009 that held that  
17 in order to qualify to have lands taken into  
18 trust, an Indian must be a member of a tribe  
19 that was under federal jurisdiction in 1934,  
20 recognized and under federal jurisdiction in  
21 1934. That's the talismanic Carcieri language  
22 that I imagine a number of you are familiar  
23 with.

24 The definition here goes into a



1 different area of the definition under the IRA.  
2 And we'll talk about that in more detail in a  
3 minute. But they did that because they figured  
4 the Mashpee could not qualify under the  
5 existing Carcieri standard for taking land into  
6 trust.

7           Second, because of this  
8 unprecedented definition and analysis, the  
9 record of decision is a lightning rod for  
10 litigation and almost guarantees that lawsuits  
11 will be filed.

12           CHAIRMAN CROSBY: By whom?  
13 Lightning rod to whom?

14           MR. TENNANT: Well, certainly the  
15 citizens groups that have been active in  
16 providing comments during the public comment  
17 phase that the Department holds with respect to  
18 taking land into trust.

19           That process involves stakeholders  
20 and citizens groups are active both here and  
21 nationally. And many of the lawsuits that are  
22 commenced following issuance of records of  
23 decision taking land into trust are pursued by  
24 individuals and by citizens groups. And those

1 are -- The history of those includes the  
2 Patchak decision which went to the US Supreme  
3 Court.

4 So, even if it's a group of citizens  
5 who are feeling aggrieved by a process, they  
6 have standing in federal court to challenge.  
7 And that's where we would expect lawsuits to  
8 arise from.

9 Third, any litigation that is  
10 commenced would necessarily take many years,  
11 likely the better part of the decade. And with  
12 the very real prospect that the ultimate  
13 outcome of that litigation would be the  
14 overturning of the record of decision given its  
15 patented flaws.

16 CHAIRMAN CROSBY: What would keep  
17 the casino from being built meanwhile?

18 MR. TENNANT: That's our fourth  
19 finding, which is that with such a weak  
20 justification in the record of decision that is  
21 so vulnerable to a legal challenge and with a  
22 Carcieri type of challenge in the winds that as  
23 soon as a lawsuit is filed that freezes  
24 lenders. That freezes the debt market. It

1 freezes people on the sidelines because they  
2 don't want to engage in a project that is on  
3 such fundamentally infirm footing.

4           The tribes have petitioned Congress  
5 to change the Carcieri decision unsuccessfully  
6 to date. And in their presentations in  
7 Congress, they complain that the Carcieri  
8 decision, these lawsuits are such an impediment  
9 to finding both capital providers and lenders  
10 that they can't go forward with their projects.

11           And it is at such a level of  
12 uncertainty and such a protracted period of  
13 litigation -- And I can talk about some of our  
14 experience in other cases dealing with records  
15 of decision that have lasted eight years now  
16 and isn't done. -- that these are serious  
17 problems for anyone from the lending side to  
18 say this is a project that is viable and worth  
19 doing now.

20           And in our experience, we are not  
21 aware of any tribal casino that in the face of  
22 a Carcieri lawsuit, a pending Carcieri lawsuit  
23 actually went forward, shovels in the ground to  
24 actually continue with their project. That the

1 capital, the investments, the support, the  
2 financial support dried up and prevents that  
3 kind of continued development in the face of  
4 such significant legal questions.

5 CHAIRMAN CROSBY: Does that analysis  
6 hold with a company that is as deep-pocketed as  
7 Genting?

8 MR. TENNANT: That's just the equity  
9 portion. For the Taunton tribal casino, as I  
10 understand it, there is still a major debt  
11 component that needs to be funded. And it's  
12 that debt component. Who is the lender who is  
13 going to close the gap between whatever is the  
14 equity and whatever is the debt component?

15 And I believe others at the table  
16 here have by virtue of evaluating kind of how  
17 this all works in the space and the relative  
18 advantages and disadvantages. If the Chairman  
19 would like further input on that I would  
20 certainly ask others here to basically address  
21 that.

22 CHAIRMAN CROSBY: You're going to be  
23 pursuing this. Do you want to pursue it at all  
24 here? I don't want to distract, but I think

1 it's a really central issue.

2 COMMISSIONER ZUNIGA: I think  
3 there's enough requests for clarifications as  
4 part of our evaluation that I think are better  
5 suited for a later time.

6 CHAIRMAN CROSBY: So, we will pursue  
7 this but not in this environment.

8 COMMISISONER ZUNIGA: Yes.

9 MR. TENNANT: That was our fourth  
10 point that basically lenders will be on the  
11 sidelines, kept on the sidelines by the  
12 deterrent effect of the lawsuits and the length  
13 of those lawsuits.

14 We did provide to the Commission the  
15 letter that details these concerns. In terms  
16 of one of the critical flaws that I mentioned  
17 was the definition of an Indian under the IRA.

18 If you look at your letter, on page  
19 two it actually quotes the language of the  
20 Indian Reorganization Act and the definition of  
21 Indian. And I will just read it here for the  
22 record. The term "Indian" as used this Act  
23 shall include (1) -- now this is the Carcier  
24 class.

1                   COMMISSIONER CAMERON:  What page are  
2 we on?

3                   MR. TENNANT:  This is page two of my  
4 letter dated November 3, 2015.  And it's at the  
5 bottom.  It's the indented quoted text from the  
6 IRA, 25 USC section 479.

7                   And the definition of Indian shall  
8 include (1) -- and this is the Carcier  
9 definition -- all persons of Indian descent who  
10 are members of any recognized Indian tribe now  
11 under federal jurisdiction and (2) -- this is  
12 where the Department chose to base its land  
13 into trust decision for the Mashpee -- all  
14 persons who are descendants of such members who  
15 were on June 1, 1934 residing within the  
16 present boundaries of any Indian reservation.

17                   As a straightforward matter of  
18 statutory construction of reading this  
19 language, the use of the term such members in  
20 what we call Class 2 here, such members  
21 necessarily pulled into Class 2 definition.  
22 The Class 1 requirement that members of any  
23 recognized Indian tribe now under federal  
24 jurisdiction.

1           That is by necessary reading  
2 incorporated this by text, grammar and just  
3 plain reading a necessary consequence of using  
4 such next to members it pulls down. The  
5 Department says that doesn't make sense here  
6 because it would render Class 2 essentially a  
7 surplus that it would make the language  
8 extraneous.

9           The Department makes that contention  
10 without acknowledging or in any way referencing  
11 a critical document. It's actually quite  
12 notorious in the Carcieri decision. It's this  
13 circular number 3134 which is attached to our  
14 letter. And it's a document prepared by the  
15 then Indian Commissioner John Collier. And  
16 it's dated Mach 7, 1936.

17           And it's a critical document for  
18 interpreting what the definition of Indian is  
19 under the IRA and that's because John Collier  
20 was the author of the IRA, its principle  
21 drafter, spokesman and advocate. And he was  
22 providing this explanation through a circular  
23 as to how we would basically track Indians  
24 under the IRA.

1           And the circular points out that the  
2 Class 2 Indians are basically going to be all  
3 Class 1 Indians except for the handful of  
4 Indians who for one reason or another or not  
5 officially counted on the tribal rolls.

6           In other words, it's members of a  
7 tribe recognized and under federal jurisdiction  
8 in 1934 who for one reason or another whether  
9 they are members, descendants of members but  
10 they are all coming from the population, the  
11 universe of these members of tribes under  
12 federal jurisdiction in 1934, and it's a  
13 catchall phrase that allows for a handful of  
14 Indians to be basically registered with the  
15 Office of Indian Affairs and be provided  
16 certain services through that office.

17           The only way that the Office of  
18 Indian Affairs in the 1930s had a way to keep  
19 track of Indians on reservations was through  
20 their tribal rolls. So this was okay, we want  
21 to be sure we're not missing anybody. So, if  
22 they are on one of these reservations, and  
23 they're under federal jurisdiction and we don't  
24 know about them because they're not on the



1 tribal rolls, then we'll pick them up through  
2 this Class 2 definition. And we'll have a  
3 process in place by which to do it.

4 And the Collier circular  
5 specifically points out that they will issue a  
6 registration process so that any Indian who was  
7 kind of falling through the cracks of Class 1  
8 is picked up and registered with the Office of  
9 Indian Affairs.

10 And this contemporary historical  
11 evidence from the Commissioner of Indian  
12 Affairs is critical to understanding what these  
13 differences are between Class 1 and Class 2.  
14 And basically Class 2 isn't different from  
15 Class 1. It's just kind of a mop-up or  
16 catchall provision.

17 And the Department completely  
18 ignores this evidence. And it's remarkable  
19 that they do because this particular circular  
20 came out very, very late in the Carcier  
21 litigation. In fact, it was found by the  
22 Department while the case was at the US Supreme  
23 Court.

24 And there were serious questions

1 raised about why the circular wasn't found  
2 earlier. And for this kind of notorious  
3 prominent document in the Carcieri case that  
4 undermines the decision of the Department of  
5 Interior in this case not to even be referenced  
6 I think is some indication of just how far the  
7 Department will to go in the circumstance to  
8 basically come to a conclusion that is  
9 favorable to the tribe without regard to the  
10 language of the IRA or its legislative history.  
11 That's why it makes it so vulnerable to a  
12 lawsuit.

13 I also mentioned that the record of  
14 decision here adopts a definition of  
15 reservation that is unprecedented, novel, not  
16 used before. The Mashpee and the town of  
17 Mashpee had an area of land that was described  
18 as a plantation, as a village, as a settlement.

19 It did not have in 1934 the  
20 characteristics of a reservation. It was not a  
21 reservation as anyone would understand it to be  
22 where a tribe, organized as a tribe recognized  
23 by the federal government in 1934, exercising  
24 jurisdiction as a tribe as a governmental

1 authority over its land.

2           They have basically stretched a  
3 definition of reservation under the IRA to a  
4 point where it's really not recognizable in the  
5 law. Again, providing an easy target for a  
6 citizens group that is inclined to challenge  
7 the decision.

8           In terms of timeline, I mentioned  
9 the case that my firm was involved in. The  
10 record of decision was issued in May 2008  
11 following a three-year period where the  
12 Department of Interior tried to determine on  
13 what basis it would issue its decision to take  
14 land into trust for the benefit of the Oneida  
15 Nation of New York.

16           That case has continued through the  
17 courts. It's in the Second Circuit now. The  
18 lawsuit was filed a month after the 2008  
19 decision. And there are multiple lawsuits  
20 included by various citizens groups. The  
21 lawsuits have continued through the court  
22 system. A series of them are in the Second  
23 Circuit. We don't have a decision. And  
24 whichever party loses in the Second Circuit

1 will seek review in the Supreme court. So,  
2 we're already talking eight years and counting.

3           The reason why these cases take so  
4 long is that there is an enormous  
5 administrative record that is produced by the  
6 Department of Interior to supposedly support  
7 its decision. In our experience, the  
8 Department of Interior is very slow in  
9 producing the record and tends to produce  
10 incomplete records that requires court  
11 intervention and motion practice.

12           In this one cases that started in  
13 2008, the Department of Interior told the judge  
14 at the initial conference we will produce the  
15 administrative record in nine months. So,  
16 you're already starting with a nine month  
17 delay.

18           Then they produced bits and pieces.  
19 And we were back and forth years just trying to  
20 get the administrative record settled. Then  
21 you have pleadings in terms of different causes  
22 of action, amended pleadings, motion practice,  
23 rounds of motions to dismiss, summary judgment  
24 motions. And it's very easy for four, five,

1 six years to clip by in a district court,  
2 especially busy district courts. And you can  
3 wind up with a half of a decade just to get out  
4 of district court.

5 And then you have review in the  
6 appellate courts. And these are the kinds of  
7 cases that do get to the US Supreme Court as  
8 witnessed by the Carcieri case and the Patchak  
9 decision.

10 CHAIRMAN CROSBY: Does Rush have  
11 standing to sue?

12 MR. TENNANT: Potentially.

13 CHAIRMAN CROSBY: Would you expect  
14 to do so?

15 That's a question for Mr. Bluhm,  
16 would you expect --

17 MR. BLUHM: First, I want to point  
18 out that we think we'll be successful if there  
19 are two casino which was the most fundamental  
20 point that I've tried to make.

21 Secondly, we haven't thought that we  
22 may at all have standing and weren't thinking  
23 about suing. But it sounds like there are  
24 several community groups that are thinking

1 about suing as far as we know. They've been  
2 challenging the decision at that level.

3 But I would say with regard to the  
4 analysis, and you mentioned financing. I'm a  
5 lawyer. I haven't practice for a long time,  
6 but once you're a lawyer you're always a  
7 lawyer, I guess. But having said that just  
8 like we wanted to look at the numbers with more  
9 than one person, we've asked more than one  
10 Indian law expert.

11 And all of their analysis are very  
12 consistent with what we've just heard. Having  
13 said that because you raise the question would  
14 somebody with the resources of Genting, we are  
15 not questioning Genting's resources. They  
16 certainly have enormous resources.

17 The question is would a sound  
18 businessman want to risk that kind of money in  
19 light of the potential reversal of this case.  
20 And you might say initially I will, but when  
21 you really get down to it would you really do  
22 it.

23 But one thing I think is absolutely  
24 clear, a lender is not going to take this kind

1 of risk. This would require either 100 percent  
2 equity or a guarantee. And this is a binary  
3 decision. If the courts hold that you can't  
4 have a casino here, there will be no casino.  
5 And all of that money is going to be lost. So,  
6 that's a pretty hefty decision for anyone to  
7 make in light of the legal analysis.

8 But we'll survive with both casinos.  
9 And I should point out that if in the end it  
10 was determined that the Taunton casino should  
11 open, they will have a casino. It's true that  
12 their revenue won't be as high, but they will  
13 pay no taxes. And our analysis is they may do  
14 as well or better, maybe a little worse but  
15 they will no longer have to pay 17 percent  
16 taxes.

17 So, us opening a casino is not going  
18 to destroy the Taunton casino. It could be  
19 successful as well. They don't pay 17 percent  
20 tax. If we're open their revenue will go down,  
21 but we think the revenue, the lower volume and  
22 the no tax and the expenses will be lower  
23 because you don't have as much volume will  
24 offset the loss of business. So, they will

1 still be a successful casino.

2 And as we've said many times, the  
3 Commonwealth will have double the jobs and make  
4 more tax revenue. But there is a risk that  
5 this casino will never open. I can't tell you  
6 what that risk is but I think it's significant.  
7 But that's ultimately your decision. But I  
8 think it's a big gamble for the Commonwealth to  
9 do this.

10 But I might also add that you have  
11 another city, Brockton that I think is a very  
12 important component to this whole discussion.  
13 While the tribe can succeed even if we're open,  
14 this is enormously important to the city of  
15 Brockton. For that reason we've asked the  
16 mayor of Brockton who is sitting right here to  
17 tell you how important this is to the city of  
18 Brockton.

19 CHAIRMAN CROSBY: Mr. Mayor.

20 MR. BLUHM: This is a great mayor.  
21 And I want to congratulate him on winning his  
22 reelection in a resounding victory on Tuesday.

23 THE HON. BILL CARPENTER: Thank you,  
24 Neil. I don't think the Commission was overly



1 concerned about that. First of all, Mr.  
2 Chairman and Commissioners, thank you very much  
3 for the opportunity to speak to you for a few  
4 minutes.

5 As the mayor of the city of  
6 Brockton, the host city to this proposed  
7 casino, my intention here with you today is to  
8 not really rehash the numbers too much, because  
9 I think you know what the numbers are, \$12.5  
10 million a year of revenue roughly to the city  
11 in total revenue.

12 CHAIRMAN CROSBY: What is your total  
13 budget? What's the city's operating budget?

14 THE HON. BILL CARPENTER: 400, give  
15 or take a little, roughly \$400 million annual  
16 operating budget. \$12.5 million, \$10 million  
17 of infrastructure upfront, another \$5 million  
18 of mitigation money upfront between the host  
19 community agreement and the mitigation  
20 agreements.

21 But not so much with the numbers,  
22 what I'd like to speak to you about for a few  
23 minutes is what those numbers mean to the  
24 people who live in the city of Brockton. Even

1 conservatively, if you use the number of \$100  
2 million over the next 10 years, what does \$100  
3 million over the next 10 years mean to the  
4 people that live in the city of Brockton?

5           There is certainly -- A very large  
6 piece of this for Brockton is the economic  
7 development component. We are working hard to  
8 revitalize a manufacturing legacy city and  
9 reinvent ourselves in the 21st century. We are  
10 a gateway city. We are a minority majority  
11 city, one of only nine in the Commonwealth.

12           Our unemployment rate in the city of  
13 Brockton runs at about 150 percent of the  
14 statewide average. We need the jobs. And  
15 perhaps even more critically in a gateway city  
16 like Brockton is that a lot of our folks are  
17 underemployed. A lot of our folks,  
18 particularly people that are newer to the  
19 country have taken jobs below their ability  
20 level because they have to. And I think that  
21 this proposed resort casino is going to create  
22 a lot of those job opportunities for good jobs.

23           I think it's important to note that  
24 this proposed resort casino fits into a much

1 larger economic development vision for the  
2 city. We recently released a 10-year economic  
3 development plan called Brockton 2025. In that  
4 plan, we identify this Belmont Street corridor,  
5 the vicinity around the Brockton Fairgrounds as  
6 an economic revitalization district.

7 And the vision for that area is to  
8 be developing and to develop an entertainment  
9 district around the fairgrounds site of the  
10 resort casino. The resort casino would be the  
11 anchor but it would be an anchor to development  
12 that would occur in the entire area.

13 And I think, and I mentioned this  
14 the other day Mr. Chairman, I've never been  
15 interested in seeing a casino developer come in  
16 and develop a casino on an island. We are  
17 looking for this to be connected into a much  
18 larger picture that benefits the revitalization  
19 of the entire city of Brockton.

20 But it's funny, when you're out  
21 campaigning and out talking to the residents of  
22 the city, very rarely does anyone ever come up  
23 to you and say I'd like to hear about your  
24 long-term economic development plans. What I

1 hear every day is we need jobs. That's what I  
2 hear every day.

3 And the creation of up to 1800 good  
4 paying jobs with benefits, not Walmart types of  
5 jobs, jobs that families can support themselves  
6 on is critical to the future of our city. And  
7 I think it's important to note that our host  
8 community agreement provides for residency  
9 preference in hiring.

10 We know that the vast majority of  
11 these jobs will go to Brockton residents  
12 because the hiring preference for residents is  
13 in the host community agreement. And you heard  
14 Mass Gaming earlier talk about the fact that  
15 about 80 percent of their jobs that they will  
16 be creating do not require previous training or  
17 experience. They are willing to hire good  
18 people and train them.

19 In terms of those jobs also, we've  
20 done our due diligence on Rush Street, the  
21 principle company behind Mass Gaming. We do  
22 agree that they've got a strong record of both  
23 hiring and promoting minorities and women. And  
24 that certainly is critical to us in the city of

1 Brockton.

2           So, it's not just what these jobs  
3 would mean to the standard of living for the  
4 Brockton families that would receive them, but  
5 it's also what those jobs would mean to the  
6 future of the children of those families.

7           So, let me take just take a minute  
8 to talk about those children of our Brockton  
9 families. We have about 18,000, just shy of  
10 18,000 students in our Brockton Public School  
11 system. 83 percent qualify for free or reduced  
12 lunch. 83 percent of those children are living  
13 at or below the federal poverty level.

14           About one-third of those children  
15 are not yet proficient in reading and writing  
16 English. We are working on it, but they are  
17 not there yet. And about half of those  
18 children go home to a household that does not  
19 speak English as its first language. And about  
20 18 percent of those students receive special  
21 education services from our schools, above the  
22 statewide average.

23           In addition to those challenges, in  
24 our city we have embraced homeless children.

1 Of all the communities in the Commonwealth of  
2 Massachusetts, we are in the top three in terms  
3 of population of homeless students. Right now  
4 today about 600 of our students are classified  
5 as homeless.

6 In reality, only about 200 of those  
7 children were living in Brockton at the time  
8 they became homeless. We are bearing a  
9 disproportionate burden for the cost of not  
10 just educating but transporting these children.  
11 Just this year alone under McKinney-Vento we  
12 had to provide \$1 million worth of  
13 transportation to those 600 children but we  
14 only received about a half million dollars in  
15 reimbursement from the state.

16 That's a half million dollars taken  
17 away from the children in our system that  
18 should have been spent on education instead of  
19 transportation. Please don't misunderstand me,  
20 we embrace these children. We love these  
21 children. But we need help paying for the  
22 education of these children.

23 Also, I think it's really important  
24 to note in our host community agreement not

1 just the local preference in hiring but the  
2 local preference in purchasing. Besides being  
3 the largest taxpayer in the city, one of the  
4 largest employers in the city, this casino  
5 would become one of the largest customers in  
6 the city purchasing an awful lot of goods and  
7 services.

8           It's not just a casino, it's five  
9 restaurants, 250-room luxury hotel, 25,000  
10 square foot banquet and function facility.  
11 They will be purchasing a lot of goods and  
12 services. And in our host community agreement,  
13 they are required to look within Brockton first  
14 when purchasing goods and services.

15           And there's no doubt in my mind that  
16 this would spur economic growth in our city.  
17 It would pump millions of dollars into the  
18 local economy. It would create additional jobs  
19 in the private sector in the city of Brockton.

20           I'd like to also talk to you for a  
21 couple of minutes about impacts on public  
22 safety. Right now currently -- The good news  
23 is on Monday, I had the privilege of watching  
24 nine new police officers sworn in as city of

1 Brockton police officers. That gets us up to  
2 184 police officers in Brockton including the  
3 nine new ones.

4 The Department of Justice guidelines  
5 for a city the size of Brockton, almost 100,000  
6 residents calls for 250 police officers for a  
7 city the size of Brockton. We are at 184. We  
8 are drastically understaffed in our police  
9 department. And we do not have any additional  
10 financial resources to increase that staffing.

11 A good chunk of this revenue stream  
12 from a resort casino will allow us to bolster  
13 our police department. And I will tell you  
14 that that is a critical need in our city.

15 And also, I would ask you to take a  
16 look at that public safety mitigation  
17 agreement. On its own without even considering  
18 the \$12.5 million a year of approximate  
19 revenue, the mitigation agreement will fund the  
20 hiring of eight new police officers, two new  
21 school police officers, four firefighters plus  
22 hire additional school crossing guards. That's  
23 immediate one year in advance of the opening of  
24 the casino funded from that mitigation



1 agreement.

2 That public safety mitigation  
3 agreement is also going to allow us to address  
4 some really critical capital needs in both our  
5 fire and police departments including the  
6 purchase of a new fire engine and the purchase  
7 of half dozen police cruisers all of which we  
8 have a critical need for.

9 Another real public safety concern  
10 in our city has been pedestrian traffic safety.  
11 Our pedestrian fatality rate is well above the  
12 state average. And it's an issue that we are  
13 addressing and working very hard on with  
14 MassDOT and many other agencies as our  
15 partners.

16 The fact of the matter is that the  
17 traffic mitigation agreement that commits these  
18 developers to \$10.2 million worth of traffic  
19 infrastructure safety improvements in that area  
20 is another critical need being met with non-  
21 taxpayer dollars. And those plans call for  
22 adopting Complete Street model for those  
23 roadways being improved.

24 So, we're not just talking about

1 traffic flow. We are talking about pedestrian  
2 safety and bicyclist safety, and all modes of  
3 transportation in an area where a high school  
4 that has 4500 students, I would estimate about  
5 2000 of them walk to school each day.

6 And that area that Belmont Street  
7 corridor near the proposed site, the  
8 fairgrounds and also in proximity to the high  
9 school is identified as a high pedestrian and  
10 crash area. In fact, we've had two pedestrian  
11 fatalities within walking distance of the site  
12 within the past two years.

13 There is no doubt in my mind that  
14 this \$10 million of traffic infrastructure  
15 improvements will make it safer, not just to  
16 drive but also to walk or ride a bike on the  
17 west side of the city.

18 Let me mention a little bit about  
19 our Brockton public schools. I described our  
20 students to you and how big the challenge is  
21 that we take on every day to make sure that the  
22 children growing up in Brockton have the same  
23 opportunities as the children who grow up in  
24 all of the communities across the state.

1           In this year's school budget we laid  
2 off 43 teachers. That's 43 permanent layoffs.  
3 It was originally over 100 layoffs. We've been  
4 able to recall many but the recalls are done.  
5 And there's a loss of 43 permanent positions.  
6 But to put that in perspective, we're a gateway  
7 city. We are losing teachers in a time that  
8 our student enrollment is going. The gateway  
9 cities are the only place where student  
10 enrollments are going up right now.

11           In fact, over the past four years,  
12 our student enrollment has had a net gain of  
13 about 1000 students. We've gained 1000  
14 students just in the last four years.

15           So, it is putting immense pressure  
16 on our facilities. We need two new elementary  
17 schools yesterday. And what's looming even  
18 larger over our heads right now is the need for  
19 the renovation or replacement of Brockton High  
20 School. 4500 students attend that school. It  
21 was built 43 years ago with a life expectancy  
22 of 40 years.

23           The need is today to repair or  
24 replace that high school. And we don't believe

1 building a brand-new high school is going to be  
2 economically feasible. We don't believe we  
3 would get the support for it from the state.  
4 The price tag on that would be about \$300  
5 million.

6           However, we are developing and  
7 working with MSBA officials on what we believe  
8 is a very good proposal and a reasonable  
9 proposal to completely rehab, renovate and  
10 expand the existing high school. But that has  
11 an estimated price tag of about \$100 million.  
12 We need this now.

13           In a best case scenario, we would  
14 hope to receive 80 percent reimbursement of  
15 that from MSBA. That still leaves the city  
16 left to write a check for \$20 million for our  
17 share. A \$20 million check that we do not have  
18 the ability to write today.

19           Our current stabilization fund is  
20 about \$2.5 million. The revenue again from  
21 this casino, resort casino complex, a good  
22 chunk of that would go towards allowing us to  
23 fund the renovation of Brockton High School.

24           And there's been another development

1 I think since the one previous time I had an  
2 opportunity to speak with you. That is in the  
3 reason mitigation agreement -- Our host  
4 community agreement, you may recall, allocates  
5 half million of that \$10 million annual  
6 guarantee to be designated to a community  
7 nonprofit foundation.

8 In the most recent host community  
9 agreement, we have designated -- most recent  
10 mitigation agreement, we have designated the  
11 Brockton Education Foundation to be the  
12 recipient of that half million dollars per  
13 year.

14 The Brockton Education Foundation  
15 already exists. It's a 501(c)(3) organization  
16 that works hand-in-hand with our Brockton  
17 public schools administration in funding the  
18 needs of our students that we're not able to  
19 fund through the regular school budget.

20 What are some of the things this  
21 half million dollars per year the Brockton  
22 Education Foundation will pay for, afterschool  
23 sports programs, afterschool enrichment  
24 programs in the arts and music, supporting in

1 my view the best high school music department  
2 in the state, the Brockton High School music  
3 department and marching band. We've got a  
4 great drama program and we need money to  
5 support that.

6 We need money to transport our  
7 sports teams so they can play away games. And  
8 these are all needs that we just don't have the  
9 ability to fund right now in our regular school  
10 budget.

11 So, I'd ask you to consider thinking  
12 about those demographics I described to you of  
13 our kids that the children in the city of  
14 Brockton deserve the same opportunities as  
15 those growing up in more affluent communities.  
16 We're not in a position to use user fees like  
17 many of our neighbors do to fund these extra  
18 cost costs. 83 percent free and reduced lunch  
19 that wouldn't be fair.

20 So, this is a mechanism by which we  
21 can make sure the opportunities for our  
22 Brockton kids are based upon their ability and  
23 not their ability to pay. That's what half  
24 million dollars a year to the Brockton

1 Education foundation does.

2           And no one better understands -- I  
3 should mention that prior to running for mayor,  
4 I did serve two terms on the school committee.  
5 So, I do have intimate first-hand knowledge of  
6 the school budget, what the needs are. But no  
7 one better understands the challenges and the  
8 budget constraints and the shortfalls of our  
9 school system than our superintendent of  
10 schools, Kathleen Smith. And she is on record  
11 as supporting this resort casino proposal.

12           Just a couple of other closing  
13 thoughts for you. Recently, both Moody's and  
14 Standard and Poor's issued negative outlooks on  
15 our city's bond rating. Those reports cite in  
16 large part a reduction in our local aid from  
17 the state about five years ago of \$6.5 million  
18 a year that we lost in fiscal year 2010 with  
19 the elimination of a couple of programs. And I  
20 think we all agree that that \$6.5 million per  
21 year is not coming back in unrestricted local  
22 aid.

23           Then you combine that with the same  
24 pressures that all of the communities in the

1 Commonwealth are facing, pay raises, pension  
2 obligations, increase in the cost of health  
3 insurance. And it leaves us with a structural  
4 budget deficit.

5           And the fact of the matter is that  
6 both of these reports say that the only way  
7 Brockton is going to fiscally survive and  
8 remain healthy is by developing additional  
9 sources of revenue and becoming less dependent  
10 on unrestricted local aid. We will never ever  
11 get a better opportunity to develop additional  
12 sources of revenue than what this resort casino  
13 would provide to the city of Brockton.

14           And maybe one of my biggest  
15 challenges as mayor and it's not a new one, is  
16 changing the perception of the city of  
17 Brockton. If we are going to be successful  
18 really in rebuilding the economy in the city  
19 and getting people to unlock their car doors,  
20 roll down their windows, get out and spend some  
21 money, we have to change the perception of the  
22 city.

23           And a destination resort casino  
24 entertainment complex surrounded by a



1 developing entertainment district I really do  
2 believe will do just that. It will transform  
3 the image of the city. People will actually  
4 begin planning to come to the city of Brockton  
5 for a nice night in a hotel, a good meal, a  
6 little gambling, other forms of entertainment  
7 that we will have to offer.

8           And then a couple of final notes, in  
9 terms of the site of the Brockton Fairgrounds,  
10 I think it's a very appropriate site. But I  
11 know some of our residents have expressed some  
12 concerns. And you've heard some of those same  
13 concerns that I have.

14           I just want to let you know that my  
15 son and his family are one of the closest  
16 homeowners to the fairgrounds property, lives  
17 directly across the street within feet of the  
18 fairgrounds property. My grandchildren live in  
19 that house.

20           I would not support this proposal  
21 for a moment if I thought it would have a  
22 negative impact on their quality of life or the  
23 safety of my grandchildren. I wouldn't do it  
24 no matter how much money this would bring to

1 the city. So, that's how strongly I believe  
2 that this is a fair and appropriate location.

3 And I'd also ask you just to  
4 consider some equity for the city of Brockton.  
5 Although we are the third resort casino license  
6 that you are considering, the third region that  
7 you're considering, in fact as the developers  
8 outlined earlier in fact we would most likely  
9 to be the first resort casino to open for  
10 business. We have a shovel ready project that  
11 does not have the delays of some of the other  
12 projects.

13 We really need, we need this project  
14 for the people in the city of Brockton. I have  
15 the utmost respect for the needs of our Native  
16 American population and the roles the casinos  
17 play, but I am here today representing the  
18 people of the city of Brockton. As I said, one  
19 of the nine minority majority communities in  
20 the Commonwealth, two-thirds of our residents  
21 are from minority communities. We are a  
22 gateway with a large immigrant population.

23 I will tell you that there are  
24 representatives of all of those minority

1 communities here in the room today in support  
2 of this proposal because they know what it  
3 would mean to all of the communities within the  
4 city of Brockton.

5           So, in closing I would just share  
6 with you my very strong belief that the  
7 development of this resort casino at the site  
8 of the Brockton Fairgrounds would not just  
9 transform the city of Brockton, it would  
10 transform the lives of the people who live in  
11 the city of Brockton.

12           Thank you for your time and your  
13 consideration. And I hope that at some point  
14 in the process that these proponents will be  
15 deemed to be qualified applicants and that you  
16 will see your way clear to issue a Region C  
17 license. Thank you.

18           CHAIRMAN CROSBY: Thank you, Mayor.

19           MR. BLUHM: Just to finish up and  
20 frankly there's not much I can say after the  
21 Mayor's comments, but to get to the bottom line  
22 of this decision you all have to make, if you  
23 issue this license to Brockton, it's clearly a  
24 transformative event.

1           And if you do, and it's ultimately  
2 determined that the tribe can open a casino,  
3 they can still have their casino. And it will  
4 be successful because they are not going to pay  
5 tax. Obviously, we'd like to build the casino.  
6 We are doing it because we think it will be  
7 successful either way. Frankly, I would like  
8 to help Brockton.

9           If you don't issue a casino to  
10 Brockton, you're not going to change my life  
11 one iota. You are taking a big risk that you  
12 will never have a tribal casino and you will  
13 crush Brockton who needs this desperately.  
14 Frankly, I don't think you have much to lose by  
15 issuing this casino to Brockton because you're  
16 helping Brockton.

17           You are going to make more money.  
18 You going to create more jobs. And this tribal  
19 casino, if it's ultimately determined that they  
20 can open, is going to be successful. They  
21 won't have to pay taxes. And we'll pay taxes.  
22 And I can assure you, Commissioner Crosby, if I  
23 thought we would lose our money and go broke I  
24 wouldn't be here.

1           So, I think it's clear that you  
2           should issue this to Brockton if you think we  
3           are responsible, legitimate people and will  
4           build a good project. But I think it's pretty  
5           clear that this is a low risk proposition.

6           If you don't, you're really crushing  
7           Brockton and taking a big gamble that this will  
8           never open because I've listened to these  
9           lawyers. I am not a gaming expert but it sure  
10          sounds to me like the Department of the  
11          Interior stretched enormously to issue this  
12          because that's their job to help the tribe.  
13          But the tribe will not be out of business if  
14          you also have a casino in Brockton.

15          But if you don't issue it, these  
16          folks are going to get crushed. I'll get on my  
17          jet plane and leave. It's not going to affect  
18          me. But it will affect these folks. So, I ask  
19          you to seriously consider this and recognize  
20          the risk that the tribal casino may never open.

21          One thing is certain, if you don't  
22          give this to Brockton, you're going to crush  
23          this town that needs help. I've made a lot of  
24          money in my life but I also have a heart. I

1 have a heart for the tribe as well but they're  
2 going to make money when they don't have to pay  
3 taxes. But I'm willing to risk my capital  
4 because I think we'll still get an acceptable  
5 return.

6 That's the bottom line. That's the  
7 decision you all have to make. I do promise  
8 you we'll build a first-class property that  
9 you'll be proud of.

10 Thank you for listening to us today  
11 and good luck in making your decision.

12 COMMISSIONER MACDONALD: Mr.  
13 Chairman, could I ask question of Mr. Bluhm?  
14 Mr. Bluhm, I was born in New Bedford and have  
15 grown up in the Southcoast and still live  
16 there.

17 Until a couple of months ago, there  
18 was a very ambitious proposal for a casino on  
19 the New Bedford waterfront which had the  
20 strongest support from the city administration.  
21 And they pulled out precipitously essentially  
22 on the basis of the fact that the prospect of  
23 the Indian casino in Taunton made it  
24 economically unfeasible for going forward.

1                   What did KG Urban not know that you  
2 know? Or what do you know or what capabilities  
3 do you have that would distinguish the economic  
4 viability of your proposal that was not present  
5 for the New Bedford proposal?

6                   MR. BLUHM: Well, that's a good  
7 question, which by the way, I addressed when I  
8 addressed you all a few months ago, but I'll  
9 try to cover it.

10                   First, you should know that we were  
11 called on more than one occasion and asked to  
12 get involved in that project. And we had no  
13 interest. The problem is that they are located  
14 much too far to the south. And that if a  
15 tribal casino opened, they would be further  
16 north and would cut off much of their business.

17                   In addition, they were on the water.  
18 And if you go south there are no people.  
19 There's water. I think I said seals don't  
20 gamble. They don't play slot machines. The  
21 demographics and the population that would be  
22 at that property was a fraction of the  
23 population at our property. We gave you those  
24 numbers when met here. We had something like

1 four times more people within our market than  
2 New Bedford. So, we had no interest.

3 And while I would like to do  
4 something to help the towns that need it, I  
5 don't want to lose my money.

6 So, we genuinely believe that this  
7 will be successful with or without a tribal  
8 casino. But the problem was that New Bedford  
9 would be in serious financial shape if a tribal  
10 casino opened. So, that was the reason that we  
11 didn't have any interest. That's the reason  
12 they could get no financing proposals.

13 We have a highly confident letter  
14 from Goldman Sachs, Wells Fargo. These are not  
15 schleppers, right? These are the leading  
16 banks in the country willing to finance our  
17 project. We are willing to put up close to  
18 \$200 million in equity.

19 I give a lot of money to charity. I  
20 think this is going to be successful, but I  
21 also think it will help these folks. We're not  
22 doing it to lose our money. If there's a  
23 tribal casino we will survive because we are in  
24 a much better location and 17 miles away to the



1 north. And New Bedford was way too far south.

2 COMMISSIONER MACDONALD: Thank you.

3 CHAIRMAN CROSBY: We've run over by  
4 quite a bit but I think it was time well spent.  
5 I didn't want insist on the 90 because this was  
6 important. I want to thank you all very much  
7 for taking the time to come and address us.  
8 And we'll be wrestling this one to the ground  
9 over the next few months and we'll be in touch.

10 Let's take a break and we'll come  
11 back and finish up on the second part. This is  
12 not a lunch break. This is just a brief break.

13 I've changed my mind. Let's take a  
14 lunch break now. It's 10 minutes of one, let's  
15 come back at 1:30. We'll come back at 1:30 and  
16 pick up the balance of this meeting.

17

18 (A recess was taken)

19

20 CHAIRMAN CROSBY: We are reconvening  
21 public meeting number 168 and returning to  
22 Ombudsman Ziemba for the second part of his  
23 work today.

24 MR. ZIEMBA: Thank you, Mr.

1 Chairman. Mr. Chairman, members of the  
2 Commission, MGM is here to provide an overview  
3 regarding its proposed design changes.  
4 Specifically, MGM will provide some additional  
5 detail regarding its Massachusetts  
6 Environmental Policy Act, MEPA submission, it's  
7 notice of a project change and the MEPA.

8 It will also describe its recent  
9 design submission to the city of Springfield.  
10 Further MGM will also explain its latest  
11 submission to the Mass. Historical Commission.

12 At the last Commission meeting, we  
13 discussed the bifurcated presentation process  
14 on MGM's proposed design changes. We have an  
15 initial presentation today and a much more  
16 robust presentation on 19 November.

17 On the 19th MGM will be prepared to  
18 provide information on many of the questions  
19 that the Commission, the city of Springfield  
20 and others have raised regarding the proposed  
21 design changes. Today's presentation is a more  
22 limited presentation regarding what is included  
23 in the documents in today's Commission packet.

24 On the 19th, MGM will be prepared to

1 provide information on the underlying reasons  
2 for the proposed changes and more detail in the  
3 specifics. Although today's presentation is  
4 more limited, as was discussed at the last  
5 Commission meeting, we felt it important for  
6 MGM to provide as much information to the  
7 Commission, to the city and to the public as  
8 early as it can.

9           Before I ask MGM to begin its  
10 presentation, I would just note that we have  
11 posted a solicitation of comments on the  
12 proposed design changes on our website. As  
13 discussed at the last meeting, it includes easy  
14 access to applicable documents and video from  
15 the relevant presentations. We'll update this  
16 portion of our website to include today's  
17 presentation.

18           With that I ask Jed Nosal from Brown  
19 Rudnick, Counsel to MGM Springfield to  
20 introduce his team. Jed.

21           MR. NOSAL: Thank you, John, good  
22 afternoon. First, I would like to introduce  
23 the presenters today. I'm joined by Peggy  
24 Briggs from Epsilon as well as Kevin Dandrade

1 from TEC, two of the outside consultants to MGM  
2 Springfield that were instrumental in preparing  
3 the documentation that we're going to discuss  
4 today.

5 I want to further elaborate on the  
6 status of project changes and stress what they  
7 are relevant to and also that they are part of  
8 multiple reviews both by the MGC under its  
9 regulations, the city of Springfield under its  
10 zoning ordinances and the host community  
11 agreement, and as we'll discuss today MEPA.

12 Our presentation today is not to  
13 address how the proposed changes will impact  
14 the programming commitments under the license  
15 or how they compare to the HCA commitments, but  
16 rather review whether the proposed design  
17 changes impact the project's MEPA filing and in  
18 turn ultimately the Commission's Section 61  
19 Findings.

20 As the notice of project change  
21 concludes, there are not additional impacts and  
22 the proposed mitigation is the same. We were  
23 clear in our notice of project change filing  
24 that the changes proposed under MEPA will

1 subsequently require the Commission's approval  
2 and under the host community agreement and  
3 relevant zoning ordinances, the city's  
4 approval.

5           Understanding the effect of the  
6 changes on the MEPA process is initially  
7 essential for the Commission to review and  
8 finalize the project Section 61 Findings.

9           The Section 61 Findings as you know  
10 are part of the project's critical path to  
11 begin the final site preparation and demolition  
12 work which can occur concurrently as the  
13 project continues to go through that process of  
14 reviewing the design changes.

15           MGM Springfield, as Ombudsman Ziemba  
16 said, will be back in two weeks to make a much  
17 fuller presentation regarding the design  
18 changes, and answer many of the questions that  
19 have been initially asked as well as provide  
20 more context for those changes, why they're  
21 being done and what they mean to the success of  
22 the project going forward.

23           With that I'm going to ask Peggy  
24 Briggs to talk a little bit about the MEPA

1 filing including a little bit of background on  
2 the process that we've undergone in order to  
3 start that. Thanks.

4 MS. BRIGGS: Thank you Jed. I'm  
5 going to start with a pretty basic MEPA  
6 process. If your eyes really glaze over and it  
7 appears that you already know this, I'll move  
8 forward quickly.

9 All projects in the state of  
10 Massachusetts that involve a state action, and  
11 in this case the Commission's approval, among  
12 other things are required to illustrate that  
13 they avoid, minimize and mitigate environmental  
14 impacts.

15 Those are the exact words embodied  
16 in the Section 61 of the statute which is where  
17 the Section 61 terminology comes from. That's  
18 your finding that we've avoided, minimized and  
19 mitigated.

20 The way the MEPA process is  
21 implemented through the regulations involves an  
22 environmental notification form, an  
23 environmental impact report draft and then a  
24 final. Each one provides information. Each

1 one provides a public comment period.

2 The environmental notification form  
3 for this project was filed in March 2013. A  
4 draft environmental impact report was filed  
5 December 2013. The final environmental impact  
6 report was filed in November 2014. As the  
7 project has evolved, and this is very typical,  
8 there have been some changes to the design most  
9 recently.

10 The MEPA process anticipates that  
11 projects will evolve and develop or be revised  
12 over time and has a specific provision for a  
13 notice of project change. Typically, a notice  
14 of project change would be for a project that  
15 increases impacts, grows or expands by say 10  
16 percent or mitigation measures are altered or  
17 mitigation measures that have already been  
18 agreed to are changed.

19 This one is a little bit unusual  
20 because -- And notice of project changes are  
21 very common. Very common especially after the  
22 (INAUDIBLE) session. As I said, typically the  
23 project will expand or try to change the  
24 mitigation measures.

1           In this case neither of those are  
2 the case. The project actually is slightly  
3 reduced in scale and the impacts are reduced in  
4 scale. In addition, all of the mitigation  
5 measures that were promised in the final  
6 environmental impact report are still agreed  
7 to. We haven't taken any of those back.

8           Normally, when we went in to meet  
9 with MEPA and I would say a typical project we  
10 would we agree with MEPA that the impacts were  
11 reduced, the mitigation was the same and no  
12 further filing with MEPA would be necessary.  
13 That would be pretty common, just an advisory  
14 opinion, a letter of some sort which may or may  
15 not even be published in the Environmental  
16 Monitor.

17           In the case of this project, and I  
18 attribute that to the political sensitivity of  
19 casino projects in the Commonwealth, the MEPA  
20 office requested that we file a notice of  
21 project change. This is a document that is a  
22 specific form. I think you have a copy of it.  
23 We included a narrative in addition to that.  
24 And it's then advertised in the Environmental



1 Monitor just as the environmental impact report  
2 was for a public comment period.

3 The benefit of this is it does its  
4 -- that maximum transparency, maximum public  
5 notice and the most assured closure in the MEPA  
6 process to go forward with the Section 61  
7 Findings.

8 So, we are in the review process  
9 right now. One of the reasons we wanted to  
10 come in today, the comment period on that  
11 notice the project change closes tomorrow, the  
12 ninth. And the decision from the MEPA office  
13 will be issued on November 18, which is, I  
14 guess, one day prior to your next meeting.

15 CHAIRMAN CROSBY: So, whether to  
16 approve or not the changes.

17 MS. BRIGGS: Yes. I was just going  
18 to say that. Thank you. The two choices MEPA  
19 will have is to request additional study. So,  
20 that would be a supplemental environmental  
21 impact report or determine that no further  
22 study is required.

23 Based on the nature of the changes  
24 to this project, which will make it slightly

1 smaller, the reduced impacts and the  
2 maintenance of the mitigation measures, we  
3 believe and hope that no further study will be  
4 required. And the Commission can report  
5 Section 61 Findings. But we'll know that from  
6 the MEPA office on the 19 November -- 18  
7 November.

8 I will say the vast majority of  
9 notice of project changes do result in no  
10 further study from MEPA. But the file will be  
11 tidied up I think is a good way to put it.

12 MR. NOSAL: I wanted to elaborate  
13 just a little bit more just on the timing. And  
14 I think arguably you'd say it's not ideal to  
15 start certainly talking about something as  
16 significant as project changes through the MEPA  
17 process but it was really necessary first to  
18 start there. Again, for us to stay on the  
19 schedule that would allow us the possibility of  
20 the Commission taking up the Section 61  
21 Findings before the end of the year.

22 So, we filed it really on October  
23 15. That was the last day we could get it  
24 published on the 19th. The comment period you

1 just heard about runs for 20 days and then  
2 there's 10 days for the decision.

3 So, there's a chunk of time that it  
4 takes to get through the notice of project  
5 change. But it certainly assures maximum  
6 transparency, opportunity for comment as well.

7 Again, it was our decision to get  
8 that process started as soon as possible even  
9 though it would involve and maybe be in advance  
10 of certainly the Commission considering the  
11 full changes when it comes to the licensing  
12 requirements and other regulatory requirements.

13 COMMISSIONER ZUNIGA: Can I ask a  
14 quick question? This is obviously a  
15 hypothetical. But what happens when an agency  
16 that takes the final action like us issues its  
17 Section 61 Findings and then the project  
18 continues to evolve? How is that then  
19 addressed from a MEPA standpoint or is it?

20 MS. BRIGGS: I've been on many  
21 projects that have more than one notice of  
22 project change. So, if it was something  
23 substantial, we could go back to MEPA again.

24 MR. NOSAL: Commissioner, the

1 process is really set up in order to  
2 acknowledge that any major construction period  
3 that triggers these thresholds is going to have  
4 the possibility of change in it. Certainly, it  
5 allows for going through the notice of project  
6 change. If you reached certain thresholds,  
7 certain things may need to be studied again.

8           And I would suggest that on and  
9 after that, the agency ultimately having to  
10 make the Section 61 Findings does have the  
11 ability certainly to make adjustments depending  
12 what happens there.

13           And really, if I could bottom line  
14 to take away from today's presentation, and I  
15 think what is a positive certainly out of our  
16 filing is that the mitigation proposed with the  
17 original project and the mitigation proposed  
18 for the project as changed will be the same.  
19 The impacts proposed or I should say identified  
20 and those we were asked to avoid for the  
21 original project and for the project as  
22 proposed under the new design will be the same.

23           I think that is something we wanted  
24 to know early in the process. Again, it should

1 make issuing the Section 61 Findings, which  
2 basically run through what those impacts are,  
3 the steps to avoid them or mitigate them and  
4 that document with maybe some tweaks here and  
5 there largely stays the same.

6 COMMISSIONER ZUNIGA: Fair enough.  
7 Thanks.

8 MR. NOSAL: With that I was going to  
9 discuss a little bit more about the impact on  
10 the Section 61 process but that basically is  
11 it. And I'll ask Peggy now to highlight a  
12 little more in detail what we included in our  
13 notice of project change before MEPA.

14 MS. BRIGGS: Sure. I think I've  
15 covered some of this already. That the project  
16 has decreased a bit in size and some other  
17 changes include relocation of the residential  
18 units, the 54 units. We are still committed to  
19 the same number, but instead of being on the  
20 casino property per se, they'll be within a  
21 short distance in the downtown Springfield.

22 CHAIRMAN CROSBY: Is that confirmed  
23 yet where they're going to be?

24 MR. NOSAL: I believe we've made one

1 announcement for a number of those units, I  
2 think 35, at 195 State Street.

3 CHAIRMAN CROSBY: 195 State Street.

4 MR. NOSAL: I'll double-check my  
5 notes on that. Again, that is part of this.  
6 Then our intent is to meet that commitment  
7 under the HCA through another location as well,  
8 again within a half-mile radius of the project.

9 One thing I want to stress about the  
10 moving of the residences off-site, for MEPA  
11 purposes we are still containing them within  
12 the project overall. Meaning we're not trying  
13 to segregate that out. That was a big red flag  
14 in the MEPA process.

15 Those units within that half-mile  
16 will still be considered part of the process  
17 for the purposes of reviewing the impacts. And  
18 I wanted to make sure that distinction was  
19 known. We don't suggest in any way of removing  
20 those from the overall evaluation of the  
21 impacts in the mitigation package. And I know  
22 Kevin and Peggy can talk in a little more  
23 detail about what that does mean to some of the  
24 impacts as well.

1 MS. BRIGGS: Another change to the  
2 project includes the relocation and redesign of  
3 the hotel. Now it's a low-rise hotel in a  
4 different location. The casino we have  
5 basically fewer gaming positions but more  
6 significantly tightening up and reduction in  
7 the square footage for the back of the house.

8 These are all contained and  
9 summarized in a specific form, which I think  
10 you have in your package that looks like this.  
11 And that gives the square footage reductions in  
12 a format that's very specific to MEPA.

13 In addition, the parking garage has  
14 changed. And finally something that you've  
15 already approved, the opening date is delayed  
16 by one year. So, those are basically the  
17 changes to the project.

18 And Kevin do you want to talk about  
19 transportation a little bit?

20 MR. DANDRADE: Certainly. Good  
21 afternoon, Commissioners. My name is Kevin  
22 Dandrade. I'm a principal at TEC. We're the  
23 traffic and transportation engineers on the  
24 project. Thank you for the opportunity to

1 provide an update.

2 As Peggy and Jed mentioned, the  
3 purpose of the MEPA process and this NPC is  
4 really to evaluate the off-site environmental  
5 impacts of which traffic is a common topic.

6 When we look at the information  
7 that's been presented and publicly vetted  
8 through this process, it looks at a trip  
9 generation comparison. The trip making  
10 potential for the site, comparing what was  
11 provided in the FEIR versus what the new and  
12 adjusted program is.

13 This is based on the same  
14 methodology for how to calculate the trips that  
15 was endorsed by MassDOT and other agencies that  
16 participated in the process. So, it's  
17 essentially taking the new program from MGM,  
18 plugging it into the same formulas to get a  
19 different output.

20 This is something that is not based  
21 on floor area in many cases, but other metrics  
22 such as gaming positions, number of units of  
23 residential, number of seats in the theater,  
24 etc. So, it's not all tied to floor area.



1           It's used to test the adequacy of  
2           our transportation network around the site.  
3           But as you can imagine with the minor drop in  
4           the program there's a minor drop in traffic,  
5           and therefore a minor drop in the impacts.

6           But I do, as a traffic expert  
7           testifying here, when we look at the comparison  
8           of the trip making potential for the site,  
9           we're talking about something on the order of  
10          five to eight percent overall for the entire  
11          program. But I do believe it will be  
12          substantially similar to what was projected  
13          within that FEIR stage.

14          And that's important to understand  
15          and thus the reason for why not curtailing any  
16          of those mitigation items because it will be so  
17          substantially similar to what was originally  
18          proposed. And with our guidance and MGM's  
19          willingness, those stay exactly the same.

20          When we look more specifically at  
21          some of the numbers that are included in the  
22          document and summary tables, on a weekday or  
23          Friday daily period, we're still talking about  
24          in excess of 18,000 trips per day, 18,570.

1 That's a drop of approximately 5.6 percent over  
2 what was included in the FEIR.

3 Other periods such as the Saturday  
4 daily, it's a five percent drop but still  
5 having 20,824 vehicle trips per day. That's  
6 the sum of the ins and the outs of all of the  
7 different access points.

8 With the characteristics of the site  
9 plan that we'll get into much more detail in a  
10 couple of weeks, but those access points stay  
11 substantially similar in their characteristics  
12 in their access for egress. Other than maybe  
13 shifting 50 or 60 feet on any particular node,  
14 those access points in the regional  
15 distribution of traffic remains substantially  
16 similar.

17 And with that drop in the program,  
18 that minor drop, there may be little nuances of  
19 a few trips here or there. And I believe your  
20 consultants can opine on that in a couple of  
21 weeks. That's all something that's normal with  
22 these types of changes. But it doesn't change  
23 the traffic characteristics that surround their  
24 site as a potential for off-site impacts.

1           When we look at the parking supply,  
2 the new parking supply is 3,375 stalls over the  
3 entire property. When we look at our midday  
4 demand, and keep in mind that the philosophy of  
5 how we address MGM's needs, our abutters' needs  
6 in this use of the parking facility, that  
7 midday peak mix of uses that has the demand on  
8 parking in the area is just under 3000 spaces  
9 needed during the day.

10           That means that at that peak  
11 interval, our garage would only be at 87  
12 percent capacity, which means that we have 13  
13 percent remaining. So, although there was a  
14 reduction in the supply, we had a reduction in  
15 demand at the same point. And it's  
16 appropriately sized.

17           When we look at MGM's actual peak  
18 when some of the adjacent uses like the  
19 courthouse and others are lower, closed, etc.,  
20 the peak demand that MGM will have and the  
21 Armory retail and entertainment block is 3,127  
22 at which point our capacity is at 92.6 percent.

23           That's important because you never  
24 want to be 100 percent full for you parking

1 facilities. You never want it to appear to be  
2 completely full. We do have the overflow with  
3 Springfield parking authority lots and others,  
4 not to mention the on-street that continues to  
5 be another source of parking supply.

6 But it has been right-sized. It is  
7 also consistent with the policies whether it's  
8 MassDOT's or others to look at not providing an  
9 excess of parking because that would go  
10 contrary to our demands and responsibilities  
11 for trying to reduce single occupancy vehicle  
12 trips or transportation demand management.

13 As I mentioned, the site plan  
14 changes provide essentially no change in the  
15 off-site traffic characteristics. And I think  
16 you'll be pleased with some of those changes.  
17 But overall as a traffic expert, I expect the  
18 traffic situation to be substantially similar  
19 to what I've testified for you in the past.

20 CHAIRMAN CROSBY: What accounts for  
21 the five plus percent reduction in utilization  
22 of the site?

23 MR. DANDRADE: I'm sorry. Can you  
24 repeat that?

1                   CHAIRMNA CROSBY: What accounts for  
2 the drop in trips?

3                   MR. DANDRADE: Well, with the  
4 program that shows the drop in different areas  
5 that's identified in the MPC, some areas go  
6 down, some areas go up. In fact, in the Armory  
7 retail entertainment block, the restaurant  
8 space actually went up a little bit. So, some  
9 things balance out, but the minor reductions in  
10 gaming positions that had a little bit of a  
11 drop, some of the retail areas, etc., but it's  
12 a mix of all of the different components.

13                  CHAIRMAN CROSBY: Which is chicken  
14 and which is the egg? Is the expected reduced  
15 use what drove the reduction in space or is  
16 your voluntary decision to reduce space having  
17 a consequence of reducing use?

18                  MR. NOSAL: That's a good question,  
19 Chairman. And I think that's one probably we'd  
20 say is better for discussion on the 19th.

21                  Certainly, what Kevin has done is  
22 really taken essentially these facts and  
23 figures and plugged them in to his formulas to  
24 determine impacts. But I think that should be

1 probably part of the little bit broader  
2 discussion.

3 CHAIRMAN CROSBY: Pass it along,  
4 because we're going to explore that when the  
5 time is right.

6 MR. NOSAL: Absolutely, Chairman.

7 MS. BRIGGS: And the specific square  
8 footage of increasing and decreasing as shown  
9 on page five in the narrative. Some things  
10 decreased, some things increased. While the  
11 total square footage is down 14 percent, the  
12 traffic is only down five because some of it is  
13 just tightening up the back of house and other  
14 efficiencies in design.

15 CHAIRMAN CROSBY: I don't know  
16 whether this is the 19th or now, but it's funny  
17 to me that you can just willy-nilly drop 25  
18 percent in your back of house space. Either  
19 somebody was sloppy in building the plans begin  
20 with, which I doubt, to the tune of -- that  
21 would have been a 33 percent mistake or  
22 something is be given up. Where's that going?

23 MR. NOSAL: Again, Chairman probably  
24 a great question for the 19th. I think that in

1 answering that it's really got to be looked at  
2 as the overall utilization of all of the space  
3 that's evolved over time. And things that have  
4 moved, things that have changed.

5 So, again, I think that's going to  
6 be a key issue obviously and a key part of our  
7 presentation on the 19th.

8 CHAIRMAN CROSBY: All right.

9 MS. BRIGGS: So, some of the other  
10 impact areas that we looked at in detail also  
11 decreased. Those include greenhouse gas  
12 emissions, sewer discharge decrease by almost  
13 20,000 gallons per day -- I'm sorry, 15,000  
14 gallons per day and water demand by about  
15 20,000. Those were again, as we said,  
16 reductions in impacts. And that's it for me.

17 MR. NOSAL: The last key component  
18 of this is the impact on historic resources.  
19 Obviously, we've had a lot of discussions about  
20 how those were going to be mitigated and  
21 avoided where they could.

22 And we've been in front of you  
23 before discussing a memorandum of agreement  
24 that was reached with the Mass. Historic

1 Commission and the city of Springfield, the  
2 Springfield Historic Trust as well as MGM  
3 Springfield.

4           We have gone back to the Springfield  
5 Historic Commission with our proposed changes.  
6 I think if you remember way back when we first  
7 started talking about the concepts around these  
8 changes, a key factor in some of the redesign  
9 changes were really to maintain all of the  
10 commitments that we had made to historic  
11 resources, which was really a hallmark of the  
12 project to begin with.

13           And we did -- the design changes  
14 that we did make did affect not those  
15 preservation efforts but rather some of the  
16 uses above one building in particular, 73  
17 State.

18           So, the Springfield Historic  
19 Commission wanted the company back to discuss  
20 those changes, what they would look like,  
21 whether or not there were alternatives  
22 considering the new use for 73 State.

23           They also had some concerns with the  
24 increased level added to the Main Street



1 portion of the project for the hotel whether or  
2 not that would affect the Union House Chandler  
3 Hotel façade. If you remember, that's a façade  
4 that we agreed to either keep or rebuild using  
5 original materials.

6           And I'm pleased to report that  
7 through a series of two meetings on October 1  
8 and October 15, we've presented those changes  
9 to the Springfield Historic Commission. We've  
10 satisfied them regarding the lack of  
11 alternatives for 73 State.

12           We have reached further refinement  
13 with them and where we are going to relocate  
14 the 73 State dome as well. Again, a very  
15 important part of the historic preservation.  
16 And we also proactively proposed a design of  
17 the hotel that sits behind the façade of the  
18 Union House Chandler House that it will be a  
19 glass and continue to showcase that building as  
20 it was originally designed.

21           So, the long and the short of it is  
22 on the historic resources, we have agreement  
23 generally from the Springfield Historic  
24 Commission. We have re-drafted the MOA to

1 reflect these changes. There were some very  
2 small changes that were needed. Basically just  
3 to reflect both the new location for the dome,  
4 which is still in the banquet facility but done  
5 in a little bit different configuration. And  
6 to also memorialize our commitment to the  
7 façade on the Union House Chandler Hotel.

8           So, we've taken that document now,  
9 resubmitted that to the Mass. Historic  
10 Commission. My understanding is it is under  
11 review by them. We will wait to hear from  
12 them.

13           We've been working with Ombudsman  
14 Ziemba to find out what if any additional steps  
15 are necessary with that.

16           Obviously, another key component to  
17 be incorporated into the Commission's Section  
18 61 Findings is getting that agreement  
19 finalized. The approach was really to not  
20 disrupt any of those commitments. And in the  
21 end, through some very good discussions with  
22 Springfield Historic Commission, at least at  
23 the local level now we have any outstanding  
24 issues on historic are resolved and we hope to

1 move through with the state Historic Commission  
2 as well.

3 COMMISSIONER STEBBINS: Jed, the  
4 first time around you had almost kind of  
5 inventory or checklist of votes with the  
6 Springfield Historic Commission on each of the  
7 affected properties. I'm trying to get the  
8 sense, have you had a vote on the changes to  
9 these two projects now that's moving ahead to  
10 MHC?

11 MR. NOSAL: Yes. So, we had a vote  
12 by the Commission that was unanimous on the  
13 15th approving all of this conceptually. And  
14 my understanding, the next step for them is  
15 just a vote to approve the MOA.

16 So, I think we didn't need to go  
17 back through the entire process, but rather --  
18 We'll give Springfield Historic Commission  
19 credit. They were very targeted on what they  
20 wanted to look at in connection with the  
21 redesign. They obviously wanted us to come  
22 back and justify the changes of use for 73  
23 State, not the preservation commitments but  
24 just changes of use.

1           Did you consider alternatives? We  
2 went through that with them. They wanted some  
3 more detail around where the 73 State Street  
4 dome was going to be located in the banquet  
5 facility. We've done that.

6           In your packets, there's actually a  
7 new rendering of that sketched because we were  
8 moving fast with them. And the last piece at  
9 least at the local level is just have them  
10 basically sign the MOA if the language is  
11 acceptable to them.

12           COMMISSIONER ZUNIGA: When is that  
13 expected or is that contingent on some of the  
14 discussions on the 19th?

15           MR. NOSAL: I understand that the  
16 MOA is back on the agenda for the Springfield  
17 Historic Commission I believe this evening.  
18 I'm not sure if they will take it up. If I had  
19 my way, I would love for them to give authority  
20 to the proper official in order to just execute  
21 that document when it's done.

22           That document is back in front of  
23 you as well. And we'll need to get any  
24 feedback or whatnot from the MGC team on

1 whether there are any additional changes or  
2 issues with that. And we need the Mass.  
3 Historical Commission also to review and make  
4 sure that they are comfortable with where we  
5 are with the design changes and whether or not  
6 they are okay with the tweaks that we've made  
7 to the agreement.

8 CHAIRMAN CROSBY: Is that it?

9 MR. NOSAL: Just briefly, I'm going  
10 to talk mostly around process on the  
11 Springfield site plan. John asked me to just  
12 provide a general update on that.

13 As I think you are aware, part of  
14 city's casino overlay zoning ordinance, a site  
15 plan has to be submitted for approval to the  
16 city council. MGM Springfield submitted that  
17 site plan to the office -- of the city of  
18 Springfield office of planning and economic  
19 development on October 19.

20 Under the ordinance, they have seven  
21 days to determine whether or not it is complete  
22 for purposes of their review. Our initial  
23 submission that we made they deemed incomplete  
24 and sent it back. Identified some areas for us

1 to provide some additional information. We are  
2 working with that office and Director Kennedy  
3 in order to address those concerns. That  
4 document will be refiled. It will then have  
5 again that seven day complete list  
6 determination.

7 Then the office of planning and  
8 economic development of Springfield will have  
9 30 days to review that document. And within 45  
10 days of the determination of completeness, the  
11 city council will also hold a hearing on it.

12 So, that's essentially the status of  
13 that process. We expect again to work with the  
14 city in order to get through that site design  
15 process. Obviously, the changes in design  
16 affect their approval and review. And we  
17 expect that to be done over the next several  
18 weeks and months.

19 CHAIRMAN CROSBY: Just picking up on  
20 that, Jed. We haven't fully figured out our  
21 schedule right and the process that we're going  
22 to go through. There's a place for public  
23 hearings, but it sounds like there is already a  
24 fair number of public hearing opportunities in

1 the wind. So, whether we're going to want to  
2 do one or not, I'm not sure. But we'll be  
3 talking over the next week or so about our  
4 details of our process.

5 MR. ZIEMBA: That's right.

6 MR. NOSAL: And I want to be very  
7 deferential to the city of Springfield.  
8 Obviously, they have a process. They will have  
9 a process that involves various hearings either  
10 before the city council and otherwise.

11 And I think more details about that  
12 will be forthcoming. I'm sure we'll know more  
13 about that schedule on the 19th. And in fact,  
14 they may be running parallel to our process as  
15 well.

16 CHAIRMAN CROSBY: Okay.

17 MR. NOSAL: Just quickly before I  
18 wrap up just on timelines, Peggy indicated and  
19 I think you said comments were due tomorrow. I  
20 think it's Monday, the ninth, on the notice of  
21 project change at MEPA. Those comments can be  
22 filed through that process.

23 We again expect a much fuller  
24 presentation on the 19th before you on a whole

1 host of issues including the Section 61  
2 Findings, our quarterly construction update as  
3 well, and a robust presentation on the design  
4 changes including what they mean for our  
5 licensing commitments and other regulatory  
6 obligations.

7 We are continuing to work through  
8 with the MHC to finalize that process. And  
9 again, the city of Springfield certainly has  
10 several processes as well. I talked a little  
11 bit about the site plan process. There will be  
12 also a decision at some point by the city  
13 council on a presentation for the casino  
14 overlay district as well and approval.

15 And again, there is also a process  
16 by which the city and MGM Springfield will  
17 engage over any necessary host community  
18 agreement amendments as well which will then  
19 come back to you, I think, under your  
20 regulations as well.

21 And I think that is basically it.

22 CHAIRMAN CROSBY: Anybody?

23 COMMISSIONER CAMERON: Well, I think  
24 it sounds like any specific questions are



1 better held for the 19th.

2 MR. NOSAL: I know you have them.  
3 And we are very respectful of those. We have  
4 been working very hard in order to make sure we  
5 present this in a most comprehensive way and  
6 answer those questions completely in a way that  
7 really puts everything into context. And we'll  
8 be prepared to do that on the 19th.

9 COMMISSIONER STEBBINS: Jed or John  
10 any idea when MHC hopes to give approval or  
11 feedback or comment?

12 MR. ZIEMBA: We were in contact with  
13 them yesterday. The document that was  
14 submitted is somewhat voluminous. I know that  
15 they are devoting some resources to take a look  
16 at it. But they weren't able to give me any  
17 concrete timeline for their review, but we're  
18 going to continue to work with them. I know  
19 that they understand that this is a priority.

20 CHAIRMAN CROSBY: All right.  
21 Anybody else? Okay. Thank you very much.  
22 That's it, John?

23 MR. ZIEMBA: That concludes the  
24 report.

1           CHAIRMAN CROSBY: Okay. Thanks very  
2 much. I'm up next just for a very quick update  
3 sort of on the fantasy gaming project. There  
4 are three or four things underway.

5           We are working on a draft outline of  
6 the white paper that we will be preparing for  
7 the Legislature and the outline will guide our  
8 work. We are working on the outline, a draft  
9 to the outline.

10           Commissioner Cameron has a workgroup  
11 and she is putting together a list of expert --  
12 sources of expert advice that either have  
13 offered themselves to us or we have dug up and  
14 will be thinking exactly when and how we will  
15 access that kind of advice. Whether we're  
16 going to have public hearings or not, we're not  
17 quite sure yet. But the first phase will be  
18 for Commissioner Cameron to put together the  
19 list of folks that we would like to talk to.

20           Also, our legal team is pulling  
21 together all of the stuff that's being done in  
22 other jurisdictions. There is no point in  
23 totally reinventing the wheel. There's  
24 legislation filed in a number of other

1 jurisdictions. Some gaming commissions have  
2 already taken certain substantive steps. We're  
3 going to collect all that and have that as part  
4 of our work.

5 And then finally, we have been in  
6 touch with the Attorney General's office who is  
7 undertaking a related project. We have agreed  
8 that we want to coordinate with her office just  
9 in order that we aren't stepping on each  
10 other's toes or duplicating work. So, there  
11 will be a coordinated offering from our two  
12 offices.

13 Anything else that you want to add?

14 COMMISSIONER CAMERON: Yes. Mr.  
15 Chair in addition to all of those steps that  
16 you just mentioned, as part of this process we  
17 will be meeting with the industry itself.  
18 We've identified at least three companies who  
19 are very active in this area.

20 We will be meeting with our  
21 operators as well as the American Gaming  
22 Association to get their input. So, all of  
23 those groups will be part of this process as  
24 well.

1                   CHAIRMAN CROSBY: And we will of  
2 course be touching base with the lottery as  
3 well.

4                   Anything else on that topic? Okay.  
5 We are then to number five, Workforce, Supplier  
6 and Diversity Development Director Griffin.

7                   MS. GRIIFIN: Good afternoon,  
8 Commissioners. And welcome Commissioner  
9 Macdonald. So, I am here this afternoon to  
10 update you, just give you a brief update on the  
11 Commission's work to connect and inform small  
12 businesses, local diverse small businesses to  
13 opportunities to contract with the gaming  
14 industry. And I've invited my colleague,  
15 Director Connelly up here because we've been  
16 collaborating on a couple of events and I  
17 thought you should hear.

18                   So, on October 26, Director  
19 Connelly, Commissioner Stebbins and I joined  
20 the Massachusetts Association of Chamber  
21 Executives down at Plainridge Park Casino where  
22 we informed them regarding the licensing  
23 process. And also we were there to talk to  
24 them about the purchasing opportunities at

1 Plainridge Park Casino.

2 I would say it was very well  
3 received. We had close to a dozen chamber  
4 executives. And they were all eager to put  
5 this information in their newsletters and talk  
6 to their members. So overall, a successful  
7 event.

8 Just earlier this morning, I left  
9 Reggie Lewis Track in Roxbury where Governor  
10 Baker's staff had a supplier diversity fair.  
11 The Commission has a table. We have our  
12 licensing staff down there talking with small  
13 businesses.

14 We have our own finance and  
15 purchasing staff as well as someone from my  
16 team. We had a lot of interest in the  
17 opportunities to contract with the casino and  
18 potentially do business with the Commission  
19 itself. So, that was a great opportunity  
20 there.

21 Also, later on this evening we have  
22 an event at 4:00 that is cosponsored by a  
23 number of different organizations, but mainly  
24 spearheaded by the Massachusetts Minority

1 Contractors Association.

2           And this workshop is being put on by  
3 an outfit attorneys called -- their business is  
4 called the Joint Venture, no, the General  
5 Counsel. And they're going to focus on the  
6 benefits of forming joint venture partnerships.

7           The benefit of this workshop is that  
8 we have a lot of small businesses that may not  
9 have the capacity to do business with a casino  
10 or other large projects. And by joining  
11 together potentially they can add to their  
12 capacity to do business with a casino or  
13 another large project.

14           It will also highlight some of the  
15 pitfalls or things to watch out for on a  
16 project. I did want to highlight that because  
17 that is an event that is taking place this  
18 evening. There we have a great flyer of the  
19 event. You see the multiple cosponsors Mass.  
20 Housing, the Department of Transportation, the  
21 Massachusetts Minority Transportation  
22 Officials. So, we've all come together to put  
23 on this technical assistance workshop.

24           COMMISSIONER STEBBINS: Jill, just

1 for clarity, this is for companies looking to  
2 do business during the construction phase or  
3 the operational phase of our licensees?

4 MS. GRIFFIN: This is for both. I  
5 think the immediate opportunity is  
6 construction, but I think it also would be  
7 pertinent to others for goods and services as  
8 well.

9 CHAIRMAN CROSBY: Anybody else?  
10 Just one thing for Commissioner Stebbins and  
11 Director Griffin. I was at an event last week  
12 honoring MCAN, the Mass. Community Action  
13 Network, and Lew Finfer who has been a great  
14 organizer in Massachusetts forever for their  
15 30-year honor event.

16 And Lew, whom you know was very  
17 complimentary about the substance of the Gaming  
18 Commission and Wynn's efforts to really  
19 identify and employ underemployed, unemployed,  
20 the target community with which Lew and that  
21 organization that network work.

22 He was appreciative of the fact that  
23 this is not just words that you guys are really  
24 putting your shoulder to the wheel and making a

1 difference which was great to hear. So, thank  
2 you.

3 MS. GRIIFIN: Great. And you know  
4 MCAN has been a great partner. We often test  
5 ideas and thoughts with groups like that.

6 CHAIRMAN CROSBY: That's great.  
7 Thank you.

8 MS. GRIFFIN: Thank you.

9 COMMISSIONER CAMERON: Thank you.

10 CHAIRMAN CROSBY: I think that's it  
11 for today's meeting. Anything else? Anybody  
12 else?

13 COMMISSIONER STEBBINS: Did Paul  
14 want to say anything? He's up there.

15 CHAIRMAN CROSBY: Director Connelly,  
16 did you have something to say?

17 MR. CONNELLY: When asked one should  
18 definitely have something to say, I guess. I  
19 did want to mention on Monday we have a follow-  
20 on event to the October event with the chambers  
21 where we'll be at Plainridge Park Casino  
22 providing technical assistance to any vendor  
23 that wants to come in and get themselves  
24 through the licensing process.



1           There are number of folks who just  
2 still have questions. So, we'll be there for  
3 informational purposes as well as literally to  
4 sit down and walk people through an  
5 application. We'll have finger printing  
6 available.

7           Someone from the Department of  
8 Revenue has been kind enough to join us to help  
9 explain some of the certificate of good  
10 standing issues. So, I imagine, I don't want  
11 to forecast, but I imagine this will probably  
12 be one of several that we may do over the  
13 course of the next coming months. But Monday  
14 will be the first of this kind, and really  
15 looking forward to it.

16           COMMISSIONER STEBBINS: Just to add  
17 onto that Plainridge Park is still looking for  
18 a number of suppliers and vendors. I think in  
19 their rush to get open, they kind of quickly  
20 decided to do some business which may in the  
21 end not be a long-term relationship for them.  
22 So, they have circulated a list of goods and  
23 services still needed.

24           And for anybody who is listening out

1 there can contact Jill and see what's on that  
2 list. And decide whether they should try to  
3 get there for Monday or not.

4 CHAIRMAN CROSBY: Great. Thank you.  
5 Commissioner Macdonald, how was your first  
6 meeting?

7 COMMISSIONER MACDONALD: I enjoyed  
8 it enormously.

9 CHAIRMAN CROSBY: Good. We have a  
10 lot of fun. Do I have a motion to adjourn?

11 COMMISSIONER CAMERON: So moved.

12 CHAIRMAN CROSBY: Second?

13 COMMISSIONER MACDONALD: Second.

14 CHAIRMAN CROSBY: All in favor, aye.

15 COMMISSIONER MACDONALD: Aye.

16 COMMISSIONER CAMERON: Aye.

17 COMMISSIONER ZUNIGA: Aye.

18 COMMISSIONER STEBBINS: Aye.

19 CHAIRMAN CROSBY: Opposed? The ayes  
20 have it unanimously.

21 This is a separate meeting. This is  
22 not a continuation of this meeting. So, we are  
23 adjourning 168. And we will convene for the  
24 public hearing on the racing application at

1 3:00.

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(Meeting adjourned at 2:40 p.m.)

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1 ATTACHMENTS:

- 2
- 3 1. Massachusetts Gaming Commission November
- 4 5, 2015 Notice of Meeting and Agenda
- 5 2. Mass Gaming and Entertainment, LLC
- 6 November 5, 2015 Presentation
- 7 3. MGM Springfield October 15, 2015 Notice of
- 8 Project Change
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1 GUEST SPEAKERS:

2

3 On behalf of Mass Gaming and Entertainment, LLC:

4 Neil Bluhm, Rush Street Gaming

5 Mary Cheeks, Sugarhouse Casino

6 Wendy Hamilton, Sugarhouse Casino

7 David Patent, Rush Street Gaming

8 David Tennant, Esq., Nixon Peabody

9 Michael Soll, The Innovation Group

10

11 Mayor Bill Carpenter

12 David Tennant, Esq.

13

14 On behalf of MGM Springfield

15 Jed Nosal, Esq., Brown Rudnick

16 Peggy Briggs, Epsilon Associates

17 Kevin Dandrade, The Engineering Corp. (TEC)

18 MASSACHUSETTS GAMING COMMISSION STAFF:

19 Catherin Blue, General Counsel

20 Paul Connelly, Director of Licensing

21 Jill Griffin, Director Workforce, Supplier and

22 Diversity Development

23 Karen Wells, Director IEB

24 John Ziemba, Ombudsman

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C E R T I F I C A T E

I, Laurie J. Jordan, an Approved Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Laurie J. Jordan, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive on Transcript Format.

I, Laurie J. Jordan, further certify I neither am counsel for, related to, nor employed by any of the parties to the action in which this hearing was taken and further that I am not financially nor otherwise interested in the outcome of this action.

Proceedings recorded by Verbatim means, and transcript produced from computer.

WITNESS MY HAND this 9th day of November, 2015.



LAURIE J. JORDAN  
Notary Public

My Commission expires:  
May 11, 2018