

1 COMMONWEALTH OF MASSACHUSETTS  
2 MASSACHUSETTS GAMING COMMISSION  
3 PUBLIC MEETING #205  
4  
5

6 CHAIRMAN

7 Stephen P. Crosby  
8

9 COMMISSIONERS

10 Gayle Cameron

11 Lloyd Macdonald

12 Enrique Zuniga

13 Bruce Stebbins  
14 -----  
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17

18 MASSMUTUAL CENTER

19 1277 Main Street

20 Springfield, Massachusetts

21 December 1, 2016

22 1:00 p.m. - 3:31 p.m.  
23  
24

P R O C E E D I N G S

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3 CHAIRMAN CROSBY: We are calling to  
4 order public meeting number 205 at the  
5 MassMutual Center in Springfield at 1:00 on  
6 December 1st. Our first order of business  
7 as usual is -- are you ready to go? First  
8 order of business as usual -- did we skip  
9 the minutes?

10 MS. BLUE: There are no minutes for  
11 this meeting.

12 CHAIRMAN CROSBY: First order of  
13 business as usual will not be the first  
14 order of business. I'm going to make a  
15 change here. We have a guest from  
16 out-of-town who, as hard as this is to  
17 believe, doesn't feel that he has to stay  
18 to watch the MGM progress report so I'm  
19 going to move up item number four, Director  
20 Wells.

21 MS. WELLS: Good afternoon, Chairman  
22 and members of the commission.

23 COMMISSIONER CAMERON: Good  
24 afternoon.

1 MS. WELLS: So I'd like to introduce  
2 Richard Pingel. He is counsel for Sport  
3 Tech. So he is with us today because the  
4 licensing decision for the applicant, Sport  
5 Tech Racing, LLC, is up for consideration  
6 by the Commission. We also have Sergeant  
7 Tim Babbin from the state police and Marlon  
8 Polite, who runs the financial  
9 investigation unit here in case the  
10 Commission has any questions on the  
11 applicant.

12 So Sport Tech Racing, LLC or Sport  
13 Tech is the applicant that has applied for  
14 a gaming vender primary license. They've  
15 currently been operating under a temporary  
16 license. Pursuant to our scope of  
17 licensing, we determined there were three  
18 entity qualifiers and 10 individual  
19 qualifiers which were subject to rigorous  
20 investigation.

21 Sport Tech Racing, LLC is a New  
22 Haven, Connecticut base sports gaming and  
23 entertainment company that provides  
24 totalizer or tote systems. The company is

1 currently providing services for the  
2 harness racing operation at the Plainridge  
3 Park Casino and Racecourse.

4 These systems, these tote systems  
5 accept wagers, calculate odds and payouts  
6 and process wagering pools. The company  
7 also provides associated equipment and  
8 services to parimutuel betting venues.  
9 These include internet-based wagering  
10 systems, player tracking software,  
11 combination racing and video, lottery  
12 terminals and data management tools.

13 Sport Tech Racing, LLC was  
14 originally formed under the name Scientific  
15 Games Racing, LLC and then in 2010 Sport  
16 Tech PLC purchased Scientific Games Racing  
17 and changed the company name to Sport Tech  
18 Racing, LLC. Sport Tech Racing, LLC is 100  
19 percent subsidiary of Sport Tech, Inc.,  
20 which in turn is owned by Sport Tech Whole  
21 Code 2 Limited. The ultimate parent  
22 company is Sport Tech PLC, a UK based  
23 company that is publically traded and on  
24 the London stock exchange.

1                   As part of the investigation, among  
2                   other things, we have reviewed materials,  
3                   submitted part of the application,  
4                   requested and reviewed supplemental  
5                   information, as deemed necessary gathered  
6                   information from a variety of governmental  
7                   and non-governmental sources and databased  
8                   basis and conducting criminal record checks  
9                   and verified the accuracy of the  
10                  information provided by the applicant.

11                  Sport Tech Racing, LLC has no  
12                  criminal record. The investigation  
13                  discovered no civil litigation that  
14                  threatens the economic viability of the  
15                  business or would negatively impact the  
16                  licensure. Research is available online  
17                  and print media surface substantial media  
18                  coverage of Sport Tech, but no material  
19                  that would negatively impact their  
20                  suitability.

21                  The IEB also evaluated Sport Tech  
22                  Racing for financial suitability, integrity  
23                  and background by performing financial  
24                  analysis and verification of its financial

1 information. The applicant's three  
2 qualifying entities were also evaluated.  
3 The applicant and its three qualifying  
4 entities share a financial reporting  
5 structure in which all subsidiary entities  
6 consolidate up to Sport Tech PLC, the  
7 ultimate parent company.

8 Accordingly, the financial analysis  
9 was performed utilizing the consolidated  
10 financial statements. To further assess  
11 financial stability, we also performed  
12 several ratio analyses and operating  
13 results of Sport Tech PLC for a number of  
14 years.

15 As a result of the analysis of both  
16 the financial stability, integrity and also  
17 the general evaluation of the company and  
18 the 10 individuals who are deemed to be  
19 qualifiers, the investigation revealed no  
20 information that would negatively impact  
21 their suitability and, therefore, the  
22 applicant demonstrated to the IEB by clear  
23 and convincing evidence that they are  
24 suitable for licensure. And the

1 recommendation of the IEB today is that the  
2 Commission vote to approve their gaming  
3 vender primary license.

4 CHAIRMAN CROSBY: Questions,  
5 comments?

6 COMMISSIONER STEBBINS: Karen, I had  
7 a couple of questions about the  
8 investigative report, as always very well  
9 done. Two quick items that came up.  
10 There's, I believe, another subsidiary  
11 Sport Tech that is just beginning the  
12 process.

13 MS. WELLS: Ebet.

14 COMMISSIONER STEBBINS: Ebet, how  
15 has the investigative work you have done so  
16 far, how might that help Ebet be expedited  
17 once it comes up?

18 MS. WELLS: Right. Because there is  
19 a connection with the company, it makes it  
20 easier for us. They are a separate  
21 applicant for a gaming vender primary  
22 license, but so it gave us a head start in  
23 evaluating that company because we have a  
24 better understanding of the structure of

1 the company. So they will get a separate  
2 license. That investigation is ongoing.  
3 That's in its primary stages right now, but  
4 that helps with the process. We don't have  
5 to reinvent the wheel, if you will, in  
6 understanding the company.

7 COMMISSIONER STEBBINS: And my other  
8 question, again, was more process. There  
9 was some notation that some information had  
10 not been received back from the IRS either  
11 to you or to the applicant. But after I  
12 checked with Marlin, that seems to be  
13 pretty consistent in terms of getting  
14 through the IRS's rules and regulations.

15 MS. WELLS: So what we can do, and  
16 Marlin may want to address this further if  
17 he has any additional comment, but because  
18 we sort of take a look at a variety of  
19 information, we can identify if there are  
20 any red flags, anything that would cause  
21 concern for investigators. So if there's  
22 one area where we can't get information,  
23 for example, from the IRS on a particular  
24 individual or something, we have enough



1 other information to give us a comfort  
2 level so that we don't have to just wait  
3 around for one specific piece of  
4 information. I don't know if Marlin has  
5 any further comment on that.

6 MR. POLITE: Yes, Commissioner  
7 Stebbins, the other thing that we have done  
8 is in light of the rejections that we  
9 sometimes get from the IRS for various  
10 reasons, sometimes we're told what they  
11 are. Sometimes we're not. We develop some  
12 alternative procedures that we can perform  
13 on a case by case basis in order to get  
14 comfortable that these companies are in  
15 compliant with the IRS filings.

16 In a case of Sport Tech Racing, they  
17 filed a consolidated tax form as part of  
18 Sport Tech, Inc. So we look to see that  
19 it's included in -- Sport Tech Racing is,  
20 in fact, included in that tax filing.  
21 Their tax filings were prepared by an  
22 independent auditing firm, KPMG most  
23 recently. And prior to that PWC.

24 So we had conversations with them to

1 get any idea if there were any things that  
2 they were uncomfortable with in that  
3 filing. And we looked to see that it was,  
4 in fact, filed in KPMG and PWC performed  
5 the electronic filing at Sport Tech, Inc.

6 And then we also get the written  
7 certifications that companies that file in  
8 the past five years and that sort of thing.  
9 So those are some of the things that we do  
10 from alternative procedures when we don't  
11 get the information back from the IRS.

12 COMMISSIONER STEBBINS: Okay, thank  
13 you.

14 CHAIRMAN CROSBY: So it's not that  
15 Sport Tech refused to release their returns  
16 because they were having an audit.

17 MR. POLITE: Correct.

18 CHAIRMAN CROSBY: Anybody else  
19 questions?

20 MS. WELLS: I don't know if  
21 Mr. Pingel has any comments or any  
22 questions for the Commission and the IEB.

23 MR. PINGEL: I don't, but thank you  
24 for having me here and we've been working

1 with the State of Massachusetts since the  
2 end of 2014 and we look forward to  
3 continuing to do so, so thank you for  
4 having us.

5 COMMISSIONER CAMERON: I know that  
6 we're pleased with the services out at  
7 Plainridge after being with another system  
8 prior. And I was interested -- just  
9 nothing about the investigation. I know  
10 it's clean, and the company looks  
11 excellent. The work you do  
12 internationally, I did hear a presentation  
13 from the company. It was pretty high-tech  
14 and the work that's being done, but I know  
15 you also work with football pools. Do you  
16 do sports betting in Europe as well?

17 MR. PINGEL: Yes, on soccer or  
18 football, as it's known in Europe. Sport  
19 Tech is the oldest operator in Europe. It  
20 used to be the old ticket system where they  
21 go door to door, pub to pub and with the  
22 football pools, and that's one of our  
23 primary products over in Europe and Asia  
24 and elsewhere internationally we have a lot

1 of exciting projects and products out  
2 there.

3 COMMISSIONER CAMERON: Yes, the  
4 presentation I saw touched on that. The  
5 analytics, are you -- do you have a piece  
6 of your -- when you take in the bets that  
7 looks at analytics and what is happening  
8 with the bet?

9 MR. PINGEL: Absolutely.

10 COMMISSIONER CAMERON: Or have you  
11 teamed with someone else with that or do  
12 you have that in-house office?

13 MR. PINGEL: Our software has all  
14 that capability. So from the totalizator  
15 software systems, you are able to analyze  
16 all of the data daily reports or even on a  
17 particular race what kind of activity there  
18 was, and a lot of our operators are very  
19 much fans of that because it gives them the  
20 ability to drill down and find what the  
21 interest is for the products they're  
22 offering.

23 COMMISSIONER CAMERON: Right. I  
24 find it interesting how much technology can

1 actually keep it clean and keep the bets  
2 above board. But, no, I was impressed with  
3 the company and thanks for showing up here  
4 today and on behalf of the license.

5 MR. PINGEL: Thank you.

6 COMMISSIONER ZUNIGA: I have a  
7 related question. So the area that where  
8 your company, your global company seems to  
9 be experiencing a lot of growth and  
10 potential overseas in sports betting, et  
11 cetera, here for us perhaps the line around  
12 the service, if you will, around racing may  
13 not have the same growth. What can you  
14 tell us relative to the future of that line  
15 or that area of racing?

16 MR. PINGEL: Right, yes. So the  
17 parimutuel services, your horseracing or  
18 greyhound racing, Jai Alai, those services  
19 or those products I will say have  
20 experience in decline and interest. And  
21 it's, I think, the primary younger  
22 generation hasn't taken a hold of it as  
23 perhaps strongly as we would all like.

24 However, there are other avenues

1           that are picking up some of that slack. So  
2           from your traditional betting parlors, you  
3           may not see the volume there but you may  
4           see it in an online product or you might  
5           see it in other avenues where that handle,  
6           as we call it, or the revenue that's coming  
7           through is being directioned.

8                         So there has been a decline here.  
9           It is traditionally a more popular wagering  
10          tight in Europe than it has been here. But  
11          there is growth in certain markets. For  
12          instance, out west we see a big surge of  
13          interest in the products, and our industry  
14          is unique because it's jurisdiction by  
15          jurisdiction, state by state and sometimes  
16          even county wise where we need to make sure  
17          that we're always in compliance with those  
18          and the products that we can offer.

19                        So we do a very good job of keeping  
20          ahead of that and keeping up with the  
21          current trend, and I think we meet the  
22          market demand very well in that regard.

23                        COMMISSIONER ZUNIGA: Thank you.

24                        CHAIRMAN CROSBY: Anybody else? As

1 usual we rely heavily on the good job of  
2 our investigators, thank you. So I think  
3 we're ready for a motion.

4 COMMISSIONER CAMERON: Mr. Chair, I  
5 would move that we approve the suitability  
6 approve for license Sport Tech, Inc. And  
7 do we need all of the other companies or  
8 just Sport Tech, Inc. will cover it?

9 MS. WELLS: No, as well as the  
10 qualifiers deemed suitable.

11 COMMISSIONER CAMERON: And as well  
12 as the qualifiers.

13 COMMISSIONER STEBBINS: Second.

14 CHAIRMAN CROSBY: Commissioner  
15 Stebbins seconded. Any further discussion?  
16 All in favor?

17 COMMISSIONER CAMERON: Aye.

18 COMMISSIONER STEBBINS: Aye.

19 COMMISSIONER ZUNIGA: Aye.

20 COMMISSIONER MACDONALD: Aye.

21 CHAIRMAN CROSBY: Opposed? The ayes  
22 have it unanimously. Thank you very much.  
23 Welcome to Springfield.

24 COMMISSIONER CAMERON:

1                   Congratulations. Good work.

2                   CHAIRMAN CROSBY: Now we'll go to  
3                   item number two, which is the  
4                   administrative update, Executive Director  
5                   Bedrosian.

6                   MR. BEDROSIAN: Good afternoon,  
7                   members of the commission. So as it comes  
8                   towards the end of year, we are doing some  
9                   activities with staff. Our yearly staff  
10                  meeting is next year. I'll remind you that  
11                  tomorrow is the last day of our race season  
12                  at PPC. Myself and I believe Commissioner  
13                  Stebbins will be down there tomorrow to  
14                  thank our seasonal employees.

15                  COMMISSIONER STEBBINS: And  
16                  Commissioner Cameron.

17                  MR. BEDROSIAN: And then  
18                  additionally, a small team of us will be  
19                  going on Monday down to National Harbor in  
20                  Maryland where MGM National Harbor is  
21                  having what's called its second and final  
22                  demonstration day before it is licensed for  
23                  an opening one week from today.

24                  And that team will be interfacing



1 with the Maryland regulators to understand  
2 what their process has been, learn from  
3 that. And I think there will be folks from  
4 MGM Springfield down there who are also  
5 learning from their counterparts, which we  
6 hope obviously will be valuable lessons for  
7 us up here in the time that we think of  
8 when we are opening the property just down  
9 the street here.

10 CHAIRMAN CROSBY: Great.

11 MR. BEDROSIAN: So that's my update,  
12 thank you.

13 CHAIRMAN CROSBY: All right. We'll  
14 move onto item number three, the ombudsman  
15 report, Ombudsman Ziemba.

16 MR. ZIEMBA: Thank you, Mr. Chairman  
17 and Commissioners. Today we are joined by  
18 MGM Springfield for their quarterly report  
19 for the third quarter of this year ending  
20 in September. Mike Mathis, President of  
21 MGM Springfield, Brian Packer, MGM Vice  
22 President of Construction and Development  
23 and Seth Stratton, Vice President and  
24 General Counsel for MGM Springfield will

1 present for MGM Springfield.

2 MGM Springfield is also joined by  
3 Kevin Kennedy, Springfield's Chief  
4 Development Officer. Kevin will provide us  
5 with an update on the very significant  
6 economic development initiatives and  
7 activities which are occurring in  
8 Springfield.

9 I was very pleased to attend an  
10 event last week in Springfield called  
11 "Springfield Rising to New Heights" where a  
12 lot of this significant progress was  
13 demonstrated. We are also joined by Paul  
14 Picknelly and Dennis Murphy,  
15 representatives of Springfield's ownership  
16 of Springfield hockey regarding the  
17 triumphant return of hockey to Springfield.  
18 And with that, I will turn to Mike.

19 MR. MATHIS: Thanks, John. Chairman  
20 and Commissioners, welcome to Springfield,  
21 welcome back to Springfield. I just want  
22 to note for the record I checked my phone  
23 as I was sitting down in the audience, the  
24 weather is 55 degrees in Springfield on

1 December 1st, so I think Mother Nature  
2 wants us to open on time. Hopefully she  
3 can help with the budget as well but  
4 certainly wants to help us open on time.

5 Really, really happy to be here and  
6 appreciate you coming out and being part of  
7 this sort of year-end closeout. It's  
8 really been a fantastic year, and we're so  
9 excited.

10 Before I kick it off, I just want to  
11 recognize your staff and Ed talked about  
12 your group doing down to Maryland to be  
13 part of our control test down there. It's  
14 really -- and many of you know this. I  
15 know a certain of you have been down to  
16 Maryland and seen some of our preopening  
17 activities. But what it really highlights  
18 for me is the great relationship that our  
19 regulators have amongst themselves.

20 Maryland, as you know, has opened  
21 their doors on the regulation side to make  
22 sure that we're all using best practices  
23 and we've shared our same information. So  
24 it's been a really collaborative process.

1 I want to thank the Commission and the  
2 staff for helping us with some of our  
3 processes to make sure they're aligned with  
4 what, as much as we can, aligned with what  
5 we're doing in Maryland sort of represent  
6 the latest and greatest. So it's been a  
7 really, really great process and I  
8 appreciate the effort, including John  
9 coming out last week for the Springfield  
10 Rising event.

11 CHAIRMAN CROSBY: Just to reinforce  
12 that point, our executive director made a  
13 point recently, I forget when it was, but  
14 it was worth emphasizing in this context  
15 that relative to the Maryland regulator and  
16 how incredibly helpful they have been to  
17 us. And Charles Laboy, who is their I  
18 guess deputy director, was one of the  
19 candidates for executive director in  
20 Massachusetts and Ed Bedrosian was selected  
21 amongst two very strong finalists.

22 But notwithstanding that or anything  
23 else, Charles and his team have been  
24 really, really helpful to us and it's not

1 always like that, as you know. So it  
2 really bears reinforcement.

3 MR. MATHIS: Thank you for  
4 recognizing that. We've been really  
5 pleased with the process.

6 I was part of an event last week,  
7 Springfield Rising, and we're going to  
8 shortly talk about the MGM Springfield  
9 project but I really thought it would be  
10 important for the Commission to understand  
11 what's going on in Springfield. Many great  
12 things before you arrived. We like to  
13 think many more great things since we  
14 arrived but really the architect of that  
15 strategy is the gentleman sitting to my  
16 right, Kevin Kennedy, the city's chief  
17 development officer.

18 And I know so much of your decision  
19 process around our approval and our license  
20 was about the ancillary impact that a  
21 950 million-dollar project can have for an  
22 urban environment and is bearing fruit. So  
23 with that, I think I'll hand it over to  
24 Kevin.

1 MR. KENNEDY: Michael, thank you.  
2 Commissioners, welcome. It's been an  
3 interesting journey since September 2012  
4 when we were first at STCC for a very  
5 interesting meeting where I was urging you  
6 to go faster, and you were urging me to  
7 slow down. But it's been an interesting  
8 journey.

9 So without carrying on too much  
10 here, we did have presentations about the  
11 effect of this casino, resort casino for  
12 Springfield. And one of the things I would  
13 like to do is kind of give you the short  
14 version of what we presented to last week  
15 at City Stage where we talked about the  
16 effect of it, and this is an update that I  
17 gave from December of 2014. So with that,  
18 I'm not sure who is going to be starting  
19 this but if we could play it.

20  
21 (Video playing)

22  
23 MR. KENNEDY: Springfield Rising  
24 theme is really important to us as we kind

1 of move along, and what I would like to do  
2 is just take you for a quick walk down Main  
3 Street here. As we go from the North End  
4 of Springfield where Union Station is down  
5 to the MGM development in the South End of  
6 Springfield.

7 Just to talk about how the  
8 renovation is real. There's a little map  
9 that shows where we're going to go down  
10 Main Street, and Union Station is a  
11 \$93 million intermodal transportation  
12 redevelopment that will be opening. We  
13 finish this month. It will open over the  
14 course of the new next few months.

15 And it's made up of a 377 car  
16 parking garage, 27 bus purse. And the big  
17 important part for Springfield Con Dot and  
18 Connecticut has been doing an awful lot of  
19 work on their rail system from New Haven  
20 all the way up to the Connecticut line, and  
21 Massachusetts has continued into  
22 Massachusetts.

23 And in 2017, there will be 17 daily  
24 round-trips from New Haven to Hartford. 12

1 of those round-trips will continue on up to  
2 Springfield, and we will be having full  
3 service north/south railroad and hopefully  
4 the east/west portion of it will continue  
5 at some point.

6 It's a historical renovation, and  
7 you can see there that we are restoring a  
8 clock that hung in the 1926 rail station,  
9 and that will be going up very shortly. In  
10 addition to that, you see what the whole  
11 complex will look like in the bottom  
12 right-hand, which is 377 car parking garage  
13 with a bus purse in the middle and the  
14 newly refurbished terminal in the upper  
15 part of the screen.

16 In the middle of downtown, we didn't  
17 want to just have MGM in the South End and  
18 the Union Station in the north. In the  
19 middle, we have an innovation center. It's  
20 a project cost of \$6 million. It will  
21 opening this February. It's a partnership  
22 between another state agency at Mass  
23 Development and Develop Springfield, and  
24 one of our major benefactors is MassMutual.



1                   MassMutual announced a  
2                   million-dollar grant yesterday to Valley  
3                   Venture Mentors, which will be the primary  
4                   tenant in the complex. In addition to  
5                   that, we have a cultural district that  
6                   overlaps the middle of downtown. And when  
7                   you look at the numbers on the cultural  
8                   district, the impact is significant. \$2.7  
9                   million -- 2.7 million visitors to  
10                  downtown, and they generate \$37 million  
11                  worth of money in the district and it  
12                  represents 340 board members, which is a  
13                  very, very large number.

14                  We are one of only three pilot  
15                  cities in the US that's working with Future  
16                  City of London on the creation of an arts  
17                  and economic development strategy for the  
18                  downtown. In addition to that, we're  
19                  moving into a bike share. Union Station is  
20                  not a final designation for everybody when  
21                  they arrive there. You've got to get to  
22                  what their final designation is. So it's a  
23                  regional effect. It's a regional system.  
24                  We're partnering with Holyoke, Northampton,

1 Amherst and South Hadley.

2 We expect to have eight stations  
3 here in Springfield, one of which I believe  
4 will be in the MGM complex. It will smart  
5 bike technology and will be starting in  
6 July of this year.

7 We're also contracting for a way  
8 finding signage system, which is mentioned  
9 in the Section 61 portion of the EIR report  
10 for MGM. We currently have a temporary  
11 system in place. We will be putting a  
12 permanent system in place very shortly.  
13 Applied Way Finding of New York, who has  
14 designed systems in Vancouver and London,  
15 is our contractor.

16 And what we are thinking about doing  
17 and we'd like to figure out how to use some  
18 of the unique parts of Springfield are some  
19 of the unique assets that we have here in  
20 Springfield, one of which is a Dr. Seuss  
21 museum and what if "The Cat in the Hat" was  
22 telling people what direction to go or we  
23 also have the Naismith memorial  
24 International Basketball Hall of Fame. And

1           what if Michael Jordan was telling people  
2           where to go. So we are looking at branding  
3           and doing different things that will make  
4           people welcome to the city.

5                     And the big number, as I finish  
6           here, we are now up to \$3.3 billion worth  
7           of economic activity since the tornado of  
8           2011. That is a huge number for a medium  
9           sized American city. And just in the last  
10          two years, our numbers are up by five --  
11          almost 500 -- over \$500 million. And the  
12          best news about all of that, 459 million of  
13          that is on the private side. So it's not  
14          all government spending and we're very,  
15          very pleased.

16                    And one of the big, big parts of  
17          this has been the MGM development. And  
18          hopefully we will be talking to you in the  
19          next 30 or 60 days about their 54 unit  
20          residential commitment to Springfield. We  
21          are looking at and negotiating a very  
22          complex deal in 31 Elm, which is right  
23          across the street for here where we were  
24          hoping to incorporate MGM's commitment on

1           those 54 units into that complex, and that  
2           is the last unit of that's mentioned in the  
3           ULI report that was done about 10 years ago  
4           here for Springfield to complete downtown.

5                        So we're very excited about the  
6           future. Thank you for all your efforts and  
7           thank you for MGM for bringing all this  
8           activity and we're just very, very pleased  
9           and the future is very bright. Thank you.

10                      CHAIRMAN CROSBY: Great. And as I  
11           said to you privately, Kevin, and to you  
12           and the mayor, you know, lots of other  
13           people involved as well, but it's something  
14           happening here that's quite extraordinary  
15           and you and the mayor get tremendous credit  
16           for it and we're glad to be a part of it.

17                      MR. KENNEDY: Thank you for bringing  
18           up the mayor. He has been a great partner.

19                      MR. MATHIS: Thank you, Kevin for  
20           that --

21                      CHAIRMAN CROSBY: He was actually on  
22           my phone saying, hey, forget Kennedy.

23                      MR. MATHIS: He was on Kevin's phone  
24           as well. Now I think -- I'm going to

1           introduce Paul in a moment. But when you  
2           talk about the ULI, Urban Lane Institute  
3           recommendations coming out 10 years ago,  
4           that coincided with this city being in  
5           financial receivership. So, I think the  
6           five minutes that Kevin just spent talking  
7           about all the great accomplishments really  
8           needs to be taken in that context. What a  
9           tremendous turnaround for a city and so  
10          pleased to have them as a partner, so thank  
11          you, Kevin.

12                         With that I want to introduce our  
13          local partner, Paul Picknelly very quickly.  
14          He is -- we say it all the time in our  
15          company -- he is among the best local  
16          partners we've ever had. We've never seen  
17          a business owner make that -- make the type  
18          of commitment he has made to the City of  
19          Springfield.

20                         Back in April, an example of that,  
21          back in April the Springfield Falcons, the  
22          local AHL team that helps supports is a  
23          resident team for this building provides  
24          really wonderful family entertainment for

1 the city abruptly picked up its bags and  
2 left the town sort of overnight.

3 Paul immediately went to work. And  
4 within two weeks, sorry, Paul, I'm stealing  
5 your thunder here, within two weeks led a  
6 team to literally save hockey. And one  
7 thing you know about Paul is when he puts  
8 his mind to something, he gets it done. He  
9 has been in my office a couple of times to  
10 do that. So really, really special. I  
11 want to have Paul talk about the success  
12 along with Dennis Murphy who is one of the  
13 owner group, really tremendous effort and  
14 so proud of him. Here you go, Paul.

15 MR. PICKNELLY: Thank you, Mike  
16 Mr. Chairman, Commissioners, is this on?

17 CHAIRMAN CROSBY: Is it on, Mike?  
18 It's on.

19 COMMISSIONER ZUNIGA: It's on.

20 MR. PICKNELLY: As Mike mentioned,  
21 it's been a pleasure to work with him over  
22 the past several years. And as many of you  
23 know, my family has been in business for  
24 over 85 years in Springfield. I'm a third

1 generation business owner and a Springfield  
2 native. I couldn't be prouder to be a  
3 resident of Springfield for all those years  
4 and calling Springfield home is a proud  
5 venture for me now, and it really wasn't  
6 probably a decade ago.

7 But I'm really here to talk to you  
8 today about another project that I'm  
9 excited about and proud of is the  
10 Springfield Thunderbirds. They are the  
11 minor league affiliate of the National  
12 Hockey League's Florida Panthers.  
13 Professional hockey has been a long and  
14 distinguished history in Springfield dating  
15 back to 1926. We're a charter city in the  
16 American Hockey League, and the American  
17 Hockey League national headquarters are  
18 located here in Springfield and has been in  
19 Monarch place for the past 17 years.

20 As Mike mentioned earlier this year,  
21 we were absolutely shocked to hear that the  
22 Springfield Falcons were basically going to  
23 fly coop and move to Tuscan, Arizona. That  
24 was a sad day for our city quite honestly.

1           And, frankly, it was a sad day for all the  
2           other businesses in downtown Springfield  
3           who, you know, really need to have  
4           professional sports here in Springfield.

5                   CHAIRMAN CROSBY:   How many home  
6           games are there a year?

7                   MR. PICKNELLY:   There's 38 and plus  
8           we are talking about having more when we go  
9           into the playoffs. That's optimistic. So  
10          obviously that left an amazing hole in  
11          downtown Springfield. An arena would be  
12          dark for almost 40 nights a year. And  
13          after this news hit, the first phone call I  
14          received was from Bill Hornbuckle. And he  
15          was also concerned about what this is going  
16          to do for downtown Springfield. And he  
17          asked me --

18                   CHAIRMAN CROSBY:   Say who Bill  
19          Hornbuckle is for the audience.

20                   MR. PICKNELLY:   Pardon me, I'm  
21          sorry. The president of MGM Resorts  
22          International. I thought everybody knew  
23          that.

24                   MR. MATHIS:   It bears reminder.



1 MR. PICKNELLY: With the MGM project

2 --

3 CHAIRMAN CROSBY: It's like the  
4 mayor. You just say the name once in a  
5 while.

6 MR. MATHIS: Trust me, Chairman, if  
7 you didn't, I was going to make sure that  
8 got on the record, so thank you.

9 MR. PICKNELLY: So with the MGM  
10 project, Union station and all the other  
11 things that Kevin Kennedy just presented,  
12 there was just too many positive things  
13 happening in downtown Springfield. Now was  
14 not the time to lose professional hockey in  
15 Springfield. So we have been inspired by  
16 MGM and their unprecedented development in  
17 downtown Springfield, a local group of  
18 investors got together and decided to do  
19 something about it.

20 We didn't know anything about  
21 hockey. I really didn't know the  
22 difference between a red line and a blue  
23 line. And, trust me, I had been to a few  
24 games when my son was an infant but I was

1 not a hockey guy. But we heard through the  
2 grapevine that the Portland Pirates might  
3 be for sale. And literally within a matter  
4 of days, we were able to purchase a team  
5 and move them to Springfield. In the end,  
6 28 local Springfield business owners joined  
7 together and purchased this hockey  
8 franchise and with me today here is Dennis  
9 Murphy, who is also one of the 28 owners in  
10 the Springfield Thunderbirds.

11 We looked at the big picture and  
12 recognized the positive direction  
13 Springfield was headed in thanks to MGM.  
14 In the end, we chose to reaffirm MGM's  
15 belief that their project isn't just about  
16 a casino but rather about revitalizing and  
17 redefining an entire city's downtown. So  
18 the only thing left was to get an  
19 affiliation agreement with an NHL team.  
20 This is, again, where MGM stepped up to the  
21 plate.

22 We first spoke with the Florida  
23 Panthers. They expressed some reservations  
24 about coming to Springfield. They heard

1           about the negative crime that was going on  
2           in Springfield, and they didn't know what  
3           the quality of life would be for their  
4           players.

5                        So we invited them to come to  
6           Springfield. We showed them the beautiful  
7           arena. We toured them downtown. We showed  
8           them where the casino was being built. And  
9           perhaps, most importantly, we were able to  
10          put them on a conference call with Mike  
11          Mathis, the President of MGM Springfield,  
12          Bill Hornbuckle, the President of MGM  
13          Resorts International and Jim Murr and the  
14          Chairman of MGM Resorts International, who  
15          took time out of their schedule and  
16          explained their vision for Springfield and  
17          reaffirmed the commitment to the city. Two  
18          days later we had a signed agreement with  
19          the Florida Panthers for four years.

20                        Soon after that, MGM Springfield  
21          became the team's presenting sponsor. With  
22          nine home games played this season so far,  
23          we have shattered the franchise record last  
24          year ticket sales and corporate sponsorship

1 performance. We followed MGM's example of  
2 reactivating downtown by hosting pre and  
3 post game concert inside the arena, on  
4 Court Square across the street and the  
5 shops at Marketplace.

6 On opening night a sellout crowd of  
7 6,500 people saw the Thunderbirds win, a  
8 come from behind 5/4 overtime thriller.  
9 And, actually, we were pretty thrilled to  
10 see the illegal activities of scalpers  
11 selling Thunderbird tickets outside the  
12 arena. We actually thought that was quite  
13 promising. It's been a long time since we  
14 had scalpers in downtown Springfield.

15 MR. MATHIS: Paul is speaking for  
16 himself. MGM would not condone scalping  
17 activities anywhere in our --

18 MR. PICKNELLY: Just opening night.  
19 It was fun. And so it continues. On game  
20 nights local restaurants, including the  
21 Dean's, Red Rose, Theodore's and Fort are  
22 all packed with Thunderbird fans. When I  
23 was walking over here from the office, I  
24 walked by the Dean's and there's a sign

1 right out front that says on hockey nights,  
2 on Thunderbird hockey nights, anybody who  
3 shows their tickets gets 10 percent off  
4 dinner and 20 percent after the game is  
5 over. And, I think, that that's a tribute  
6 to the fact that there has been such  
7 success with the Thunderbirds.

8 We believe parents feel safe  
9 bringing their kids downtown again. We see  
10 active Main Street both before and after  
11 the game. There are literally thousands of  
12 hockey fans, young and old, men and women,  
13 Springfield residents and folks from the  
14 suburbs pouring in the streets of downtown  
15 Springfield on game nights.

16 We have a young and creative staff  
17 led by our executive vice president, Nate  
18 Costa, who has created an in-game  
19 experience unlike anything Springfield has  
20 seen before. In fact, this Saturday night  
21 we believe is another sellout night. It's  
22 called a teddy bear toss. What will happen  
23 is we estimate that 3,500 people will buy  
24 teddy bears, throw them on the ice and then

1           those teddy bears will be then be donated  
2           to local charities for children this  
3           Christmas. So we're pretty proud to bring  
4           this here as a sellout night.

5                         We've also worked out an agreement  
6           with the Springfield Parking Authority to  
7           offer free parking to all people coming to  
8           Thunderbird games at the Springfield Civic  
9           Center garage across the street. On  
10          Fridays we have dollar night, which gives  
11          everybody in the arena a hot dog, soda and  
12          a popcorn each for a dollar. And on  
13          Sundays, they get Friendly sundae ice cream  
14          cups coupons for when they leave.

15                        MGM sponsors our pre-concert series  
16          inside the arena before every home night on  
17          Fridays, and it's really turned into a  
18          affordable family fun entertainment. This  
19          really would not have been possible without  
20          MGM.

21                        MGM has become a true ambassador for  
22          the city in many ways, and the Thunderbirds  
23          is just one example. And when MGM finally  
24          opens in the fall of 2018, things will only

1           continue to improve for this city. So I  
2           want to close by playing a brief video, and  
3           Kevin just handed me this like I'm supposed  
4           to know what I am supposed to do with this.  
5           I have no idea.

6                         CHAIRMAN CROSBY: You're supposed to  
7           call your son.

8                         MR. PICKNELLY: But if somebody  
9           could do that, that would be great. I  
10          think you are supposed to hit start  
11          somewhere.

12                                 (Video playing)

13                                 MR. PICKNELLY: So go Thunderbirds.

14                                 MR. MATHIS: Thank you, Paul. I  
15          think one of the important takeaways for me  
16          from the Thunderbird example is the fact  
17          that 28 local owners got together and  
18          funded this team. Certainly could have --  
19          someone could have asked MGM to cut a  
20          check, and that's very common. But for us  
21          it's important to understand that we have  
22          got partners. We don't do this by  
23            
24

1           ourselves. And the confidence that the  
2           local ownership group, business group had  
3           in the future of Springfield I think is  
4           more important than if we had done it on  
5           our own. So thank you, Paul, for the  
6           leading that effort.

7                   CHAIRMAN CROSBY: Any questions or  
8           comments for Mr. Picknelly?

9                   COMMISSIONER ZUNIGA: Well, I do  
10          have a question perhaps for the group,  
11          Mr. Kennedy, Mr. Picknelly, what a great  
12          example and thank you for you overview. We  
13          had an opportunity to tour the site this  
14          morning, and there's great progress being  
15          made. I think we are going to hear a  
16          little bit more about that in a few  
17          minutes. But right across the site there  
18          is a couple of buildings that are taking  
19          prime for redevelopment and maybe some  
20          activity is already taking place but --

21                   CHAIRMAN CROSBY: You're talking  
22          about on Main Street.

23                   COMMISSIONER ZUNIGA: On Main  
24          Street, yes. But as you continue the



1           efforts, Mr. Kennedy, you mentioned that a  
2           lot of the investment is not necessarily  
3           public monies but private. And as you  
4           contemplate and in your circle talk to  
5           other business owners, I just wanted to  
6           mention that it would appear to me that  
7           there's great opportunities for the speed  
8           lover effect that we have talked about and  
9           we hope for in this project, could you --

10                   MR. KENNEDY: Commissioner, that's  
11           very true. I'm having many, many  
12           discussions with people -- the momentum  
13           here in Springfield has not stopped. There  
14           are more that are coming here, and we hope  
15           to make a number of major announcements  
16           actually in the coming year in 2017.

17                   The catalyst that MGM brought and  
18           some of that film you saw up there was  
19           about Falvy Linnon. Well, they service the  
20           hospitality industry, and that's one of the  
21           reasons they came to Springfield. The  
22           Chinese came to Springfield in their  
23           railcar manufacturer. Because when I had  
24           my conversation with them, I said, "Why

1 Springfield?" They said, "Look you have  
2 good housing prices. You've got good labor  
3 supply and besides that you're going to  
4 have good entertainment with MGM coming  
5 here." So there's all kinds of reasons.

6 But the spillover effect that's  
7 happening, it's not just directly around  
8 the casino and what you observed is very  
9 true. We just opened Park Street Loss,  
10 which is almost right across the street  
11 from the casino and we're hoping to get  
12 more and more of that market-rate housing.

13 And, again, when you stop to think  
14 about 4 million people coming through Union  
15 Station, the 10,000 people a day that are  
16 to be coming through the MGM complex,  
17 you're talking about an awful lot of  
18 economic activity, so it's still continuing  
19 here.

20 MR. PICKNELLY: I think the entire  
21 downtown area is looked upon differently  
22 for developers now. Myself personally we  
23 have a piece of property that is located  
24 right at the exit -- the tip of the exit

1 off of Exit 6 in downtown Springfield. You  
2 might refer to it -- it's now commonly  
3 referred to as the Break Plus Lot. I don't  
4 know if you where that is. Bruce Stebbins  
5 probably knows where it is. But that's a  
6 prime real estate development project that  
7 we acquired the land over a year-and-a-half  
8 ago.

9 It used to house called the Albano's  
10 Market that went out of business after 75  
11 years, and Brake King is a business that  
12 has been around for also like 75 years, if  
13 you will.

14 So we purchased that property. It's  
15 up for development. And let me tell you,  
16 the phones are ringing off the hook with  
17 interested parties looking to reestablish  
18 their businesses in downtown Springfield.  
19 It's the closest development site to the  
20 casino along Columbus Avenue, and that  
21 would not have happened unless there has  
22 been MGM's commitment to downtown  
23 Springfield. But, I think, that that's the  
24 same answer for anywhere in downtown

1 Springfield quite honestly.

2 COMMISSIONER ZUNIGA: And my comment  
3 is really to highlight the momentum, as you  
4 point out, but to encourage you to continue  
5 working the way you have been doing.  
6 Because, again, at least to the uninformed  
7 eye, there appears that opportunities can  
8 continue to come to fruition.

9 COMMISSIONER STEBBINS: Mr. Chairman,  
10 I want to pick up on something that Kevin  
11 mentioned, my former boss, you know,  
12 referencing the ULI study. And when we  
13 look back at our evaluation of their RFA-2  
14 application, I think what we all saw was  
15 pretty strong was not only the MGM  
16 development but other developments in the  
17 City of Springfield tied back to a planning  
18 effort so that there was definitely a  
19 cohesive strategy.

20 Everything wasn't just kind of, hey,  
21 let's chase the next shiny little thing to  
22 come along. Everything tied back to a lot  
23 of the planning work that the city had  
24 done, that a lot of the community residents

1 had their input taken into account.

2 So, you know, for that purpose  
3 alone, it's nice to see that that continues  
4 to build and, you know, there's continuing  
5 alignment with all the work that has been  
6 previously done and continues to be done.

7 MR. KENNEDY: We like to think that  
8 we're doing things that make sense and have  
9 value, and we hope that it fosters  
10 confidence that good things are still to  
11 come, yes.

12 MR. PICKNELLY: If I can add, I own  
13 a summer home in Cape Cod and I've owned it  
14 a number of years now. And when I'd run  
15 into new people, they'd ask where I'm from  
16 and my answer would always be Springfield.  
17 And probably five years ago, they would  
18 react by something like, God, I heard  
19 things are bad in Springfield and the crime  
20 is so high. What's going on in  
21 Springfield? And now they are saying to  
22 me, "Wow, I really hear things are  
23 happening in Springfield and there's a lot  
24 going on."

1                   And it's an absolute direct change  
2                   from what it was five years ago. There's  
3                   no question about it and that's in my  
4                   travels, and I think that that's echoed by  
5                   many other people that are hearing positive  
6                   change for Springfield.

7                   COMMISSIONER STEBBINS: I still wear  
8                   my straight out of 413 T-shirt. Not at the  
9                   office.

10                  CHAIRMAN CROSBY: Just to build on  
11                  what Commissioner Stebbins was saying, as  
12                  you know and many of you know, Commissioner  
13                  Stebbins sort of heads up the economic  
14                  development emphasis for us as we each have  
15                  special areas of emphasis. And one of his  
16                  ideas and projects has been that there will  
17                  be a fund derived from the revenues from  
18                  the two big casinos, Wynn and MGM.

19                  That one fund will be an economic  
20                  development fund, and his notion has been  
21                  to see whether we can't think of ways to  
22                  continue to build on economic development  
23                  energy that the casinos have generated.  
24                  That's what the legislature was looking

1 for.

2 It's not run-of-the-mill. That's  
3 not typically what happens when you bring  
4 in casinos. But I think, Commissioner, we  
5 get a lot of ideas kind of for the kind of  
6 leveraging here and linkage here that's  
7 occurred that will play right into the  
8 strategies that you're thinking about  
9 putting together.

10 COMMISSIONER STEBBINS: Absolutely.

11 CHAIRMAN CROSBY: Just out of  
12 curiosity -- did I interrupt you?

13 COMMISSIONER CAMERON: No.

14 CHAIRMAN CROSBY: Just out of  
15 curiosity, why did the Falcons leave?  
16 Typically you leave for economic reasons  
17 that you had to sell against that or what  
18 was the --

19 MR. PICKNELLY: I think it was  
20 economics. Two things happened. The  
21 Falcons were last in the league in terms of  
22 attendance, and they had a poor  
23 performance. There's no question. But the  
24 Arizona Coyotes were their parent team and

1           they purchased the team and moved it to  
2           Tucson, Arizona. I think their primary  
3           goal was to have their AHL affiliate to be  
4           close to their NHL affiliate. And the AHL  
5           wanted to move a couple of teams from the  
6           east coast to the west coast, because  
7           there's a lack of west coast AHL affiliate  
8           teams.

9                     There's only 30 American Hockey  
10           League franchises in the country, and we're  
11           the only one in the State of Massachusetts,  
12           Vermont, New Hampshire and Maine, so our  
13           territory is quite large. And Springfield  
14           really has a great hockey history, and  
15           there's a lot of youth hockey playing in  
16           Springfield.

17                    CHAIRMAN CROSBY: How do you go from  
18           being the least well-performing audience to  
19           get the Thunderbirds to performing?

20                    MR. PICKNELLY: Okay. So after game  
21           seven, we went through game nine. After  
22           game seven, we get like reports from the  
23           American Hockey League to show where we're  
24           at. We actually went from last in the



1 league with the Falcons to number 20, so  
2 we're 20th in the league after attendance  
3 of seven games. We get those reports, I  
4 think, think monthly.

5 So we do that because we have  
6 people, quite honestly, like Dennis  
7 Murphy -- I don't normally like to praise  
8 him -- but he is and his firm have done a  
9 wonderful job of trying to do that. But  
10 it's also innovative things.

11 As I mentioned earlier, Nate Costo  
12 who is the executive vice president for the  
13 Springfield Thunderbirds, he was with the  
14 American Hockey League for the past six and  
15 a half years. All he did for the past six  
16 and a half years was market the American  
17 Hockey League throughout the entire  
18 country. That was his sole time job, and  
19 he left that job to come to work for the  
20 Springfield Thunderbirds. And his unique  
21 way of trying to change the off ice  
22 experience has generated these additional  
23 sales.

24 As I mentioned to you earlier, the

1 teddy bear toss, that's actually sponsored  
2 by Teddy Bear Pools and Spas, which happens  
3 to be one of the 28 business owners that we  
4 have. And his company is offering  
5 discounts to anybody who has bought a pool  
6 over the last year to come down to Teddy  
7 Bear Pool night at the Springfield  
8 Thunderbirds, and that's generated a couple  
9 of hundred ticket sales just on that  
10 particular night alone.

11 We also have one of our owners is  
12 the Dunkin Donuts franchises in and around  
13 Springfield. They own 42 Dunkin Donuts.  
14 And when you drive up to a Dunkin Donuts in  
15 Springfield, it says "The Thunderbirds run  
16 on Dunkin." And that's shown in every  
17 entrance door and every drive-up window.  
18 Another owner who happens to own 12 Burger  
19 Kings around Springfield, and they're doing  
20 the same promotion. So when people come  
21 into buy their Burger King, they're going  
22 to get solicitation to a hockey game.

23 So not only was it -- I think it was  
24 critically important that the 28 owners,

1           you know, were involved in the team, it's  
2           really a difference, you know, having one  
3           owner or 28 owners into that.

4                   CHAIRMAN CROSBY: That's a great  
5           story. That's a great story the way a  
6           community can ban together and make  
7           something like that happen, sure.

8                   MR. MURPHY: Commissioner, the only  
9           thing I wanted to add to that was -- and  
10          thanks, Paul, for that rare compliment.  
11          That comes, I guess. But I think one of  
12          the really important things is not only do  
13          the 28 local business owners invest in  
14          something, yes, inspired no doubt by MGM's  
15          presence but really in the City of  
16          Springfield, because it's a separate  
17          standalone business.

18                   But I think as importantly, each and  
19          every investor as we talked with them and  
20          gave them the presentations was with the  
21          understanding that, unlike the prior owner  
22          who had every right to take advantage of a  
23          profit opportunity, he sold the team for a  
24          profit and made significant money, which is

1 a great idea. But our discussions were  
2 very clear that this should be a very  
3 long-term investment. That we wanted to  
4 build this team long-term. That we were  
5 doing this mostly because it was the right  
6 thing to do for the city. That having been  
7 said, we also wanted to be profitable and  
8 healthy and here for a long time.

9 But I think it's important for the  
10 Commission and this community to know that  
11 the reason why it was structured like that,  
12 many of the owners had the ability to buy  
13 the team or a much smaller or even an  
14 individual group. But it was done so and  
15 structured so so there was stability in  
16 this picture for a very, very long-term  
17 investment, and so that the fans and this  
18 community can start to rely on that  
19 picture.

20 CHAIRMAN CROSBY: Just one last  
21 question. There is in a hockey team there  
22 must be something like 50 players and  
23 professionals, something like that that  
24 come in. Where are they living?

1 MR. PICKNELLY: I'm proud to say  
2 that most of them are staying in the  
3 Sheraton Springfield.

4 CHAIRMAN CROSBY: All right.

5 MR. PICKNELLY: There are some --  
6 you know, the coach has purchased a home  
7 here locally. The assistant coach has  
8 rented a home here locally. Some of the  
9 players are actually living in downtown  
10 Springfield in some apartments above a  
11 couple of restaurants in Stern Square. So  
12 they are active in our downtown community  
13 on a regular basis.

14 We also are the only American Hockey  
15 League franchise in the country now that  
16 has its own television show that we produce  
17 every other week, and it shows what the  
18 Springfield Thunderbirds are doing to our  
19 community. And we film that every other  
20 week, and it's showed here in the arena.  
21 It's also shown on a pod cast and online of  
22 how the Thunderbirds are coming into the  
23 local hospitals or the food shelters and so  
24 forth and trying to embrace our community,

1 which is really a big part of what we're  
2 attempting to do as well.

3 CHAIRMAN CROSBY: Great.

4 MR. PICKNELLY: And not to be  
5 negative to the previous owner, but the  
6 previous owner was a gentleman who lived in  
7 Florida six months of the year and the  
8 other six months of the year he lived  
9 out-of-state as well. So he was rarely  
10 here in Springfield. I think he didn't  
11 have direct connections like the 28 owners  
12 do in Springfield, and I think that that  
13 clearly makes a difference. Plus he didn't  
14 have a casino behind him.

15 CHAIRMAN CROSBY: Great.

16 COMMISSIONER CAMERON: Thank you.  
17 Great story. Thanks for sharing.

18 MR. MATHIS: You don't know how  
19 close you were to missing your families.  
20 One more Thunderbird question and we would  
21 have been here for the night because Paul  
22 is passionate, as he should be, and it's  
23 infectious. Thanks, Paul.

24 COMMISSIONER CAMERON: Thanks.

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COMMISSIONER MACDONALD: Thank you.

MR. MATHIS: We are bringing the rest of the team up. You know, if I can, while the rest of the team is coming up and we're changing out presentations, I just want to acknowledge a new member of our team and is topical considering what we were just talking about but, Barry Borowski, if you could stand up. Barry heads up our planning and development team. You saw him out on the site.

He has 21 years of experience with the company, and he is rolling off of our National Harbor project really essentially coordinating construction, design and operations. Because often we design and build components of the project for operators that won't be there for a couple of years, and he makes sure to fill that gap and that bridge of knowledge.

One of the great things about Barry is his excitement and passion to really get involved in the project early. He's secured an apartment in downtown

1 Springfield, as well as space for the rest  
2 of our interior design team. So we're  
3 going to build momentum and I envision one  
4 day a floor and then potentially multiple  
5 floors of MGM Springfield folks that are in  
6 a station life where they can be downtown  
7 and be in an apartment and start to build  
8 some of the energy. So we're bringing some  
9 of this excitement, I think, downtown with  
10 some really great people.

11 COMMISSIONER CAMERON: Thanks.

12 MR. MATHIS: So with that, I want to  
13 hand it off to Brian Packer to talk about  
14 where we are with the construction site,  
15 and its fantastic progress as you've seen.  
16 He's our vice president of design and  
17 construction.

18 MR. PACKER: Good afternoon,  
19 Commissioners, Chair.

20 COMMISSIONER STEBBINS: Good  
21 afternoon.

22 COMMISSIONER ZUNIGA: Good  
23 afternoon.

24 COMMISSIONER CAMERON: Good



1                   afternoon.

2                   MR. PACKER: We are going to walk  
3                   through last quarter, which after the tour  
4                   this morning may feel a little  
5                   anti-climatic, but we'll walk you through  
6                   how we got where we are today and some of  
7                   the important groundwork we layed over the  
8                   summer to be able to really move forward  
9                   with steel and earnest as you can see out  
10                  there right now.

11                  So at the beginning of the quarter,  
12                  we were essentially still in major earth  
13                  work and beginning of foundations. And on  
14                  the next slide, you can see by the end of  
15                  the quarter filling in with approximately  
16                  --

17                  CHAIRMAN CROSBY: Excuse me, one  
18                  second, Brian. Mike, can you put the full  
19                  screen with the -- yes, there you go,  
20                  great.

21                  MR. PACKER: And then by the end of  
22                  the quarter, we see really working up to  
23                  about 40 percent of the slab on grade  
24                  completed. The goal being all along kind

1 of in stages how we talk about the project  
2 and once we had the sandbox getting cleared  
3 and a new mission being built, the next  
4 thing that you're kind of looking at here  
5 is coming into this winter can we get slab  
6 on grade completed so we can really be  
7 flying steel in in-climate weather, if  
8 needed and this site really is not in a  
9 mess. And sometimes you can get the steel  
10 in prior to the slab. But in this case,  
11 you know, our goal was to try to complete  
12 the slab before winter and we're well on  
13 our way for that.

14 From the aerial views, you can see  
15 the comparison both slides. Not only is  
16 the slab on grade making headway, but you  
17 also see the garage footprint starting to  
18 clean up, the garage ramp starting to take  
19 shape and the beginning of the precast  
20 assembled along Union.

21 So here are a few shots -- action  
22 shots of the garage construction, the  
23 precast along Union. The garage will be  
24 constructed. And as you can see today, you

1 go the full height along Union and then  
2 we're working our way back towards MGM Way.  
3 And right now we're on sequence 12 out of  
4 20 something sequences. So we're a little  
5 bit over a third done with the precast  
6 direction.

7 MR. MATHIS: Hey, Brian, if I can,  
8 let me just give a reminder to Commission.  
9 This is a quarterly report. So you're  
10 always a couple of months behind on the  
11 photos. I just wanted to for the  
12 audience's purposes we're obviously much  
13 farther along at this point today than what  
14 the photo reflects as to the end of  
15 September.

16 MR. PACKER: 73 State, the progress  
17 on that building. If you remember last  
18 quarter, we had just completed the  
19 segmentation and now we have the back end  
20 of it enclosed and waterproofed and ready  
21 until the steel frame can come in and  
22 connect for the permitting condition.

23 Made a lot of progress on  
24 Union/Chandler. Just really getting that

1 facade segmented standing on its own with  
2 the steel skeleton along Main Street. We  
3 also saw today some of the new steel coming  
4 in and getting fairly close to connecting  
5 to that skeleton.

6 In the upper left on the Armory, I  
7 think most of you I believe had been in the  
8 Armory, we have since cleaned it out. And,  
9 so, we had an all women crew assist us in  
10 performing that demolition and cleanup.  
11 And I was just in there two weeks ago, and  
12 it's a much different atmosphere when you  
13 don't have all of the debris and, you know  
14 --

15 CHAIRMAN CROSBY: Pigeon roost.

16 MR. MATHIS: Let's be gentle.

17 MR. PACKER: Yes, pigeons and, you  
18 know, almost a flea market type setting in  
19 there. Now everything is cleaned out. So  
20 when we get that programming for the  
21 Armory, moving forward with the interior  
22 construction will go a lot easier that we  
23 were able to get that couple of months of  
24 work out of the way.

1                   Just a couple of more shots of the  
2                   Union/Chandler work and segmentation. And  
3                   I think it's interesting to point out in  
4                   the back of the facade where you see the  
5                   green board and some of those vertical  
6                   stacks there's some of the old fireplace  
7                   that were in those rooms.

8                   Just graphically I think this gives  
9                   you a pretty good idea for the quarter how  
10                  we made progress with foundations and you  
11                  really see the whole site, you know,  
12                  whether it's compaction activities, pouring  
13                  actual foundations or slab on grade, you  
14                  see how that all fills in.

15                 A lot of times you see a finished  
16                 slab, slab on grade for the casino floor  
17                 and a lot of folks don't understand all the  
18                 work that goes underneath it before we're  
19                 able to make that final pour. So on the  
20                 left-hand side, you can see, you know, a  
21                 lot of the electrical runs, low voltage  
22                 runs, a lot of these runs that will feed  
23                 your slot machines being placed underground  
24                 prior to slab.

1                   And then on the right between the  
2                   church and where Dave's Furniture is, this  
3                   is part of our storm water management  
4                   program. Majority of the site storm water  
5                   heads towards Union Street. And prior to  
6                   being able to go into the storm system in  
7                   Union, it must run through this very large  
8                   basin that's underground. It will be under  
9                   the parking lot. That will be the surface  
10                  parking. That will be in that area. And  
11                  you can literally walk without ducking  
12                  through this system. So a lot of capacity  
13                  for rainwater and storm in this wall. That  
14                  was another key piece of work we really  
15                  wanted to get complete before this winter.

16                  The crane erection obviously a very  
17                  large milestone for us, exciting milestone,  
18                  over 200 feet in the air. And as you can  
19                  see today, logistically this really set us  
20                  up nicely for being able to unload large  
21                  delivery items from MGM Way. So literally  
22                  a truck can come down East Columbus, turn  
23                  onto MGM Way and make then a left-hand turn  
24                  towards State Street and sit right there,

1           be unloaded it quickly and then be able to  
2           leave. So very efficient placement in  
3           terms of construction logistics of where  
4           the crane is and what it helps support.  
5           Obviously you can also see when you were  
6           out there today, this allowed for all that  
7           steel erection in that area to move forward  
8           quickly.

9                     Quick design update on some  
10           milestones that we hit. On the parking  
11           garage as we're moving ahead, addendum four  
12           was issued. A lot of the addendums, one  
13           through four, were picking up review  
14           comments that came through either the site  
15           plan process or city review process on the  
16           garage, the esthetic panels on the outside  
17           and just minor coordination as it related  
18           to our approvals.

19                    Podium corn shell deltas two and  
20           three were also issued mainly catching up  
21           on certain steel coordination items around  
22           convention centers, and those areas that  
23           have additional support steel for air walls  
24           and banquet areas that you would actually

1 see in this room.

2 95 State where Mike's offices will  
3 eventually be. Couple of things we had to  
4 do in 95 State. One is get the bid package  
5 for those offices out on the street for  
6 bid, and they are out right now and get 95  
7 State winterized. So in that period  
8 between bid time and this winter, we  
9 weren't going to have issues with that  
10 vacant building. So just trying to get it  
11 buttoned up, temporary heat, get that  
12 building at least tempered so that in the  
13 winter we can move forward with the  
14 construction.

15 And then off-site, we have an area  
16 where before we construct a lot of these  
17 things in bulk, like hotel rooms, we do  
18 like to have a model room where we work  
19 through all the kinks before we go onto the  
20 field and start with the real deal. So,  
21 we've issued our model room drawings that  
22 are currently getting worked on and  
23 coordinated.

24 Schedule, we owed you three updates



1 each month. One was we full-filled in the  
2 beginning of August, one was at the end of  
3 August and then September 30th was the last  
4 update. Nothing substantial to note in  
5 terms of opening date or activities. Still  
6 on track for September of '18. With that,  
7 I'll turn it over to Seth to speak about  
8 the --

9 CHAIRMAN CROSBY: And the I-91  
10 project is apparently on or ahead of  
11 schedule as well, right?

12 MR. PACKER: Yes. Our staff meets  
13 with MassDOT folks every two weeks. It's a  
14 collective meeting with some communities  
15 that representatives that all come and all  
16 indications are that that's definitely on  
17 schedule, if not ahead of schedule.

18 CHAIRMAN CROSBY: And what  
19 consequence, if any, are you feeling of the  
20 labor market pressures and just the general  
21 pricing pressures that we hear about?

22 MR. PACKER: Starting to see them  
23 recently, maybe not in the quarter we're  
24 speaking about, but recently we are seeing

1 if I'm going out to bid to six bidders, you  
2 may have two or three drop-off due to  
3 market conditions and being too busy.

4 CHAIRMAN CROSBY: Really.

5 MR. PACKER: Yes. And we've got  
6 anywhere from seven to ten packages out  
7 right now, and that's some of what we're  
8 seeing. The pricing is yet to be leveled  
9 on that. But usually when you see that  
10 type of thing, you will see an increase in  
11 pricing. But I can't verify it yet  
12 probably until next quarter, but folks are  
13 busy.

14 CHAIRMAN CROSBY: Is that something  
15 that we need to be thinking about or being  
16 concerned about that that inflation -- I  
17 mean, you guys have fought very hard to try  
18 to keep this at a price point that you feel  
19 comfortable with. And we have been, as the  
20 city has, fundamentally supported of that  
21 contingent upon doing all the things you  
22 said you were going to do. But that's, you  
23 know, a real world problem. Is that  
24 something --

1                   MR. PACKER: I think in our  
2                   scenarios from day one we are considering  
3                   that how we are going to purchase the job.  
4                   And so we've looked at things like  
5                   restaurants. Maybe the restaurants aren't  
6                   fully build-out by the team that's in place  
7                   today, but those restaurants are  
8                   competitively bid to smaller folks that can  
9                   expand our -- kind of our market share and  
10                  who's coming and working on our project.

11                  So a lot of the time, it's how do  
12                  you just tap into those additional  
13                  resources who can do a smaller project,  
14                  maybe even do it more efficiently and  
15                  aren't distracted by everything else. So  
16                  fairly soon, you know, probably in the  
17                  spring, towards the end of the spring, a  
18                  lot of the packages won't be trade  
19                  packages. So we won't be talking about  
20                  electrical or drywall for the main project.  
21                  We're going to be talking about cinema,  
22                  restaurant A, restaurant B.

23                  And when you can drive competition I  
24                  think through the general contractors down

1 to many more subcontractors, that helps us  
2 at least know we're getting the best buy as  
3 well as resources that can handle it, and  
4 I'm not tapping into the same folks that  
5 are building our convention center. So we  
6 try to look at that from the beginning.  
7 The project in my head is one project, but  
8 it has 19 separate distinct projects and  
9 that's how we try to attack it.

10 CHAIRMAN CROSBY: Pushing down to  
11 smaller contractors and smaller bites is  
12 obviously advantageous from other  
13 standpoints as well in terms of local  
14 companies and so forth. But I think it's  
15 something we all need to just keep in our  
16 minds, Joe and John, and everybody. Okay,  
17 great.

18 MR. STRATTON: Thank you, Brian.  
19 Thank you, Commissioners. One of the  
20 exciting things about me for Q1 of 2017 is  
21 that we'll have our CFO on board in 2017.  
22 So I'll have to stop pretending that I know  
23 how to do math and present budget to you  
24 folks. So you will get a more competent

1 representative.

2 But until then, here is the Q3 2016  
3 cost estimate updated through the end of Q3  
4 that what it shows is just under \$300  
5 million incurred to date against with just  
6 under \$700 million remaining to be spent  
7 during our pre-opening period.

8 A couple of points I'll just point  
9 out. We're showing now this reflects an  
10 additional \$50 million of spending over the  
11 end of Q2. It also -- what we are seeing  
12 is that in the construction spending, which  
13 is really our eligible capital cost, we've  
14 now exceeded \$100 million. That's up  
15 approximately just over \$40 million from  
16 the end of Q2 last time we presented to the  
17 Commission.

18 And the other number that's moved  
19 not quite as much but significantly is the  
20 pre-opening expense line item, which is up  
21 approximately \$5 million, just over  
22 \$5 million from the end of Q2. Questions?

23 COMMISSIONER STEBBINS: Seth, I have  
24 a question for you. Under land you are

1 showing a remaining balance about million  
2 eight. Is that just over budgeted or is  
3 there some land you're still anticipating  
4 purchasing?

5 MR. STRATTON: Short answer is over  
6 budget. I think it was the initial  
7 budgeting for the land acquisition that  
8 came in slightly under. I think there are  
9 some costs that may still -- that have  
10 already been expended. Small amounts might  
11 eat away at that \$1.8 million as the  
12 accounting continues. But we don't  
13 anticipate further spending, further  
14 significant spending under that line item.

15 COMMISSIONER ZUNIGA: Seth, remind  
16 me what is OST in this chart?

17 MR. STRATTON: Ownership Supply  
18 Equipment?

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

20 COMMISSIONER ZUNIGA: Thank you.

21 MR. STRATTON: And with no further  
22 questions, I'll pass it back to Brian.

23 MR. PACKER: So we'll take you  
24 quickly through the diversity update. Many

1 of the percentages shared here today are  
2 consistent with last quarter. I think  
3 there's a couple of important things to  
4 note. One is on the first slide here  
5 that's combined design and construction  
6 commitments now 90 companies to date have  
7 commitments on the project. And there's a  
8 lot of projects we build and we work on  
9 that you would never see 90 diverse  
10 companies this early in the project have  
11 commitments.

12 CHAIRMAN CROSBY: 90. I'm amazed  
13 you have 90 companies in the whole project.

14 MR. PACKER: So there's a lot of  
15 hard work that has gone into that. I think  
16 doing quick math a commitment of looks like  
17 here a little over \$54 million to these  
18 different companies, and that's something  
19 that we will continue to work on as we go  
20 forward but speaks to, you know, really to  
21 hit these commitments how much work has to  
22 go into this.

23 The quick stats on project goal for  
24 women in business at 10 percent and care

1 and commitments at 13.4, MBE is 5, care and  
2 commitments at 6.2 and VBE is at 2 percent  
3 target and 6.4 committed so far.

4 CHAIRMAN CROSBY: That's great.

5 MR. PACKER: And I know there's  
6 always an interest in breaking it down a  
7 little bit further a subset of those same  
8 numbers how does it stack in design and  
9 consultant companies versus the actual  
10 construction commitments.

11 So the design breakdown on WBE is  
12 10, target 12.2 commitment, MBE 5 target,  
13 care and commitment over 11 percent and VBE  
14 2 percent of the commitment is over  
15 4 percent.

16 MR. MATHIS: Brian, can you go back  
17 one?

18 MR. PACKER: Sure.

19 MR. MATHIS: If I could just pause  
20 on this for a moment and I'll do this every  
21 quarterly update, because I know the work  
22 it does it takes for him to achieve these  
23 numbers. We're starting to get into a  
24 funny routine where every time we prepare



1           for one of these presentations, Brian warns  
2           me to try to warn the Commission that we're  
3           not going to continue the run rate we're  
4           doing. And I think we're starting to lose  
5           credibility, at least he is with me,  
6           because we keep knocking the ball off the  
7           cover quarter after quarter, and it's  
8           nothing short of remarkable and he really  
9           should be commended for that.

10           CHAIRMAN CROSBY: Absolutely.

11           MR. PACKER: I think what you look  
12           at and say, hey, as we get further into  
13           construction and once your commitments,  
14           initial commitments are done and change  
15           orders roll in, we have less control to  
16           dictate the diverse percentage of change  
17           orders, right. So you're trying to buildup  
18           the bank so that when maybe there's less  
19           diverse change orders to come in, you're  
20           still able to meet your commitments, and  
21           we're trying to be ahead of that curve.

22           MR. MACDONALD: Brian, can you speak  
23           briefly to, you know, how you've done it;  
24           what's the strategy you've implemented that

1 allows you to achieve these very impressive  
2 milestones?

3 MR. PACKER: One is I have a great  
4 team, Chalan Brown, Jason Roswell. They  
5 really have taken a lot of the things that  
6 early on we talked about here, things that  
7 we learned on other projects that we have  
8 done and really been able to run with it.

9 One of them is, you know, early on  
10 here everyday folks would e-mail us asking  
11 questions, you know, how do we get on the  
12 project, how do we -- and so you're kind of  
13 being hit from multiple community groups,  
14 multiple interests.

15 And Chalan has done a great job of  
16 working and actually spearheading creating  
17 the Community Partners Network, which I  
18 believe is up over 20 or 25 different  
19 community groups that now get together and  
20 all meet at one time and collectively talk  
21 about how they can help us, how we can help  
22 them. And then also how does the network  
23 move beyond MGM Springfield and, you know,  
24 stay in place after that.

1                   And, so, opening dialogue between  
2                   not only ourselves and the community but  
3                   then really setting up that working  
4                   dialogue monthly to address a lot of the,  
5                   you know, grass root items that have to be  
6                   addressed when you're dealing with  
7                   diversity. How do you join a union? How  
8                   can we help somebody join the union? There  
9                   are certain criteria you need.

10                   If someone doesn't have a GED,  
11                   can -- we've hooked them up with a  
12                   community group who helps do that. And so  
13                   really that effort, that daily effort that  
14                   Chalan and Jason live is really important  
15                   to this. And then it's we can't do it  
16                   ourselves, so relying on a lot of our  
17                   community partners has been huge.

18                   And then we won't read them all off,  
19                   but I always like to give kind of an idea  
20                   of where a lot of these companies are being  
21                   sourced from. And while in the design and  
22                   consulting side, you may see more from  
23                   out-of-state or out of the area. I still  
24                   think we've done a fairly good job of

1 getting regional companies to participate,  
2 and then on the construction side as well.

3 And, you know, all of this is in a  
4 competitive bid environment and really to  
5 have that representation has actually  
6 surprised me a little bit that when you  
7 look at how many companies are from the  
8 region, Massachusetts, Connecticut and not  
9 scattered throughout the United States,  
10 it's been interesting.

11 On construction commitments, WBE  
12 target of 10, current commitments at 13.6  
13 and MBE 5, care and commitments are at 5.1.  
14 We hope to announce a significant award  
15 there next month -- next quarter. And then  
16 with Veteran 2 percent and, again, over 6  
17 percent.

18 And then on construction companies  
19 that have commitments, we have spent money  
20 with a given company to date. I've also  
21 highlighted those names in green. So you  
22 can get an idea of not only who has a  
23 commitment but who actually has already  
24 worked on the project.

1                   And the last piece of our  
2                   commitments, workforce statistics. So this  
3                   is where we're tracking workers and hours  
4                   worked everyday and then tracking that  
5                   percentage against women, minorities and  
6                   Veterans that are in the workforce. So the  
7                   project goals for women are 6.9 percent  
8                   project to date, 9.3 percent, minority  
9                   15.3, current project has been 26.2. And  
10                  then Veteran at 8 percent, project to date  
11                  has been 9.4 percent.

12                  So, again, here tracking but, you  
13                  know, everyday we just started actually  
14                  through certain badging systems and  
15                  databases, we try to get a report everyday  
16                  of how are we doing against these numbers.  
17                  Because when you have trades coming in and  
18                  out as quickly as you do on the project,  
19                  one day you might have a drywall company  
20                  who is knocking it out of the park. The  
21                  minute they are off the project, it exposes  
22                  other folks that aren't. We now get a  
23                  daily report where we can at least get a  
24                  sense of where the project is.

1                   And, for instance, last night I read  
2                   yesterday's report and one of the  
3                   categories was negative for the day. So I  
4                   was able to call the superintendent this  
5                   morning and ask him to tell me by tonight  
6                   why that was an issue. So that live data  
7                   can kind of help drive, you know, hitting  
8                   these numbers.

9                   CHAIRMAN CROSBY: And so does the  
10                  follow-up phone call.

11                 MR. PACKER: Yes.

12                 CHAIRMAN CROSBY: Great. These are  
13                 incredible.

14                 MR. PACKER: And then we just put in  
15                 a few shots here for just some current site  
16                 progress, which really reflect what you saw  
17                 this morning. So one event I will note was  
18                 we removed the sky bridge as it connected  
19                 95 State and 101. And for me that was --  
20                 obviously, you know, you think of safety.  
21                 You think of timing. We did work on it  
22                 over the weekend and the guys were able to  
23                 get both bridges out, safe and to the  
24                 ground, cleaned up and out there before

1 work started again Monday. So that was Peo  
2 Monsini, who we call the demo boss. This  
3 will be one of has last kind of moments  
4 where he is, you know, handling demo on the  
5 project and it was flawless. So with that,  
6 Mike, I'll turn it back to you.

7 CHAIRMAN CROSBY: Anybody else for  
8 Brian?

9 COMMISSIONER CAMERON: Excellent  
10 numbers. Good work.

11 MR. MACDONALD: Very impressive.

12 MR. PACKER: Thank you.

13 MR. MATHIS: Just in closing, I want  
14 to talk about some of the things as Brian  
15 and his team are building the building, our  
16 team is building the organization. And one  
17 of the things we're very focused on is  
18 workforce development. Commissioner  
19 Stebbins and Director Griffin have seen  
20 those efforts both at National Harbor,  
21 which will be a preview of what we'll do  
22 getting closer to our opening.

23 But really starting here locally, we  
24 kicked off our workforce development launch

1 with our skill smart program, which we  
2 talked to you in the past. And we know we  
3 owe you information on that. We're trying  
4 to get momentum on the launch and start  
5 collecting data so that we can start  
6 reporting back.

7 But as you recall, that's our tool  
8 to track geographically diversity skill set  
9 wise where we're at with applicants. You  
10 need a large poll of applicants that  
11 they'll telegraph to you where you're going  
12 to find your actual hirers. So we can know  
13 early on as our way to manage our hiring  
14 commitments before the first job gets  
15 posted by the number of folks we have in  
16 our system that have expressed an interest.

17 It was a really exciting launch. We  
18 had a room full of largely local  
19 Springfield folks, very diverse group of  
20 people that were learning about  
21 opportunities and engaging in the platform,  
22 so very focused on workforce development.

23 And sort of lastly, one of our areas  
24 of focus is on the retail side. And I know



1           there is a lot of interest in what those  
2           spaces like look on the F and B side and on  
3           the retail side. For competitive reasons,  
4           you know, we have to keep some of that  
5           secret sauce until later on as we do our  
6           launch, our pre-market launch.

7                         But some of the excitement that you  
8           heard about from our local business groups  
9           were feeling in terms of phone calls, you  
10          know, I'm glad we didn't pull a trigger on  
11          our retail space a year ago because we've  
12          got five times more the calls, and they are  
13          fresher and more exciting opportunities.  
14          So I will be leaving this meeting and  
15          meeting with one of those vendors, which is  
16          a really exciting opportunity.

17                         So those are works in progress, but  
18          workforce development and our leasing up is  
19          where are focus is right now on the  
20          organizational side.

21                         COMMISSIONER CAMERON: Does having  
22          those -- you just talked about the diverse  
23          group you had at this early meeting, event,  
24          launch. Part of that is giving people time

1 to understand what the opportunities are  
2 and if they need additional skills and  
3 education, they have some time.

4 MR. MATHIS: Yes. Maybe we can  
5 tag-team this Commissioner Stebbins and I  
6 but that's exactly right. One of the key  
7 partners in that launch was our local  
8 community colleges. And what we've done  
9 with that skill smart platform is link jobs  
10 with certificate programs, so that you can  
11 go on as an applicant, describe your  
12 educational experience, describe the --  
13 look at the jobs you're interested in and  
14 they will tell you whether you qualify or  
15 not, which is pretty standard, but then  
16 also give you a map of how to qualify.

17 And those programs are already  
18 linked. We created more and more of them  
19 over time. People can apply for them now.  
20 They're largely one year certificate  
21 programs, so we have some time. But we're  
22 less than two years out and some of those  
23 are closer to 18 months, two years, so  
24 people need to be out there. Some are

1 already in those programs.

2 COMMISSIONER CAMERON: Great.

3 COMMISSIONER STEBBINS: Yes. There  
4 was Director Griffin and I had a chance to  
5 attend the opening session and I came back  
6 for, I think, one of their final sessions  
7 and what impressed me was the energy of the  
8 MGM folks and the skill smart folks to  
9 keep, you know, the perspective employees  
10 engaged and excited about this process was  
11 just at the same level as it was the  
12 opening day. But, you know, a lot of  
13 questions, a lot of people excited about  
14 it.

15 And I enjoyed seeing the fact that  
16 you ran these sessions kind of throughout  
17 the area but also kind of brought people  
18 back down here and, you know, couple of  
19 people said, "Why do I have to come to  
20 Springfield?" It's like you're going to be  
21 working across the street. You have to  
22 start to get used to it. But, you know,  
23 the turnout was great. The enthusiasm was  
24 great, and we're anxious to kind of see the

1 numbers and see where some of the  
2 deficiencies are.

3 MR. MATHIS: That's right.

4 CHAIRMAN CROSBY: Anybody else? I  
5 know your staff is working with our staff  
6 on this but this issue about the extent to  
7 which a 10 year bar for people with felony  
8 convictions from non-gaming jobs is one we  
9 continue to wrestle with. And any data  
10 that you can get on that to the extent to  
11 which that is an issue or not, any time you  
12 get it, don't stand on a ceremony. We're  
13 just interested in feedback on that issue  
14 anytime you get it.

15 MR. MATHIS: Yes. Thank you for  
16 raising that issue, and I know it's a  
17 complex issue and we're trying to balance  
18 collectively as a group delivering on the  
19 economic development, delivering on the job  
20 opportunities but maintain the integrity of  
21 our industry. So that's not lost on us.

22 We are working on the data. Your  
23 staff has been fantastic and made a  
24 commitment to work with us on that. One of

1 the complications in this area is getting  
2 to the data, especially as a private  
3 employer. So we're going to noodle on that  
4 shortly and continue to meet on that. And  
5 we will come back to you with our thoughts  
6 on it, and I think it's just an important  
7 discussion. You need to have it. I don't  
8 think there's necessarily an easy answer,  
9 but we're all trying to do the right thing  
10 on all those objectives.

11 CHAIRMAN CROSBY: Good. Anybody  
12 else? Great, thank you very much. Great  
13 report, great to be here.

14 MR. MATHIS: Have a good rest of the  
15 year if we don't see you.

16 COMMISSIONER CAMERON: Yes, you too.  
17 Thanks, impressive.

18 CHAIRMAN CROSBY: Santa Claus is  
19 going to come to Springfield this year.  
20 We'll take a quick break and then reconvene  
21 with the Ombudsman.

22  
23 (A recess was taken)  
24

1 CHAIRMAN CROSBY: We are ready to  
2 reconvene public meeting number 205 at  
3 about 1:30. Ombudsman Ziemba.

4 COMMISSIONER ZUNIGA: No, 2:30.

5 MR. ZIEMBA: Mr. Chairman,  
6 Commissioners, the second item up for  
7 consideration today is the potential  
8 finalization of the 2017 Community  
9 Mitigation Fund guidelines. As you're  
10 aware, the Commission has spent some  
11 significant time evaluating the program  
12 going into next year. We've met three  
13 times, October 13th, November 7th,  
14 November 10th.

15 In addition, we've had two meetings  
16 with each of the local Community Mitigation  
17 Advisory Committees for Regions A and B and  
18 the subcommittee on community mitigation.  
19 Further, we conducted a public comment  
20 period, which just ended on Monday  
21 November 27th -- 28th, I believe.

22 The comments have been included in  
23 your packets. Many of you attended  
24 multiple of these advisory sessions

1            throughout the last couple of months. The  
2            draft before you reflects many of the ideas  
3            that we have heard over the course over the  
4            last couple of months. However, I think  
5            the Commission would benefit from  
6            reflecting on the comments received earlier  
7            and the comments of the subcommittee at the  
8            subcommittee community mitigation meeting  
9            on Tuesday.

10           All of these meetings were useful  
11           both in explaining the thinking that went  
12           into the drafts of this year's guidelines,  
13           the questions that we had in putting  
14           together the guidelines and for hearing  
15           thoughts on all of these issues.

16           Given the number of representatives  
17           at all of the meetings, it's difficult to  
18           say that any ideas or concerns were shared  
19           by all of those representatives. However,  
20           I can highlight some issues that resulted  
21           in very significant dialogue in all of  
22           these meetings.

23           There was advice by parties that the  
24           Commission should be cautious in its early

1 spending given the more significant impacts  
2 and potential more impacts that might be  
3 more easily ascertainable closer to when  
4 the facilities are open. Next there was a  
5 general level of enthusiasm in the concept  
6 of a job readiness program. However, there  
7 was a slight caution that the program may  
8 not be as clearly within the parameters of  
9 the Community Mitigation Fund but there  
10 was, in essence, a lot of excitement about  
11 the program.

12 One other general concern is how  
13 grant allocations are made by region and  
14 how they will track funds that are  
15 generated in each region by the gaming  
16 facility. Overall, there was a concern  
17 that we worked to ensure that the needs of  
18 the regions are met.

19 At the subcommittee and the  
20 community mitigation meeting, which  
21 included representatives of the host  
22 communities and the representatives of the  
23 surrounding communities, the members  
24 unanimously agreed to a number of



1 recommendations that closely followed the  
2 staff recommendations that were put forward  
3 to the Commission in the development of the  
4 draft that is up for consideration today.

5 Such recommendations included that  
6 the Commission may place an overall limit  
7 on grants for the 2017 Community Mitigation  
8 Fund subject to the ability of the  
9 Commission to determine funding limits  
10 above or below this amount.

11 The Commission may continue to  
12 allocate significant funding for grants,  
13 for transportation planning grants. The  
14 Commission may place a per grant limit for  
15 the 2017 specific impact awards at 400,000.  
16 The Commission may specify factors that it  
17 and the staff will utilize in evaluating  
18 competitive grants. The Commission may  
19 state that the Community Mitigation Fund  
20 will fund no application for more than two  
21 years for any municipal employee, and that  
22 the CMF will not pay the full cost of any  
23 municipal employee.

24 The Commission may not provide

1 grants involving private parties without  
2 significant matching funds from either the  
3 community or the licensee. The Commission  
4 may not authorize fund requests related to  
5 utility outages such as the mitigation of  
6 business interruptions from the CMF.

7 The Commission may make available no  
8 more than \$200,000 in technical assistance  
9 funding to assist in the determination of  
10 potential impacts that may be experienced  
11 by communities and proximity to the  
12 potential travel gaming facility in  
13 Taunton. And the Commission may provide  
14 funding of \$200,000 for two pre-employment  
15 programs, one in Region A and Region B for  
16 work readiness pilot initiatives.

17 I'm just going to turn to Jill just  
18 briefly to give a little more detail about  
19 how that was flushed out over the last  
20 month or so.

21 MS. GRIFFIN: So the pre-employment  
22 grant program is intended to mitigate a  
23 strain in existing resources and potential  
24 impact to the regional labor market. For

1           example, the Regional Employment Board of  
2           Hampden County has done a study that  
3           indicates 1,700 job vacancy in the county  
4           in food prep and related occupations and  
5           imagine when a casino opens hiring  
6           thousands of people. So the intention is  
7           to mitigate those types of resources. The  
8           focus is on helping low skilled adults  
9           obtain well-paying jobs and sustaining  
10          careers and occupations related to the  
11          casino.

12                        So this effort will not only support  
13          the casino's efforts in the long-term but  
14          may probably have more impact on the  
15          regional labor market that has the  
16          potential to be impacted. But we intend  
17          that this to be a regional collaborative  
18          approach.

19                        MGC staff believes that putting  
20          funds out early to encourage different  
21          municipalities and career centers and  
22          regional employment boards and other  
23          interested parties to work together will  
24          begin to ramp up efforts and programs in

1 the years to come.

2 And as John mentioned, the  
3 mitigation subcommittee saw real value in  
4 funding a pre-employment training program  
5 and also mentioned subsequent efforts of  
6 years two and three as potential. And I  
7 would just say that our interest is not  
8 funding a study but really funding a real  
9 program that starts to train people right  
10 away and starts to get folks ready for  
11 hospitality-related careers or other  
12 careers related to casinos.

13 MR. ZIEMBA: Thank you, Jill. Just  
14 to continue on with some of the  
15 recommendations. The subcommittee also  
16 agreed with the staff recommendation that  
17 we should just extend all of the reserves  
18 again into next year automatically without  
19 requiring any additional application from  
20 those communities that have a reserve and  
21 that the Commission may state that the cost  
22 of the preparation of a grant application  
23 cannot be funded by the Community  
24 Mitigation Fund.

1                   Now, the group differed from the  
2                   staff recommendation on the amount of  
3                   funding for next year. The subcommittee  
4                   group and indeed a lot of the testimony  
5                   during the local community mitigation  
6                   advisory committees both in the east and  
7                   the west they urge caution, as I mentioned,  
8                   in the spending levels for this upcoming  
9                   year.

10                   The subcommittee group recommended a  
11                   funding level of \$3.4 million next year for  
12                   the program versus 4.0 recommended by the  
13                   staff. This reflects the cautious  
14                   approach. Although the group recommended  
15                   that the overall amount should be  
16                   decreased, they recommended that the  
17                   \$800,000 amount for transportation planning  
18                   grants recommended in the draft should not  
19                   change despite the fact that the  
20                   transportation planning grants percentage  
21                   of grants would increase.

22                   The group also recommended that in  
23                   evaluating applications, the Commission  
24                   should be cautious in using the provision

1 of matching dollars by a community as a way  
2 to measure applications against each other.  
3 They noted that this should only be a  
4 factor in measuring planning grants against  
5 each other. The group was also asked about  
6 whether the recommended dollar limits  
7 included in the staff draft should be seen  
8 as hard and fast limits or they should be  
9 viewed more like guidelines.

10 I took from the meeting and meetings  
11 that members understood the need to have  
12 standards, but they expressed that the  
13 Commission really needs flexibility in  
14 evaluating applications.

15 In regard to the written submissions  
16 that we received earlier this week, there  
17 were a number of parties that expressed  
18 that the plan \$200,000 total for the  
19 employee readiness pilot program is  
20 insufficient, and that this funding should  
21 be increased to \$400,000 or 500,000 for the  
22 two programs and that the overall limit of  
23 the program the fund -- the total fund for  
24 next year should also increase.

1                   We also received a comment from  
2                   Mayor DeMaria that we should fund small  
3                   transportation capital projects, not just  
4                   the planning and design of transportation  
5                   projects. We also received a comment that  
6                   the 400K threshold for specific impacts  
7                   should be seen more as a guideline rather  
8                   than a strict limit.

9                   Further, we received support for a  
10                  potential technical assistance program in  
11                  Region C. There was the suggestion that  
12                  funds should be made available to create  
13                  reserves both in the tribal facility host  
14                  community and the surrounding communities.

15                 Commissioners, in your packet you  
16                 will see a copy of our job guidelines.  
17                 Most of the changes that I've included in  
18                 your guidelines are merely cleanup changes  
19                 that don't deviate substantially from what  
20                 was previously discussed by the Commission.

21                 You'll note that we limited the  
22                 reach of the significance of matching funds  
23                 as one of the criteria to determine funding  
24                 decisions. We limited that to planning

1 applications, thus the fact that a  
2 community would not be able to provide a  
3 match to remedy a specific impact would not  
4 be a differentiator between applications.

5 You will note that we highlighted  
6 the overall amount of the program and the  
7 amount of the job readiness program. I  
8 believe, that further conversations about  
9 these items would be warranted based on the  
10 comments that we received.

11 On the issue of whether or not the  
12 proposed limit should be strict limits or  
13 guidelines, I note that our comments in  
14 past draft gave the Commission the  
15 authority to spend less or more than the  
16 proposed amounts. I explained at a prior  
17 meeting that I thought that some of the  
18 application limits should remain as  
19 communities and others would need to know  
20 how much an application should be so that  
21 one community doesn't apply for \$50,000 and  
22 another apply for 2 million.

23 Given my prior thoughts, I do  
24 believe that the Commission could consider



1 more flexibility on specific impact  
2 applications. Perhaps language could be  
3 added to say that the limit for specific  
4 impact applications is 400,000. However, a  
5 community could ask for a waiver of such  
6 limit in their application. Therefore, the  
7 signal would be sent regarding the limits  
8 but a community could petition the  
9 Commission in, you know, extreme situations  
10 or situations where there is a very  
11 significant need.

12 I do note that some language needs  
13 to be added to clarify that the 400K limit  
14 that applies to each community or each  
15 governmental entity applying for a specific  
16 grant, not to each specific impact, and so  
17 it's the application in total. Not 400K  
18 for one specific impact, 400K for another  
19 specific impact. We've heard the  
20 application in the draft, so perhaps it  
21 could be misread.

22 So with that as a background, I  
23 welcome any questions and I can give you a  
24 breakdown of any of the numbers or the

1 total budget numbers that the Commission  
2 wants to take a look at the overall program  
3 limit.

4 CHAIRMAN CROSBY: Commissioners?

5 MR. MACDONALD: I would say that  
6 what Ombudsman Ziemba has reported is  
7 accurate. He, however, failed to note that  
8 at the last subcommittee meeting I was  
9 elected by acclamation to be chair of --

10 MR. ZIEMBA: It was a glorious  
11 victory.

12 MR. MACDONALD: -- to be chair of  
13 the subcommittee. The only question was:  
14 Why would I want to do that? In any event,  
15 I'm very pleased to be a part of it. And  
16 on a totally serious note, the local  
17 subcommittee meetings that I've attended  
18 and the larger statewide subcommittee I've  
19 been tremendously impressed by the quality  
20 of the people who are members of it, their  
21 willingness to dig into the issues and they  
22 all seem very appreciative to the  
23 opportunity to participate -- to  
24 participate with us.

1                   Just one observation, which goes to  
2                   the practical environment of decisions at  
3                   this point in time that it's striking to me  
4                   that we are still in a very, very early  
5                   stage of mitigation issues that the fund is  
6                   to be used for unanticipated impacts. We  
7                   are only as far as the Region A and Region  
8                   B are concerned in a construction phase,  
9                   and the impacts on the surrounding  
10                  communities have really not been felt yet  
11                  on account of the reality at this stage,  
12                  which is the construction stage, and the  
13                  impacts would be much more expected to be  
14                  local in the host -- in the host  
15                  communities.

16                  I was actually impressed on the  
17                  local and the statewide community committee  
18                  levels that there was caution about the  
19                  idea at this point in time of having an  
20                  objective or a guideline of an equal amount  
21                  being spent this year, next year and two  
22                  years from now.

23                  The rough consensus was or at least  
24                  it was expressed from a number of different

1 way that makes more sense to go lighter in  
2 the near term and then anticipate, you  
3 know, more spending in the later years on  
4 the rationale that it will be in those later  
5 years that the impacts on the surrounding  
6 communities are going to be beginning to be  
7 felt as opposed to in the near term. And I  
8 adopt -- personally would adopt that view.

9 CHAIRMAN CROSBY: Others?

10 COMMISSIONER ZUNIGA: Yes. I'm in  
11 favor of that ramp-up, if you will, or  
12 start cautious. You know, if the  
13 recommendation from the committee about the  
14 overall for this year to be around  
15 3.4 million, I think it's prudent. We  
16 could also see what happens when we get all  
17 these grant requests.

18 I want to mention a couple of  
19 things. I was an early skeptic on the job  
20 readiness program. And based on the  
21 comments and based on some of the -- I did  
22 have the opportunity to attend a couple of  
23 the local community mitigation. There  
24 really seems to be an interest and towards

1           that -- towards that area. But just  
2           picking up on your comments, I really would  
3           caution or would go along with the amount  
4           or increasing it with the following  
5           provisions, something you mentioned. I  
6           really would like to see, and it depends on  
7           what responses we get, a real actionable,  
8           real data, real numbers behind whatever we  
9           decide to fund.

10                   I should note, as you noted, that  
11           the question about how directly this is  
12           relative to the mission of the Community  
13           Mitigation Fund is somewhat indirect but I  
14           think it's appropriate when we're talking  
15           about a regional labor market that, you  
16           know, perhaps takes from existing  
17           businesses, et cetera.

18                   So to the extent that we can really  
19           measure, you know, specific seminars or  
20           students or however many people go through  
21           a GED or whatever the case may be, I would  
22           go along with those recommendations. If we  
23           instead --

24                   CHAIRMAN CROSBY: To increase.

1                   COMMISSIONER ZUNIGA: Yes, to  
2                   increase our fund, those figures. By the  
3                   way, I see that business is a lot more for  
4                   MGM not only because there's a closer  
5                   timeframe or Region B, but also because  
6                   there is a perceived wait list or deed that  
7                   seems to be a lot more relevant in this  
8                   region. So I don't know if we, depending  
9                   on what happens, decide to eventually fund  
10                  this region first and the other one later,  
11                  again, it all depends on how the grantees  
12                  or the grantees submit their requests.

13                  So I would encourage us to stay away  
14                  from entertaining whoever is going to be  
15                  doing outreach, you know, events. I think  
16                  there is -- the licensees can do plenty of  
17                  that. But if we're going to fund out of  
18                  the Community Mitigation Fund for those  
19                  efforts, I would really like to see, you  
20                  know, some real programs specific, you  
21                  know, measurable.

22                  MS. GRIFFIN: So the application is  
23                  due to John by Monday, but I'm thinking  
24                  that's a great suggestion. And one of the

1 questions may be, how do you propose to  
2 measure impact? So we could absolutely do  
3 that.

4 COMMISSIONER STEBBINS: I would echo  
5 Enrique's comments and I think that just  
6 general glance, and I've talked about this  
7 with Director Ziemba about the terminology  
8 or the use of the word "pilot" might  
9 suggest, hey, let's put some money out and  
10 kind of get your ideas and then follow it  
11 up in subsequent years with some  
12 assistance.

13 I think what should be explicit in  
14 our consideration of funding this type of  
15 activity is my expectation would be I want  
16 to see collaboration. I want to see not an  
17 applicant coming from one entity but an  
18 application coming from a number of  
19 entities that are involved in this type of  
20 work. And to your point, Commissioner,  
21 what are the real results we want to see  
22 coming out?

23 You know, as you just pointed out,  
24 we're less than two years away from opening

1           MGM. I don't want to see a plan or a  
2           strategy come out of this. Let's see what  
3           are some of the hard concrete deliverables  
4           that can come out of the expenditure of  
5           such funds.

6                     And I would suggest to Jill, I would  
7           suggest to John, you know, any applications  
8           we review, let's try to think of who are  
9           some of the statewide stakeholders are that  
10          can review this application with us, make  
11          sure we are getting the bang for our buck.  
12          I say this all the time. Director Griffin  
13          is very talented, but I hope to have some  
14          other voices and few points and eyes at the  
15          table to look over a potential application.

16                     I would go along with some of the  
17          comments that we heard and suggest raising  
18          the \$200,000 suggestion that's been given  
19          and raise it to 400,000. Again, we are not  
20          obliged to spend that money, but I wouldn't  
21          want to necessarily constrain peoples'  
22          thinking of, well, I'm only going after  
23          this amount, so target my program to this  
24          amount. I would like to have them a little



1 wider range of thought and discussion and  
2 ideas go into highlighting a little bit  
3 bigger program if we suggest that more  
4 money is available.

5 CHAIRMAN CROSBY: Anybody else? Go  
6 ahead.

7 COMMISSIONER ZUNIGA: I was going to  
8 make other points, thanks. As part of the  
9 comments, one of the letters here makes  
10 reference to the City of Taunton, the host  
11 community in Region C being eligible or  
12 perhaps who could clarify that in the  
13 guidelines. And I know, John, you took a  
14 look at what the compact provides for and  
15 there's two -- perhaps you can help me  
16 this -- there's two specific sections that  
17 apply.

18 There's a section where in terms of  
19 surrounding communities, they're  
20 specifically eligible to petition monies  
21 from the Community Mitigation Fund, not  
22 only in the compact, because there's really  
23 no other process for those surrounding  
24 communities but that's not the case for the

1 host community, which I don't know if we  
2 need to clarify that in the guidelines or  
3 if we can just have this discussion and  
4 clarify it amongst ourselves.

5 But my read further compact is that  
6 the host community, Region C, would not be  
7 eligible for Community Mitigation Fund  
8 monies.

9 MR. ZIEMBA: That's right,  
10 Commissioner. So the way the guidelines  
11 reads is that the host community in Region  
12 C for the tribal facility is not eligible  
13 for the 2017 Community Mitigation Fund.  
14 And, specifically, the thinking going into  
15 that is when we read the compact in tandem  
16 with the Gaming Act for Region A, for  
17 Region B, for the slots-related  
18 communities, the source of mitigation  
19 funding over and above the surrounding  
20 community agreements is the Community  
21 Mitigation Fund. That is specified  
22 directly in the Gaming Act.

23 In regard to the surrounding  
24 communities to the tribal facility, there's

1 a section in the compact 12.2 that  
2 delineates and specifies that the funding  
3 to mitigate such impacts from the  
4 surrounding communities for constructions  
5 or operations impacts can come from Section  
6 61 of the act, the Community Mitigation  
7 Fund enabling section.

8 There is a separate and distinct  
9 section in the compact, 12.1, relative to  
10 host communities, and that section does not  
11 provide the same reference of saying that a  
12 community can go to the Community  
13 Mitigation Fund for any relief. And it  
14 specifically says in that section, "The  
15 tribe's agreement with Taunton addresses  
16 the impact the facility is likely to have  
17 on the host community and identifies  
18 measures that the tribe will take,  
19 including the provision of financial  
20 resources to the host community to mitigate  
21 those impacts."

22 So when constructing the guidelines,  
23 it was at least unclear to us that there is  
24 authorization for the host community to the

1 tribal facility to take advantage of the  
2 Community Mitigation Fund. And with that  
3 lack of clarity and with indeed the lack of  
4 clarity that's actually happening down with  
5 the tribal facility at least at this time,  
6 and I don't think that we have to say yes,  
7 no, forever at this point. But I think  
8 given the lack of clarity and what is  
9 happening down in with the tribal facility  
10 for the purposes of the fund for next year,  
11 we didn't recommend that they be eligible.

12 COMMISSIONER ZUNIGA: Okay.

13 CHAIRMAN CROSBY: Anybody else? On  
14 the three or four things you brought up,  
15 the flex -- giving flexibility -- letting  
16 it be known that there is some flexibility  
17 in these guidelines I think is important  
18 whether you do it by way of waiver, but  
19 that these are firm guidelines but these  
20 are not absolute guidelines I think is  
21 important for the reasons that you and some  
22 of these letters have said.

23 On the scheduling of whether we  
24 should -- I mean, the difference between

1           3.4 and 4 is not -- it's almost not  
2           material in a way. But when I originally  
3           at the local mitigation advisory committee  
4           meeting heard the idea of ramping up the  
5           expenditures, I agreed when I heard it.  
6           But as I now think about it, it seems to me  
7           that in a sense that doesn't make sense.

8                     Because the principal negative  
9           consequences for a host community mostly or  
10          anyplace else is during the early stages of  
11          construction, when you've got demolition,  
12          excavation, you know, steel, big trucks,  
13          cement trucks. Once the skin is up and the  
14          big macro construction is done, you're  
15          working inside the walls and its  
16          electricians and wires and so forth. It's  
17          invisible almost to the public.

18                    And even on the job readiness stuff,  
19          you know, it's particularly early job  
20          readiness where we're really at the front  
21          of the pipeline where we're finding hard to  
22          employ, underemployed, unemployed people,  
23          under skilled people, getting them early on  
24          at the pipeline. So, again, if anything,

1 in a way there might be a greater need  
2 earlier on than later when you're real  
3 close to it.

4 Now, getting to operations is  
5 different. But once we get to operations,  
6 we have a different source of revenue. So  
7 we're only talking up until the doors open.  
8 So the more I think about it, the more I  
9 think actually, if anything, I don't think  
10 it necessarily does make much sense. As I  
11 say, I don't think the difference between  
12 3.4 is worth going to war over. But I do  
13 think if you think about it, the negative  
14 consequences might actually be bigger at  
15 the beginning than at the end.

16 COMMISSIONER ZUNIGA: By way of  
17 clarifying some of that, the job readiness,  
18 we're talking about the operations phase,  
19 aren't we?

20 MR. ZIEMBA: Correct.

21 COMMISSIONER ZUNIGA: Because we're  
22 not trying to fund job readiness for let's  
23 say the trades. We've never intended that.

24 MS. GRIFFIN: Correct, that's right.

1 CHAIRMAN CROSBY: Not a little bit,  
2 a little bit. Go ahead.

3 MS. GRIFFIN: I think this is  
4 intended for operations.

5 COMMISSIONER ZUNIGA: Okay. You  
6 were going to say?

7 MR. ZIEMBA: Yes. I was going to  
8 say that I agree with a lot of the points  
9 that the Chairman just raised regarding  
10 that in terms of construction-based  
11 impacts. But the one big category that is  
12 not included in that overall scheme that  
13 the Chairman just mentioned are  
14 transportation-related projects.

15 As Mayor DeMaria made a request, he  
16 said maybe we should consider at least some  
17 of the funds for capital funds, capital  
18 funds for the projects. All we are paying  
19 for transportation is design and for  
20 planning. But as we get a little bit  
21 closer to when the facilities are up and  
22 running, we may actually consider actual  
23 dollars for transportation-related  
24 projects. And that that could have a major

1 impact upon our budgets in future years.

2 I don't recommend that we make that  
3 turn at this moment to actually funding  
4 construction-related projects for many  
5 reasons. But one of the reasons is that we  
6 are still awaiting some of the findings  
7 from the lower Mystic regional working  
8 group. I don't what should happen with  
9 those. But those bigger dollar items and  
10 transportation-related items, even though  
11 they are really operations-related items,  
12 it's quite possible we may end up spending  
13 dollars prior to operations.

14 COMMISSIONER ZUNIGA: Yes. You just  
15 reminded me about a project, the bike path  
16 we funded for Everett, on the design, was  
17 it 25 percent design?

18 MR. ZIEMBA: That's right,  
19 25 percent.

20 COMMISSIONER ZUNIGA: So those  
21 dollars are comparatively rather small for  
22 what it's actually going to cost to  
23 actually build the path. So just on the  
24 same project, not just because of timing



1 but because of relative weight, you know,  
2 if that's a project that would be ideal  
3 prior to opening or soon thereafter, there  
4 could be significant dollars that the city  
5 might request just to complete the project.  
6 Because, frankly, nobody would like to see  
7 just the planning being done and the actual  
8 project not done, which speaks to my  
9 earlier point, the one that also the  
10 Community Mitigation Advisory Committee  
11 takes to be cautious early on because we  
12 are, you know, early on this year because  
13 we might need a lot more comparatively.  
14 Actually, just to finish the projects that  
15 we sort of started as we get closer. The  
16 good news --

17 CHAIRMAN CROSBY: You mean switching  
18 from planning to implementation.

19 COMMISSIONER ZUNIGA: Yes. And I do  
20 agree that the difference between 3.4 and 4  
21 is not great, but it does speak to the  
22 dynamics that we should be cognizance  
23 about. Again, the good news is that  
24 eventually that fund begins to be funded by

1 the operations of MGM, which is the first  
2 one that comes online from the gross gaming  
3 revenues, so there will be -- you know.  
4 But, again, there's a lot of time between  
5 now and then, and we really need to be  
6 thinking in short-term.

7 CHAIRMAN CROSBY: I mean, that's  
8 really a different question. The question  
9 originally was: Shall we ramp up because  
10 the mitigation needs will be likely greater  
11 closer to opening than before. I'm not  
12 sure that makes sense. If the argument is  
13 we might want to end up using this for  
14 capital expense rather than planning  
15 expense and, therefore, we should ramp,  
16 that topic was never on the table before.  
17 So that's a different question, you know.

18 If you suggested maybe we put a  
19 bucket of 3,000,000, \$4,000,000 in a  
20 reserve in anticipation of the possibility,  
21 which at least one staff member and one  
22 Commissioner have suggested that they might  
23 like this idea, for capital expenses,  
24 that's a whole different story. But that

1 issue has never been presented for us to  
2 consider.

3 COMMISSIONER ZUNIGA: Because they  
4 first had to do the design and the planning  
5 and, you know, that's I guess the order of  
6 the conditions. I mean, we do have in my  
7 mind there was also a possibility with the  
8 specific impact grants for specific  
9 projects of construction. But, again,  
10 maybe what's happening locally is they're  
11 just getting around to it locally, because  
12 there's money available and they start with  
13 planning and they with design.

14 CHAIRMAN CROSBY: I actually kind of  
15 like that idea. I sort of like the idea of  
16 whether you ramp it for the purpose of  
17 saving money for capital or whether you  
18 just take across a capital reserve. I  
19 think that's kind of an interesting idea.  
20 And when I saw Mayor DeMaria's letter, that  
21 seemed to me like a worthwhile idea. So I  
22 certainly will be open to that for that  
23 reason. There was one other thing I was  
24 going to say and I --

1                   Oh, yes, the increase for getting  
2                   more money for job readiness is from 200 to  
3                   200, intuitively I thought that might make  
4                   sense but I mostly wanted to hear what  
5                   Director Griffin and Commissioner Stebbins  
6                   thought. But it sounds like you think if  
7                   properly allocated that you would agree  
8                   that it would make sense to go up. I think  
9                   Commissioner Stebbins was explicit, and I  
10                  don't know where you came down.

11                  MS. GRIFFIN: I support it  
12                  wholeheartedly.

13                  CHAIRMAN CROSBY: Okay, fine. Well,  
14                  that's important to know. I would defer  
15                  the two of you on that one.

16                  COMMISSIONER CAMERON: I thought  
17                  that one was important as well, because you  
18                  do need time to get the skills and now  
19                  would be the time. So I would agree with  
20                  Commissioner Stebbins' remarks also,  
21                  though, that we would like to so see not  
22                  just a plan but real hard statistics on  
23                  what those numbers are.

24                  CHAIRMAN CROSBY: We sort of talked

1 about this, but I completely agree with  
2 that. All of you have said there needs to  
3 be real rigor in these programs. And, you  
4 know, back in the day when I was  
5 responsible for administering, you know,  
6 federal job training money, there was a lot  
7 of loosey-goosey stuff that goes on in that  
8 whole world. It's never been a  
9 well-organized administratively. So we  
10 want to spend the money really wisely and  
11 well but also aggressively because the need  
12 is so real.

13 And if we fail on teeing up folks,  
14 we've been so serious about this and  
15 thought about it so much, been so committed  
16 to it, if we don't do it, that will be a  
17 real serious black mark. So I'm in favor,  
18 and I agree with Commissioner Cameron but I  
19 urge you to really put pedal to metal with  
20 rigor to get those programs going.

21 MR. MACDONALD: Rounding out the  
22 comments on that and those by the Chairman,  
23 I think that his observations with regards  
24 to the workforce development aspect of this

1           idea of ramping up earlier rather than  
2           later is very much on point. So I  
3           personally would be in favor of increasing  
4           the guideline amount with that.

5                         With regard to his larger point with  
6           respect to the Community Mitigation Funds,  
7           I, and of course this is more just instinct  
8           than anything else or seat of the pants,  
9           but I've now attended I think four  
10          community mitigation meetings and at none  
11          of those did anybody, you know, say in  
12          substance, my God, we're dealing with a  
13          crisis situation and there are no funds  
14          available for us on account of the fact of  
15          what is going on in Springfield and on  
16          account of what is going on in Everett.

17                        And to me that kind of makes sense  
18          for the reasons that I said before. And  
19          that is that in the construction phase that  
20          the impacts are most likely going to be in  
21          the host cities where the trucks are coming  
22          and going and taking away parking spaces  
23          and generally causing inconvenience to the  
24          inhabitation of the host community whereas

1 the Ludlows or the East Longmeadows or  
2 whatever who are out there, they may have  
3 an impact but it's not likely to be in the  
4 near term. It's more in the long term.

5 This wasn't my idea. It was the  
6 idea of the members of those surrounding  
7 communities that were kind of afraid of  
8 coming up short down the line when they  
9 really need it by virtue of injudicious  
10 spending just in order to be able to meet a  
11 guideline in the earlier years.

12 MR. ZIEMBA: Commissioners, could I  
13 just go over the budget items just to give  
14 a little bit of a summary on how the budget  
15 items work with a 3.4 recommendation and,  
16 indeed, if we're moving forward with an  
17 increase of 200,000 and the pre-employment  
18 program, I just wanted to give you the  
19 benefit of that.

20 So under the \$4 million that was  
21 proposed under the staff program, that  
22 would have been comprised of 800,000 for  
23 transportation, 500,000 for the Category 2  
24 slots overall, \$200,000 for the compact

1 technical assistance program, \$200,000 for  
2 the pre-employment program and that was  
3 400,000 that was sort of included in there  
4 relative to the sheriff's grant for lease  
5 assistance. Including all those items, the  
6 remainder would have ended at \$4 million  
7 and after accounting from all those items,  
8 we would have approximately \$1.9 million  
9 for specific impact grants.

10 Under the proposal that was put  
11 forward by the mitigation subcommittee  
12 going down to \$3.4 million, that 1.9 by  
13 reducing that 4 million to 3.4 if you take  
14 out 600,000. If you take the 600,000  
15 directly out of the specific impacts, you  
16 go down to \$1.3 million for specific  
17 impacts. If we stay at the \$3.4 million  
18 level with the increase of 200,000 for  
19 pre-employment, the specific impacts go  
20 down to 1.1 versus the original 1.9.

21 But it's not as draconian obviously  
22 as it seems with that 1.9 versus 1.1,  
23 because there's quite a potential that  
24 there may not be a lot of spending in those



1 other categories. For example, depending  
2 on what happens with the tribe, the  
3 technical assistance program may never go  
4 forward or we don't know what sort of  
5 grants we would get in the Category 2  
6 slots.

7 But I do just put that up to you for  
8 consideration of under the original  
9 4 million there was 1.9 leftover for  
10 specific impacts and leftover is not the  
11 correct term obviously. And then under  
12 \$3.4 million program with a 400,000  
13 pre-employment program, that goes down to  
14 1.1.

15 COMMISSIONER ZUNIGA: Yes. I think  
16 that's all reasonable within the same  
17 framework that we've spoken about the  
18 guidelines, and we will see what we get.  
19 This is an early thought, but perhaps we  
20 could see how the activity on Category 2  
21 pans out.

22 Given that we are now one year into  
23 the operations of Plainridge and given, you  
24 know, depending on what we see from the

1           Category 2 region, maybe we can start  
2           thinking about reducing that amount for the  
3           subsequent year or perhaps all together  
4           eliminating it as a guideline and just wait  
5           to see any specific impact requests we  
6           might get from those communities. Because  
7           it would appear to me that there is not a  
8           lot of unanticipated impacts from that  
9           region that have come to fruition. Again,  
10          we can --

11                   CHAIRMAN CROSBY: Do you need a vote  
12          from us, John?

13                   MS. BLUE: Yes.

14                   MR. ZIEMBA: I think we do need a  
15          vote to authorize the guidelines. What  
16          specifically if you go with the staff draft  
17          and whatever we determine on budget, the  
18          couple of items that we discussed here is  
19          the staff draft that's been before you  
20          today, we would like enough flexibility to  
21          do certain errors or anything, anything  
22          that is consistent with the discussion of  
23          the Commission. But we would amend the  
24          specific impact application so it could be

1           \$400,000, but there could be a waiver to go  
2           over and above that. We would add that.  
3           On the \$400,000 per grant, we would clarify  
4           that it is \$400,000 per community, per  
5           governmental entity.

6                     And then on the criteria for  
7           pre-employment programs, specifically match  
8           person with a lot of the conversations the  
9           match, people didn't want match to be  
10          something that could differentiate programs  
11          on specific impacts, but the pre-employment  
12          program that is very much -- it is similar  
13          in some activities to planning perhaps a  
14          match could be a consideration when we're  
15          evaluating grants against each other. I  
16          think that's something that Director  
17          Griffin had recommended to me.

18                    CHAIRMAN CROSBY: And then the 200  
19           would go to 400.

20                    MR. ZIEMBA: And the 200 would go to  
21           400.

22                    CHAIRMAN CROSBY: I'm basically  
23           agnostic on the three, four versus the  
24           four, so, you know, does somebody -- what

1 sort of a -- does anyone have a strong  
2 preference one way or the other?

3 COMMISSIONER ZUNIGA: My preference  
4 is to go with the 3.4.

5 MR. MACDONALD: Me as well.

6 COMMISSIONER CAMERON: I didn't feel  
7 that strongly about it either. Good  
8 arguments were made on both counts, but  
9 what I do like is the thought and the staff  
10 recommendations and how thoughtful they are  
11 of evaluating the specific proposal. So  
12 it's almost like the number doesn't matter  
13 as much because of the work that is -- in  
14 other words, I don't think because it's 3.4  
15 you're going to say no to a really good  
16 proposal.

17 CHAIRMAN CROSBY: Right, you'd come  
18 back to us.

19 COMMISSIONER CAMERON: That is why I  
20 feel comfortable that --

21 MR. ZIEMBA: We reserve the right to  
22 go above or below. And when we get  
23 applications, we can come to the Commission  
24 and say, hey, we received \$4 million in

1 transportation planning grants. Can we  
2 move that category or \$4 million in  
3 specific impact grants.

4 CHAIRMAN CROSBY: Does somebody want  
5 to move on the three, four.

6 COMMISSIONER STEBBINS: Sure.

7 CHAIRMAN CROSBY: I'm sorry. I just  
8 had one other question. Forgive me. Under  
9 what specific impacts can be funded? John,  
10 there's a sentence that says, "Please note  
11 that impacts determined through any look  
12 back review likely are unanticipated  
13 impacts." That sounds as if it's,  
14 therefore, opening up look back mitigation  
15 needs as something that would be acceptable  
16 for the CMAC. But I thought the whole idea  
17 of look backs was because communities had  
18 negotiated the right to have look backs,  
19 and then get further mitigation from the  
20 licensees.

21 MR. ZIEMBA: Yes. What that  
22 sentence is meant to reassure communities  
23 that just because they entered into an  
24 agreement that was more focused on look

1 backs that they are not prohibited from  
2 coming to the fund for those -- for that.  
3 We will take a look at each one of those  
4 versus the surrounding community agreement  
5 or the host community agreement. But just  
6 because there was a look back, that does  
7 not mean that they are not eligible for the  
8 fund.

9 But specifically, for example, the  
10 slots, most of those are look back  
11 requirements. And I think to the degree  
12 that it specified that those particular  
13 types of impacts should be mitigated, we  
14 would do so. But I just didn't want to put  
15 too much of a fine point on anticipated  
16 versus unanticipated as a fine line marker  
17 that if it's unanticipated -- I didn't want  
18 to put too fine line of a marker so that  
19 people would not be eligible for the fund.

20 CHAIRMAN CROSBY: Okay. Well, I  
21 think saying that in the way you said it is  
22 fine. What I'm concerned about, and maybe  
23 this is an unnecessary concern, is I don't  
24 want to open up the Community Mitigation

1 Fund to relieve the obligation of licensees  
2 to do what they were supposed to do. I  
3 mean, I would be more comfortable if  
4 somehow this were clarified to say just  
5 because we have a look back provision  
6 doesn't mean -- first of all, there's look  
7 back provision in the HCAs and the SCAs and  
8 there's just looking back, which is what  
9 we're doing all the time.

10 So if you're just talking about  
11 looking back, that's one thing. But if  
12 you're talking about look back provisions,  
13 I want to make sure we're not opening up --  
14 offering a chance to replace the licensees.

15 MR. ZIEMBA: Mr. Chairman, I think  
16 we can delete the language, and we'd be  
17 guided by the way we evaluate the  
18 applications.

19 CHAIRMAN CROSBY: I'm fine with  
20 that, great. Enrique, go ahead.

21 COMMISSIONER ZUNIGA: So I would  
22 move that the Commission approve the 2017  
23 Community Mitigation Fund guidelines with  
24 the corrections and edits discussed here

1           today. I'm not sure I will get them all  
2           right, but an overall target amount of  
3           \$3.4 million and delegate to staff the  
4           ability to fine-tune all of the discussion  
5           here and issue --

6                       CHAIRMAN CROSBY: Fine-tune the  
7           draft pursuant to our discussion.

8                       COMMISSIONER ZUNIGA: Yes.  
9           Fine-tune the draft pursuant to this  
10          discussion.

11                      COMMISSIONER CAMERON: Second.

12                      MR. MACDONALD: Just do you want to  
13          also add, Commissioner Zuniga, the increase  
14          from 200,000 to 400,000?

15                      COMMISSIONER ZUNIGA: Yes, thank  
16          you. And specifically --

17                      MR. MACDONALD: That's on page ten  
18          of the draft.

19                      COMMISSIONER ZUNIGA: And  
20          specifically increase the job readiness  
21          program target amount from 200,000 to  
22          \$400,000, again, as discussed here today.

23                      CHAIRMAN CROSBY: And we had a  
24          second from Commissioner Cameron. Any



1 further discussion? All in favor?

2 COMMISSIONER CAMERON: Aye.

3 COMMISSIONER STEBBINS: Aye.

4 COMMISSIONER ZUNIGA: Aye.

5 COMMISSIONER MACDONALD: Aye.

6 CHAIRMAN CROSBY: Opposed? The ayes  
7 have it unanimously.

8 MR. ZIEMBA: Thank you,  
9 Commissioners. That ends my report.

10 COMMISSIONER ZUNIGA: Thank you.

11 COMMISSIONER CAMERON: Thank you.

12 CHAIRMAN CROSBY: Last item is  
13 number five, Commissioners updates. The  
14 online gaming discussion, I don't have much  
15 to report. We had our first meeting of the  
16 online gaming committee -- DFS and online  
17 gaming committee that was legislatively  
18 mandated. We had our first meeting, which  
19 I talked about. Our second meeting I think  
20 is next week.

21 The only other thing that's really  
22 happened is I sent a couple of articles  
23 that of all those articles that flow  
24 through our in-boxes about DFS and online

1 to the key two staff members of the  
2 committee from the house and senate and  
3 asked if they would like to have other  
4 stuff that comes across our desks and they  
5 both said yes.

6 So I have been saving up a bunch of  
7 stuff that I'll review. But anybody else  
8 particularly you're thinking about and we  
9 should mention it to Justin and Paul,  
10 because they get a lot of stuff too. So  
11 maybe I could be the filter, and if anybody  
12 has got stuff that they think might be  
13 constructive to this group to think about.  
14 You know, sports betting articles, that's  
15 another one.

16 COMMISSIONER CAMERON: Yes.

17 CHAIRMAN CROSBY: That's it for --  
18 well, the only other one that I would take  
19 is I just wanted to remind everybody and I  
20 think we did this, Elaine, on our website  
21 but we are asking for feedback on the issue  
22 of the marijuana law, and we will put that  
23 back on the agenda at some point to  
24 discuss. So for whoever is out there, if

1                   you have got thoughts about that, please  
2                   give them to us. Other things going on in  
3                   your lives or issues?

4                   MR. BEDROSIAN: Mr. Chairman, I'd  
5                   like to recognize one of our staff members  
6                   who has spent his birthday with us today,  
7                   Mike Sangalang.

8                   CHAIRMAN CROSBY: Happy birthday.

9                   COMMISSIONER MACDONALD: Happy  
10                  Birthday, Mike.

11                  CHAIRMAN CROSBY: Did you get any  
12                  sleep the night before your birthday? All  
13                  right. Do I have a motion to adjourn?

14                  COMMISSIONER ZUNIGA: So moved.

15                  CHAIRMAN CROSBY: All in favor?

16                  COMMISSIONER CAMERON: Aye.

17                  COMMISSIONER STEBBINS: Aye.

18                  COMMISSIONER ZUNIGA: Aye.

19                  COMMISSIONER MACDONALD: Aye.

20                  CHAIRMAN CROSBY: All right, we are  
21                  adjourned.

22                  COMMISSIONER CAMERON: Good job  
23                  team.

24                  COMMISSIONER MACDONALD: Thank you

1 Springfield.

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(Meeting adjourned at 3:31 p.m.)

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1 MASSACHUSETTS GAMING COMMISSION STAFF:

2 Catherine Blue, General Counsel

3 Edward R. Bedrosian, Jr., Executive Director

4 John Ziemba, Ombudsman

5 Jill Griffin, Director of Workforce, Supplier and

6 Diversity Development

7 Karen Wells, Director of Investigations and

8 Enforcement

9 Michael Sangalang, Digital Communications

10 Coordinator

11  
12 GUEST SPEAKERS:

13 Mike Mathis, President of MGM Springfield

14 Brian Packer, MGM Vice President of Construction

15 and Design

16 Seth Stratton, General Counsel for MGM

17 Kevin Kennedy, Springfield's Chief Development

18 Officer

19 Richard Pingel, Counsel for Sport Tech

20 Paul Picknelly

21 Dennis Murphy

22 Marlon Polite

23 Tim Babbin, Massachusetts State Police

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COMMONWEALTH OF MASSACHUSETTS

I, KRISTEN M. EDWARDS, COURT REPORTER,  
do hereby certify that the foregoing is a true and  
accurate transcription of my stenographic notes,  
to the best of my knowledge and ability.

WITNESS MY HAND, this 6th day of  
December, 2016.

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Kristen M. Edwards