

1 COMMONWEALTH OF MASSACHUSETTS
2 MASSACHUSETTS GAMING COMMISSION
3 PUBLIC MEETING #144
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6 COMMISSIONERS

7 James F. McHugh

8 Gayle Cameron

9 Bruce W. Stebbins

10 Enrique Zuniga

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21 February 5, 2015 10:31 a.m.

22 BOSTON CONVENTION AND EXHIBITION CENTER

23 415 Summer Street, Room 107B

24 Boston, Massachusetts 02210

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P R O C E E D I N G S

COMMISSIONER MCHUGH: All right.

Good morning, ladies and gentlemen. It's my pleasure to call to order the 144th meeting of the -- public meeting of Massachusetts Gaming Commission. Chairman Crosby is not with us today. He's en route to a well-deserved break, and so the four of us will proceed in his absence. But, of course, he's here in spirit.

The first item on the agenda, as it customarily is, is approval of the minutes. The minutes, this time of the January 22, 2015 meeting, those minutes are in the book. And I take it we've all had a chance to look at them, and I would move their acceptance in the form in which they appear in the book, subject to the usual reservation of the power to correct typographical and other mechanical errors. So I'd make that motion.

COMMISSIONER CAMERON: Second.

COMMISSIONER MCHUGH: Is there any discussion, any thoughts, any corrections, any

1 substantive issues with the minutes? All
2 right, then. All in favor of approving the
3 minutes in the form that they appear with that
4 reservation, signify by saying aye.

5 COMMISSIONER STEBBINS: Aye.

6 COMMISSIONER CAMERON: Aye.

7 COMMISSIONER ZUNIGA: Aye.

8 CHAIRMAN CROSBY: The ayes have it
9 unanimately. That brings us to Item 2 on the
10 agenda, which is administration. Executive
11 Director Day. Good morning, sir.

12 MR. DAY: Good morning, Commissioner
13 McHugh, fellow commissioners.

14 COMMISSIONER STEBBINS: Good
15 morning.

16 COMMISSIONER ZUNIGA: Good morning.

17 COMMISSIONER MCHUGH: Good morning.

18 COMMISSIONER CAMERON: Good morning.

19 MR. DAY: I actually just have a
20 very short couple of items just to share with
21 you relative to administrative update. I
22 wanted to let you know that, pending
23 completion of background, we've hired an
24 experienced candidate for our gaming agent

1 supervisor. We're real excited about that, at
2 the slot parlor. As well, we have started the
3 recruiting efforts to form the rest of the
4 team that will work with him. So we're moving
5 forward on that to be -- make sure we're
6 prepared when the slot parlor's ready to open.

7 In addition, pending background,
8 we've also added a revenue agent to our
9 finance and administration team, and are in
10 the final stages of interviewing and selecting
11 positions for -- two positions for our
12 licensing unit.

13 Another quick note is, our licensing
14 management system is in production within the
15 agency. We are entering applications, and we
16 are looking forward to being able to move to
17 outfacing, public facing, probably, in early
18 March.

19 And, finally, after all the
20 discussion, we are continuing contract
21 discussions with GTECH, and we are looking
22 toward, hopefully, the February 19th meeting
23 to be able to come back to the commission with
24 a contract.

1 And that, unless there are any
2 questions the commission might have, brings me
3 to end of my short report, and to our
4 ombudsman, John Ziemba.

5 COMMISSIONER MCHUGH: All right.
6 Thank you. February 19th is the next meeting
7 so you anticipate being able to come back with
8 the GTECH contract, or at least a substantive
9 update on that next meeting?

10 MR. DAY: Yes, we do.

11 COMMISSIONER MCHUGH: Good. All
12 right. All right. Thank you, very much.
13 Let's turn, then, without further adieu, to
14 the ombudsman, Mr. Ziemba.

15 MR. ZIEMBA: Thank you,
16 Commissioner.

17 COMMISSIONER MCHUGH: Good morning.

18 MR. ZIEMBA: We've asked
19 Mr. Robert DeSalvio, president of Wynn Mass,
20 LLC, to join us today to update the
21 commission regarding the status of its
22 upcoming Massachusetts Environmental Policy
23 Act submission. Its supplemental final
24 environmental impact report.

1 As the commission is aware, every
2 gaming licensee -- every gaming license issued
3 by the commission, both Category 1 and
4 Category 2, has been conditioned upon the
5 completion of the MEPA process. On
6 August 15, 2014, the secretary of energy and
7 environmental affairs required Wynn to submit
8 a supplemental FEIR, but limited the scope of
9 the filing to traffic and transportation
10 issues, and a response to comments.

11 Consistent with this directive, the Wynn team
12 has been working on this filing. Mr. DeSalvio
13 will detail its efforts in this regard.

14 In addition to the commission's
15 requirements relative to MEPA, the commission
16 also imposed a condition on the Wynn license,
17 that it continue its public outreach,
18 including in Charlestown. In response to this
19 condition, and as part of the continuing
20 outreach efforts of the Wynn team, the Wynn
21 team has a meeting next week in Charlestown to
22 present relevant details of its latest plans,
23 which -- which will include in the upcoming
24 S -- SFEIR submission. With that as a

1 context, I welcome Mr. DeSalvio to come and
2 join us.

3 COMMISSIONER MCHUGH: All right.
4 Good morning, Mr. DeSalvio.

5 COMMISSIONER CAMERON: Good morning.

6 COMMISSIONER ZUNIGA: Good morning.

7 COMMISSIONER STEBBINS: Good
8 morning.

9 MR. DESALVIO: Thank you, John, and
10 good morning, Commissioners.

11 COMMISSIONER MCHUGH: Good morning.

12 COMMISSIONER CAMERON: Good morning.

13 COMMISSIONER ZUNIGA: Good morning.

14 COMMISSIONER STEBBINS: Good
15 morning.

16 MR. DESALVIO: Thanks for the
17 opportunity to give you the update. I'm
18 pleased to report the progress Wynn Resorts
19 has made on the supplemental, final
20 environment impact report. Late last week we
21 met with MassDOT and provided them with some
22 additional information, which will assist in
23 their review of the overall filing. In
24 addition, both MEPA and MassDOT have requested

1 additional time to review our filing to ensure
2 a thorough analysis. We plan to share a draft
3 with them in response to this request in an
4 effort to ensure a successful completion of
5 the MEPA process.

6 The project is already the subject
7 of a comprehensive FEIR that resulted in the
8 EEA secretary certificate on the final
9 environmental impact report last August. At
10 that time, the EEA secretary concluded that
11 our FEIR satisfied MEPA's requirements with
12 respect to 10 of the 11 topics covered,
13 including wetlands, air quality, greenhouse
14 gas, sustainable development, stormwater,
15 water supply, waste water, solid and hazardous
16 waste, historic resources and construction
17 management.

18 However, the EEA secretary did
19 request further analysis and consultation with
20 other state agencies on specific traffic and
21 transit topics. We are now in the final
22 stages of completing the SFEIR to address this
23 request. The SFEIR will include a summary of
24 the project, including a discussion of

1 refinements to the project design since the
2 filing of the FEIR, including the new hotel
3 tower design presented to you at the last
4 public meeting, and a comprehensive evaluation
5 of any impacts of those refinements.

6 The filing will also contain a
7 materially-enhanced transportation analysis
8 for the project, prepared in consultation with
9 MassDOT, the MBTA and the Boston
10 Transportation Department. That includes
11 additional data collected since the FEIR and
12 significant additional analysis of the
13 transportation impacts of the project, and
14 alternative means of mitigating those impacts.

15 The analysis includes new
16 evaluations of all potentially-affected roads,
17 new parking evaluations, the new evaluations
18 of public and private transportation options.
19 All of the data and the analysis have been
20 shared with MassDOT, and the data and analysis
21 relevant to the MBTA and BTD have been shared
22 with them. We've continued to consult with
23 the BTD regarding traffic and transit issues
24 relevant to Boston, meeting with them seven

1 times since November of 2014 with the last
2 meeting being held on January 26th.

3 In the course of those meetings BTM
4 requested initial -- additional analysis,
5 which has been completed, including additional
6 traffic counts, which were conducted in
7 December along Broadway, Alford Street,
8 Route 99, and in Sullivan Square to ensure
9 that the completion of the Alford Street
10 bridge and the Tobin Bridge projects did not
11 materially affect traffic.

12 In addition, at the request of BTM,
13 we completed a sensitivity analysis of transit
14 ridership to ascertain the impacts of
15 projected transit usage on the road network
16 and reanalyzed anticipated parking utilization
17 to confirm the validity of those estimates,
18 including by comparison to other identified
19 casinos.

20 There was also extensive
21 consultation with BTM regarding our plans to
22 mitigate the impacts of the project on
23 Sullivan Square. A number of the BTM's
24 requested modifications to the plan were

1 incorporated, including the installation of
2 conduit from Sullivan Square to Austin Street,
3 to tie that part of the traffic signal network
4 into BTB's command center, adjustment to the
5 lane geometry along Route 99, and a
6 reconfiguration of Sullivan Square roads to
7 better integrate the MBTA's bus operation at
8 Sullivan Square Station with general traffic.
9 We will continue to meet with BTB as the
10 design of the project, including Sullivan
11 Square mitigation, progresses.

12 The SFEIR will also include a
13 comprehensive description of the project's
14 mitigation commitments. We don't believe the
15 MEPA process will affect our schedule. We're
16 continuing to move forward with project design
17 and our remediation plans, in the meantime.
18 And with that, I'll be happy to answer any
19 questions.

20 COMMISSIONER MCHUGH: All right.
21 Thank you very much, Mr. DeSalvio. Questions,
22 comments?

23 COMMISSIONER CAMERON: Mr. DeSalvio,
24 you're planning, in the next couple of weeks,

1 to file; is that accurate?

2 MR. DESALVIO: Yeah. I'm reticent
3 to actually pick a date. We supplied some
4 information to the DOT this past -- not only
5 at end of last week, but at the beginning of
6 this week. And, quite honestly, with what's
7 going on with the weather, I think everyone at
8 MassDOT's had probably more important things
9 to worry about, including public safety during
10 the storm. So they said they would get back
11 to us, if they need additional information
12 and, if required, even another meeting, but
13 nothing's been scheduled as of yet.

14 So we want to make sure they've had
15 a opportunity to look at it. I mentioned
16 earlier that we're going to do a draft filing
17 and give that draft to the MEPA folks and
18 MassDOT, and if they have any additional
19 questions, then we'll pick the filing date.
20 So I don't want to peg a date, and I certainly
21 want to -- I understand that they've been
22 going through a lot this week.

23 COMMISSIONER CAMERON: Thank you.

24 MR. DESALVIO: Mm-hmm.

1 COMMISSIONER MCHUGH: Others? We
2 have made a commitment to the Charlestown
3 community that we would post the relevant
4 portions of the SFEIR on our Web site so that
5 they could all see them. So as soon as
6 simultaneously with that being filed, we would
7 like to have it, and like to have the
8 additions and changes highlighted so we can
9 quickly get that up on the Web site so that
10 folks can see it and talk about it.

11 In addition to that, I wonder
12 when -- what your plans are for providing us
13 with the additional information about the
14 revised design? We have the two renderings,
15 but, at the moment, that's all we have. So I
16 know there's much more behind the new shape.
17 And what are your thoughts about when we'll
18 get a chance to look at those?

19 MR. DESALVIO: Well I spent -- as I
20 think I mentioned at the last meeting, I was
21 heading out to Las Vegas. And I spent the
22 entire week last week with all of the
23 different departments going over, virtually,
24 every square inch of the building. We got

1 tremendous input from the departments, but
2 that necessitated, yet again, going back and
3 looking at certain aspects of the building.

4 So it is a -- it's an evolving
5 design process that, in reality, I'm not sure
6 it serves us well to rush it. I want to make
7 sure that all the departments get an
8 opportunity to provide their input. We have a
9 wonderful team of professionals out there.
10 And I don't think I can pick a date because I
11 want to make sure that we go through and we
12 give those opportunities for the architects
13 and the Wynn design development team to do
14 what they do. But the work is going on at a
15 very, very quick pace, I want to let you know,
16 out there. And, literally, I spent the entire
17 week out there on this topic and doing nothing
18 else. So I, probably, at another meeting I'd
19 be able to give you a better idea of date, but
20 right now we're in full-fledge design mode on
21 the interior of the building.

22 COMMISSIONER MCHUGH: Well, I
23 appreciate that, and I assume that you are.
24 And you can see, visibly, what the changes are

1 to the -- to the skin and shape. And we've
2 already made comments about that, and others
3 have made comments as well. But we do need to
4 take a look at the remainder -- at the -- at
5 what's behind this. And we would -- I would,
6 and I think the commission would like to have
7 in mind a date, or at least a range when we
8 might be able to see that and take a look at
9 it, and examine, in more detail, the backing
10 for it. So I look forward to getting that
11 from you. And, perhaps, Mr. Ziembra and you
12 can work together to figure out when that date
13 will be.

14 MR. DESALVIO: Be happy to work with
15 John on that.

16 COMMISSIONER MCHUGH: Okay. Good.
17 Thank you very much. All right. Any other
18 questions or comments?

19 COMMISSIONER STEBBINS: One real
20 quick. I know John mentioned you have a
21 meeting coming up in Charlestown.

22 MR. DESALVIO: Yes.

23 COMMISSIONER STEBBINS: Can you
24 share with us any past or planned, future

1 outreach events and activities you have going
2 on?

3 MR. DESALVIO: Absolutely. There's
4 been quite a bit leading up to this meeting.
5 A lot of more informal meetings going on in
6 Charlestown right now. I know most of you
7 have met John Tocco, who is our director of
8 community relations. He's been spending a lot
9 of time there, as well as in our other
10 surrounding communities and host community.

11 A lot of preparation has gone on
12 through the assistance of residents in
13 Charlestown. They have an engaged Charlestown
14 resident group that's been very active. So
15 we're currently -- we had a meeting the other
16 night, about a three-hour meeting to plan the
17 agenda for the meeting on the 11th. It's
18 going to be held at the community college from
19 six to nine on February 11th. We're going to
20 cover a wide range of topics. Everything from
21 the update of our plan to what the aspects of
22 the environmental mitigation are to
23 transportation and traffic, and public safety
24 and responsible gaming.

1 We tried to ascertain, from the
2 community, what were the topics that they were
3 interested in so we could design our
4 presentation accordingly and have it be
5 relevant. And the outcome of that is that
6 we're going to ask some of the residents who
7 are more engaged, if they would sign up to
8 actually participate in smaller group
9 discussions on specific topics.

10 So we're going to allow this --
11 first of all, a large opportunity to present
12 the plan, but then a much more -- a much more
13 focused opportunity for each of the major
14 components. If we're going to look -- for
15 example, we're talking about transportation
16 being one, environmental being one and -- and
17 then other community-related issues.

18 So we're going to give some of the
19 residents that are interested an opportunity
20 to sign up, and then we're going to continue
21 to have follow-up meetings. We're considering
22 this the big kickoff to the start of a
23 process, not the end of a process. And so far
24 it's been well-received. We're getting good

1 feedback that we're coming and we're making
2 ourselves available, and we're going to have
3 an open and honest dialogue with the
4 residents.

5 COMMISSIONER STEBBINS: Thank you.

6 COMMISSIONER MCHUGH: Well, that
7 sounds like a good plan. I know that, from
8 talking to some Charlestown residents who've
9 attended these meetings, and who are active in
10 this process, that they're eager to have it go
11 forward. It sounds like a good framework for
12 further discussions, and so that's -- that's
13 what the -- that's what we anticipated when we
14 put that commission -- condition on the
15 license, and we'll look forward to hearing the
16 results of it.

17 I think to put all of what we've
18 been talking about in context, it's important
19 to understand that the license that every
20 licensee received was subject to a whole range
21 of conditions, including getting permits from
22 other -- from permit-granting authorities.
23 The commission doesn't grant the permits to do
24 a lot of things that have to be done in order

1 for these facilities to be built. And so, the
2 MEPA process is one, but there are many other
3 permits that need to be obtained, and that's
4 what's transpiring now for all of the
5 licensees. So it's important to understand
6 the limitation of the commission's powers with
7 respect to that, and why those conditions are
8 in, and why those conditions are in the
9 statute. Because, of course, the statute does
10 require that all local and state permits, and
11 federal permits necessary, be granted by those
12 permitting-granting authorities. So thank you
13 for that report. It --

14 COMMISSIONER ZUNIGA: I do have one
15 question, maybe for your next update. But you
16 mentioned in your initial remarks that you are
17 still trending on schedule, the outer dates
18 being somewhere around 2017, if I remember
19 correctly. As some of these activities
20 continue to evolve, I'd be very interested in
21 getting an update, at some point, on the
22 detailed schedule as you -- as you move
23 forward.

24 MR. DESALVIO: Sure. We would be

1 happy do that. But the real good news there
2 is that we had parallel tracks going on.
3 While we're working on the SFEIR, we're still
4 moving forward rapidly on the design phase,
5 and, certainly, on the remediation front as
6 well. So -- and since that's the front end of
7 the work that has to be done, this filing is
8 not getting in the way of that, and the work
9 continues.

10 Even -- even with the -- I checked
11 the -- even last night with the GZA that's
12 working on the site doing the soil
13 characterization. And with the snow, they're
14 able to continue on as well. Slowed them down
15 a little bit for a few days, but they're able
16 to do borings and just keep on going, so the
17 work continues.

18 COMMISSIONER ZUNIGA: Great.

19 COMMISSIONER MCHUGH: All right.

20 Good. Thank you very much.

21 COMMISSIONER ZUNIGA: Thank you.

22 COMMISSIONER STEBBINS: Thank you.

23 COMMISSIONER MCHUGH: All right.

24 Mr. Ziemba, back to you, sir.

1 MR. ZIEMBA: Commissioners, as
2 you're aware, Monday was the deadline for the
3 community mitigation fund applications. In
4 total, we received 24 applications, including
5 21 reserve applications and three applications
6 for specific impacts.

7 As a reminder, when the commission
8 established the guidelines for the 2015
9 community mitigation fund, it established two
10 different categories of funding. Number one,
11 funding for specific construction related
12 impacts that have occurred or are occurring by
13 the application deadline, February 2, 2015.
14 And second, a one-time \$100,000 perk community
15 reserve for each surrounding community,
16 community that reached the nearby community
17 agreement with the licensee, and all
18 communities that petitioned to become
19 surrounding communities.

20 The reserve could be used for
21 specific impacts when those impacts are
22 determined, or could be used for
23 planning-related activities, either planning
24 to avoid or minimize potential negative

1 impacts from a facility, or planning to take
2 better advantage of the opportunities that may
3 arise from a facility.

4 In regard to the one-time reserve,
5 once a planning need is determined, or a
6 specific impact found, communities will
7 contact the ombudsman's office to utilize the
8 reserve, application materials will be
9 completed at that time and put before the
10 commission for review. Communities may use
11 the reserve fund in 2015 or thereafter.

12 I must note that we still have to
13 review even the reserve applications for their
14 compliance with our guidelines. As you
15 remember, the reserve application was a very
16 simple form with the check the box, but we
17 still need to review those reserve requests
18 for compliance and will make an official
19 determination at a later date.

20 In regard to the specific impacts,
21 staff will expeditiously begin its review of
22 these applications. The applications will be
23 forwarded to the respective licensee for their
24 comment. In the 2015 community mitigation

1 fund guidelines, the commission estimated that
2 decisions could be made, approximately, by
3 July. Potentially, the reviews could be
4 completed prior to that date. As we begin to
5 review the materials, we'll provide an update
6 to the commission, but we'll try to work as
7 quickly as we can. We'll also review any
8 comments we receive from other interested
9 parties, such as comments from regional
10 planning agencies. And, further, we'll
11 evaluate the submissions in the context of any
12 host and surrounding community agreements that
13 were executed.

14 Commissioners, we received one
15 request for an expedited review, given some
16 pending deadlines. We received a request from
17 mitigation from Sheriff Ashe, who joins us
18 today, regarding the Western Massachusetts
19 Correctional Alcohol Center. We -- Sheriff
20 Ashe will provide us a little bit of some of
21 the background regarding the facility and the
22 situation with this current lease.

23 In summary, however, the sheriff's
24 successful regional program is currently in

1 jeopardy because of the potential cost of
2 relocating the facility to a new location. As
3 you know, his current facility is in the
4 middle of the proposed Springfield MGM site.
5 MGM's has expressed concern regarding its
6 ability to move forward with its building
7 plans, given the fact that the sheriff has not
8 yet been able to relocate to a new location.

9 By way of background, a number of
10 parties have been working with the sheriff to
11 review his situation and determine potential
12 solutions, including commission staff. Those
13 discussions have continued in earnest. Given
14 the productive discussions, we invited
15 Sheriff Ashe to provide the latest information
16 to the commission, and to explain his
17 community mitigation fund request.

18 This effort received some very
19 difficult news just late yesterday afternoon,
20 and I'm going to ask Sheriff Ashe to give us a
21 little bit about that very difficult news.
22 But even with this difficult news, we're very
23 pleased that Sheriff Ashe has agreed to
24 continue to join us today and explain to us

1 his request and give us a little detail about
2 his very successful facility. The sheriff
3 understands that the commission is not going
4 to be in a position to make any determinations
5 regarding the request, especially given the
6 news that we just received. But we're very
7 pleased that the sheriff is here.

8 And on a personal note, we really
9 have appreciated the opportunity to work with
10 the sheriff and all of his staff. It's been a
11 very good dialogue, and we're very impressed
12 with their commitment to their mission and
13 look forward to continuing to work with them.
14 So in that regard, Sheriff.

15 COMMISSIONER MCHUGH: Good morning,
16 Sheriff. Welcome.

17 COMMISSIONER STEBBINS: Good
18 morning.

19 COMMISSIONER ZUNIGA: Good morning.

20 COMMISSIONER CAMERON: Good morning,
21 sir.

22 MR. ASHE: Yeah, good morning. And
23 a real honor for me to be here. And thank
24 you, John, for that summary, and thank you for

1 allowing us to be here. And, again, my name's
2 Sheriff Mike Ashe, and this is my chief
3 financial officer, Billy Christofori is here
4 as well.

5 COMMISSIONER MCHUGH: Good morning.
6 Welcome.

7 MR. CHRISTOFORI: Good morning.
8 Thank you.

9 MR. ASHE: So just by way of
10 background is that, you know, I've been
11 sheriff for 40 years. Started in 1975.
12 And -- and one of the things that has been
13 focus, really, is bail corrections versus
14 warehousing inmates. And we were presented an
15 opportunity, in 1985, under the guidance and
16 direction of Governor Michael Dukakis, to
17 launch, if you will, Western Massachusetts
18 Correctional Alcohol Center.

19 If you think back of 1985, he
20 personally had a history of alcoholism in his
21 own family and saw the issue, and he stepped
22 up and wanted to provide a treatment facility
23 for people that were -- committed their third
24 offense on the DUI. And there was a real

1 surge in our community at that time, and I'm
2 very pleased to say that we stepped forth
3 and -- and put together a plan, and we ended
4 up siting this facility in the south end of
5 Springfield, and it's the old YWCA building on
6 Howard Street, and we've been there now for 29
7 years.

8 And it's a regional facility. It's
9 coed. And, approximately, about 15 years ago
10 we expanded it to also include substance abuse
11 and co-occurring, you know, along with the
12 alcoholism and so on. It's an open facility.
13 And when I say "regional," it includes the
14 four counties in western Mass. The Berkshire,
15 Franklin, Hampshire, Hampden, and it also
16 includes Worcester, so we have five counties.
17 You're looking at a population around 182
18 people that come there from their respective
19 county jails, where they are detoxed,
20 classification occurs, and movement to, quote,
21 an open setting.

22 So most of the offenders there
23 suffer from addiction, if you will, but not
24 violent type of offenses. And I'm very

1 pleased to tell you that since we've been
2 there, there's been little or no occurrences
3 of any upsetting things that have occurred in
4 the neighborhood. And you can imagine, when
5 we first sited the facility there was a great
6 threat in terms of the neighborhood and so on.
7 But again -- but we're very pleased with that.

8 We have been able to impact 17,225
9 offenders with the treatment we provided
10 there. There's a 90-percent program
11 compliance there. And the recidivism rate
12 is -- is clearly shows that when you challenge
13 people, raise standards and provide
14 educational, individual and group counseling
15 is what occurred there in the first seven
16 weeks of the program, and then following the
17 seven weeks they then are involved in
18 community restitution programs, working on
19 behalf of, quote, cities and towns, and
20 housing authorities and the county, as well as
21 working with nonprofit agencies like the
22 Salvation Army, police departments and so on.

23 In addition, is that we have an
24 escort service and are very tied to, quote,

1 the NA -- or AA and NA program. That's the
2 real foundation and basis of the program, is
3 that an isolated fortress-in-the-woods kind of
4 facility. That's a recognition that all of
5 these people are coming back to the community,
6 and the question is -- is how do they come
7 back? But more particularly is, they're
8 coming back with what we call a continuity of
9 services, a continuity of services. And it's
10 a regional as well. In other words, we have
11 what we call -- this goes on as well as in
12 Pittsfield and Greenfield, and Northampton,
13 and Worcester, et cetera as well, in terms of
14 whole --

15 Now, we've been a -- a cooperative
16 partner, you know, in recognition of the
17 casino being there, and that we've been all
18 working in a very steadfast way to be
19 responsive and work in a cooperative manner,
20 you know, regarding, quote, this new economic
21 engine, which I think is terrific for our
22 area.

23 And, you know, I've lived in
24 Springfield my whole life, and particularly I

1 know the south end very, very well, and I
2 think it's going to be a tremendous asset to
3 our community and complement all the other
4 great things going on. Our city being led by
5 Mayor Albano and so on. I'm very, very proud.

6 I'd like to feel we've been a
7 vibrant part of the -- of the city and of the
8 region. And from the standpoint of -- I'd
9 like to feel really stepping up and looking at
10 a new paradigm in criminal justice, and being
11 very integrated regarding working with police,
12 parole, probation and so on, on behalf of
13 public safety. And -- and I'd like to feel
14 that that clearly shows.

15 For example, back in 2007 and 2008,
16 our census in Hampden County Sheriff's
17 Department was in the 2,200 category. But
18 because of our work over the years on the
19 whole reentry reintegration, we've been able
20 to reduce our population to around 1,500
21 inmates, so we're down in the neighborhood
22 about six, 700 inmates. So it clearly shows
23 that we're on the right path of challenging
24 inmates, establishing credible, evidence-based

1 kind of programming, and -- and establishing
2 housing, jobs and supportive services. And we
3 were the first in the nation establishing day
4 reporting, which is now adopted by the federal
5 government. And we also have a cutting-edge,
6 after-incarceration support service program
7 that we have right at Winchester Square.
8 Which means, simply, is that, at anytime when
9 an offender leaves us, he's no longer under
10 the sheriff's department or parole, probation.
11 He can go to seven and 36 State Street and
12 receive help, you know, regarding housing,
13 jobs and supportive services. And as we know,
14 in substance abuse, or in alcoholism, you're
15 always subject to relapse and so on. But the
16 big thing is not judging that, but being there
17 in terms of providing support and help, and so
18 on.

19 John mentioned about where we are
20 today. And I'm -- regrettably tell you is
21 that we had a facility up on Mill Street,
22 which is really just about, if you will, a
23 mile-and-a-half from Howard Street, and it's a
24 wonderful facility. When I say "wonderful,"

1 it was an old nursing home on Mill Street, the
2 Ring Nursing Home. At one point, I -- it
3 served as well as a halfway house, if you
4 will, for some of our offenders over the
5 years. And this met our specifications, and
6 we thought this would be a very nice move for
7 us.

8 We had a developer that we were
9 working with, who is our present developer on
10 Howard Street, and he announced to me
11 yesterday that -- that he is pulling out.
12 Okay. So, which simply means is that we have
13 to start the process all over again. And --
14 and I have been informed by DCAMM, division of
15 capital planning, that just with the
16 advertisement that would go on, that would be
17 at least 45 days that we'd have to -- you
18 know, this request for proposal. And so, I'm
19 looking at it's going to take, at least,
20 anywhere from 65 to 90 days and so on. So
21 that's -- that's not good news.

22 On the other hand, anybody that
23 knows me, I have the helmet on, and every day
24 we're working hard trying to make this happen,

1 and I really feel that we will. So we've
2 already talked to DCAMM because they -- again,
3 their requests for proposal go out very
4 quickly. We are going to try to, again, see
5 if we can get another developer for the
6 Mill Street site, but also we're going to
7 expand and look at the greater Springfield
8 area in terms of trying relocate the facility.

9 We have been in touch with the
10 governor's office. I wouldn't want to speak
11 for the governor, but my sense is he is very
12 open to wanting to help us with this project.
13 And we recently did have a meeting, and his
14 deputy financial person from A & F,
15 Rachel Madden, was there and mentioned that
16 she would do everything she could to help us,
17 particularly with Governor Baker's posture on
18 opiate epidemic and so on. I know DCAMM has
19 been very, very supportive, and I know,
20 obviously, the gaming commission was also at
21 the meeting. Been very, very helpful and so
22 on.

23 And so, that's really where we are
24 right at this point. And with that, let me

1 just have my chief financial officer just talk
2 about our request, at least give you a little
3 background of the finances and so on that we
4 were looking for based on what I'm paying now
5 for rent, and just trying to project out as to
6 where we were going as to why we were coming
7 back, and seeing if we could get some help.

8 And I realize that -- I suppose it's
9 like MGM, when they were first trying to do
10 their work in the community, everyone's
11 looking to think that they're going to be able
12 to get into one's pocket, and I'm sure the
13 commission is no different regarding the
14 mitigation money. I know you're limited, you
15 know, as to what you can do with so many needs
16 and so on. But any help that you could
17 provide for us, it would be very, very helpful
18 and so on.

19 MR. CHRISTOFORI: First of all,
20 Sheriff - I don't know this is on - if you
21 wanted to talk about the eviction notice, I
22 think that would be an issue that the sheriff
23 would want to speak about that we have also
24 received from, I think, MGM.

1 MR. ASHE: Yes, yeah. Well, as you
2 know, I mean, they have a time schedule. And,
3 again, according to the statutes, have to meet
4 those, and we understand that, you know. And
5 we have received an eviction notice for
6 March 1st, is our date. And I --

7 MR. CHRISTOFORI: March 31st, I
8 think, was given to us.

9 COMMISSIONER MCHUGH: March 31st.

10 MR. ASHE: Okay. Yep.

11 COMMISSIONER MCHUGH: All right.

12 MR. CHRISTOFORI: Sorry, Sheriff.

13 COMMISSIONER MCHUGH: Yes. We're
14 aware of that so thank you for -- for putting
15 that on the table.

16 MR. CHRISTOFORI: The fiscal piece,
17 Commissioners, really came down to, our
18 present rent is \$666,000, which I think you
19 see in the letter. The new proposal would
20 have been about 1.7 -- 1.7 million, which is
21 about 1.1 million than we have in our budget.
22 We did request to A & F, originally, about
23 600,000 in fiscal year 2016's budget. But,
24 unfortunately, that number came in higher,

1 about a half-a-million dollars higher.

2 First of all, we don't know if we
3 have that money from A & F, obviously, with
4 the fiscal situation that's occurring in the
5 state. But there were two options that I
6 think we presented in the -- in the mitigation
7 form.

8 One would have been a lump-sum
9 payment towards the build-out, which, in this
10 case, in the present, bid that one out, which,
11 obviously, is gone now, the build-out was
12 about seven-and-a-half million dollars. We
13 were looking for about \$4 million from the
14 mitigation fund to help offset the -- the
15 lease, which would have brought it down to a
16 more reasonable number, which would have fit
17 inside our budget.

18 The other option that was brought to
19 us, thanks to John Ziemba and the gaming
20 commission, was to potentially go out and have
21 a -- basically, a loan, a 10-year loan of
22 \$500,000 a year for 10 years. And then, I
23 think at that point the loan would be paid off
24 at a certain point beyond the 10 years.

1 So those were the two options that
2 we were looking at. One would be a lump-sum
3 payment, which would, obviously, reduce the
4 lease over the life, and the other would be
5 \$500,000 for 10 years to help keep that cost
6 down. The only thing that I would say, which
7 would have been different prior to yesterday
8 in the news that we got, is that one of the
9 things that would be helpful is that, if -- if
10 the gaming commission does see, in their
11 infinite wisdom, to help us out in some way,
12 that we could at least have that information
13 to us before the bid comes back. Because that
14 would be part of the process, I think, with
15 any other vendor, that if they knew there were
16 certain monies in hand, and not only the
17 gaming commission money, but, obviously, money
18 that might be placed in our budget for FY '16
19 when we would, you know, hopefully, eventually
20 be relocated. So I don't know if you have any
21 other financial questions for me.

22 COMMISSIONER MCHUGH: No. Thank you
23 very much for that presentation. Nobody's
24 ever accused us of having infinite wisdom

1 before so I'm very grateful for that as well.

2 All right. Questions or comments?

3 COMMISSIONER ZUNIGA: I do. And --
4 so it's -- from -- from your remarks and since
5 yesterday, it looks like you have to go out to
6 bid for -- for a new facility regardless,
7 correct?

8 MR. ASHE: Yes.

9 COMMISSIONER ZUNIGA: And you had
10 limited the area in the past, because I
11 understand this was your second bid, the most
12 recent, to the downtown Springfield area; is
13 that correct?

14 MR. CHRISTOFORI: What we wanted to
15 do, because it was a community-based program,
16 we were looking at keeping it in the greater
17 Springfield area. And the -- I think the
18 demographics that we may have -- may have
19 given them was a mile-and-a-half radius,
20 because most of our clients are from the inner
21 city. So in terms of transportation issues,
22 it makes it easier for people to get to their
23 jobs because it is a community-based program.

24 So now what we are going to do is,

1 we're going to increase that scope to actually
2 include some of the abutting towns or cities,
3 potentially, West Springfield, Chicopee,
4 Holyoke. That'll be determined by DCAMM,
5 eventually.

6 MR. ASHE: But the key aspect is the
7 siting difficulty you have with these
8 particular facilities. And this is why this
9 particular facility was very acceptable,
10 because we have a good relationship with the
11 neighborhoods. And it's already, if you will,
12 been encouraged by the siting of this because
13 we already have a track record, if you will,
14 of being a sheriff's department that was a
15 good neighbor in the community.

16 COMMISSIONER MCHUGH: Right.

17 MR. ASHE: So that, we have a track
18 record there.

19 COMMISSIONER ZUNIGA: I understand.
20 I guess what I'm trying to get at is, what
21 indication may -- may you have, may we all
22 have relative to the new rent, the new rent
23 amount? Whether we will be contemplating a
24 similar, smaller or larger gap between what

1 you currently pay and what you are now --

2 MR. CHRISTOFORI: From a financial
3 standpoint, I think what happened was, if you
4 take a look at the rent that we're paying for
5 the 666,000, there's a lot of history there.
6 So there wasn't --

7 COMMISSIONER ZUNIGA: I understand.

8 MR. CHRISTOFORI: -- in terms of the
9 build-out portion. So if you take a look at
10 43,000 square feet, it comes out to about \$15
11 a square foot. You people might be more
12 educated in terms of square footage, but
13 you'll find out that the new one was \$25 a
14 square foot, which I think is pretty
15 reasonable.

16 I would say that, depending on how
17 big the build-out is, you're probably looking
18 between a 20- and \$30-square foot lease, at
19 least. Because you got to remember, this is a
20 24-hour facility, seven days a week, 365 days
21 a year. It includes plumbing, individual
22 rooms. A lot of people look at it and they
23 forget it's not an office space that you're
24 looking at. You're actually looking at a

1 housing space, which increases the per square
2 footage.

3 COMMISSIONER MCHUGH: Right.

4 COMMISSIONER ZUNIGA: Tell me those
5 figures again.

6 MR. CHRISTOFORI: The present -- the
7 present lease that we pay now is about \$15 a
8 square foot. The new lease came in at 29.64
9 without utilities. If you include the
10 utilities, it brings us to up to about \$35 a
11 square foot.

12 COMMISSIONER ZUNIGA: And you have
13 the same square footage?

14 MR. ASHE: Yes.

15 COMMISSIONER MCHUGH: Yeah, yeah.

16 COMMISSIONER ZUNIGA: Is that
17 something you would contemplate modifying?

18 MR. ASHE: Yeah, we would -- this
19 would be fine, if could to do that because it
20 would be --

21 MR. CHRISTOFORI: I think a downward
22 modification wouldn't be acceptable, just to
23 the point that we are -- we're probably at
24 about 160 of 182 right now, in terms of the

1 capacity is 182.

2 COMMISSIONER ZUNIGA: Is that
3 individuals or --

4 MR. CHRISTOFORI: No.

5 COMMISSIONER ZUNIGA: Thousand
6 square feet?

7 MR. CHRISTOFORI: How many square
8 feet? 43,000 square feet.

9 COMMISSIONER ZUNIGA: Okay. Right.

10 COMMISSIONER MCHUGH: Individuals.

11 COMMISSIONER ZUNIGA: Right.

12 Individuals. So you were talking individuals?

13 MR. CHRISTOFORI: Yeah. Yep.

14 COMMISSIONER ZUNIGA: Yep.

15 MR. CHRISTOFORI: And most of those
16 rooms, just so you'll know, they're -- if you
17 went into it, it's like a college dorm in
18 terms of, there's bunk beds. It's not
19 individual rooms. I think in certain rooms
20 there's actually six -- six individuals to a
21 room.

22 COMMISSIONER MCHUGH: So those are
23 the numbers for the development that was
24 proposed --

1 MR. CHRISTOFORI: Yes.

2 COMMISSIONER MCHUGH: -- but now
3 we're probably on a new track, and that's a --
4 those are ballpark numbers.

5 MR. ASHE: Yes.

6 MR. CHRISTOFORI: Yes.

7 MR. ASHE: That's right.

8 COMMISSIONER MCHUGH: Without being
9 precisely geared to a specific location.
10 Other thoughts, comments, questions?

11 COMMISSIONER CAMERON: Yeah.
12 Sheriff Ashe, first I just wanted to commend
13 you. Tremendous program. I was very
14 interested in listening to your thoughts on
15 recidivism, the low rate, and the reduced
16 incarceration. I just wanted to commend you
17 for your efforts there.

18 Secondly, you did mention that there
19 was a chance that another developer could come
20 in for that same property. So -- did you
21 mention that, sir?

22 MR. ASHE: Yeah. I mean, I would
23 just say is, these are the things that
24 we're -- we're trying to do everything we can

1 to hold on to the Mill Street site, and that's
2 what we're trying to do.

3 Now, we'll have to see what happens
4 because right now the -- and I think John
5 might have some insight in this, John,
6 would -- that the present owner is in
7 financial trouble. And, basically, it's
8 because of the goodwill of MGM, has been
9 helping us with the mortgage in behalf of
10 that. But my sense is, is that there's a
11 deadline of early February, and it could be
12 within a week that again that mortgage will --
13 they'll be faced with that. And unless
14 there's somebody who can help with that, it
15 could very well be that he will lose the
16 building.

17 And then -- then now we're faced
18 with another event of that it will evolve from
19 a legal standpoint that it could also further
20 delay this. Okay. But, again, this is
21 something that -- that I'm sure I'll be
22 talking to MGM and so on in the coming days,
23 okay, trying help, as they have been, okay,
24 with this building as we continue, if you

1 will, to target this building as an area that
2 we wanted to relocate.

3 So we're going to -- so -- so yes,
4 we would like to hold on to this building,
5 but, also, I think we also look at it trying
6 to look at options as well. You know, on this
7 RFP.

8 MR. CHRISTOFORI: Commissioner
9 Cameron, I guess what's important about the
10 building is, because it's -- it was set up as
11 a nursing home, the build-out was
12 seven-and-a-half million for 180 beds as well.
13 I think, if -- if someone from a construction
14 area would come in to build a facility like
15 that, you know, you're -- I mean, I know we
16 just -- we just completed a women's facility
17 for 140 beds, and it was in the 20 million
18 area to construct from ground up.

19 So I think when you're looking at --
20 I think if a vendor were to look at it, it's a
21 nice building, probably, to do the project
22 from their standpoint, in terms of, you know,
23 their fiscal austerity in terms of having a
24 good building. But not only the location, but

1 the way it's set up, it almost fits the
2 program, is how it sits right now in the Y --
3 the old YWCA with the multiroom -- the
4 multibedrooms.

5 So I think from a -- someone who is
6 going to look at as a -- as a -- to bid on it,
7 I think that would be an ideal spot for them.

8 COMMISSIONER STEBBINS: I think it's
9 important to note and -- first of all, I want
10 to also join Commissioner Cameron and talk
11 about the success of your programs. Growing
12 up in western Mass, I just figured that this
13 is what every county sheriff did, until I got
14 out into the world and recognized that
15 Sheriff Ashe was a quite a remarkable
16 pacesetter for -- for his colleagues.

17 MR. ASHE: Thank you.

18 COMMISSIONER STEBBINS: You've been
19 out to bid twice on this parcel. The second
20 time you wind up with the property that we
21 have -- or the property on Mill Street. And,
22 you know, from what you've just stated, even
23 if you go to another round, or you have to go
24 out to a new round and you expand your search,

1 I think you covered the issue of going out and
2 reaching out to that community to make them
3 feel comfortable about this program coming
4 into the community. And even that kind of
5 community involvement and community
6 communication phase can add time to --

7 MR. ASHE: Right.

8 COMMISSIONER STEBBINS: -- even
9 though, you know, it's a --

10 MR. ASHE: Right.

11 COMMISSIONER STEBBINS: -- kind of a
12 statutory deadline, you're adding days.
13 Getting out and talking to those neighborhood
14 groups and making them feel comfortable about
15 the program.

16 MR. ASHE: Yeah.

17 COMMISSIONER STEBBINS: Whereas, now
18 we have a spot where the neighborhood's used
19 to. And, you know, it's -- just driving
20 around you see folks from that center who are
21 out, you know, doing yardwork, community
22 cleanup work. So, you know, it's certainly
23 been accepted. So you're just -- your
24 eviction date from the current site is?

1 MR. CHRISTOFORI: March 31st.

2 MR. ASHE: March 31st.

3 MR. CHRISTOFORI: March 31st.

4 COMMISSIONER MCHUGH: Right.

5 COMMISSIONER STEBBINS: Okay. And
6 it's, obviously, a property that is still
7 going through some type of historical review
8 and oversight process with MHC and the local
9 preservation -- local historical.

10 MR. ASHE: Commissioner, I think as
11 we go forward, and again -- again, trying to
12 work in a cooperative way with everybody,
13 because I know, too, everybody has this time
14 schedule. Okay. And, of course, at least, I
15 was just looking as sheriff, in terms of the
16 staff and the programmatical (phonetically)
17 aspect that -- that if, at least we've got a
18 commitment, you know, in terms of where we
19 were going, that that's really key. Okay.
20 And then, I would do everything I can to try
21 to help, you know, with -- with the time
22 schedule. Okay. And that's what I find.

23 I find, right now I'm just, on one
24 hand have the pressure of the March 31st date,

1 and yet I don't have any actual or crystalized
2 plan. And I guess this is where we are right
3 now, so that's what I'm trying to make happen.
4 And -- which I know everyone understands.
5 But -- but you're right, Commissioner, that --
6 that's a key thing. But, again, these are all
7 things -- these are the unknown, you know, as
8 we go forth and what we have to deal with.
9 But I'm ready to -- whatever we have to deal
10 with, I can only tell you that we've got the
11 helmet on trying to make it happen. Okay.
12 That's all.

13 COMMISSIONER STEBBINS: What's the
14 condition of the building right now?

15 MR. CHRISTOFORI: The present
16 building?

17 COMMISSIONER STEBBINS: Yeah.

18 MR. CHRISTOFORI: It's in good
19 shape. Obviously, one of the things we have
20 is we have a lot of inmates who do a lot of
21 great work there. That building, we've been a
22 real partner with the present -- with the
23 present vendor and, you know, we maintain a
24 lot of it ourselves.

1 COMMISSIONER STEBBINS: No. I mean,
2 the Mill Street property.

3 MR. CHRISTOFORI: Oh, Mill Street?

4 MR. ASHE: Well little -- it's okay.

5 MR. CHRISTOFORI: Yeah.

6 MR. ASHE: Okay. And but, again,
7 nothing's been done to the building, to my
8 knowledge, 15, 20 years. But, again, compared
9 to where we are, because we're not looking for
10 any Hilton or anything else, you know. But I
11 think, too, I'm just looking for some
12 reasonable accommodations, and so there is
13 some work that needs to be done. And, of
14 course, that was all part of the build-out.
15 You know, that they were going to do some
16 upgrade of that, and, of course, the jail
17 staff was going to work with all of that as
18 well.

19 And I had said earlier, one of the
20 key cast aspects that we have at our present
21 facility is an auditorium. This lacks an
22 auditorium so you can imagine about the
23 educational sessions that take place, that
24 that's very much necessary. It's an essential

1 aspect. So we want to go -- and this was
2 the -- part of the renovations that were going
3 to be done, the addition, yeah.

4 COMMISSIONER MCHUGH: Well, this is
5 a model program for the kind of
6 forward-thinking corrections -- approach to
7 corrections. You've been a pioneer in this.
8 There's been a great deal of conversation in
9 the press, in the public, in the legislatures
10 about a smarter way to deal with the problem
11 of addiction in the criminal justice context.
12 And this is -- this is the kind of program
13 that really needs to be preserved. And I join
14 the others in congratulating you.

15 In my former life, when often ran
16 into problems and issues with people who
17 really had addiction problem, rather than a
18 criminal problem, the difficulty in finding
19 beds was overwhelming to get the treatment
20 programs. You've got one. You've got a
21 successful one, and it's in everybody's
22 interest to keep this program going for that
23 region.

24 There are a lot of moving parts and

1 a lot of players, but I can assure you that,
2 as John Ziemba has been in the past, he will
3 continue to be a representative of the
4 commission in helping to try and find a
5 solution to this, and helping to try to find a
6 solution with all the other parties that are
7 needed for the solution to occur as quickly as
8 we possibly can.

9 So we look forward to having John
10 keep us up to date on what's proceeding. We
11 look forward to hearing from you again
12 directly, if that's necessary.

13 MR. ASHE: Right.

14 COMMISSIONER MCHUGH: But you have
15 our full support in the effort to keep this
16 very valuable and very important program
17 alive, so thank you very much.

18 MR. ASHE: Well, thank you, too.
19 It's an honor to be here, and thanks for your
20 support and help. And, again, John has
21 already been helpful. We look forward to
22 working with John. Thank you.

23 COMMISSIONER MCHUGH: Thank you very
24 much. Thank you --

1 MR. CHRISTOFORI: Thank you,
2 Commissioners.

3 COMMISSIONER MCHUGH: Thank you both
4 very much.

5 MR. CHRISTOFORI: Your office has
6 been great to us too. Thank you.

7 COMMISSIONER MCHUGH: Thank you.

8 MR. ZIEMBA: Commissioner, if I
9 could just get one final -- one final point.
10 Obviously, this is a very complex -- complex
11 endeavor involving many, many parties. I
12 thank the sheriff for -- for noting the
13 constraints that we're under in regard to the
14 fund. We did come up with some constructs of
15 how it could be orchestrated with a -- more of
16 a longer term. We're open to discussing all
17 opportunities. We obviously -- or I obviously
18 did not put together a dollar amount.
19 That's -- that's for the commission to
20 determine.

21 COMMISSIONER MCHUGH: Right.

22 MR. ZIEMBA: But we're going to
23 continue to work with -- work with the
24 sheriff.

1 And, in general, there's been some
2 short-term constraints on the mitigation fund.
3 After the facilities are up and operational
4 there'll be much more funding available to
5 communities and others that need funding to
6 deal with mitigation requests. So in that
7 construct, we thank the sheriff for
8 recognizing all --

9 COMMISSIONER MCHUGH: The
10 constraints that we're under, yeah.

11 MR. ZIEMBA: Yeah.

12 COMMISSIONER MCHUGH: Yeah, surely.
13 Surely. And -- and -- so we look forward to
14 supporting your -- whatever -- whatever role
15 we can play constructively in this within the
16 constraints that we have as well. Thank you.
17 Thank you very much.

18 COMMISSIONER ZUNIGA: Thank you.

19 MR. ASHE: Thank you.

20 COMMISSIONER CAMERON: Thank you.

21 COMMISSIONER STEBBINS: Thanks.

22 MR. ZIEMBA: So that concludes that
23 portion.

24 COMMISSIONER MCHUGH: Okay. Did you

1 have more, because I had one question about
2 the -- about the pending requests? But if you
3 have more to --

4 MR. ZIEMBA: I don't.

5 COMMISSIONER MCHUGH: Okay. I --
6 you said that with respect to the applications
7 for mitigation funds, you gave a ballpark to
8 when we'd have decisions on those. The
9 reserve funds, though, are those decisions
10 going to be made earlier, or what's your plan
11 for those?

12 MR. ZIEMBA: Yeah, much earlier. We
13 have to check compliance issues. But even
14 though it's a simple form, for example, we
15 have one community that we have been in
16 contact with that noted that it mailed an
17 application, and whether or not it was
18 received or postmarked we just need to
19 doublecheck on that. But --

20 COMMISSIONER MCHUGH: All right.
21 But those will be decided --

22 MR. ZIEMBA: Very, very soon.

23 COMMISSIONER MCHUGH: -- very
24 quickly?

1 MR. ZIEMBA: Yep.

2 COMMISSIONER MCHUGH: Okay.

3 COMMISSIONER ZUNIGA: Can I mention
4 something on that, which is something that you
5 alluded to and we have not finalized, and
6 that'll be part of the review?

7 But to the extent that we can avoid
8 duplication of planning efforts would be --
9 would be ideal from -- needless to say. If we
10 have a number of adjoining communities doing
11 this same kind of planning, I would really
12 exhort you to look at opportunities to do that
13 regionally, where it make -- make more -- more
14 sense for everybody.

15 That's not the prism that each of
16 one of these applicants for planning monies
17 necessarily by necessity have to view this,
18 but as we get into the details of what scope
19 of work they're contemplating, I think that's
20 an important thing to consider.

21 MR. ZIEMBA: I couldn't agree more.
22 When we rolled out the community mitigation
23 fund application guidelines, we anticipated
24 that some of the planning activities could be

1 done regionally at the regional planning
2 agencies. We met with regional planning
3 agencies, talked to the regional planning
4 agencies when we put together our guidelines,
5 and we would hope that communities take
6 advantage of these regional approaches through
7 the regional planning agencies, or through --
8 through other endeavors, but we'll work on
9 that as well.

10 COMMISSIONER STEBBINS: I -- go
11 ahead.

12 COMMISSIONER ZUNIGA: My default
13 would be, as we get -- as we're near approval
14 of some of these planning monies, that whoever
15 has regional approach would get, you know,
16 more favorable consideration for their -- for
17 their grants because it's -- you know, it's a
18 two-for every time somebody's thinking
19 regionally.

20 MR. ZIEMBA: Right.

21 COMMISSIONER STEBBINS: I also was
22 happy to see you're going to have the RPA's
23 involved. I am a little concerned about --
24 and we talked about this, about a July 2015

1 deadline. And I know that's probably at the
2 outer end of the decision and review time
3 frame, but your -- your plan calls for, also,
4 in -- including gaming policy advisory
5 committee, community mitigation, subcommittee,
6 even the local mitigation subcommittees. Are
7 they all -- all seats filled, when you take
8 into consideration, you know, when their
9 meeting dates are going to be; is that kind of
10 why you have a July 2015 deadline out there?

11 MR. ZIEMBA: Now, what happens with
12 the local committees regarding the current
13 funding round, I think that remains to be
14 determined at those committee meetings.

15 COMMISSIONER STEBBINS: Okay.

16 MR. ZIEMBA: But that's a very good
17 point. Specifically, with community
18 mitigation fund. We anticipated that the
19 first year funding program would not
20 necessarily be the funding program for future
21 years.

22 COMMISSIONER STEBBINS: Right.

23 MR. ZIEMBA: In that, we will get a
24 lot of valuable input from those local

1 committees in constructing the future-round
2 programs. For example, this program was
3 limited to construction-only specific impacts.

4 COMMISSIONER STEBBINS: Right.

5 MR. ZIEMBA: As we get closer to
6 operational date, necessarily, we will have to
7 expand to operational impacts. But they -- as
8 you'll see when we review each of these
9 applications, they'll be many, many thorny
10 issues that we'll experience in our reviews in
11 trying to make determinations how to use all
12 of these funds wisely.

13 We will benefit greatly from the
14 advice we receive from the local committees,
15 the subcommittee, the community mitigation,
16 and the Gaming Policy Advisory Commission.
17 The good news on the local committees, we have
18 received the designees for each of one of
19 these local committees, and we recently sent
20 out letters, or I think they should have been
21 sent out in the last day or two, unless the
22 snow prevented us from doing that, to each of
23 those members.

24 And the plan is that the ombudsman's

1 office would meet with each of those
2 individual members to get their understanding
3 of the -- of the act, what their role will be
4 as the local committee, what suggestions they
5 have going forward regarding the mitigation
6 fund, other issues regarding surrounding
7 community issues, host community issues, and
8 we will bring that experience into -- into a
9 joint meeting shortly thereafter. I'm not
10 certain when that meeting will be. But our
11 goal is to have those individual meetings
12 within the next three to four weeks, and then
13 join to have the larger meetings.

14 We still need some representatives
15 for the subcommittee on community mitigation.
16 Some of those appointments are commission
17 based. We've done some analysis on who we
18 could recommend. At a future meeting I'll
19 bring those names to you for -- for
20 consideration, and then we'll work with the
21 governor's office and other appointees that
22 are gubernatorial appointments.

23 And then, finally, we have to check
24 with a lot of agency representatives and other

1 representatives that are noted in the -- in
2 the statute that are -- obviously, we've just
3 had a change of administration, so names that
4 we had previously, we have to doublecheck on
5 those names. It's just been a matter of days
6 since the change to the administration so --
7 and I know that there's been a lot of things
8 on everybody's plate. But we'll follow
9 through with them to try to get some finality
10 to all of those names.

11 COMMISSIONER STEBBINS: Okay.

12 MR. ZIEMBA: But it just -- it goes
13 along with the -- the earlier remarks, that
14 almost everything that we do involves point of
15 contacts very, very far and wide. And
16 although that's very complex, at the end,
17 after these conversations, I think the goal
18 will be to have a community mitigation fund
19 that grows and changes over time and that
20 adapts to needs as circumstances demand.

21 COMMISSIONER STEBBINS: Okay. Good.

22 MR. ZIEMBA: Long answer. Sorry
23 about that.

24 COMMISSIONER MCHUGH: No, no. No,

1 it's helpful. I mean, we haven't touched on
2 those -- the community mitigation groups, and
3 it's important for everybody to understand
4 that the mitigation effort and the mitigation
5 grants that we ultimately make are, in part,
6 going to be a determined and advised by groups
7 from the local communities that have applied
8 for -- for the -- for the funds. And we
9 really haven't touched on that yet. And we're
10 now in the process of putting those groups
11 together, of getting people from the
12 communities, getting all the representatives
13 from the various constituencies that the
14 statute requires. And that is, as you say, a
15 complex process.

16 But, in the end, what we're going to
17 have is a statewide group to advise us on how
18 these funds should be distributed, and a
19 statewide group that will be from the
20 communities that are in the areas that are
21 going to receive the funds. That's a terribly
22 important part of this well-thought-out piece
23 of legislation that we're now in the process
24 of implementing, so that's a very helpful

1 discussion, so thank you. All right.

2 Anything further?

3 MR. ZIEMBA: No.

4 COMMISSIONER MCHUGH: Okay. Great.

5 Thank you.

6 COMMISSIONER CAMERON: Thank you.

7 COMMISSIONER MCHUGH: All right.

8 The next item on the agenda is Workforce
9 Supplier and Diversity Development, Director
10 Griffin.

11 COMMISSIONER ZUNIGA: Can we take a
12 short break before that?

13 COMMISSIONER MCHUGH: That'll
14 probably take us half-an-hour or 20 minutes.
15 Do you want to take a break now? All right,
16 yeah.

17 COMMISSIONER ZUNIGA: Are you still
18 planning to go through lunch -- without lunch,
19 rather? Can we take five?

20 COMMISSIONER MCHUGH: Yeah, yeah.
21 All right. Before we start that, feel free to
22 be seated, but we are going to take a short
23 break. We'll take a break for five minutes
24 and then resume.

1 COMMISSIONER STEBBINS: Thank you.

2

3 (A recess was taken)

4

5 COMMISSIONER MCHUGH: All right.

6 We're ready to resume now with agenda

7 Item No. 5, Workforce Supplier and Diversity

8 Development, Director Griffin. Good morning.

9 MS. GRIFFIN: Good morning,

10 Commissioners.

11 COMMISSIONER STEBBINS: Good

12 morning.

13 COMMISSIONER ZUNIGA: Good morning.

14 COMMISSIONER CAMERON: Good morning.

15 Yes, you can pull it up.

16 COMMISSIONER STEBBINS: Pull it a

17 little closer.

18 MS. GRIFFIN: I'm joined by

19 representatives from Wynn Resorts. We're here

20 today to present the diversity plan for design

21 and construction for Wynn Mass, LLC.

22 Mr. Robert DeSalvio is here, president of

23 Wynn; Jennie Peterson, manager of development;

24 Ulrico Izzaguire, vice president of government

1 and community affairs; and -- is Jacqui here?
2 Oh, Jacqui is here. And Jacqui Krum, senior
3 vice president and general counsel at
4 Wynn Resorts.

5 So I'm going to make some brief
6 comments outlining the process that we
7 undertook, the public comments that we
8 received, and highlight key points in the
9 plan, and then I'm going to turn it over to, I
10 think, Bob DeSalvio, who will present a short
11 presentation, and then at the end of
12 discussion I'd be glad to present my
13 recommendation.

14 So as you're aware, the
15 Massachusetts gaming legislation that the
16 commission is charged with implementing
17 highlights a goal of maximizing economic
18 opportunities for both residents and
19 businesses in Massachusetts, and makes
20 diversity and inclusion a priority. So as
21 part of the commission's agreement to award
22 the Category 1 license to Wynn Mass LLC, the
23 gaming establishment is required to submit
24 four plans for commission approval. We're

1 here to talk about those that focus on the
2 design and construction period, including a
3 provision of a plan for affirmative marketing
4 program to identify contracting and casino
5 purchasing opportunities for MBE, WBE and VBE
6 vendors for design and construction, and an
7 additional plan for the workforce, including
8 an affirmative action program for equal
9 opportunity.

10 So as part of the process, the
11 commission staff notified the licensees, both
12 licensees, on November 17th, that these two
13 plans were due to the commission on
14 January 12th. Wynn submitted the plan as
15 required, and staff sent the plan out for
16 comment to groups such as the vendor advisory
17 team, the Mass Gaming Vendor Advisory Team,
18 The Gaming Diversity Coalition, the Policy
19 Group of Tradeswomen's Issues, and the Action
20 for Regional Equity Local Coalition. Many of
21 whom are here in the audience today.

22 So included in your materials today
23 is a red-line version of the diversity
24 strategy, which illustrates any clarifications

1 or changes that were made after the original
2 submission as a result of feedback from both
3 commission staff and any of the groups I
4 mentioned above.

5 So we received four written comments
6 from members of those groups, and I'd say all
7 four comments were positive, and all of the
8 responses indicated that Wynn has consulted
9 their organization for input and best-practice
10 information.

11 One group in particular, you'll note
12 these comments are in your packet, the group,
13 Action for Regional Equity advocated for Wynn
14 to set higher diversity standards during the
15 construction phase due to the higher diversity
16 in greater -- in the greater Boston region as
17 compared to the state. They also urged Wynn
18 to identify sources of funding for community
19 outreach in the plan. So I'm just going to go
20 on and talk a little bit about the plan now.

21 Wynn's diversity strategy is
22 detailed and concrete regarding both the
23 implementation and, for example, they
24 incorporate diversity goals into relevant

1 contracts and agreements, and they have
2 established mechanisms to remedy shortfalls
3 during this process.

4 Wynn has committed to robust,
5 regular oversight and reporting, and Wynn's
6 plan is to monitor workforce and vendor
7 diversity during design and construction from
8 the highest levels of the organization,
9 including President DeSalvio and a diversity
10 coordinator, who will report directly to him.

11 On the ground, monitoring appears
12 strong as well. The diversity coordinator
13 will review overall compliance, monitor
14 effectiveness, and make recommendations to
15 modify the program. This diversity
16 coordinator for Wynn will work directly with
17 the construction monitor. And it appears
18 there's also staff designated for the
19 construction monitor as well. And the
20 diversity coordinator will participate in the
21 commission's access and opportunity committee,
22 which is our internal monitoring committee.

23 Wynn has committed to monthly
24 diversity meetings involving the president,

1 the Wynn design and development team, the
2 diversity coordinator, the local architect and
3 construction manager. Wynn has also outlined
4 the partnership roles and diversity
5 expectations relative to their relationship
6 with the building trades.

7 One point to note is that, during
8 the design phase Wynn has not set a goal for
9 the veteran business participation. During
10 the construction phase, their supplier
11 diversity goal for veterans is 1 percent.
12 Supplier diversity goals for the combined
13 minority women business enterprise are
14 equivalent to the state combined goals of 17
15 percent during the design phase, and
16 10.4 percent combined goal for the
17 construction contracts. In the case of
18 minority business enterprises, Wynn reaches
19 higher in both the design and construction
20 phase.

21 For the construction workforce, Wynn
22 adopted the state diversity goals for the
23 construction period, which includes 15.3
24 percent for minority, 6.9 percent women and 3

1 percent veterans.

2 So unless you have comments or
3 questions for me at this time, I'm going to
4 turn the floor over to Bob DeSalvio.

5 COMMISSIONER MCHUGH: All right. I
6 have some questions, but I'll save those for
7 you, Director Griffin, but I'll save those
8 until we've heard from the Wynn team.

9 MS. GRIFFIN: Great.

10 MR. DESALVIO: Good morning again,
11 Commissioners.

12 COMMISSIONER STEBBINS: Good
13 morning.

14 COMMISSIONER MCHUGH: Good morning.

15 COMMISSIONER ZUNIGA: Good morning.

16 COMMISSIONER CAMERON: Good morning.

17 MR. DESALVIO: I just want to
18 introduce the team that's here with me that
19 put a lot of effort and time into the plan.
20 But before I do that, I would be remiss if I
21 didn't -- did not acknowledge Jill's efforts
22 in helping and guiding us through this
23 process. She was a great partner, and really
24 did put a lot of time and effort to guide the

1 team in the right direction. So thank you,
2 Jill, for that. Appreciate it.

3 Jacqui Crumb, as you mentioned, is
4 here with us. Jacqui has always been our
5 trusted business adviser through the
6 compilation of the plan, and helps me a lot
7 with -- with good business insight and
8 historical framework for the Wynn Resorts
9 programs that we've got back in Nevada.

10 You know Jennie Peterson. Jennie's
11 been on the project with me from day one. As
12 Jill mentioned earlier, the diversity
13 coordinator. And Jennie has volunteered to be
14 the diversity coordinator for our project.
15 That is a -- that is a very significant role.
16 It will require a lot of effort and
17 integration with the commission staff and with
18 us, and with our contractors and designers.
19 So we thank Jennie for that, and for the
20 tremendous work that she put in in getting
21 this plan together. It's really, truly been a
22 pleasure working with her on this.

23 And then, Jill mentioned earlier
24 about Ulrico joining our team. Rico's been

1 with Wynn Resorts for about three months now.
2 And before I turn the presentation over,
3 actually, to Rico, I think it's important that
4 I give you a little bit about his background
5 since this is the first time that he is here
6 in front of the commission on behalf of Wynn
7 Resorts. So I'm going to -- if you wouldn't
8 mind, I'd like to tell you a little bit about
9 Rico.

10 Rico brings with him more than 15
11 years of high-profile experience in government
12 relations, communications, corporate social
13 responsibility and development fields. Most
14 recently, he served as a national political
15 director for Caesar's Entertainment, Inc.,
16 where he was responsible for managing
17 political affairs efforts and advocacy
18 communications for Caesar's Political Action
19 Committee, and overseeing political efforts
20 relating to legislation.

21 Prior to that, Rico held several
22 high-level leadership roles in various state
23 department and state and federal campaign
24 management roles. He served as an aide in

1 vice president Gore's west wing office in
2 1999. Rico holds a bachelor of arts degree in
3 political science from Trinity University, and
4 a master's in public administration from
5 Arizona State University. And he's been a
6 great addition to the team. He's helped us a
7 lot here in Mass. He had some great
8 background that he was able to share with the
9 team. And on behalf of Wynn, he's going to
10 handle the executive overview of this
11 presentation, so take it away, Rico.

12 COMMISSIONER MCHUGH: Excellent.

13 MR. IZZAGUIRE: Thank you, Bob.

14 COMMISSIONER MCHUGH: Good morning.
15 Welcome.

16 MR. IZZAGUIRE: Thank you. Thank
17 you. Good morning, Commissioners.

18 COMMISSIONER CAMERON: Good morning.

19 MR. IZZAGUIRE: Director Griffin,
20 thank you so much for the introduction.
21 Commissioners, good morning. It's an honor
22 and a pleasure to be here with you today,
23 especially on the heels of a Patriots Super
24 Bowl win, which was very exciting to see here

1 yesterday downtown so --

2 COMMISSIONER MCHUGH: Lifted
3 everybody spirit.

4 MR. IZZAGUIRE: Yes, it did. Yes,
5 it did. Thank you. I guess we can go to the
6 first slide. Thank you so much. We have put
7 a lot of work into developing our Wynn design
8 and construction and diversity strategy, and
9 we're very excited to present it to you here
10 today. This is a topic which is near and dear
11 to my heart personally, and it's an honor to
12 be able to speak a little bit about it this
13 morning to you today. It is a plan that we
14 have developed, and not only that reaffirms
15 our commitment to diversity and inclusion that
16 has been a core business function of our DNA,
17 but has also a plan that's been developed by
18 listening, speaking and engaging with our
19 community partners and the diverse community
20 organizations that we have, in the last
21 several months, been working very closely
22 with.

23 We feel it's important to provide a
24 little bit of background and context regarding

1 Wynn's historical commitment to diversity.
2 Our diversity commitment is among the
3 strongest of any gaming company in the U.S.
4 We are very proud of our diversity among our
5 management-level employees in Las Vegas, where
6 we employ over 12,000 people. 36 percent of
7 our managers, directors and executive-level
8 employees are minorities, and 42 percent of
9 our managers, directors and executive-level
10 employees are women. We're also very proud of
11 our commitment to providing opportunities for
12 growth and advancement within Wynn Resorts,
13 and we promote over 66 employees every month
14 to new opportunities for new jobs and new
15 advancement career opportunities.

16 We also provide a variety of
17 opportunities in training and development for
18 our employees, which include opportunities for
19 English language learner classes that we cover
20 the cost to, as well as citizenship classes,
21 which we also cover the cost for both the
22 classes as well as the course fees and the
23 exam fees for citizenship exams for our
24 employees as well. Next slide, please.

1 We also have a very strong
2 commitment to working with diverse vendors.
3 In Las Vegas alone we have relationships with
4 over 400 diverse businesses. In 2013, we
5 channeled nearly \$30 million to minority-,
6 women- and veteran-owned business enterprises,
7 which, roughly is 12 percent of our
8 procurement spent. And that figure is most
9 likely greater, given that many of the diverse
10 businesses in Nevadas are not formally
11 certified as such. However, we're very proud
12 to provide assistance to organizations, to
13 minority and disadvantaged businesses to help
14 them receive their certifications with -- with
15 our procurement teams. Next slide, please.

16 We've engaged with the community and
17 community groups, and partners to develop our
18 goals for strategy and reaching these goals
19 during the design and construction phase of
20 the development. Among them, there are few up
21 here on the board. We are grateful for the
22 support of the local partners, including the
23 MGC Vendor Advisory Committee, The Greater New
24 England Minority Supplier Development Council,

1 The Hispanic American Chamber Institute, The
2 Massachusetts Supplier Diversity Office, and
3 The Policy Group on Tradeswomen Issues and
4 others. And we look forward to continued
5 engagement with these partners as we look to
6 implement our strategy and to reach our goals.
7 Next slide, please.

8 As I mentioned earlier, we are
9 thrilled to be -- to be in Massachusetts, and
10 very eager to bring our commitment to
11 diversity to the commonwealth, as well as
12 support the vision of diversity created by the
13 state and this gaming commission. We realize
14 that we are new to the region, and we need to
15 build our diversity capability. We are a
16 leading company in the hospitality industry,
17 setting the gold standard. And we expect to
18 set a similar gold standard for other
19 large-scale developers and operators within
20 the commonwealth.

21 As we finalize our design and embark
22 on the site cleanup this spring, and the
23 construction for the resort in the summer, we
24 expect to build a regional diversity capacity,

1 working with diverse business partners and
2 contractors, and a diverse workforce to
3 provide opportunities, to participate in this
4 large-scale, five-star development.

5 It is our hope that the businesses
6 and workers that we work with will go on to
7 participate in one of the many new
8 developments underway in the region over the
9 next many years, taking with them their
10 expanded capacity and skill set. Next slide,
11 please.

12 Our goals are the result of research
13 that we've done, supported by the disparity
14 study conducted by the Division of Capital
15 Asset Management, DCAMM, and we reflect the
16 state goals for large-scale public projects
17 set by DCAMM. We've taken into account the
18 availability of minority, women and veteran
19 business enterprises, and the workforce
20 diversity of our region. We took an
21 opportunistically aggressive, but realistic
22 approach to ensuring that we would be able to
23 achieve our goals. Particularly, given the
24 competition for work -- for workers and

1 contractors that will be driven by the high
2 volume of development projects over the next
3 several years. We will strive to achieve, and
4 aspire to exceed these goals. Again, these
5 goals are -- we view them as a -- a base and
6 not a ceiling.

7 For participation goals, as far as
8 the consultant and the contractor
9 participation goes on the design contracts for
10 minority business enterprises, we set a goal
11 of 7.9 percent. For women business
12 enterprises, 10 percent. For contractor
13 participation on the construction contracts,
14 we set a goal of 5 percent for minority
15 business enterprises, 5.4 percent for women
16 business enterprises, and 1 percent for
17 veteran business enterprises. And our
18 workforce participation for construction
19 phase, we've set a goal of 15.3 percent for
20 minorities, 6.9 percent for women, and
21 3 percent for veterans.

22 When we set these goals we
23 applied -- and as applied to a project of this
24 scale, that will, obviously, be a significant

1 economic benefit and -- to these diverse
2 vendors. Next slide, please.

3 Similar to setting the goals, the
4 implementation and strategies of reaching
5 these goals has been informed by our
6 relationships and discussions with the local
7 community groups, who will be instrumental,
8 and have been instrumental in helping us to
9 reach and develop these goals. We have also
10 looked at examples set by the successful UMASS
11 Boston Campus Project. The Best Practices
12 document created by the UMASS Access and
13 Opportunity Committee, and the Best Practices
14 for Diverse Workforce as outlined by
15 The Policy Group on Tradeswomen's Issues. The
16 implementation of this plan can be described
17 in five broad categories.

18 The first category, clearly
19 communicating our standards. We've met with
20 Brian Doherty, the head of the metropolitan
21 area building trades, to communicate our
22 goals, as well as help broader meetings with
23 other building trades groups. We will include
24 our goals in all of our RFPs, and in our

1 conversations with potential consultants and
2 contractors. We also recently held a briefing
3 with -- with the mayor of Everett to discuss
4 these goals as well.

5 The second phase includes diversity
6 goals within the relevant contract agreements
7 to ensure that the goals are written into our
8 contracts, as well as into contracts with
9 subcontractors as discussed by our plan. And,
10 secondly, of course, a -- to work with
11 organizations and subcontractors, and
12 contractors that have a record of -- of
13 positive engagement and diversity, and have a
14 positive track record will be given serious
15 consideration in subcontractor selection
16 process.

17 Second will include -- I'm sorry.
18 The third will be to engage diverse businesses
19 and workforce populations. We will host
20 vendor forums and vendor work fairs the first
21 half of this year. We will continue to engage
22 regularly with the community groups, and will
23 participate in the access and opportunity
24 committee meetings that are happening every

1 other month, and provide that continued forum
2 for engagement.

3 Fourth, we will support the
4 development of women-, minority-, and
5 veteran-owned businesses, and a diverse
6 workforce through the Building Pathways
7 program, as well as preapprenticeship
8 programs, and expanded access to those
9 preapprenticeship programs.

10 In addition, we want to expand our
11 database of diverse contractors, expand access
12 to the project for small and disadvantaged
13 businesses, and support programs that support
14 access to capital for minority-, women-, and
15 veteran-business enterprises, through the
16 Minority Business Development Agency and
17 others.

18 Finally, we commit to a robust,
19 regular oversight and reporting. The
20 diversity coordinator will oversee these
21 efforts. We will take a proactive approach to
22 working with contractors to ensure that the
23 goals are met. And, finally, the compliance
24 officer will work closely with the diversity

1 coordinator and reporting on a weekly and
2 monthly basis.

3 That is the presentation -- as -- as
4 we have it. We are, of course, now open to
5 answer any questions you may have, or any
6 follow-ups that you would like us to address
7 individually. Again, thank you for the
8 opportunity and the honor to present to you
9 today.

10 COMMISSIONER MCHUGH: Okay. Thank
11 you. Questions, comments?

12 COMMISSIONER STEBBINS: Couple of
13 comments and a couple of questions. First of
14 all, very -- I was impressed with this plan.
15 I was impressed with this plan by, again, what
16 I call the meat that was behind it.
17 Identifying groups you've had an opportunity
18 to work with, look forward to continuing that
19 relationship as you go forward, I thought that
20 was helpful.

21 I do like the fact you kept the plan
22 limited both just to this design and
23 construction phase, knowing that we have a
24 longer window out in which we can, you know,

1 come back and work with you on a operational
2 and diversity plan.

3 You know, as Jill pointed out, you
4 know, I would like to see just some
5 measurement of a goal towards veteran business
6 inclusion in the design phase.

7 One of the things that I was
8 impressed with in your RFA2 application was
9 the close work that Wynn has done with some of
10 the armed forces bases in and around
11 Las Vegas, and how you've actively worked with
12 both enlisted servicemen and retired
13 servicemen and women.

14 You know, we continue to push out
15 the message that if you're a veteran in
16 Massachusetts, and you're a veteran who owns
17 your own business, that might have an
18 opportunity to benefit from doing work with
19 you, that we want you to step forward, and we
20 want you to raise your hand. Be proud of the
21 fact you're a veteran-owned business and that
22 there might be some opportunities available to
23 you.

24 I was also impressed in your plan

1 through what I'd say were some of those things
2 that kind of go above and beyond maybe what
3 was required, or what folks might have
4 accepted as required. And that's the one
5 holding up any of the best practices you
6 undertake, and sharing that out with the
7 broader business community in Massachusetts, I
8 thought that was impressive and important.
9 And I also, even though it was -- it was
10 referred to in the slide on your
11 implementation page, on page four, supporting
12 the development of MWBEs, WBEs, and VBEs,
13 which is, again, kind of taking it a step
14 further to do more hand-holding with those
15 segments of the business community and the
16 workforce to kind of, again, keep moving that
17 forward and make this an opportunity to grow
18 some of those businesses and enlarge that
19 construction workforce, which we've talked
20 about on a number of occasions, for projects
21 down the line, and being a leader in that. So
22 I greatly appreciate that.

23 But, again, one of the things that
24 just jumped out at me again was, you know,

1 it'd be great if we could find, as you've
2 said, a floor, at least, something that you
3 want to attain with respect to, you know,
4 again, VBE participation in that design phase
5 of the -- of the -- of the construction
6 period. But, again, overall I was very
7 pleased. I know Jennie is, as reported from
8 Jill, did a lot of spade work talking to a lot
9 of the groups that you've engaged. We've had
10 a chance to see her out making presentations
11 to the Greater New England Minority Supplier
12 Business Council. So it's -- happy that a lot
13 of thought has gone into this. It's -- it's a
14 great plan, it's -- I'm impressed.

15 MR. DESALVIO: Thank you,
16 Commissioner.

17 MR. IZZAGUIRE: Thank you.

18 COMMISSIONER MCHUGH: Why no
19 veterans in the first phase?

20 MR. DESALVIO: One of the issues
21 that we struggled with on the design phase, is
22 the fact that we have this incredible resource
23 in Las Vegas under the Wynn design development
24 team that does so much of the work. And in

1 reality, that group themselves is a very
2 diverse group of individuals. However,
3 they're Wynn employees. And so, in a sense
4 they don't fall under any of the calculations
5 that would be required. However, you know, in
6 seeing the operation out there, you'd see how
7 diverse it was.

8 So we -- with that much work being
9 done by the home office, we struggled a little
10 bit in that area. We certainly note your
11 comments, and we'd be happy to just go back
12 and take a look at this and see if there's any
13 opportunities that we can take think of.

14 The other half of that is, of
15 course, as we've gone around the community and
16 you meet with vendors, whether they're
17 construction or not, part of the battle, and
18 that's why you see this mentioned in our plan,
19 is getting folks to step up and identify
20 themselves so that they can be counted. I'm
21 not going to mention any names, but there's
22 some businesses that we found that were
23 actually run by veterans who -- they said, you
24 know what, we just assume be a great business

1 partner and don't want any special
2 acknowledgment or recognition. Some service
3 members feel like that, that they just want
4 to -- they feel like they did their service to
5 their country and now they want to go out and
6 do their business, and they want to leave it
7 at that.

8 So part of this is getting some
9 folks up to the table, and that's why we
10 might -- we might really try to work on
11 outreach to see if we can get folks to
12 identify themselves so they can certainly get
13 the just-credit acknowledgment and
14 opportunities that we'd like to offer them.
15 But duly noted on the request, and we will
16 take a look at that.

17 COMMISSIONER MCHUGH: Okay. Good.
18 Thank you.

19 COMMISSIONER STEBBINS: Just to
20 follow up on that, so the design phase
21 enterprise participation that you have now,
22 7.9 percent minority and 10 percent women,
23 how -- how is that calculated? Is that
24 calculated to include a lot of the folks that

1 are currently involved in Wynn projects, or is
2 this a new target for Massachusetts?

3 MR. DESALVIO: You know, that is
4 something that I think we've had some
5 discussions with Jill about that, about how
6 could we include the Wynn design development.
7 I think that's still an open item. And so,
8 I'm not sure. I think that would require some
9 further work with the staff. Certainly, there
10 will be outside contracts as well.

11 So we're going to work as hard as we
12 can to get those goals obtained. But I don't
13 know if you've -- I don't think we've faced
14 yet, Jill, the provision of trying to work
15 with the in-house team and how that could
16 be --

17 MS. GRIFFIN: I don't think we've
18 talked about the in-house team. This -- this
19 focus is external only.

20 MR. DESALVIO: External only.

21 COMMISSIONER STEBBINS: Okay.

22 MR. DESALVIO: Yeah.

23 COMMISSIONER MCHUGH: Okay.

24 COMMISSIONER ZUNIGA: Well, similar

1 to Commissioner Stebbins' comments, I found
2 this to be a pragmatic, concise but
3 substantive plan. I commend you for it. Your
4 record in Las Vegas, in your workforce, is
5 remarkable. If you came close to that when we
6 got to the operations phase here in
7 Massachusetts, I would argue, you know, we've
8 done really well. The demographics may be a
9 little bit different. But, you know, in some
10 ways there's a lot of opportunities, we
11 believe, here, to reflect just what we have
12 here, which is a very diverse population
13 altogether.

14 Some of the comments that we
15 received you may have seen, you know, that
16 maybe even the other applicant should -- the
17 other licensee should look at your plan,
18 because I think you address a lot of the --
19 the points that we want to see. But, of
20 course, the proof will be in the pudding
21 and -- as -- as we -- as we actually look at
22 these numbers over the course and at each
23 given point, and I'd encourage you to do that.

24 MR. DESALVIO: Thank you,

1 Commissioner.

2 MR. IZZAGUIRE: Thank you.

3 COMMISSIONER CAMERON: Same
4 comments. Solid plan. And, also, firsthand
5 knowledge of on-site visit to Las Vegas. And
6 I do believe that you have the commitment, and
7 we look forward to you meeting your goals.

8 MR. DESALVIO: Thank you.

9 MR. IZZAGUIRE: Thank you.

10 COMMISSIONER MCHUGH: All right.

11 Back to Director Griffin.

12 MS. GRIFFIN: So I would like to
13 recommend that Wynn take an additional look at
14 the design phase for veterans. Chapter 23K,
15 Section 15 does indicate that the licensee
16 needs to set a goal. It doesn't specify what
17 that goal should be. But, you know, that may
18 be something that they can take a look at and
19 come back to. So the question is, are you
20 comfortable voting on the plan with a
21 condition, or would you like --

22 COMMISSIONER MCHUGH: Well, this --
23 what would you -- what would you recommend?

24 MS. GRIFFIN: I would recommend that

1 you approve the plan with a condition that
2 Wynn reconsider and come back to the
3 commission with a diversity goal for the
4 design phase in terms of veterans.

5 COMMISSIONER MCHUGH: All right. I
6 too, as did the other commissioners, looked at
7 both the plan and the comments from a group of
8 very hard markers, and was impressed by both
9 the plan and the response from the community
10 that you've assembled. So I -- I think that's
11 a -- a good suggestion.

12 COMMISSIONER STEBBINS: I agree.
13 And some of it just may need further
14 clarification as to what consists of this
15 design phase and the role that, you know, the
16 team out in Vegas has, and how those goals can
17 match up for, you know, local business
18 inclusion in it as well. I think it's a
19 simple conversation to have.

20 MS. GRIFFIN: One of the comments --
21 I did want to highlight one of the comments
22 from that group Action for Regional Equity.
23 They requested that Wynn set higher goals that
24 are based on the regional diversity of greater

1 Boston. And I just wanted to comment that the
2 goals that Wynn set are based on a disparity
3 study set by DCAMM for design and
4 construction. So I don't think that we can
5 require any higher goals, although I liked
6 what they said about this is the floor and not
7 the ceiling so --

8 COMMISSIONER MCHUGH: Well, we've
9 seen with others that the goals were set, and
10 then exceeded as they went to work, and really
11 went to work to ensure that those were floors.
12 And the results have been -- the results have
13 been terrific. So given the track record
14 here, we'd anticipate that kind of effort, and
15 I'm sure we'll get it. But I hear what you're
16 saying.

17 MS. GRIFFIN: Great.

18 COMMISSIONER MCHUGH: All right.
19 With that, then, perhaps, Commissioner
20 Stebbins, you'd be prepared to make a motion?

21 COMMISSIONER STEBBINS: Sure. I
22 move that the gaming commission -- let me find
23 the proper title for it. I move that the
24 gaming commission accept the Wynn Mass, LLC

1 diversity strategy for design and construction
2 as presented, with subsequent details to be
3 discussed and negotiated with respect to the
4 design phase and MBE and WBE, and VBE
5 participation. And as an additional part of
6 that motion, to have you come back and kind of
7 clarify the comments and any updates on that
8 category and that question at a future
9 meeting.

10 MS. GRIFFIN: Well, I'd be glad to
11 bring both plans forward. You'll remember
12 that we -- that you approved MGM's plan with
13 conditions. So I'd be glad to bring both
14 plans forward.

15 COMMISSIONER STEBBINS: Okay.

16 COMMISSIONER MCHUGH: But the
17 condition here, Commissioner, is -- I think it
18 would be helpful for them to be specific.

19 COMMISSIONER STEBBINS: It's further
20 clarification of the components of the design
21 phase and minority women and business
22 participation as they've had it outlined, as
23 well as including a goal for veteran business
24 participation as well.

1 MS. GRIFFIN: Okay. Can you clarify
2 what the MBE and WBE clarification that you're
3 looking for, just for the record?

4 COMMISSIONER STEBBINS: Well, I
5 mean, they've set goals, and they're -- I
6 think they're aggressive goals, and we'd like
7 to see that part. We also understand that,
8 you know, there's, you know, a very
9 accomplished team involved in the design phase
10 of Wynn property. It's already based out in
11 Vegas. And they're going to have a role on
12 this project as well going forward. And
13 clarifying what those roles are, and then,
14 again, what the vendor opportunities are for
15 these three categories in the design phase
16 going forward.

17 MS. GRIFFIN: Okay.

18 COMMISSIONER MCHUGH: As I under --
19 let me see if I -- I'm trying to put some --
20 some sharp edges -- a little bit sharper edges
21 on that so that they know what we're expecting
22 them to do, and we know whether they've done
23 it. We certainly want another look at and a
24 report about the opportunities for veterans in

1 the design phase.

2 COMMISSIONER STEBBINS: Right.

3 COMMISSIONER MCHUGH: We certainly
4 want to know about the way in which the
5 interior design team at Wynn can be
6 accommodated within the goals that apply to
7 veterans, as well as overall, I suppose; is
8 that right, or is that not right?

9 MS. GRIFFIN: So, typically, with
10 these plans, we're looking for external
11 vendors.

12 COMMISSIONER MCHUGH: All right.

13 MS. GRIFFIN: So -- but if you would
14 like something different, we'd need to just
15 clarify that.

16 COMMISSIONER MCHUGH: Well, I
17 understood, in the discussion that you were
18 having back and forth, that you were going to
19 explore whether and to what extent the
20 interior design folks could be incorporated in
21 reaching any of these goals. If I
22 misunderstood then I -- then I misunderstood
23 it.

24 MS. GRIFFIN: Okay.

1 COMMISSIONER MCHUGH: Or do we -- do
2 we just leave that -- is it your
3 recommendation we just leave that alone? Work
4 on it, but not make it a goal or a
5 requirement?

6 MS. GRIFFIN: Right.

7 COMMISSIONER MCHUGH: Okay.

8 MS. GRIFFIN: I think it's worth a
9 discussion.

10 COMMISSIONER MCHUGH: Okay. A
11 discussion, but not a goal or a requirement.
12 So we put that to one side, we look at
13 approving this plan with the condition that
14 they take a look at the ability to reach some
15 goal for veteran participation in the design
16 phase. And by definition, we're now talking
17 about exterior veteran business participation.
18 And that would give us an approval with a
19 condition; is that -- is that what you'd
20 recommend?

21 MS. GRIFFIN: That's what I'd
22 recommend.

23 COMMISSIONER MCHUGH: Okay.

24 COMMISSIONER STEBBINS: Very good.

1 COMMISSIONER MCHUGH: Would that --
2 would that make sense to you?

3 COMMISSIONER STEBBINS: That gets
4 right to the heart of the matter.

5 COMMISSIONER MCHUGH: Okay. So the
6 motion as -- as refined, is that we approve
7 the plan as presented by Wynn with the
8 condition that they reexamine the role of and
9 goals for veteran business participation in
10 the design phase.

11 COMMISSIONER STEBBINS: Very good.

12 COMMISSIONER MCHUGH: All right. Is
13 there a second to the motion as recast?

14 COMMISSIONER CAMERON: So I second
15 that amended motion.

16 COMMISSIONER MCHUGH: Okay. All in
17 favor?

18 COMMISSIONER STEBBINS: Aye.

19 COMMISSIONER CAMERON: Aye.

20 COMMISSIONER ZUNIGA: Aye.

21 COMMISSIONER MCHUGH: The ayes have
22 it unanimously. Thank you very much.

23 MR. IZZAGUIRE: Thank you,
24 Commissioner.

1 MR. DESALVIO: Thank you.

2 COMMISSIONER CAMERON: Thank you.

3 Good job.

4 COMMISSIONER MCHUGH: Okay. Next on
5 the list is Item 6, which is the legal
6 division. General Counsel Blue, and
7 Deputy General Counsel Grossman, good morning
8 to you both.

9 MR. GROSSMAN: Good morning -- or
10 afternoon.

11 MS. BLUE: Good morning.

12 COMMISSIONER CAMERON: Good morning.

13 MS. BLUE: Good afternoon.

14 COMMISSIONER STEBBINS: Good
15 morning.

16 COMMISSIONER MCHUGH: Oh, it is
17 afternoon. Well --

18 COMMISSIONER CAMERON: Good
19 afternoon.

20 COMMISSIONER MCHUGH: We're on the
21 cusp.

22 MS. BLUE: Just barely.

23 COMMISSIONER MCHUGH: Right.

24 MS. BLUE: Commissioners, I have

1 today, for you, the first -- the draft of the
2 ABCC regulations, which Deputy General Counsel
3 Grossman will speak to. And we also have the
4 first draft for your review of the protection
5 of minors regulations. We have IEB Deputy
6 Director Lillios to speak to you on those as
7 well. So I think we can start with the ABCC
8 regs, and I give you Mr. Grossman.

9 COMMISSIONER MCHUGH: Okay. Now
10 this, if I understand it correctly, is the
11 beginning of the informal comment process.
12 We're not putting these out for -- for the
13 formal review process that will follow at some
14 point; is that right?

15 MR. GROSSMAN: That's what we will
16 ask you to do, that's right.

17 COMMISSIONER MCHUGH: Okay. All
18 right. So if we could hit the highlights of
19 these, that would be very helpful, and we look
20 forward to that.

21 MR. GROSSMAN: Sure. By way of
22 background, do you recall, back at the
23 beginning of our regular -- regulation
24 promulgation process, you discussed a number

1 of policy questions. One of them was how to
2 approach the regulation of alcoholic beverages
3 within the gaming establishment. And the
4 commission, back then determined,
5 preliminarily, that the approach would be to
6 at least ensure, to the extent possible, that
7 the service and consumption of alcoholic
8 beverages was treated the same inside the
9 casinos as it was outside the casinos, and
10 that we would look to Chapter 138, which is
11 the state alcoholic beverage control laws for
12 direction.

13 In Massachusetts, under the gaming
14 law, Chapter 23K, Section 26, requires that a
15 gaming beverage license be issued at the
16 commission's discretion to each casino
17 licensee. So what we have done here in
18 consult -- we've begun consultation with the
19 ABCC on these regulations, and perhaps Mr. Day
20 can speak to our discussions, or I can get
21 into some of that as well. They've seen these
22 on a preliminary basis.

23 So what we set out to do was to
24 incorporate what's required by Section 26, and

1 some of the principles that are set out in
2 Chapter 138 and the ABCC regulations. And
3 what these regulations do is, they establish
4 one casino beverage license per property.
5 They would require that the licensee submit,
6 as part of their application, the location of
7 each licensed area in which they would like to
8 serve alcoholic beverages. There's a number
9 of other pieces of information that would go
10 along with the submission outlining each
11 licensed area. And that, ultimately, each
12 licensed area would be overseen by a manager
13 or other principal representative, who would
14 be subject to the commission's licensing
15 regulations, and is ultimately responsible to
16 ensure that all the alcoholic beverage control
17 regulations are properly enforced.

18 We also set up provision for the
19 idea that a third party may come in and be
20 asked, or under agreement, to oversee a
21 particular licensed area, a restaurant or
22 otherwise. And we have termed that process to
23 be the jointly-responsible-person process,
24 whereby the gaming licensee would identify,

1 under their beverage license, a jointly
2 responsible person who would oversee the
3 service of alcoholic beverages within that
4 particular licensed area. But, ultimately,
5 the gaming licensee would be responsible for
6 the service of alcohol within the gaming
7 establishment. So that's the administrative
8 side of things in a nutshell.

9 As far as the particulars are
10 concerned, we incorporated what we believed to
11 be the applicable provisions of Chapter 138
12 and 204 CMR that specifically relate to the
13 distribution and service of alcoholic
14 beverages into these regulations. And those
15 are the provisions that we will need to
16 discuss further with the ABCC. To -- and
17 those provisions ensure that the rules are the
18 same inside the casino as they are outside the
19 casino.

20 They include basics such as the fact
21 that you can only serve two alcoholic
22 beverages to any one person at a time, but
23 they also get into the forms of identification
24 that would be acceptable in a casino, and this

1 is an area that we're going to need to look at
2 very carefully and discuss further with the
3 ABCC because it's an area where the state
4 alcoholic beverage control law differs a
5 little bit, in our estimation, from the gaming
6 law. And we have incorporated what we believe
7 to be the requirements of the gaming law
8 within here.

9 So, ultimately, I mean, that's a
10 broad overview of what we have here. I'm
11 certainly happy to get into any specifics or
12 particulars, if there are any questions about
13 that.

14 COMMISSIONER MCHUGH: No. That's
15 very helpful, and we need to take a look at
16 carefully, again, at these regulations. Where
17 are we with respect to interaction with the
18 ABCC on this, either -- either of you?

19 MR. DAY: Commissioner McHugh, I can
20 probably update. Actually, there is a first
21 set of comments we had from ABCC that Todd has
22 incorporated many of those already in this
23 draft. And then, we are anticipating as we
24 move forward with this draft, we are going to

1 again communicate with ABCC, as a matter of
2 fact have that set up to make sure we have
3 their comments as we move forward with the
4 final draft for the formal process.

5 COMMISSIONER MCHUGH: Yeah. I think
6 it's important, just speaking as one
7 commissioner, but I think it's important that
8 we be in close synchronization with the ABCC
9 here. I'm not telling you anything you're not
10 working toward. But I would hope that by the
11 time we get ready for the formal promulgation
12 process we would -- would be as close to
13 lockstep as we could get.

14 We have some different requirements
15 this license -- one licensee with, in effect,
16 jointly responsible licensee -- jointly
17 responsible people is different from what
18 exists elsewhere, I gather. But apart from
19 those kinds of differences, I would hope we
20 could be as very closely aligned with that.

21 MR. DAY: That's our goal.

22 COMMISSIONER MCHUGH: Yeah, great.
23 Great. I suspected it was.

24 COMMISSIONER ZUNIGA: Just for -- on

1 that topic, just recently I've reached out to
2 former colleagues of treasury who oversee the
3 ABCC, and, you know, and have kept apprised
4 Director Day of this effort. Just on that
5 note, they renewed their attention to -- to
6 these matters. They've provided feedback in
7 the past, but given their transition period,
8 they've now renewed their attention to this
9 matter and will -- will, hopefully, get that
10 done very quickly.

11 COMMISSIONER MCHUGH: Good. Good.
12 We need to move forward.

13 COMMISSIONER STEBBINS: I echo that,
14 and they need to be at -- a party to the
15 conversation with us as well. I had three,
16 kind of, quick comments, or just notes reading
17 through this. This special event beverage
18 permit, I know our slots parlor licensee has
19 talked about having craft beer festivals, or
20 some types of events like that. Is that the
21 process you would expect to use to allow them
22 to host such events?

23 MR. GROSSMAN: Not necessarily.
24 It's certainly possible. The reality is the

1 slot parlor and all the gaming establishments
2 can identify any areas within the gaming
3 establishment as a licensed area, whether it's
4 a function hall, or any other kind of public
5 space, whether they plan on using it on a
6 regular basis or not. So it's possible that,
7 for that type of event, it could be held in an
8 area that's, perhaps, not frequently used, but
9 is part of the original license. So they have
10 a plan in place as far as who's responsible
11 for oversight, what types of beverages will be
12 served and the like. So they wouldn't
13 necessarily have to come back and get the
14 special event license.

15 We built that provision in as a
16 catchall to ensure that we can accommodate any
17 requests like that that are reasonable and
18 well thought out.

19 COMMISSIONER STEBBINS: On page
20 seven on letter E, everything in that category
21 is about prohibited distribution, and E just
22 doesn't start off with a may not. It just
23 jumps right into they can increase the volume
24 of alcoholic beverages. So just a point to go

1 back and look at but -- and then, just jumping
2 down to page number nine, you know,
3 cleanliness, aren't there regulations cited
4 under somebody else's authority that requires
5 a clean glass? Do we need to incorporate that
6 as well?

7 MR. GROSSMAN: I think that's a
8 judgment call that, ultimately, will fall to
9 the commission that we will have to talk
10 about. There are certain provisions that are
11 in the ABCC regs that we did not incorporate
12 here that go in that area, like having a
13 bathroom available and things along those
14 lines that we didn't incorporate because we --
15 I think we felt they fell a little too far
16 outside. But, at the same time, we tried not
17 to make any judgments relative to the wisdom
18 of the ABCC regs or statutes, or what have
19 you, and just said this is what the law is,
20 and this is what it's going to be in the
21 casino, at least at this juncture.

22 COMMISSIONER MCHUGH: Yeah. We need
23 to keep in mind the fact that, if it's our
24 regulation we've got to enforce it, and

1 whether we have the expertise to enforce some
2 of these things.

3 MR. GROSSMAN: Well, we will. It's
4 important to bear in mind, the statute gives
5 enforcement authority to the gaming
6 enforcement division from the ABCC who have
7 that expertise, along with our folks as well.

8 COMMISSIONER MCHUGH: Right. Right.
9 Right. That's a good point. Right.

10 COMMISSIONER ZUNIGA: And that's the
11 other part of our conversations with the
12 ABCC --

13 COMMISSIONER MCHUGH: Right, right,
14 right.

15 COMMISSIONER ZUNIGA: We have an MOU
16 in the works.

17 COMMISSIONER MCHUGH: Right. Okay.
18 Other thoughts? Okay. So at the moment, all
19 we need to do is put these out for the
20 informal public comment and get that process
21 started, and continue to work with the ABCC
22 and move toward the formal promulgation
23 process. Another set of well-crafted
24 regulation. Thank you. Ms. Lillios.

1 MS. LILLIOS: The next set of draft
2 regulations is numbered 205 CMR 150, and these
3 deal with the protection of minors and persons
4 under the age of 21. And, similarly, this is
5 the first time that you are seeing these
6 provisions. They are -- they stem from
7 Sections 521 and 25 of Chapter 23K, and you
8 will notice that some of them are drafted in a
9 way that requires the gaming licensee to
10 create policies and procedures with respect to
11 the substance. And, as such, it may, in the
12 end, make more sense to place certain of these
13 provisions in the internal controls, but we
14 wanted to get the substance of these out to
15 you now, and to the public, for informal
16 comment.

17 The first provision, as drafted,
18 requires the gaming licensee to have policies
19 and procedures to prevent persons under 21
20 from gambling, and to prohibit them from
21 entering a gaming area, with the exception of
22 licensed employees who are acting in the
23 performance of their duties, which is a
24 statutory exception.

1 The second provision, 150.02
2 Subsection 1, is actually a licensed condition
3 under the statute, and provides that the
4 gaming licensee requires its security
5 personnel to regularly check parking areas for
6 minors in motor vehicles.

7 The following Subsection 2 requires
8 the gaming licensee to have policies and
9 procedures to ensure the safety of minors on
10 the premises, including for the monitoring of
11 unattended minors -- for unattended minors.

12 150.03 stems from Section 25H of the
13 statute, and it addresses advertising and
14 marketing concerns with respect to minors and
15 those under 21. And it sets out the
16 requirements under -- in the word of the
17 statute incorporated in the reg for the
18 operation and conduct of gaming, that no
19 gaming licensee or gaming establishment
20 authorize or conduct marketing and promotional
21 activities relative to gaming to target
22 persons under 21. And there follow nine draft
23 provisions that specify the types of
24 advertising and promotion relative to gaming

1 to be avoided.

2 And, finally, the last provision
3 addresses reporting requirements relative to
4 the above minor provisions, and the gaming
5 licensee would be expected to report monthly
6 to the IEB on the designated topics, which now
7 number six.

8 COMMISSIONER MCHUGH: All right.
9 Again, very helpful, comprehensive. Comments,
10 questions?

11 COMMISSIONER STEBBINS: The one
12 thing that, you know, I'm -- I'll be
13 interested in seeing what plans our licensees
14 come back with monitoring. You know,
15 primarily parking areas or other areas for
16 children.

17 But looking into the advertising and
18 marketing guidelines, the one that would seem
19 to cause some confusion would be No. 2. You
20 know, there are lot -- lots of entertainers
21 that our licensees may engage for promotion,
22 who have an appeal to somebody who's under 21.
23 I just -- that one just kind of jumped out at
24 me as requiring, maybe, some additional

1 consideration or discussion.

2 MS. LILLIOS: And I expect that that
3 would be the area where we may get a number of
4 comments that would be helpful as we think
5 through our regulatory actions moving forward
6 as well, but noted.

7 COMMISSIONER STEBBINS: Okay.

8 COMMISSIONER ZUNIGA: One of those
9 things, hard to define, but you kind of know
10 it when you see it. I mean, the hook here, as
11 I see it, is the design to appeal specifically
12 to minors, not in conjunction with others.
13 But I -- I think that's -- that's an important
14 notion.

15 COMMISSIONER MCHUGH: All right.
16 We'll get some comments on that when we --
17 when we go out, and some -- undoubtedly, some
18 good ideas. Any other thoughts or comments?
19 All right. Well, thank you both, very much,
20 for another set of comprehensive regulations.
21 We'll put these out for comment. And do we
22 usually -- I've forgotten. Do we usually set
23 a time limit here, or do we just do that
24 informally?

1 MS. BLUE: Usually, we -- we put it
2 out for comment to almost two weeks, 'til,
3 roughly the next meeting. So we could, if the
4 commission would like, we could say we put
5 them out for comment for 10 days, and that
6 would give us time to look at them, and if
7 they're ready to come back at the next meeting
8 or the meeting after, we can go through the
9 comments.

10 COMMISSIONER MCHUGH: Well, why
11 don't we do that and plan to bring them on at
12 the next meeting. And recognizing that the
13 next meeting -- the next step in the next
14 meeting will be to put them out for the formal
15 comment period. So that this is not the last
16 shot that everybody will have, but it
17 typically produces the -- some very helpful
18 thoughts before we put them out for that
19 process. So put them out for comment for 10
20 days and take them up, hopefully, at the next
21 meeting. That may change, depending on what
22 else is on the agenda, but that would be the
23 target. Okay. Great. Thank you very much.

24 COMMISSIONER ZUNIGA: Thank you.

1 COMMISSIONER MCHUGH: All right.
2 Now, the next item is investigations and
3 enforcement, seven. And we'll start with 7A,
4 and then we'll figure out where we go from
5 there.

6 MS. WELLS: Good afternoon,
7 Commissioners.

8 COMMISSIONER MCHUGH: Good
9 afternoon, Director Wells.

10 COMMISSIONER ZUNIGA: Good
11 afternoon.

12 MS. WELLS: So the -- on 7A, the
13 first thing we have for the commission this
14 morning, and I'm joined by our CFO -- AO Derek
15 Lennon, deputy general counsel is with us, and
16 the chief -- the gaming agents division. And
17 we have for you this morning two of the sets
18 of regulations that I believe are going out
19 for formal comment; is that correct, Todd --
20 Mr. Grossman, if they approve?

21 MR. GROSSMAN: (nodding up and down)

22 MS. WELLS: With a vote. So the
23 first matter is the gross gaming revenue tax
24 remittance and reporting, 205 CMR 140, which

1 you have in your packet for your
2 consideration. And we did go through another
3 revision process, interval discussion, and
4 address some comments.

5 And then, also, we have the
6 continuing disclosure and reporting
7 obligations of gaming licensees and
8 qualifiers, 204 CMR 139. Similarly, that --
9 we did engage in the same process with that,
10 as well as the invest -- financial
11 investigation unit provided input on those, as
12 this would be part of their workflow going
13 forward.

14 So those matters are before the
15 commission. I have the team available, if you
16 have any questions, or any comments for the
17 team.

18 COMMISSIONER MCHUGH: So we have --
19 these are regulations we considered in -- in
20 the informal context --

21 MS. WELLS: Correct.

22 COMMISSIONER MCHUGH: -- and they've
23 now had the benefit of the public comment
24 informally, and so we're ready for the next

1 step. Okay. Questions, comments about these?

2 COMMISSIONER ZUNIGA: I have a very
3 minor one. I've been involved in a number of
4 the updates, and I think they're -- they're
5 the product of a great set of discussions and
6 revisions.

7 There's one recent update, based on
8 the decision that we had last week as we
9 referenced the central monitoring system. I
10 would just ask that we include, or alternative
11 as -- or as alternatively selected by the
12 commission. I think it's important the way
13 it's written here, but I wouldn't want to
14 codify the central monitoring system only as
15 what will be the -- the final say in the -- in
16 the calculation of the tax. I'm specifically
17 referring to number three.

18 MR. LENNON: Correct.

19 COMMISSIONER ZUNIGA: Or wherever
20 else.

21 MR. LENNON: I tried to address
22 that. And you might be right, where we've put
23 it may be better after that. Under
24 remittance, however, in section -- under

1 Section 140.03, numbers three and four
2 actually allows for estimated drops, as well
3 as in the absence of a central monitoring
4 system that estimated drops will be used. But
5 you're right, it may be better to put it up,
6 just for clarification purposes, under there.

7 And one of the reasons that we put
8 the definition under No. 3 for what the actual
9 drop will be, is so that during the
10 reconciliation process we're not relying just
11 solely on the estimates from our central
12 monitoring system, but there is a formula.
13 There is something that backs up these
14 numbers. And we tried to take a shot at that
15 with the Excel spreadsheet that's attached to
16 this, to show how you would do a quick
17 worksheet for both table games and slots to
18 come up with the backup documentation. But
19 that's a -- that's a good point. I'll try and
20 move that for clarification.

21 COMMISSIONER ZUNIGA: Thank you.

22 COMMISSIONER MCHUGH: All right.

23 Any other comments, questions? Have we sent
24 the small business impact statement out for

1 these, or do we have to before we start this?

2 MR. GROSSMAN: We will have to as we
3 start the formal process.

4 COMMISSIONER MCHUGH: But that
5 doesn't come until later in the process?

6 MR. GROSSMAN: No. We can probably
7 bring that back to you at your next meeting to
8 take a look at.

9 COMMISSIONER MCHUGH: All right.

10 COMMISSIONER ZUNIGA: Yeah. We can
11 start the formal process today and then have
12 the --

13 COMMISSIONER MCHUGH: Right. Right.

14 COMMISSIONER ZUNIGA: -- later on.

15 COMMISSIONER MCHUGH: Right. Right.

16 COMMISSIONER ZUNIGA: Okay.

17 COMMISSIONER MCHUGH: Good. All
18 right. Then, if there are no further
19 comments, I would accept a motion to -- to
20 start the process. Commissioner Zuniga, do
21 you have to start the motion?

22 COMMISSIONER ZUNIGA: Yep. I'd be
23 happy to move that this commission approve and
24 start the formal promulgation process for

1 regulations 205 CMR 140 for the gross gaming
2 revenue tax remittance and reporting, as well
3 as 205 CMR 139 for the continuing disclosure
4 and reporting of obligations of gaming
5 licensees.

6 COMMISSIONER MCHUGH: All right. Is
7 there a second for that motion?

8 COMMISSIONER STEBBINS: Second.

9 COMMISSIONER MCHUGH: Further
10 discussion? Hearing none, all in favor? Aye.

11 COMMISSIONER STEBBINS: Aye.

12 COMMISSIONER CAMERON: Aye.

13 COMMISSIONER ZUNIGA: Aye.

14 COMMISSIONER MCHUGH: Ayes have it
15 unanimously. Thank you very much.

16 COMMISSIONER ZUNIGA: Thank you.

17 COMMISSIONER MCHUGH: That process
18 now will start.

19 MS. WELLS: Shall I continue to
20 Section B?

21 COMMISSIONER MCHUGH: Now, what
22 we're left -- we have a decision point here.
23 What we're left with is Region C, Item 7B, and
24 I know we have a number of people who would

1 like to speak. What is the commission's
2 pleasure about proceeding forward or taking a
3 break at this point?

4 COMMISSIONER STEBBINS: My own
5 preference would be to let's just move right
6 through it. We've -- have some people here
7 about three hours but --

8 COMMISSIONER CAMERON: Director
9 Wells, do we have an idea of how long you
10 think this may take?

11 MS. WELLS: As far as my briefing
12 for the commission, I can do that in the
13 matter of, you know, 10 minutes, just to give
14 you an overview.

15 COMMISSIONER CAMERON: But the
16 presentations?

17 MS. WELLS: The presentations, I
18 have members from Mass Gaming Entertainment,
19 KG Urban, Somerset, Sun Moon and Crossroads.
20 If you give them five to 10 minutes each to
21 speak, that can be --

22 COMMISSIONER CAMERON: An hour.

23 MS. WELLS: Correct. So --

24 COMMISSIONER CAMERON: We could take

1 a 30-minute real quick, since there's food
2 right here.

3 COMMISSIONER ZUNIGA: The food court
4 is open, isn't it, today?

5 COMMISSIONER MCHUGH: And the food
6 court's open. That's right. It's unusual.

7 COMMISSIONER CAMERON: I'd be
8 inclined to take the 30 minutes.

9 COMMISSIONER MCHUGH: All right.
10 Why don't we do that. Why don't we -- I would
11 really like to, particularly given the weather
12 conditions outside, and the fact that some
13 people have traveled distances and everybody's
14 got to get home, I'd like to hold this to 30
15 minutes. And we'll take a 30-minute recess
16 and then come back at one -- well, 35, 1:15,
17 because it's easier to remember quarter hours
18 than it is minutes. And so, we'll take a
19 break now. We'll resume at 1:15. The food
20 court is open, and we'll be back then.

21 COMMISSIONER CAMERON: Thank you.
22 That works.

23

24 (A recess was taken)

1 COMMISSIONER MCHUGH: I'm ready
2 to -- we are ready to resume with the 144th
3 public meeting of the Massachusetts Gaming
4 Commission. What is left on our agenda is
5 Item 7B, Region C update and requests for
6 extensions. And, Director Wells, I'm going to
7 ask you to lead this off, if you would,
8 please.

9 MS. WELLS: Thank you, sir. Good
10 afternoon, Commissioners.

11 COMMISSIONER CAMERON: Good
12 afternoon.

13 COMMISSIONER ZUNIGA: Good
14 afternoon.

15 COMMISSIONER STEBBINS: Good
16 afternoon.

17 COMMISSIONER MCHUGH: Good
18 afternoon.

19 MS. WELLS: As the commission is
20 aware, the commission set a January 30th
21 deadline for submission of the RFA1 materials
22 for Region C, so I'd just like to give the
23 commission an update of the universe of what
24 the situation is for the Region C applicants.

1 We also have a -- a request for extension, and
2 I believe the applicants want to be heard on
3 that issue.

4 The four issues, which I'm going to
5 address for each of the applicants are, A,
6 whether or not they participated in the Region
7 C scoping process; B, whether they submitted
8 the \$400,000 application fee; C, whether they
9 filed a substantially-complete application;
10 and D, whether they filed a request for
11 extension.

12 Massachusetts Gaming and
13 Entertainment, as you may recall from the
14 slots parlor process, they were found suitable
15 by the commission already. They did
16 participate in the Region C scoping process.
17 They also had previously submitted the
18 400,000 fee for the application.

19 Originally, when they had been part
20 of the process earlier, they did -- we did
21 submit a scoping letter to them. They had
22 provided the materials and the organizational
23 chart to us of what their project is going to
24 look like, who their partners are, what the

1 equity is, and who the operator is. And then
2 we received materials sufficient to determine
3 that they had filed a substantially-complete
4 application. And they did not file a request
5 for extension, obviously, because they had
6 complied with what the commission had set
7 forth as the process. So Attorney Donnelly
8 is -- is here today.

9 We also have KG Urban. They also
10 participated in the scoping process. They had
11 actually done that back in August of 2013, and
12 their -- the status of their organization had
13 not changed to this date. However, as you can
14 see from the letter that I sent to KG Urban,
15 based on the information they had provided to
16 us, they had not identified an operator, and
17 they expected another equity partner so the
18 IEB could not complete a scope of licensing
19 process, could not determine who all the
20 qualifiers were. And while they had submitted
21 the \$400,000 application fee, they did not
22 file a substantially-complete application.
23 They have filed a written request for an
24 extension. And I believe Attorney Conroy's

1 going to be available to be heard on that
2 request before the commission. They had some
3 updated information, some of which has been
4 provided to the commission.

5 The next applicant, potential
6 applicant that I'd like to speak about is
7 Somerset on the Move, LLC. Mr. Hanlon is
8 here. Dave Hanlon's here to address the
9 commission on that matter. We had spoken at
10 length. He had -- with his team, participated
11 in the scoping process, but like KG Urban, had
12 not put the entire deal together, been very
13 forthright about the status of what they have
14 planned, but because they hadn't identified
15 the -- all the qualifiers, the IEB was unable
16 to submit to them a scoping letter identifying
17 all the entities and individuals that would
18 need to submit the forms in order to submit a
19 complete application to the commission. They
20 did not, at this point, file a \$400,000
21 application fee, and they have filed the
22 request for an extension.

23 Also have Ms. Wheaton from Sun Moon
24 Casino application. She did participate in

1 the scoping process, and similar to Somerset,
2 has not filed the \$400,000 application fee.
3 And based on the materials that were
4 submitted, had not identified an operator, had
5 not identified the equity interest, and not
6 identified a number of the parties the IEB
7 would require in order to determine a complete
8 application. Had filed merely an application
9 on a BED for a trust, and one EHDF for
10 herself. So I did indicate to her, in
11 writing, that the -- we'd need more
12 information in order to file a
13 substantially-complete application. We don't
14 have that at this point, and I believe she has
15 an oral request for extension, in part,
16 because she had not submitted the \$400,000 fee
17 at this time.

18 And the other entity before the
19 commission, I do have Bob Allen who had --
20 representing Crossroads earlier, when they had
21 been part of the Region A process. I am --
22 I'm going to ask him to address the commission
23 on the issue. We did receive from
24 David Nunes' widow, a request for an

1 extension. However, I'm learning that that
2 interest may have actually been sold, and I'm
3 not sure what the status is with that. So I
4 don't know if there's anyone here for
5 Mrs. Nunes. Okay. So I'm not seeing anyone
6 here today so I'll let Mr -- Attorney Allen
7 address the commission on that.

8 Crossroads did not -- while
9 Crossroads had participated in scoping for the
10 Region A process, Crossroads had not
11 participated in the Region C scoping process,
12 meeting the January 9th and January 16th
13 deadlines, while they had submitted the
14 \$400,000 fee previously for Region A, and, at
15 this point, based on their suitability report,
16 which we had previously done where the IEB had
17 indicated that we couldn't complete it because
18 it was not a complete application, and they're
19 still in that same position. So we do not
20 know what the deal is, and they have not
21 provided the information to the IEB, and I
22 believe they would like to be heard on that as
23 well.

24 So that is the universe of where we

1 are with the commission. And the commission's
2 aware with the other deadlines that we set,
3 the 9th, the 16th and the 30th, and the status
4 of those. I think it would make sense, if the
5 commission is amenable, to begin by hearing
6 from Attorney Donnelly from Mass Gaming and
7 Entertainment to hear where they are in their
8 process, and their position on the request for
9 extension, and then we can go through the
10 other people that are here today.

11 COMMISSIONER MCHUGH: Well, let me
12 ask you -- that's an excellent suggestion, and
13 that's what we'll do. Tell me, though, about
14 Sun Moon. I know we'll get to them in a
15 second. Was a personal history disclosure
16 form filed?

17 MS. WELLS: Yes.

18 COMMISSIONER MCHUGH: The letter
19 that's in the packet says the 400,000 -- it
20 says, "Payment of the application fee of
21 400,000 is hereby made," but that didn't
22 happen.

23 MS. WELLS: That is not -- that is
24 not, correct.

1 COMMISSIONER MCHUGH: Okay. Okay.
2 Got it. Let's turn -- and what I'd like to do
3 is hear -- we have -- all who would like to be
4 heard are going to be heard, but I'd like to
5 keep the presentations for each entity,
6 however many speakers they're going to be, to
7 10 minutes apiece. We have the documents, we
8 understand the primary issues, and we welcome
9 comments, but I'd like to keep them to that
10 length of time. Good morning.

11 MR. DONNELLY: Thank you. Good
12 afternoon, members of the commission,
13 John Donnelly is my name, D-O-N-N-E-L-L-Y.
14 I've been before you before, but it's been
15 some time. We were -- Massachusetts Gaming
16 and Entertainment, who I represent, was found
17 suitable in July 2013. Seems like not too
18 long ago, but it's been quite awhile for this
19 process, so I'm glad to be back here. We're
20 back with a different project.

21 I'm here with George Carney, who is
22 the partner of -- one of the partners with
23 Mass Gaming and Entertainment. Mass Gaming
24 and Entertainment is a conglomerate of a -- of

1 a group associated with Neil Bluhm. It was a
2 developer and a real estate developer, and a
3 casino operator from Chicago area, who
4 operates now -- has developed and operated
5 casinos in Philadelphia, in Pittsburgh, and in
6 -- right outside of Chicago in Des Plaines,
7 and operates one in Canada.

8 The other partner is George Carney,
9 who is with me standing here and is a lifelong
10 resident of Brockton and a prominent citizen
11 of the commonwealth. And I think persons on
12 the board are probably familiar with him by
13 both reputation and maybe by -- even know of
14 his many accomplishments.

15 The third partner is a company
16 called Clairvest, which is an entity that --
17 is a Canadian entity that is a partner of
18 Mr. Bluhm's outfit in the Chicago casino and,
19 oftentimes, provides additional equity in some
20 of Mr. Bluhm's projects. They, too, were in
21 this process some -- back in 2013, and looked
22 at some sites, and ultimately determined not
23 to go forward. But they are licensed in other
24 jurisdictions, namely, in Des Plaines, and are

1 a -- a well-known equity group out of Canada.

2 We're here to oppose the extensions.
3 Now, I learned long ago as a young lawyer,
4 when I would get requests for extensions, I
5 never knew what to do, and I'd weigh them back
6 and forth, and I made a decision about five
7 years in that I'm never going to oppose an
8 extension just to oppose it. I'm only going
9 to oppose it if there is a reason for my
10 client to oppose it. Other than that, I need
11 extensions, they need extensions, stuff
12 happens and everyone will -- you will have
13 people come before you as your tenure goes on
14 needing, wanting and -- and having extensions,
15 and I'm not opposed to those. And I certainly
16 don't want to say anything negative about any
17 of the persons who are asking for the
18 extensions. This is very hard, putting one of
19 these projects together.

20 My client, my principal client,
21 Neil Bluhm, was -- has -- was the first
22 developer of a casino after the financial
23 crisis, and we went through enormous
24 difficulties in Philadelphia and -- in getting

1 a casino developed, because what happened in
2 Philadelphia was there were two applicants in
3 a -- kind of, a beauty contest. One was
4 Foxwoods, and one was our group. The
5 applicants won, there were appeals to the
6 Supreme Court, which permitted, and during
7 that period of time the economy collapsed.
8 And with that delay of a year, while waiting
9 for the Court, both projects fell apart.
10 Foxwoods never got back up on its feet again.
11 And because of that, there's only one casino.

12 Neil Bluhm and his group out of
13 Chicago, because of his financial strength,
14 was able to finance a casino and get it
15 operating. It was the first stick-built
16 casino after the great recession. He then
17 went into Pittsburgh. And he went in there
18 for similar reasons. The developer there, a
19 man by the name of Don Barden, who other
20 people in this room know and has now passed
21 away, had tried to develop the casino in
22 Pittsburgh, he too got tumbled by the
23 recession. And Mr. Bluhm took that building
24 out -- that project out of bankruptcy and

1 rebuilt.

2 Now, I say that not to beat the drum
3 for Neil Bluhm, but to say that the reason we
4 object to this is that -- I think one of the
5 commissioners said before, there are a lot of
6 moving parts, and a lot of people involved,
7 and a very complex process to get to a casino.
8 You have to have -- you have to have people,
9 and we're very happy that we've got people.
10 We've got people that have the integrity, have
11 been licensed everywhere else, Mr. Carney and
12 his group has been licensed and found suitable
13 before. So we've got that. You have to have
14 a site. And I'm going to ask Mr. Carney in a
15 moment to address the site. He knows far more
16 than I know about it. You've got to have an
17 operator. And we have an operator that we've
18 -- we've operated casinos successfully
19 throughout the northeast, and without
20 difficulty. And you have to have financing.
21 And I don't think you could have a stronger
22 financial group coming before you.

23 The other groups that are asking for
24 the extensions, and not to be critical of them

1 at all, have not been able to put those pieces
2 together, and I don't blame 'em, because
3 they're very difficult to put together. And,
4 especially, in today's economic situation, and
5 today with what people see in the gaming
6 industry is saturation and so on, it's
7 becoming more and more difficult.

8 I say all that to say, we've got it.
9 We're here. We're ready to go. We want to
10 go. And we want to get operating as fast as
11 we can. And any delay is fraught with danger
12 and uncertainty because we don't know what the
13 future holds. We do know that today, as we
14 sit here, we have those four elements,
15 including what I think is a great site and a
16 host community that is favorable to our
17 position. And before I go on, and I will be
18 brief, I'll be less than 10 minutes, but I'd
19 like to ask Mr. Carney to just address the
20 host community for a moment.

21 MR. CARNEY: To members of the -- to
22 members of the commission -- to members of --
23 I can talk loud enough. Anyway, to members of
24 the commission, I've been before you before.

1 The only thing I'd like to say is this, that I
2 feel that I came up with people that have got
3 a good reputation, got plenty of money, and we
4 got a great location in the city of Brockton.
5 I've been a lifelong resident. I understand
6 the city. I know that the jobs are at an
7 all-time low. And as far as I think is
8 concerned, the city needs help. It's a great
9 city. I've lived there all my life. I have
10 scheduled on this coming Friday to meet with
11 the different city councilors so we comply
12 with the -- where there's not too many at one
13 time to go with the -- there's a law that you
14 can't have, you know, three -- three or four,
15 or whatever it is. I'm not up to date on
16 that. But, anyway, we have it scheduled for
17 Friday and Saturday. We have the three
18 state -- three state representatives, I
19 believe sent in a letter into the commission
20 supporting our -- our application, as well as
21 Senator Kennedy -- Kennedy's office, I
22 believe, sent in a letter, also, to you
23 people. They said they'd have it in by
24 Wednesday so you'd have it for your --

1 COMMISSIONER MCHUGH: Yes, it's been
2 received.

3 MR. CARNEY: So, anyway, the city is
4 very much behind us. I feel very comfortable
5 we'll get a good vote from the city council,
6 more than we will need, and the city is a
7 hundred percent -- and this is the last
8 opportunity to help the city of Brockton. And
9 that's -- at my stage of life, I think this
10 will be something, if I could put it together
11 and have something that people would be proud
12 of, and something that the city needs and
13 would employ a lot of people. That's about
14 all I can say.

15 If you have any questions to ask me,
16 I'd be more than happy to answer them, if I
17 can. But I wouldn't be sitting here, if I
18 didn't think I had something we could produce
19 and everybody would be happy, and wouldn't be
20 ashamed giving us a license. Thank you.

21 COMMISSIONER MCHUGH: All right.
22 Thank you, Mr. Carney, Mr. Donnelly.

23 MR. DONNELLY: Well, that's it.
24 This isn't a complicated issue, or one that

1 requires any great argument, thank goodness.
2 But the point is, stuff does happen. And
3 we've got a bird in the hand, and we'd like to
4 go forward with it.

5 Of course, you know your statute and
6 your duties, and your responsibilities far
7 better than I do, and I'm not here to suggest
8 what you should or shouldn't do in your
9 judgment. I just do say that the quicker that
10 we can get operating, the more certain it
11 becomes that this will happen, if we're
12 ultimately selected. And until it happens, we
13 can't start doing what this whole thing's
14 about, which is, breaking it down to its
15 simplest form, it's about revenue and jobs.

16 And until we can get into the
17 process economically and understand that --
18 and hope that this license will actually be
19 issued, because there's some uncertainty with
20 regard to that, too, I'm aware of, but as soon
21 as we can get into this process and start the
22 design, as you spoke with the Wynn people
23 today, that's when we start hiring people, and
24 that's when we start hiring construction

1 firms, and that's when we start actually
2 bringing those economic benefits.

3 And those economic benefits really
4 start to flow when we start putting the bricks
5 and mortar down and then get operating and
6 hire people. And those are the happy days,
7 when you see that kind of activity. We want
8 to get there. I know you want to get there.
9 And I leave it to your discretion, which you
10 have on this, but I hope that there's not a
11 delay. We -- we're ready, willing and able to
12 get -- get moving. And we thank you for your
13 time.

14 COMMISSIONER MCHUGH: All right.
15 Thank you, Mr. Donnelly. Thank you,
16 Mr. Carney.

17 COMMISSIONER CAMERON: Thank you.

18 MS. WELLS: I'd ask that
19 Kevin Conroy from KG Urban --

20 COMMISSIONER MCHUGH: Oh, wait a
21 minute.

22 MS. WELLS: Unless you have a
23 question. Pardon me.

24 COMMISSIONER MCHUGH: I'm sorry.

1 I'm sorry.

2 COMMISSIONER ZUNIGA: Before we got
3 there, just a question for Director Wells.

4 MS. WELLS: Yes.

5 COMMISSIONER ZUNIGA: There's at
6 least two parties that have been prior --

7 MS. WELLS: Correct.

8 COMMISSIONER ZUNIGA: --
9 investigated --

10 MS. WELLS: Right.

11 COMMISSIONER ZUNIGA: -- but a third
12 one that has not?

13 MS. WELLS: Clairvest. So you'll --
14 we'll go through the submissions as to the
15 complexity of what we need to do, but it's not
16 as if this is already a done deal. We would
17 need to update both the Mass Gaming and
18 Entertainment piece, the Mr. Carney piece, and
19 then we would have to start on that Clairvest
20 piece. So there would be that section of the
21 deal which is -- this was a newer addition in
22 the -- in the last few weeks, so that
23 Clairvest investigation would need to be done
24 from the beginning.

1 COMMISSIONER ZUNIGA: But are they
2 close to preparing those forms and submitting
3 them to you?

4 MS. WELLS: Well, they've submitted
5 the document.

6 COMMISSIONER ZUNIGA: They have.
7 Okay.

8 MS. WELLS: And we'll review for
9 completeness and all that, but they were very
10 accommodating to our request that materials
11 should be in by the deadline.

12 COMMISSIONER MCHUGH: All right.
13 Good afternoon.

14 MR. STERN: Thank you,
15 Commissioners.

16 COMMISSIONER ZUNIGA: Good
17 afternoon.

18 MR. STERN: My name is David Stern.
19 I'm the CEO of DJS Global Advisors, and I'm
20 advising KG Urban in connection with its
21 development of a casino in New Bedford. And
22 I'm here, obviously, in support of the
23 application for a 60-day extension of the
24 deadline. And thank you for the opportunity

1 to present.

2 KG Urban has been at this for seven
3 years. They've incurred costs well in excess
4 of \$10 million. They've considered other
5 cities in the southeast, but they landed in
6 New Bedford, where they considered the golf
7 course, where they believed, and I think the
8 facts demonstrated, it would have virtually no
9 impact on the downtown area of New Bedford.
10 In fact, it would detract from the businesses
11 there. They considered something known as the
12 Hicks-Logan site, and that too was distant
13 enough from the downtown area that it would
14 add nothing, and it would detract.

15 The Cannon Street site is adjacent
16 to downtown. It's been in private hands for
17 over 105 years and had to be -- the right to
18 acquire it had to be -- had to be negotiated
19 through a series of very complex transactions
20 over a couple of years, and it is a
21 contaminated site requiring an environmental
22 cleanup that's going to cost \$50 million that
23 the City of New Bedford does not have. That
24 sort of sets it.

1 We -- we estimate that there'll be
2 construction jobs in the neighborhood of
3 4,500, operational jobs beyond that of another
4 8,000 and a -- you know, a construction impact
5 of \$547 million, and an operational yearly
6 impact of something approaching a billion
7 dollars, and a clean up of a environmentally,
8 badly damaged site. I guess what I would say
9 is that -- and -- and the owner of that site
10 will only part with it under the terms of a
11 long negotiated cleanup plan that has been
12 documented with more books than we could bring
13 into this, and doesn't want to have any
14 continuing liability. They want the company
15 buying it to take on the liability, which we
16 have agreed to.

17 With respect to an operator, I can
18 report that we're in discussions with three,
19 but I've been authorized to tell you that
20 Foxwoods, which has already been qualified in
21 Massachusetts, is in discussions with us about
22 a -- an operation management agreement, and we
23 would hope that by the extension period we
24 would both have a final deal for operation

1 management, and a -- the equity funding that
2 we're now in discussions with many about. But
3 this has been a interesting process as the
4 referendum was on, and as various other
5 deadlines have been extended, et cetera. But
6 we're now focused on a laser -- laser-like
7 basis.

8 I guess all I would add is that a
9 letter that we attached, I won't read you the
10 whole thing, from the town -- the city council
11 sent us in August and we annexed it. It says,
12 "An urban casino, as you have proposed,
13 presents a unique opportunity to grow and
14 promote our downtown businesses, and will
15 induce overall economic development and
16 revitalization by creating thousands of job
17 that generate millions of dollars in tax
18 revenue."

19 Skipping along, "We appreciate the
20 strong and effective efforts KG's project
21 design team has taken to develop plans that
22 allows the proposed location on Cannon Street
23 to coexist with and complement current
24 maritime uses while opening the waterfront to

1 public use as well." Because, as you -- as
2 we've told you in other documents, we have an
3 entire plan for blending this in both with the
4 downtown and with the waterfront.

5 And, finally, "We further recognize
6 and understand that given the substantial cost
7 to remediate and rehabilitate the NSTAR and
8 Sprague sites, a casino development represents
9 the only true opportunity to transform those
10 obsolete brown field sites. Sites that are
11 now off limits to the public, and to a vibrant
12 waterfront amenity, open to and enjoyed by
13 future customers and guests at the casino, as
14 well as the general public."

15 We think this overall development is
16 right in the sweetheart -- sweet spot of what
17 the commission has been trying to do, and we
18 urge you to grant us an additional 60 days to
19 make it come to fruition. Thank you very
20 much.

21 COMMISSIONER MCHUGH: Thank you,
22 Mr. Stern. Do you have any response to, or
23 thoughts about the mayor's letter?

24 MR. STERN: Well, what I didn't say

1 is that we are in the process of joining with
2 the mayor in a study being done by
3 Sasaki Associates, which the -- a design firm,
4 which the mayor has --

5 COMMISSIONER MCHUGH: Well-known --

6 MR. STERN: -- suggested.

7 COMMISSIONER MCHUGH: Right.

8 MR. STERN: And it is our hope, not
9 a guarantee or not definite, that, that will
10 be a catalyst for the series of discussions
11 that are necessary leading to a host committee
12 agreement -- host community agreement, excuse
13 me. That's --

14 COMMISSIONER MCHUGH: All right.

15 MR. STERN: That's my response to
16 that.

17 COMMISSIONER ZUNIGA: Is that study
18 anticipated to be done within the time
19 frame --

20 MR. STERN: Yes.

21 COMMISSIONER ZUNIGA: -- that you're
22 requesting?

23 MR. STERN: Yes, yes. Yes. Our
24 architect has spoken with Sasaki's design

1 team, and we expect it to be, perhaps, a
2 three- or four-week, at most, study.

3 COMMISSIONER MCHUGH: Okay.
4 Questions, comments?

5 MR. CONROY: I just want to make --
6 this is Kevin Conroy from Foley Hoag. I just
7 want to make one point clear. We're asking
8 for an extension of this
9 substantially-complete requirement that --
10 that the commission set out for Region C. We
11 have paid the \$400,000. We've submitted our
12 RFA1 application for two -- three
13 individual -- two individual qualifiers and
14 three entity qualifiers. What we're short is
15 the documents related to an operator and
16 equity. But that's the extension we're
17 looking for.

18 COMMISSIONER ZUNIGA: Mr. Stern
19 mentioned, briefly, the equity piece. And
20 this is usually all of the redacted
21 information into these kinds of proceedings,
22 but how would you characterize your progress
23 relative to that equity participation?

24 MR. STERN: I would say -- I would

1 say the equity participation is -- has had
2 people express interest in asking us who is
3 our operator. And I can report that we're in
4 discussions with three operators, but one in
5 particular that has now been qualified. And
6 we believe that that -- that agreement, if
7 it's pushed, will head to completion,
8 successful completion of equity -- of equity
9 raise.

10 COMMISSIONER ZUNIGA: Just to pick
11 up on Mr -- Attorney Conroy's remarks, would
12 you -- in your letter you seem to allude that
13 there would be additional time required to
14 complete the investigations prior to the RFA2
15 deadline --

16 MR. CONROY: Well, so --

17 COMMISSIONER ZUNIGA: -- that we
18 currently have.

19 MR. CONROY: Excuse me.

20 COMMISSIONER ZUNIGA: Sorry.

21 MR. CONROY: As I understand it, the
22 reason the commission introduced a
23 substantially-complete requirement for Region
24 C is that it wanted to ensure that the

1 investigations would be completed by the time
2 that the RFA2 applications need to be
3 submitted. So only those who have been found
4 suitable could submit their applications. And
5 so, what we wanted to make clear is, yes, we
6 need an additional 60 days to bring in an
7 operator and bring in equity. We assume that
8 if that -- if you do grant us that extra 60
9 days, that the RFA2 deadline may also need to
10 move out 60 days in order to allow the IEB to
11 do the investigations and complete that
12 investigation before the RFA2 deadline.
13 That -- that's the reference.

14 COMMISSIONER ZUNIGA: Unless you
15 required a waiver of our regulation that
16 states suitability has to be done prior to the
17 vote of the host community, correct?

18 MR. CONROY: That is correct,
19 Commissioner. If that was a course of action,
20 we could definitely -- we could consider.

21 COMMISSIONER ZUNIGA: Or I could put
22 it another way. If we -- if we entertained
23 your -- we're entertaining it. If we granted
24 the 60-day extension to the completion, to the

1 substantial-completion milestone, if you will,
2 that would put us well into March, let's say,
3 right?

4 MR. CONROY: Mm-hmm.

5 COMMISSIONER ZUNIGA: At which
6 point, you would have between 60 to 90 days to
7 have a favorable vote of the host community,
8 which puts us right up against the vote -- I'm
9 sorry, the current deadline of RFA2.

10 MR. CONROY: Yes. Although, I would
11 say we're moving very, very quickly to
12 identify an operator and reach an agreement.
13 And -- and we're also trying moving as quickly
14 as we can with the host community agreement.
15 Obviously, we've got to do the -- the Sasaki
16 study, and the mayor would like us to identify
17 an operator, but we're trying to move very
18 quickly on those things, and I -- I hope --
19 we'll see how long that takes, but we're --
20 we're not going to wait 60 days, if we can do
21 it sooner.

22 MR. STERN: And in deference to
23 Attorney Donnelly, I think it's fair to say
24 that it will be a nice problem to have, to

1 have some robust competition for the
2 commission to consider, having come to this
3 point in the journey, and we would like, very
4 much, to be one of the those robust
5 competitors for the license in the southeast.

6 COMMISSIONER MCHUGH: All right.
7 Thank you very much. I -- I would note,
8 though, that our existing regulations always
9 contemplated a substantially-complete
10 examination -- application before we made
11 decisions about suitability. Section 115 of
12 the regulations deals precisely with that.
13 And that's what we're aiming for. So thank
14 you -- thank you all very much.

15 MR. STERN: Thank you for having us.

16 COMMISSIONER ZUNIGA: Thank you.

17 MS. WELLS: Just ask -- Mr. Hanlon.
18 And I think that they're working with
19 Mr. Allen, so maybe the two of them could come
20 up to the podium next. That would be most
21 efficient.

22 COMMISSIONER MCHUGH: All right.
23 Good afternoon.

24 MR. HANLON: Good afternoon,

1 Commissioners. I'm David Hanlon. I'm with a
2 project that we're -- we submitted, Somerville
3 on the Move. I have had over 30 years
4 experience in the gaming business as a
5 developer and operator licensed and operating
6 in multiple jurisdictions. New Jersey,
7 Nevada, Illinois. And I'm new to this project
8 because I was only recently asked by, or
9 invited by the Town of Somerville --

10 COMMISSIONER MCHUGH: Somerset.

11 MR. HANLON: Somerset, excuse me.
12 To get involved in this process. So as a
13 result, I've gone as quick as possible as we
14 can on this, and I think we've accomplished a
15 lot. I had the pleasure of filling out my
16 personal history disclosure form, which I
17 hadn't done for awhile and learned a few
18 things I'd forgotten.

19 So we did that. We put in the
20 submission. We have a letter from a major
21 investment banking firm about providing the
22 debt. We're in discussions with a number
23 of -- of entities to provide the equity on the
24 process, and we have full support of the city

1 -- or the town, excuse me, down there. I met
2 with them as recently as this morning on that.
3 They believe that they have full support of --
4 of all the people down there to go through
5 that. They have an excellent site and good
6 location. And recognizing very late in this
7 process, I do think that I had the ability and
8 the experience, and the ability to put
9 together a project very quickly that could be
10 a significantly-positive competitor and
11 alternative to other sites being proposed.

12 COMMISSIONER MCHUGH: All right,
13 Mr. Hanlon. Thank you.

14 MR. ALLEN: Mr. Chairman, members of
15 the board, nice to see you all again. My
16 name's Robert Allen. I have a law practice in
17 Brookline. It's been awhile since I've been
18 before the commission. I've been representing
19 Crossroads in the past. You may remember we
20 came here, found us suitable, and we failed in
21 the referendum in Milford through a
22 tremendously, and hopefully you can remember,
23 exhaustive effort we spent in Milford. We
24 spent a lot of time and a lot of money in

1 Milford trying to convince them that this was
2 a proper location. However we -- we were not
3 successful.

4 We did identify, when we were here
5 last for our suitability hearing, our equity
6 partner. We -- quite honestly, after the
7 Milford experience, it was a -- it was a
8 little bit of hiatus there to collect our
9 collective breaths and wait for another
10 opportunity.

11 I personally have been involved in a
12 number of locations down in the -- down in the
13 southern part, down in Region C, and just very
14 recently Somerset which -- which this board, I
15 think, knows is -- is about to experience a
16 tremendous loss with their largest taxpayer
17 leaving in 2017. Crippling affect on the
18 community. They are desperately seeking
19 somebody and they -- they basically came to us
20 and -- and talked to us, see if there was an
21 interest.

22 Mr. Hanlon is familiar with -- you
23 may -- Scott Butera, who was -- we sat here
24 with before, he's no longer with Foxwoods but

1 continues to be on Crossroads as an -- in an
2 advisory capacity. I spoke with him today.
3 He's familiar with Mr. Hanlon from his long
4 experience, and -- and we think this is a nice
5 team to put together.

6 We feel -- we've paid our \$400,000,
7 and we've been very involved in this process.
8 We believe that the 60-day extension would be
9 appropriate for us in order to -- basically,
10 what we'd be looking for is to look at our
11 table of organization, finish our negotiations
12 with us -- with -- with Mr. Hanlon and his
13 team. We do not anticipate a significant
14 addition. Maybe, two or three qualifiers.
15 I've spoke with Ms. Wells a little bit about
16 it, but it's a little bit early in the -- in
17 the negotiations. We'd be very excited. We
18 believe competition is important for Region C.
19 We have a very, very good understanding of
20 this process. We have a very good
21 understanding what it takes to convince a
22 community.

23 Here we have a community that is
24 very supportive of it, which is a little bit

1 different than what we had last time. Here I
2 think we have identified some partners. We've
3 identified two operators. Our equity piece is
4 -- is still in place. We've already reached
5 out and had some preliminary conversations
6 about that, and we believe with a 60-day
7 extension, we can -- we can put the pieces
8 together.

9 I know Ms. Wells spoke of a letter
10 you received from the widow of Mr. Nunes. I
11 do want to represent to the commission that
12 while I'm not the transactional attorney for
13 Crossroads, I was provided with a complete
14 release from Crossroads of Mr. Nunes that he
15 had taken care of prior to his unfortunate
16 passing. And I believe that that release was
17 sent to Mr. Nunes' widow either on or after an
18 e-mail about the same date that the letter
19 was. So my guess is that the affairs are
20 being put in order, and there's a lot of
21 questions as to what -- what is in his estate.
22 So we did provide her with a copy of the
23 release that was -- that was negotiated and
24 worked out, signed by all the parties.

1 COMMISSIONER MCHUGH: All right.
2 Thank you for that. Assuming that is so, who
3 is Crossroads?

4 MR. ALLEN: Continues to be
5 Robert Potamkin, Bruce Etkin and Tim Presutti.

6 COMMISSIONER MCHUGH: Okay. Who
7 were three of the qualifiers on the last
8 go-around?

9 MR. ALLEN: That's correct. I
10 believe Mr. Presutti's interest was below the
11 level -- yeah.

12 MS. WELLS: I don't recall off the
13 top of my head.

14 COMMISSIONER MCHUGH: All right.
15 All right. But -- but those are three
16 names --

17 MS. WELLS: Correct.

18 MR. ALLEN: All qualified.

19 COMMISSIONER MCHUGH: All right.
20 Okay. I got it. I'm sorry, there's one other
21 thing. You -- you have paid the 400,000?

22 MR. ALLEN: Yes.

23 COMMISSIONER MCHUGH: Okay.

24 MS. WELLS: Yeah, the situation with

1 Crossroads, while they paid --

2 COMMISSIONER MCHUGH: Oh, I'm sorry,
3 Crossroads --

4 MR. ALLEN: Crossroads, yeah.

5 COMMISSIONER MCHUGH: -- paid the
6 400,000. That's right.

7 MS. WELLS: Crossroads has paid,
8 Somerset has not.

9 COMMISSIONER MCHUGH: Right.

10 MS. WELLS: Somerset went through
11 the Region C scoping process, Crossroads did
12 not, and now they're coming together. So
13 that's the unusual circumstances we have with
14 this team.

15 MR. ALLEN: Partnerships are formed
16 in mysterious ways.

17 COMMISSIONER MCHUGH: Go ahead.

18 COMMISSIONER ZUNIGA: Mr. Hanlon,
19 you were talking briefly about the equity
20 piece?

21 MR. ALLEN: Yes.

22 COMMISSIONER ZUNIGA: And at the
23 same time, Mr. Hanlon also referenced, sort
24 of, certain preliminary discussions.

1 Crossroads, at the time they were in Milford,
2 had and were found suitable, did not have a
3 complete financing plan, given, you know, that
4 was -- that was acceptable at that time,
5 preliminary to be done. And then the
6 referendum came and, you know, it failed. So
7 we never got to see, as I understand it, a big
8 picture, or a clear, sorry, picture of the
9 financing or the equity financing. What can
10 you tell us as that may stand now?

11 MR. ALLEN: Well I -- we, as a
12 little background, and I think because the
13 referendum happened shortly after it fell off
14 the table, we did provide this commission and
15 Ms. Wells with a -- identifying our equity
16 piece. I believe we -- we might have walked
17 in or provided it to her the day before we
18 came here for -- for our suitability hearing.

19 COMMISSIONER ZUNIGA: With GLPI?

20 MR. ALLEN: That's correct.

21 COMMISSIONER ZUNIGA: Is that
22 still --

23 MR. ALLEN: That's correct.

24 COMMISSIONER ZUNIGA: Still under

1 negotiation or in spirit?

2 MR. ALLEN: Yes. We've -- yes.
3 Naturally, he wants to understand the site and
4 understand the building. It's a little bit
5 different than the Region A piece so it's not
6 as significant. But, yes, the conversations
7 have already begun. And, again, we've been --
8 we've been involved in this in fairly short a
9 period of time, although, we feel like we've
10 been involved for a very long time with this
11 process.

12 COMMISSIONER ZUNIGA: And the 60-day
13 extension that you're requesting would then --
14 help me understand what that may be. The
15 substantially-complete piece or --

16 MR. ALLEN: Yes. It would be --
17 there would be a change in our table of
18 organization we anticipate, so that would be
19 going to the substantial completion.

20 MS. WELLS: Well, I guess, then, my
21 question would be, who is the applicant?

22 COMMISSIONER MCHUGH: Yeah.

23 COMMISSIONER ZUNIGA: Yes.

24 MS. WELLS: If you are -- if you are

1 partnering, who is the applicant?

2 COMMISSIONER ZUNIGA: I guess I was
3 going to that, yeah.

4 MS. WELLS: Because if Crossroads is
5 the applicant, they paid the fee, but yet,
6 they didn't meet the deadlines for going
7 through the scoping process. So I'd leave it
8 to the commission's judgment on what to do
9 about that. But if Somerset is the applicant,
10 does then not Somerset have to pay the
11 application fee? So that's one of the
12 questions for the commission's consideration.

13 COMMISSIONER MCHUGH: Yeah. I think
14 that's -- we're all asking the same question.
15 So -- go ahead.

16 MR. ALLEN: And I -- and I think we
17 would be fine if -- either way the commission
18 decided to vote on that. But we --

19 COMMISSIONER MCHUGH: Wait a minute.
20 You're the applicant.

21 MR. ALLEN: Yes.

22 COMMISSIONER MCHUGH: So it's not us
23 to put the deal together.

24 MR. ALLEN: Right. Well, Crossroads

1 believes that -- that we paid. We -- we
2 haven't done the scope agreement. We believe
3 we could turn that around pretty quickly.
4 We're talking daily with -- with the folks in
5 Somerset so --

6 COMMISSIONER MCHUGH: All right. I
7 hear you.

8 COMMISSIONER ZUNIGA: So if
9 Crossroads were the applicant, then you would
10 be seeking an extension of the
11 substantially-complete requirement, correct?

12 MS. WELLS: Right. I think -- and
13 then I think it would be two-fold. If that's
14 the case, they'd -- the substantial --
15 substantially-complete application, but they'd
16 be in, for example, a different position than
17 KG Urban. KG Urban met the -- you know, the
18 deadlines. They did produce materials on the
19 -- on the 9th, and did have a scoping meeting
20 by the 16th. So they're in -- in -- you know,
21 for interest of equity of fairness they --
22 they're in slightly different position. So I
23 think Crossroads is also asking for an
24 extension of an opportunity to do the scoping

1 process as well.

2 MR. ALLEN: I think that's right.

3 MS. WELLS: I think we need to redo
4 it for KG Urban once they get their partners
5 anyway, because we couldn't complete the
6 scoping process, if that's helpful.

7 COMMISSIONER MCHUGH: Okay.

8 COMMISSIONER CAMERON: So -- and
9 Mr. Hanlon you would be -- you or a team would
10 be considered the operator?

11 MR. HANLON: Yes, that's correct.

12 COMMISSIONER CAMERON: Thank you.

13 COMMISSIONER MCHUGH: All right.
14 Further questions? Okay. Thanks very much.

15 MS. WELLS: And then we also have
16 Ms. Wheaton from Sun Moon.

17 MS. WHEATON: Good afternoon,
18 Commissioners.

19 COMMISSIONER MCHUGH: All right.
20 Good afternoon, Ms. Wheaton.

21 COMMISSIONER STEBBINS: Good
22 afternoon.

23 COMMISSIONER ZUNIGA: Good
24 afternoon.

1 COMMISSIONER CAMERON: Good
2 afternoon.

3 MS. WHEATON: The Seafan Trust,
4 doing business as Sun Moon Resort, is
5 approaching this in a different manner. It is
6 establishing itself as a casino and resort
7 entity independent of an existing casino
8 company here in Massachusetts. In which case,
9 the Seafan Trust is the applicant, and I as
10 the trustee have the ultimate decision-making,
11 so I'm the primary person responsible with
12 respect to any decisions and authority, not
13 our funder, if you will, who is an
14 institutional investor, which would probably
15 warrant the qualifications exemption. But let
16 us speak to the matter of the --

17 COMMISSIONER MCHUGH: I'm not sure I
18 -- well, go ahead. That's fine.

19 MS. WHEATON: Yeah. I really didn't
20 want to go into the entire scope at this time.
21 I just wanted to firstly answer the questions.

22 On or about January 23rd, to beat
23 the snow that we had on the 24th, I went out
24 of state intending to return on the 27th. Not

1 only to finalize the written application, but
2 to pay the fee. I was one of the many 10,000s
3 of individuals who got caught out of state,
4 exiled behind the snow curtain, if you will,
5 and could not return. And there were a number
6 of people who were bumped, who had priority
7 for scheduled flights to return to the
8 northeast. I got a guaranteed flight Friday
9 morning, January 23rd, and made it back here
10 in time to file the application on time.

11 I also faced 3 feet of snow that had
12 not been taken care of, which I took care of
13 on Saturday. Intending, of course, to then
14 get out on Monday, we all were snowed in
15 again. So this past Tuesday, in fact, is the
16 first chance I've had to get out and process
17 the fee. I had been informed as well, while I
18 brought all of my materials with me, with
19 respect to the written application out of
20 state, I had been informed that a branch of my
21 bank was there, only to find out it was for
22 the employees only, so I couldn't do anything
23 with respect to the fee while out of state.

24 So this past Tuesday, which would

1 have effectively been the 3rd, is my first day
2 of getting out to process that. So I'm happy
3 to announce that the bankers are, as we speak,
4 in the vault counting in order to send it --
5 you the fee, Commissioners. And as fast as
6 they do that, and if they don't take too long
7 staring at the funds like they like to do
8 before they part with them, then we're talking
9 a matter of a couple of days for that. And
10 Monday's weather -- but I don't know what more
11 I may have to do, so if I do with respect to
12 the bank, it'll probably be getting over there
13 by Tuesday. That's one on the matter of the
14 funds.

15 On the matter of the funding for the
16 project, this being a \$4 billion project, I am
17 also happy to announce that -- or to further
18 inform you that the Seafan Trust already has
19 its funding. The expectation, as reflected in
20 the cover letter and information to you, of
21 the minimum of \$600 million, actually, has
22 been changed where the funders want to provide
23 more at this time. So we're only in an influx
24 of a couple of days going as fast as we can

1 for them to submit that. And I will provide
2 that information, as I've already promised,
3 next week when that is done.

4 As far as my point of view,
5 agreements, conversations mean nothing. I
6 want it in the trust account. And that's when
7 you would be informed of exactly who it is,
8 and any of the other information that you
9 require. And that's pretty much it with
10 respect to the funding.

11 With those funds, then Seafan is
12 going to be in a position to hire, as
13 independent contractors, the variety of
14 individuals that are out there who are not now
15 associated or under agreement with an existing
16 casino operation, but have had decades of
17 experience in the planning operations and
18 management of such. And the trust is going to
19 hire them as independent contractors. Pardon
20 me for saying, they will work for us. They
21 will do it our way, and there won't be a tug
22 of war with respect to how the funds are spent
23 on our project, which is 95 percent resort on
24 500 acres, more, if I can.

1 And the existing plans, which you've
2 seen that have been illustrated in part, and
3 shall be furthered, that is 95 percent resort
4 for us all to enjoy nongaming, and the maximum
5 and ideal plans, and the amount of money that
6 it's going to take to provide such a resort is
7 one which I absolutely refuse to have any
8 funder, investor, casino operator, if you
9 will, try to minimize with respect to the
10 quality and the funding that goes into it.

11 So this is the way that we're doing
12 it. And the casino experts I call them, as
13 well as their resort experts, will be hired
14 and work for us as independent contractors.
15 And this then becomes a project that we the
16 people of Massachusetts will be putting
17 together to do it our way for the
18 United States to enjoy it in the manner that
19 the people of Massachusetts see how we can
20 provide it as a resort and a casino. Any
21 questions?

22 COMMISSIONER MCHUGH: All right.

23 Thank you very much.

24 MS. WHEATON: I'm trying to go

1 quickly.

2 COMMISSIONER MCHUGH: Questions?

3 COMMISSIONER ZUNIGA: You seem to
4 suggest that it was the snow that prevented
5 you from transferring the funds to us?

6 MS. WHEATON: I couldn't physically
7 get back here. You have to be physically in
8 the bank.

9 COMMISSIONER ZUNIGA: Yes. But you
10 can do banking remotely.

11 MS. WHEATON: I don't do banking
12 remotely, sir.

13 COMMISSIONER ZUNIGA: Well, the bank
14 does that all the time.

15 COMMISSIONER MCHUGH: Okay. Okay.

16 MS. WHEATON: I only started
17 Tuesday. You're going to get it in a couple
18 of days, that's all. Physically, I was only
19 able to be here to walk into the bank to start
20 the process. I even attempted, before I left,
21 to provide the preauthorization before I left
22 at my bank. The bank doesn't allow that. You
23 have to physically do it on the day in which
24 it's going to be done. However the -- the

1 bank is doing it now so it's just a matter of
2 a couple of days.

3 COMMISSIONER MCHUGH: I think we get
4 the point.

5 MS. WHEATON: Thank you.

6 COMMISSIONER ZUNIGA: Thank you.

7 COMMISSIONER MCHUGH: All right.

8 Thank you very much. Okay. Director Wells?

9 MS. WELLS: So that -- that gives
10 the -- the universe of what we have for
11 Region C and the status of the applicants or
12 potential applicants, however the commission
13 deems their -- the status of their submissions
14 before the commission.

15 I think, at this point, the
16 commission has the -- you know, the
17 decision-making on what to do about these
18 requests for extension. We have had some
19 discussion internally, I think from the -- you
20 know, the investigators' standpoint. What I
21 would like to avoid is working on an
22 investigation and then ending up having the --
23 the applicant not complete the deal and we've
24 wasted time and resources on that application.

1 A suggestion I have for the
2 commission, given that Mass Gaming and
3 Entertainment has completed that, the IEB
4 could start the process on that investigation.
5 We still have to update the information on
6 Mass Gaming and Carney, and we have all of
7 Clairvest to do. So there's a substantial
8 amount of work on that piece. And then,
9 potentially, you know, defer to the commission
10 on scheduling, but if another applicant
11 completes the application, at that point the
12 commission -- the IEB could start that
13 investigation so as not to waste time. But
14 that would potentially impact that May 31 RFA2
15 deadline.

16 So we -- we stand ready to do as the
17 commission wishes, but I'm just concerned,
18 given the amount of work we have with the --
19 the opening of Penn National -- the Penn
20 National's casino at Plainridge, that we do
21 need to focus on those investigations we're
22 doing for the vendors and the employees. So
23 I'll defer. We will -- we will do as the
24 commission desires.

1 COMMISSIONER MCHUGH: Yeah. To
2 amplify on that, there's the work that needs
3 to be done to get the Penn National floor
4 ready when that -- when that time comes. But
5 there's also the various licensing background
6 investigations that have to be completed
7 before that. So that's a given, and that's
8 part of the environment in which everybody is
9 working. But that's a point well taken, and
10 we -- we need to take that into account.
11 Okay.

12 So there we have it. We've got some
13 requests for extensions, we've got some -- one
14 opposition to the request. Let's talk. Who
15 wants to -- who wants to say something, take a
16 crack at where we are, where we should go?

17 COMMISSIONER CAMERON: Well, I think
18 we need to start with the very basic, which is
19 the \$400,000 fee. I think when we started
20 here today we thought we had -- from -- from
21 five potential applicants we had fees for
22 three, and now we learn that two of those
23 potential five have joined so now we're down
24 to four? Am I -- is that accurate, we're

1 looking at four potential applicants, and one
2 of them has not submitted the fee, if we look
3 at it that way, correct?

4 MS. WELLS: That's correct. But you
5 would have -- just you have to be comfortable
6 that since Crossroads is joining that --

7 COMMISSIONER CAMERON: I understand.

8 MS. WELLS: -- that scope of process
9 you sort of have to waive that, which is --
10 the commission has the authority to do.

11 COMMISSIONER MCHUGH: Right.

12 COMMISSIONER CAMERON: Mm-hmm. So
13 my first thought is -- is that that is the
14 very basic piece to starting the process, is
15 the application fee here. And -- and I think
16 that's probably our first decision moving
17 forward here. Before we entertain an
18 extension of any kind is -- I don't think we
19 can use any resources without fees in place.

20 COMMISSIONER MCHUGH: Well, the
21 regulations contemplate an extension if the
22 fee is paid.

23 COMMISSIONER CAMERON: Correct.

24 COMMISSIONER MCHUGH: And if -- if

1 an initial application is -- is filed. The
2 regulations deal with the minimal content of
3 an application, and then provide for the IEB
4 to ask for additional information. They
5 contemplate that so -- but the payment of the
6 fee is -- is -- and filing some -- some
7 components of the application described in the
8 application itself are the -- are the starting
9 points, so point well taken. So what is your
10 thoughts with respect to that, Commissioners?

11 COMMISSIONER CAMERON: Well --

12 COMMISSIONER MCHUGH: I mean, we
13 could either -- I guess, let me be less
14 opaque. We could either say that the deadline
15 for the fee was the fee, or we could say there
16 was a deadline but there was snow so tomorrow
17 at five o'clock is the deadline. We'll extend
18 it, or we could do other things. But, I mean,
19 what -- what is your -- what are your thoughts
20 as to what we should do with respect to that?

21 COMMISSIONER CAMERON: Well, I
22 suppose since we are -- if we are looking to
23 allow one of the applicants to join forces
24 with another after the deadline, then I would

1 not be opposed, in the interest of fairness,
2 to one more business day to have that fee in,
3 would -- would be fine from my standpoint.
4 Just in the interest of everyone understanding
5 where we're coming from and -- but that would
6 be a hard deadline. Just --

7 COMMISSIONER ZUNIGA: I'm
8 disinclined to any extensions, but I will -- I
9 will try to take them one at a time. The
10 400,000 application fee is nothing new.

11 MS. WHEATON: Correct.

12 COMMISSIONER ZUNIGA: And did not
13 come about just last Monday when we -- when we
14 got all this snow, and it's not hampered by
15 any weather. Whatever -- however the banking
16 -- however the preference for banking is, this
17 is something that could have been easily done
18 regardless of the -- of the weather. So I'm
19 disinclined to -- to extend that. And, by the
20 way, I would remind ourselves we've seen
21 Ms. Wheaton before.

22 COMMISSIONER MCHUGH: Seen what?

23 COMMISSIONER ZUNIGA: We've seen
24 Ms. Wheaton before she's had for -- an

1 extension request to us before on the Region A
2 with a different set of circumstances, but
3 without the application fee as well.

4 COMMISSIONER MCHUGH: Well, but
5 we're dealing with Region C now, and I think
6 we really need to focus on Region C. This is
7 a new -- we're writing on a blank slate. It's
8 a -- we're writing on the record that we've
9 created for Region C, for Region C. So with
10 all due respect, I'd like to keep us focused
11 on that. I hear what you're saying.

12 COMMISSIONER ZUNIGA: Well, I am
13 disinclined to extend the deadline for the
14 submission of the 400,000. If -- if you
15 were -- if the majority wants to extend it, I
16 would be agreeing that it's a very short time
17 frame.

18 COMMISSIONER CAMERON: Yes.

19 COMMISSIONER MCHUGH: Right.

20 COMMISSIONER ZUNIGA: We've provided
21 everybody our wiring instructions. And it's
22 the minimum that is a statutory, not just
23 regulatory, requirement for us to move -- to
24 do anything with it.

1 COMMISSIONER MCHUGH: Right, right.
2 Commissioner Stebbins, what do you think?

3 COMMISSIONER STEBBINS: You know,
4 the initial fee is also -- I think I echo
5 Commissioner Cameron in that, you know, it's a
6 critical linchpin. As I recall, our RFA1
7 process for the slots in Region A and Region
8 B, we had people arriving to us at the last
9 minute, just under the five o'clock wire to
10 make sure that the \$400,000 was paid up.
11 Everybody with the understanding that that's
12 not refundable, regardless of, you know, some
13 issues well -- you know, relative to having
14 all the pieces of the partnership puzzle in
15 place. So I'm -- I'm also weighing the
16 suggestion of trying to be flexible on
17 \$400,000 for an additional day, but knowing
18 that's not really how we've conducted
19 ourselves in the first RFA1 application
20 process.

21 COMMISSIONER ZUNIGA: But we've
22 extended this deadline now twice before.

23 COMMISSIONER MCHUGH: Yeah.

24 COMMISSIONER ZUNIGA: This is not --

1 you know the -- just to keep on the 400,000,
2 I'll get to the other extensions later, this
3 is not something new. This should not have
4 kept anybody -- this should not catch anybody
5 by surprise. You know, I know there's a
6 desire to generate competition, and there's an
7 argument towards that, but this -- this is not
8 something new. I think the market is telling
9 us something else.

10 I recognize that these deals are
11 very hard to put together and there's a lot of
12 moving pieces, and things do happen like the
13 passing of a principal in one of the
14 applicants, you know, which could be resulting
15 to other kinds of partnerships, et cetera.
16 But -- but at a minimum, the nonrefundable
17 statutory application fee is something that
18 has been, you know, in place for this region,
19 Region C, for a long time.

20 COMMISSIONER MCHUGH: Well we --
21 we -- my initial thought was we ought to be
22 flexible on the -- on the fee, but I think
23 you've persuaded me. That is -- that's been
24 there for a long time. That's very easy to

1 comply with. Our focus was on the -- our
2 focus was on the deadline that we set. We
3 were -- we've been at this for some
4 considerable period of time and we have to
5 move forward. And so, I -- I hear you with
6 respect to the fee. But we also required more
7 than the fee. We required at least -- we
8 required an application by the 30th.

9 Now, the regulations talk about what
10 an application -- in Section 104 of the regs,
11 I think, talk about what an application is.
12 And it's a business entity disclosure form, a
13 personal history disclosure form, and the
14 Massachusetts supplement. Doesn't say how
15 many of those have to be done, but it does say
16 that that has to be in a completed
17 application. And we've gotten that from -- if
18 you -- we've gotten that from several. And
19 that plus the fee is a minimum to go forward,
20 and that's what we -- that's what we wanted by
21 the deadline. So I'm -- I'm inclined to say
22 that the fee by the deadline was the fee by
23 the deadline. And that the application by the
24 deadline was the application by the deadline.

1 Now, what happens thereafter is
2 something we need to talk about for a minute,
3 because our regulations contemplated that as
4 well. And, I think, provide a mechanism for
5 going forward that's both fair and equitable,
6 and consistent with the regulations and the
7 deadline that we set. So let's, though, just
8 talk one -- one minute and see if we can get
9 the fee piece ironed out and then move to the
10 next stage. I would be inclined to join
11 Commissioner Zuniga in saying the fee deadline
12 was the fee deadline and that's it.

13 COMMISSIONER CAMERON: Well, I was
14 not, in any way, suggesting that we should
15 give an extension to that just for the sake of
16 giving an extension. My thought was, if we
17 were allowing another applicant, and we
18 haven't made that decision, to team up and use
19 the fee from one, but yet the application from
20 another, that was my only rationale for
21 thinking one more day, because we would be in
22 one -- in one sense for another applicant, if
23 we agree that that would -- that was
24 appropriate. So it wasn't about just

1 extending that deadline. It was about a
2 fairness issue.

3 COMMISSIONER ZUNIGA: Well, I see
4 those two things separate. I think the
5 forming of partnerships in other regions, and
6 I'm sorry that I'm bringing up other examples,
7 but, you know, we've done this in the past.
8 There were partnerships that -- that were
9 formed after deadlines, you know, where
10 somebody became -- you know, failed in a -- in
11 a referendum, formed a partnership with
12 another applicant, and that was all fine
13 because at least one, in some cases two, had
14 already filed the 400,000 nonrefundable fee
15 and had been found suitable in some form or
16 another.

17 So the forming of a partnership of a
18 -- like yesterday or however recent, you know,
19 is -- is all within the confines of the
20 solicitation that we've made, which includes
21 the basic personal forms, disclosure forms and
22 the nonreimbursable application fee, which is
23 why, you know, who is the applicant is an
24 important question. But that is not a deal

1 breaker in my mind when it comes to the other
2 four applicants, or the other three that --
3 the other four that are now three,
4 potentially.

5 COMMISSIONER MCHUGH: Okay.
6 Anything further, Commissioner Stebbins, that
7 you'd like to offer on this particular part of
8 the --

9 COMMISSIONER STEBBINS: No.

10 COMMISSIONER MCHUGH: Let me step
11 back before we take the next step and look at
12 the big picture, because we set that deadline
13 of January 30th, after multiple extensions of
14 previous deadlines out of a recognition that
15 goes all the way back to where we started.

16 COMMISSIONER CAMERON: Mm-hmm.

17 COMMISSIONER MCHUGH: And that is
18 that -- that we needed to deal with Region C
19 last for a variety of reasons, not the least
20 of which is the pendency of the tribal gaming
21 petition, and trying to figure out when the
22 feds were going to let us know one way or the
23 other about that. But, at the same time, not
24 letting Region C get too far behind in the

1 process because of the economic development
2 interest that we have in the economic
3 development, and the legislature had in the
4 economic development of all regions of the
5 commonwealth. And that's why we set the
6 initial deadline. We didn't get any response
7 from the feds about where the petition was
8 going, where the tribal thing was going, so we
9 extended it hoping we'd get some information.
10 We extended it twice. And then we finally
11 said we have to move forward and begin to
12 contemplate what we're going to do in Region C
13 because it is beginning to fall behind. And
14 that's why -- that's how we got to the
15 January 30th deadline.

16 And it seems to me that that is an
17 important goal to keep in mind here as -- as
18 we move forward. We got to plan. We don't
19 know what the feds are going to do, but we've
20 got to begin the planning so that -- so we
21 move forward and -- and figure out where we
22 are when we get to the end.

23 With that is the desirability of
24 competition. And with that is the

1 desirability of getting and attracting
2 facilities that will meet the somewhat reduced
3 \$500 million capital requirements that we've
4 instituted for Region C. So it seems to me
5 that's the big picture in the context within
6 which we are operating here.

7 Correct me if I'm wrong,
8 Director Wells, but the reg -- or General
9 Counsel Blue, but the regulations contemplate
10 that after the application -- the RFA1
11 application is filed, that there is a review
12 of what's been filed for completeness. We've
13 defined what completeness is, and then a
14 notification by the director of the IEB as to
15 what pieces are missing, if pieces are
16 missing, and what's necessary so that the IEB
17 can complete its RFA1 investigation. Do I
18 read that correctly --

19 MS. WELLS: Under --

20 COMMISSIONER MCHUGH: -- putting 104
21 and 115 together?

22 MS. WELLS: Yeah, under 111.

23 MS. BLUE: 111. And then, under 115
24 talking about --

1 COMMISSIONER MCHUGH: I'm sorry, 111
2 and 115.

3 MS. BLUE: -- the determination of
4 completeness, yes.

5 COMMISSIONER MCHUGH: Right.

6 MS. BLUE: That's correct.

7 COMMISSIONER MCHUGH: Right.

8 MS. WELLS: I think for
9 clarification, would help me. The -- in 111
10 six it says, "The commission may, in its
11 discretion, extend the time for filing of a
12 complete application and enable the applicant
13 to cure deficiency in its application."
14 That's what you're talking about?

15 COMMISSIONER MCHUGH: Right.

16 MS. WELLS: So for the purposes of
17 IEB and sort of going forward, I would
18 suggest -- I would read that as the complete
19 application where you have your equity, your
20 operator and all your qualifiers. So just for
21 clarification, under Subsection 6, is that the
22 commission's reading as well?

23 COMMISSIONER MCHUGH: Well, and then
24 there's a section -- there's subsection of 115

1 that talks about notifying the applicant of
2 what parts are necessary in order for there to
3 be a complete application. I think it's
4 115.02.

5 MS. BLUE: Yes. 115.021.

6 COMMISSIONER MCHUGH: So we have
7 that process. So -- so I guess where I'm
8 leading is that without doing -- if I have
9 that right, without doing violence to the
10 deadlines that we've said, we could say that
11 the deadline was the deadline. We've gotten
12 materials from certain applicants that the
13 director of the IEB has the power to request
14 additional materials to complete the
15 application from those who have filed and paid
16 the fee, and that we would anticipate, or we
17 could even set a deadline for when those
18 materials were necessary to have on file. And
19 keep this process moving forward under the
20 framework that we've authorized with the RFA2
21 deadline still in place. And, in that
22 fashion, move the process forward and keep it
23 going consistent with our regulations. So
24 I -- I throw that out as --

1 MS. WHEATON: Commissioners --

2 COMMISSIONER MCHUGH: I'm sorry,
3 we're now in deliberations. So I'd welcome
4 comments about that.

5 COMMISSIONER ZUNIGA: I guess you're
6 looking at this all in -- in the aggregate,
7 correct, not one -- not each one of these
8 requests separately?

9 COMMISSIONER MCHUGH: Yes. I'm
10 looking for -- I'm looking for a framework,
11 basically, that allows us to move forward in
12 -- in an appropriate fashion. One that's
13 consistent with the regulations.

14 COMMISSIONER CAMERON: So --

15 COMMISSIONER MCHUGH: And
16 everybody -- you know, some people don't --
17 don't have to do very much of anything, some,
18 people might have to do quite a deal. But the
19 deadlines were in effect, the process is laid
20 out, the process is there, and we apply the
21 process and move forward.

22 COMMISSIONER CAMERON: So the
23 process would be that we have three
24 applicants, who have paid the fee on time,

1 with different levels, one possibly completely
2 substantially complete or, you know --

3 COMMISSIONER MCHUGH: Completely
4 substantially complete. That's right.

5 COMMISSIONER CAMERON: I know. That
6 doesn't --

7 COMMISSIONER MCHUGH: No, no, it is.

8 COMMISSIONER CAMERON: Well -- well
9 one -- obviously, you haven't had a chance to
10 look at it -- all of that application yet.
11 But from --

12 MS. WELLS: Just a cursory review.

13 COMMISSIONER CAMERON: From the
14 cursory review, it's -- appears to be
15 substantially complete?

16 MS. WELLS: I'd say they're in good
17 shape.

18 COMMISSIONER CAMERON: Okay. And
19 then we have two others who are missing
20 pieces. And if I'm following you,
21 Commissioner, we would advise that you are
22 missing certain pieces. That would be the
23 notification that would be needed, and then
24 the decision would be to give an appropriate

1 time to remediate to -- to get those missing
2 pieces in, correct?

3 COMMISSIONER MCHUGH: That's --
4 that's what I would envision. And I would
5 further envision that we set the time now for
6 those additional pieces to be in.

7 COMMISSIONER ZUNIGA: Are we going
8 to come back to this notion of what
9 constitutes substantially complete?

10 COMMISSIONER CAMERON: I think
11 we've --

12 COMMISSIONER ZUNIGA: Because we've
13 -- we've had that discussion as well.

14 COMMISSIONER MCHUGH: No, we already
15 have.

16 COMMISSIONER CAMERON: Yeah, we've
17 made that decision.

18 COMMISSIONER ZUNIGA: Not just --
19 not just today.

20 COMMISSIONER MCHUGH: No, no.
21 That's right.

22 COMMISSIONER CAMERON: I thought
23 we'd made that decision.

24 COMMISSIONER MCHUGH: Right. We had

1 to have the three elements.

2 COMMISSIONER CAMERON: Yes.

3 COMMISSIONER ZUNIGA: And the
4 requirement was to have that substantially
5 complete by -- prior to January 31st.

6 COMMISSIONER MCHUGH: Yeah, but
7 we've -- we've always had the situation in
8 which you -- you know, people have filed
9 documents and the IEB review has indicated
10 that there are pieces missing, or that we need
11 more information. We went through that whole
12 process with the other two -- three pieces of
13 this that we've done. And so, there's
14 always -- there's always some more that you
15 need.

16 COMMISSIONER ZUNIGA: Well, I guess,
17 I wonder if -- since we introduced a notion of
18 substantially complete we come back to
19 something that's difficult to achieve, if
20 we -- if we left the substantially complete
21 like we did originally on region -- Region A,
22 and let all the elements that are very easy to
23 measure, the fee, the forms, a host community
24 agreement, eventually, 90 days or 60 days

1 prior to, you know, another deadline, et
2 cetera, all of those pieces take care of
3 themselves without this notion of
4 substantially complete.

5 I understand the position that
6 Director Wells is put into, and it's not
7 desirable, the prospect of having to review a
8 lot of people all of a sudden in the middle of
9 opening up and licensing vendors, which we now
10 have to -- I understand that. And that's what
11 gave way, in my opinion, to this notion of
12 having this -- this substantially complete,
13 because we don't want her to be chasing people
14 around. But we -- we could simply let -- do
15 away with the substantially complete and have
16 her issue a report by whatever time she can
17 issue with whomever has been identified or
18 not, and make her do the recommendation as to
19 suitability or not. Given -- given the
20 parties that are involved or not.

21 If she can -- if she has said, I've
22 communicated, I've asked, haven't received,
23 therefore I do not have a recommendation of
24 suitability because they have not identified a

1 major -- major piece of funding, or their
2 operator or whatever, then that's -- that's
3 where we are.

4 COMMISSIONER MCHUGH: Go ahead.

5 COMMISSIONER CAMERON: That would
6 differ from what we've done in the past. And
7 I think it would also be a drain on our
8 resources to move forward in that -- in that
9 manner. I would be much more inclined to send
10 a letter out. This is -- these are the pieces
11 you're missing. You have until X date to get
12 them in. And if they're not in at that point,
13 that applicant is no longer in the process.
14 They have not completed the requirements
15 which -- in that manner we would not be
16 utilizing all of the resources for IEB on an
17 applicant that may be never able to put their
18 entire package together.

19 COMMISSIONER ZUNIGA: Well, I guess
20 that's what we did. That's what we tried to
21 do last time, right? You sent a letter. You
22 scheduled a scoping conference. You know,
23 they came or not with some -- you know, with
24 whatever they had at the time. And then the

1 deadline came, and now we have what we have.

2 COMMISSIONER CAMERON: But I think
3 we're -- what we're trying to do here today is
4 be consistent with what we've done in the
5 other regions, which was time to cure some
6 deficiencies. And just about all the
7 applicants had something that wasn't -- that
8 needed to be cured. Very few were -- were
9 totally complete. I would agree that some of
10 these are less complete this time, that's for
11 sure. But, again, I think it's important that
12 we try to be consistent and let people clearly
13 know what their deficiencies are toward a
14 complete application, and what would be the
15 appropriate time to -- to cure them.

16 COMMISSIONER MCHUGH: Yeah. I think
17 the last -- what we've learned from the
18 last -- of course this is a -- a continuing
19 learning process. But I think what we learned
20 from the last episodes without -- that we
21 tried to cure in what we were doing here, was
22 the endless chase for the missing pieces. And
23 without any hard deadline in place, we had --
24 we had no real way to -- to announce a

1 drop-dead date. And I think that it's really
2 important to do this here, if we're planning
3 to hold, as I hope we can hold, the RFA2
4 deadline to get this process moving down the
5 line.

6 So if we said, for example, that
7 Director Wells was authorized to let the
8 applicants know of the pieces that were
9 missing, you know, letter by such and such a
10 time, that they were free to contact her
11 immediately to tell her plans and see if they
12 had everything lined up, and that the deadline
13 for the missing pieces was, say, the middle of
14 March, then we would have a structure that was
15 both consistent with the regulations, and
16 would avoid, to the best we can avoid, the
17 kinds of endless chase problems that we've had
18 in the last two, and have some hope of being
19 able to keep to the RFA2 deadline that we've
20 set up.

21 Now, as Director Wells has said,
22 we've got a number of other things on our
23 plate. And everybody, the public, the Region
24 C applicants, the Region C people have to

1 understand that we've got a set of priorities,
2 and we've got to meet those priorities in the
3 order in which they are priorities. But -- so
4 we have to do it. I mean that -- just
5 depending on what we get in. But that way, it
6 seems to me, is the best we can do to solve
7 the kinds of problems that -- that cropped up
8 before and still -- and still -- and still
9 carry this process forward in a smart fashion.

10 COMMISSIONER ZUNIGA: Well I -- I
11 would be -- I would go along with what you
12 describe, Commissioner, so long as we kept the
13 RFA2 deadline current as we -- as we have.

14 COMMISSIONER MCHUGH: Yes. I would
15 not like to change the RFA2 deadline.

16 COMMISSIONER ZUNIGA: I sense that
17 that's -- that's going to be very difficult
18 very quickly. I would -- I don't know -- I
19 cannot do all this math in my mind. I used to
20 be able to. But if you take away 90 or 60
21 days from the end of May and -- and you start
22 to put some of this activities not in
23 parallel, but one after another as it was
24 described to us here, I first need a study in

1 order to do a host community agreement.
2 That'll -- you know, a catalyst first in order
3 to -- et cetera. We are right up against a
4 deadline very quickly.

5 So I -- I -- I don't want -- I don't
6 want us to be in a position next time of
7 talking at a future time, even before May, of
8 extending yet another deadline, because
9 although the efforts of either chasing or not
10 receiving information have -- have resulted in
11 whatever the case may be, something tells me
12 that, you know, there's going to be,
13 potentially, more than one party coming to the
14 same -- same situation of saying we just need
15 a little bit more time.

16 COMMISSIONER MCHUGH: Well, but we
17 have the power to say no. And, you know, the
18 problem with saying what we've got today is
19 what we've got today, is that it's going to
20 turn out that we don't -- somebody, that
21 everybody doesn't have something in. And the
22 question is, is it a minor piece, or is it a
23 major piece? But some -- everybody, I will
24 warrant, doesn't have something in, or

1 something's going to change in the financing,
2 or something's going to change in the makeup
3 of the company, or something's going to change
4 somewhere.

5 So that we -- we simply have to
6 anticipate that we can't drop a steel curtain
7 down on the filing process. What we can do is
8 set a deadline for things that exist as of
9 that date for the -- for the supplementation
10 based on conditions as they exist -- as they
11 exist of the deadline date. And after that,
12 it, you know, if somebody, God forbid, should
13 pass away, or there has to be some other
14 change, that just goes with the -- with the --
15 with the course.

16 But as of now, it seems to me we
17 ought not to contemplate moving the RFA2
18 deadline, and we ought to try our very best to
19 see if this will work to allow us to keep it.

20 COMMISSIONER STEBBINS: Is it -- is
21 it feasible to think - and looking for
22 Director Well's feedback on this - instead of
23 putting you in the position of setting
24 timelines of when you want to have material

1 for investigation, let's count on the -- let's
2 count on the RFA2 process clock?

3 MS. WELLS: I think it would be
4 helpful for me to go with the --
5 Commissioner McHugh's recommendation of the
6 commission setting a deadline, even today, on
7 a number of days where those materials -- that
8 if the IEB sends a deficiency letter to -- to
9 the applicants that the commission set today,
10 so there's no question, the commission's made
11 the decision, and that's the date the
12 materials have to be in. Because for planning
13 of resources, that's the most helpful thing
14 for me.

15 COMMISSIONER MCHUGH: But you've
16 already sent deficiency letters. Would you
17 contemplate if -- if this proposal were
18 adopted, would you contemplate sending
19 additional deficiency letters that were more
20 specific or --

21 MS. WELLS: Correct. So I gave,
22 sort of, a general letter to the applicants
23 that we couldn't complete the scoping process.

24 COMMISSIONER MCHUGH: Right.

1 MS. WELLS: What I would anticipate,
2 we'll review the materials. I would meet
3 and/or have telephone conferences with the
4 other applicants that were not substantially
5 complete. And then, based on that I would
6 send out an additional specific deficiency
7 letter on what I would need from them in order
8 to complete the application.

9 Now, it's a little tricky when they
10 don't have their deal together because
11 normally we do a scope-of-license process and
12 I can identify the qualifiers that need to
13 submit. But I think that, that's something
14 given the -- you know, the level of experience
15 that are -- the folks we're dealing with have
16 with the casino industry, they would
17 understand what they need to do.

18 COMMISSIONER MCHUGH: All right.
19 And so that -- would you -- I don't want to
20 pin you down --

21 MS. WELLS: Okay.

22 COMMISSIONER MCHUGH: -- but would
23 you anticipate that that process, the process
24 of looking things over and sending the -- the

1 more specific deficiency notice could be
2 completed next week?

3 MS. WELLS: Week to two weeks.
4 Week -- 10 days.

5 COMMISSIONER MCHUGH: Okay.

6 COMMISSIONER ZUNIGA: What about
7 March 15, which is a date that Mr --
8 Commissioner McHugh suggested for the -- that
9 hard deadline of curing all their
10 deficiencies, however deficient some of them
11 have been?

12 MS. WELLS: The sooner it is, the
13 easier it is for me to meet that May 1st
14 deadline. You know, as you'll recall, when we
15 did the suitability reviews for Regions A, B
16 and the slots parlor, those took from six to
17 nine months for the whole process, and we had
18 a hundred consultants working for us. We're
19 not in that same situation.

20 However, in this situation, some of
21 this work's already been done and we just need
22 to update it. So we just -- you know, I can
23 work with you, and I can let you know where we
24 are. I think the big question for me, which

1 would be helpful, and if you don't want to
2 answer this question now I'll defer, but the
3 question for me is, do I start working on an
4 application before they've cured the
5 deficiency?

6 So, for example, if I sent something
7 to KG Urban and say you have to have
8 something -- you know, X, Y and Z in by
9 March 15th, do you want me to start on the
10 investigation before March 15th, or do I start
11 on March 15th once we know? So that -- that
12 would be helpful. I don't know if you can
13 answer that question.

14 COMMISSIONER ZUNIGA: Well my --
15 you, of course, manage your workload. But
16 something tells me that you start working on
17 if you have -- if you've billed -- you know,
18 if we've billed our applicants for those
19 investigation costs.

20 MS. WELLS: Yeah. It's not a matter
21 of costs. It's more the allocation of
22 resources. But however the commission wants
23 me to do it, I'm -- be happy to do that.

24 COMMISSIONER MCHUGH: It seems that

1 it's a matter best left to your judgment.

2 COMMISSIONER ZUNIGA: Right.

3 COMMISSIONER MCHUGH: It's the feel
4 for -- it's the feel for a lot of things
5 and --

6 COMMISSIONER ZUNIGA: Right.

7 COMMISSIONER MCHUGH: -- I think it
8 would be best left to your judgment.

9 MS. WELLS: Okay.

10 COMMISSIONER ZUNIGA: I agree on
11 that.

12 COMMISSIONER MCHUGH: Commissioner
13 Stebbins, does that answer your question, or
14 did you have more that you wanted to pursue
15 there?

16 COMMISSIONER STEBBINS: No, it does.
17 I was hoping to find-- get some feeling as if
18 to -- you know, or what I assume is our shared
19 interest in leaving the RFA2 deadline where it
20 is, when you start to back out the 60 and 90
21 days from that to consummate a host community
22 agreement and schedule a ballot question
23 whether -- you know, and that's going to be a
24 driver for our applicants. You know, people

1 in communities are pretty smart when they see
2 things aren't complete or they don't have the
3 complete picture. But for your purposes,
4 wanting you to feel comfortable with the
5 timeline for your allocation of resources is
6 key.

7 MS. WELLS: I think Commissioner
8 McHugh's comments that we know this is
9 somewhat flexible, we'll have to evaluate, and
10 I think that he's made that pretty clear, and
11 I'm comfortable with that.

12 COMMISSIONER MCHUGH: All right. So
13 is -- are we coalescing around a plan, or
14 coalescing around an approach?

15 COMMISSIONER CAMERON: I think we
16 are. I think the date would be the one piece
17 in question.

18 COMMISSIONER ZUNIGA: The date would
19 be the one piece in question. I'll go along
20 with that. Did we conclude it was only you
21 and I that agreed, Commissioner, relative to
22 the 400,000.

23 COMMISSIONER MCHUGH: The 400,000
24 is -- the deadline was the deadline.

1 COMMISSIONER ZUNIGA: Yes.

2 COMMISSIONER MCHUGH: Right. I
3 mean, that's where I -- that's where I'd come
4 back to.

5 COMMISSIONER ZUNIGA: Well, that's
6 where I am.

7 COMMISSIONER MCHUGH: Okay.
8 Commissioner --

9 MS. WHEATON: When you do --

10 COMMISSIONER ZUNIGA: You're not
11 invited to speak, Ms. Wheaton.

12 COMMISSIONER MCHUGH: No, wait a
13 minute. Wait a minute.

14 MS. WHEATON: If it's not mentioned
15 prior to your decision, then it's impossible
16 to mention it after the fact. There's two
17 points I wish you to take into consideration
18 with respect to just that time frame.

19 November 4th there was an
20 initiative, a referendum statewide in which
21 the people of Massachusetts deliberated
22 whether or not they even want expanded gaming
23 here at all. That stopped the clock, stalled
24 it certainly for a lot of people making their

1 plans. And certainly, realistically, in the
2 real world of private business and the
3 fundraising and financing thereof, there's not
4 a lot of people who want to put out an awful
5 lot of money when a month or two from now the
6 state may say no. That -- that puts us into
7 November where people then look around and see
8 the changing of the guards all around and --
9 and this continues.

10 We're then into December in which
11 one is getting started again, but you have the
12 holidays. You have an awful lot of private
13 business people that are away from December
14 15th to January 15th. I requested in
15 December, in reality, that this early January
16 not be the date. It's the worst time in the
17 year to do any kind of business here in
18 Massachusetts and New England. Everybody is
19 away. I got to tell you. I got to share it
20 to -- with you, and be as frank as you are and
21 open with us. Notwithstanding, people have
22 gone forward.

23 I don't know when the others got
24 notice that the process would, in fact, then

1 begin one week after New Year's, January 9th.
2 You've got people jumping here. Appeared at
3 the scoping meeting, got whatever information.

4 COMMISSIONER MCHUGH: We -- we
5 understand.

6 MS. WHEATON: No. I'm just going to
7 finish my point, if I may, please, sir.

8 COMMISSIONER MCHUGH: We really
9 have -- we really have heard -- now would you
10 get to the --

11 MS. WHEATON: My point is this, I
12 have, in my case I've not asked for two
13 months --

14 COMMISSIONER MCHUGH: Right.

15 MS. WHEATON: -- for anything.

16 COMMISSIONER MCHUGH: Right.

17 MS. WHEATON: I have it underway
18 right now.

19 COMMISSIONER MCHUGH: Right. Okay.

20 MS. WHEATON: And the only thing
21 that made it impossible, an act of God, from
22 doing so, was that blizzard. Otherwise, you
23 would have had it.

24 COMMISSIONER MCHUGH: Okay.

1 MS. WHEATON: And -- and that's the
2 only --

3 COMMISSIONER MCHUGH: Okay.

4 MS. WHEATON: -- point in my case
5 so --

6 COMMISSIONER MCHUGH: We -- we
7 understand that.

8 MS. WHEATON: The application is
9 there, the fee is there.

10 COMMISSIONER MCHUGH: Great.

11 MS. WHEATON: It's a matter of a
12 couple of days --

13 COMMISSIONER MCHUGH: Okay. Thank
14 you.

15 MS. WHEATON: -- and that's it.

16 COMMISSIONER MCHUGH: Thank you very
17 much. Thank you. All right. Now, have we --
18 have we coalesced now -- did we finish the
19 discussion about the date?

20 COMMISSIONER CAMERON: We need to
21 finish that discussion.

22 COMMISSIONER MCHUGH: All right. So
23 let's finish it. I'm -- I'm inclined to say
24 that the date -- the January 30th date was the

1 January 30th date, for the application and the
2 fee. And our regulations contemplate
3 extensions only after both of those things are
4 done, so I'm inclined to do that.

5 COMMISSIONER ZUNIGA: I'll go along
6 with that.

7 COMMISSIONER MCHUGH: Commissioner
8 Stebbins?

9 COMMISSIONER STEBBINS: I would
10 agree with that.

11 COMMISSIONER MCHUGH: All right.
12 Commissioner Cameron?

13 COMMISSIONER CAMERON: I'm going to
14 make it four.

15 COMMISSIONER MCHUGH: All right. So
16 I would anticipate then -- and I think we've
17 been at this long enough so I think we ought
18 to try to put -- or we can take it however
19 long we want. But I think we ought to try put
20 square corners on -- I think the plan around
21 which we've coalesced is, that whoever paid
22 the fee and filed an application by
23 January 30th is in.

24 That Director Wells will promptly

1 send out another more particularized
2 deficiency notice as to the elements that are
3 missing, and that she needs to have in order
4 do a completed suitability examination, that
5 the deadline for responding to her and
6 providing those materials will be -- I said
7 the 15th. I just looked at the 15th. It's a
8 Sunday. Will be the 16th. That'll give that
9 additional weekend to do it, and that we will
10 not move the RFA2 date now. Is that -- have I
11 stated what -- the plan around which we've
12 coalesced is?

13 COMMISSIONER CAMERON: Five weeks,
14 is that what we're talking?

15 MS. WELLS: Just for my purposes --
16 my clarification, the combination of Somerset
17 and Crossroads, that they meet those
18 requirements?

19 COMMISSIONER MCHUGH: Well, we've
20 closed the -- we've closed the application fee
21 piece, and somehow they've got to figure out
22 what they're going to do. It is what it is.

23 MS. WELLS: Okay.

24 COMMISSIONER MCHUGH: They've got to

1 figure it out, and we're not going to dictate
2 how they do figure it out.

3 MS. WELLS: Okay.

4 COMMISSIONER STEBBINS: Just -- just
5 to be clear, we're holding fast to the RFA2
6 deadline?

7 COMMISSIONER MCHUGH: Right.

8 COMMISSIONER ZUNIGA: That's
9 correct.

10 COMMISSIONER CAMERON: As of -- as
11 of now.

12 COMMISSIONER MCHUGH: Right.

13 COMMISSIONER CAMERON: If something
14 changes because of resources --

15 COMMISSIONER MCHUGH: Right.

16 COMMISSIONER CAMERON: -- we have
17 the ability. But for now --

18 COMMISSIONER MCHUGH: Right.

19 COMMISSIONER CAMERON: -- we do
20 not -- we are not inclined to change that.

21 COMMISSIONER MCHUGH: Right.

22 COMMISSIONER STEBBINS: As long as
23 the only discussion around potentially moving
24 that is subject to our available resources and

1 nothing else, if that's your intent?

2 COMMISSIONER MCHUGH: Right. Okay.
3 Let's -- somebody want to make a motion to
4 that effect?

5 COMMISSIONER STEBBINS: I'd defer to
6 you, after my efforts this morning. I think
7 you can put it together.

8 COMMISSIONER MCHUGH: Well --

9 COMMISSIONER CAMERON: I can do
10 that.

11 COMMISSIONER MCHUGH: Pardon me?

12 COMMISSIONER CAMERON: I can do
13 that.

14 COMMISSIONER MCHUGH: Do it.

15 COMMISSIONER CAMERON: So I move
16 that we hold fast to the deadline for the
17 application fee and the application itself,
18 and we are now authorizing Director Wells to
19 send out deficiency letters for those pieces
20 of the application, which are incomplete at
21 this time, and that the deadline to have a
22 full submission is March 16, 2015.

23 COMMISSIONER ZUNIGA: I'll second
24 that.

1 COMMISSIONER MCHUGH: All right.
2 Any further discussion? All right. All in
3 favor?

4 COMMISSIONER CAMERON: Aye.

5 COMMISSIONER ZUNIGA: Aye.

6 COMMISSIONER STEBBINS: Aye.

7 COMMISSIONER MCHUGH: Aye. The ayes
8 have it unanimously, and that's how we will
9 handle Region C. All right. That brings us
10 to the end of our agenda, I believe. Is there
11 any further business that we need to discuss,
12 take up? All right. I'd hear a motion, then,
13 to adjourn.

14 COMMISSIONER CAMERON: So moved.

15 COMMISSIONER MCHUGH: Second?

16 COMMISSIONER ZUNIGA: Second.

17 COMMISSIONER MCHUGH: All in favor?

18 COMMISSIONER STEBBINS: Aye.

19 COMMISSIONER CAMERON: Aye.

20 COMMISSIONER ZUNIGA: Aye.

21 COMMISSIONER MCHUGH: We're

22 adjourned.

23

24 (Proceeding concluded at 2:51 p.m.)

1 GUEST SPEAKERS:

2 Sheriff Michael Ashe, Western Massachusetts

3 Correctional Alcohol Center

4 William Christofori, Western Massachusetts

5 Correctional Alcohol Center

6 Robert DeSalvio, Wynn Mass, LLC

7 Ulrico Izzaquire, Wynn Mass, LLC

8 John Donnelly, Esq., Mass Gaming and Entertainment

9 David Stern, DJS Global Advisors

10 Kevin Conroy, Esq., Foley Hoag LLP

11 David Hanlon, Somerset on the Move

12 Robert Allen Esq., Law Office of Robert Allen, Jr.

13 Kathryn Wheaton, Sun Moon Casino

14

15 MASSACHUSETTS GAMING COMMISSION STAFF:

16 Richard Day, Executive Director

17 John Ziemba, Ombudsman

18 Jill Griffin, Director Workforce Supplier &

19 Diversity Development

20 Catherine Blue, General Counsel

21 Todd Grossman, Deputy General Counsel

22 Loretta Lillios, Deputy General Counsel

23 Karen Wells, Director, IEB

24 Derek Lennon, CFO

C E R T I F I C A T E

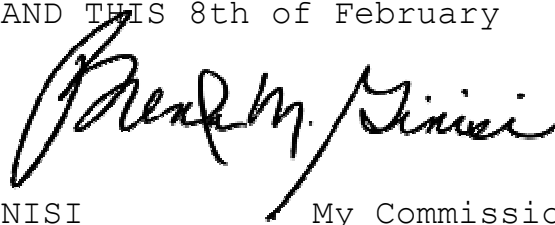
I, Brenda M. Ginisi, Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Brenda M. Ginisi, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive of Transcript Format.

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

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

WITNESS MY HAND THIS 8th of February 2015.



BRENDA M. GINISI

My Commission expires:

Notary Public

June 18, 2021