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THE COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #188

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Gayle Cameron

Lloyd MacDonald

Bruce W. Stebbins

Enrique Zuniga

April 27, 2016 10:00 a.m. - 2:08 p.m.

THE SHAW'S CENTER

1 Feinberg Way

Brockton, Massachusetts

Volume II

P R O C E E D I N G S

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3 CHAIRMAN CROSBY: It's 10:00 on
4 April 27th. We will reconvene public
5 meeting number 188 of the Mass Gaming
6 Commission back at The Shaw's Center in
7 Brockton. And our first order of business
8 is the mitigation evaluation report from
9 Commissioner Cameron.

10 COMMISSIONER CAMERON: Good morning
11 fellow Commissioners and members of the
12 public. So, my part of this process is
13 mitigation and we'll be talking about that
14 at length today. The five categories, the
15 overview of the finance, the economic
16 development, building and design and
17 mitigation, so this is the fourth.

18 As part of this section, there are
19 34 questions and the category is grouped
20 into four separate criteria, community
21 support, 19 questions. What we're talking
22 about here is the host community
23 agreements, the surrounding community
24 agreements, the impact of live

1 entertainment venues. It's commonly
2 referred to as the ILEVS.

3 The second major category, traffic
4 and off-site impacts will be eight
5 questions dealing with that. Of course
6 it's important that the applicant
7 demonstrates their ability to measure and
8 promote responsible gaming as well as
9 mitigate problem gaming, and equally as
10 important is to protect and enhance our
11 lottery. So those will be the topics that
12 we talk about.

13 The ratings, the same as all of my
14 colleagues are using, the insufficient
15 rating. It's just not a clear plan. It
16 didn't meet our acceptable criteria.
17 Sufficient is comprehensible, meets minimal
18 standards. And what's important about this
19 is we have a number of questions that
20 require supplying the requested
21 information. So that also is included in
22 the sufficient.

23 They required the documentation
24 requested. They get a sufficient grade.

1 Very good is really credible experience and
2 plans, excels in some areas and then
3 outstanding rating is uniformly high
4 quality, convincing experience, creative
5 thinking, innovative plans, so that is how
6 we rate all of these questions.

7 Just a little bit about the team
8 that assisted me very ably. With regard to
9 responsible gaming, Director Mark Vander
10 Linden assisted in reviewing the questions
11 with me along with Director Jeff Morrada
12 from problem gambling solutions, our lead
13 consultant Rick Moore from City Point
14 Partners and assisting him Frank
15 Tramontozzi and Jason Sobel from Green
16 International. So I'd like to thank them
17 all, very, very capable and expert --
18 subject matter experts to assist me.

19 What we took a look at to evaluate
20 it in a comprehensive way, first the
21 Category 1 application; second, the input
22 from the public meetings and the hearings.
23 The applicant made presentations to the
24 Mass Gaming Commission. We reviewed all

1 the environmental documents, each and every
2 public comment, letter, e-mail, site visits
3 to not only the Brockton site here but to
4 at least one other location which the
5 applicant has a casino. Experts and
6 commissioners made those visits. And in
7 addition to that, we conducted some web
8 search -- website research.

9 So this just outlines the schedule
10 of the evaluation. As you can see, a lot
11 of time and effort put into these
12 evaluations. September 30th the
13 application was submitted. October 29th we
14 had our first applicant presentation. Go
15 into January of this year, and there were
16 the site visits to Pennsylvania. I
17 traveled to Pittsburgh, and I know others
18 went to Philadelphia.

19 In February of this year, we held
20 the surrounding community hearing. Move
21 into March and the first day of March we
22 had the host community hearing followed in
23 the middle of the month by a tribal
24 presentation. We gave MG&E a chance to

1 respond to some of the information from the
2 tribal presentation. That was March 24th.

3 And then at the end of March, we
4 closed the community hearing. Move into
5 April and official site visits to Brockton
6 with the members of the MG&E to really look
7 at the site, where the actual buildings
8 would be placed on the site, kind of a
9 visual idea of exactly what the issues and
10 some of the traffic concerns would be. And
11 here we are the last week in April making
12 our presentations.

13 Okay. This depicts in blue the host
14 community Brockton, all of the -- all of
15 the towns adjacent are surrounding
16 communities. If we start from the top
17 left, you'll see Stoughton, Avon, Holbrook,
18 Abington, Whitman, East Bridgewater, West
19 Bridgewater and Easton. Bridgewater, by
20 the way, is not a surrounding community.
21 Pembroke off to the side because of an
22 arrangement with the water. They are a
23 surrounding community, because there is a
24 small amount of money set aside to study

1 that water in Pembroke.

2 So, you've seen some of these
3 pictures before. This is the project
4 itself. The first top left is an aerial
5 view surrounded by a lot of the City of
6 Brockton. The site plan really where the
7 casino and all the parking and the garage
8 and whatnot will be located on the site
9 itself. Frontal pictures of the casino,
10 the hotel and the entire project are
11 depicted on the bottom. We saw those
12 yesterday just to refresh your memory.

13 Okay. So, why are we studying
14 mitigation? Why is this important? So,
15 first of all, it's really important that we
16 hear the voices of the community members.
17 Transportation issues in every single
18 project have been a general concern of the
19 public, so it's important that we study the
20 issues, understand them and listen to
21 people regarding these issues. Certainly
22 the applicant plays a key role in promoting
23 responsible gaming. And, certainly, it's
24 important to protect and enhance the

1 lottery.

2 So, our first criterion, community
3 support. And within this category, there
4 are five groups, the host community
5 agreement, all the election-related
6 materials, public support and outreach,
7 surrounding communities as well as the
8 ILEVS, the regional venues. So, we'll be
9 talking about each of these.

10 Starting with the host community
11 agreement. Three questions dealing with
12 the host community agreement, the community
13 impact fee, the host community agreements
14 themselves, the commitments that were made
15 and the mitigation funding support for the
16 host communities. So, these are all
17 important questions. By law we're required
18 to look at these matters and come up with
19 some findings with regard to these.

20 Okay. So this chart really depicts
21 all of the commitments made in the host
22 community agreement. I'm just going to
23 kind of walk through some of them. On the
24 far left, it's a little hard to read I see,

1 are all the actual payments that will be
2 made. And if you walk it across the top,
3 those are the dates in which those payments
4 will be made. The first upon receiving a
5 license, there is a couple of payments due;
6 in particular, study for The Shaw Center
7 and another study for the entertainment
8 district.

9 The middle row depicts all of the
10 preopening commitments. Many of those have
11 to do with the infrastructure, which needs
12 to be done up front. So we're talking
13 about traffic, 10.2 million for traffic,
14 another million for sewer. All of those --
15 and there is also the infrastructure
16 payments themselves. So all of those
17 middle row of payments are obligated for
18 pre-opening.

19 And we're talking about 18 point --
20 18 million four-and-a-half hundred thousand
21 dollars for those payments. And then the
22 annual payments for the life of the license
23 1 through 15 years, and those payments are
24 for the community itself. There is a

1 10 million-dollar minimum annual payment or
2 2.5 percent of the revenue. There is a
3 payment earmarked for schools. There is
4 schools and public safety, and that all
5 depends on the revenue itself.

6 Let's see. There is a payment for a
7 foundation as well as a 50,000 dollar
8 commitment for the Rush Rewards to be used
9 for local businesses. What is interesting
10 about these payments the total is annually
11 is 10.3 million. But if there is a tribal
12 casino, that number drops to 7.05 million.
13 So, that is what is outlined in the host
14 community.

15 COMMISSIONER ZUNIGA: Commissioner.

16 COMMISSIONER CAMERON: Yes.

17 COMMISSIONER ZUNIGA: Can I ask a
18 question about that?

19 COMMISSIONER CAMERON: Sure.

20 COMMISSIONER ZUNIGA: Do they drop
21 because those payments are based on percent
22 of gaming revenues and they assume that
23 with another casino those revenues will
24 increase?

1 COMMISSIONER CAMERON: Well, they
2 are not necessarily based on gaming
3 revenue. It's a flat payment unless the
4 revenue exceeds, and then they could go
5 higher depending on that. But, I think,
6 the overall -- your premise is correct,
7 because the revenue will not be -- there
8 will be some drop in revenue if there is
9 another casino then thus the plan was to
10 have a lesser payment to the city, so cut
11 by 3 million-dollars. And that the way
12 that could change would be if the revenues
13 are greater.

14 COMMISSIONER ZUNIGA: Thank you.

15 COMMISSIONER CAMERON: Okay. Moving
16 on to election-related materials. This is
17 an example of those questions that I
18 mentioned that are kind of check the box
19 just provide us with the information
20 requested. So there are a number of
21 questions, election materials, advertising,
22 you know, you have to tell us what you did
23 for advertising. Was there any negative
24 advertising; were there any contributions

1 or requests for contributions?

2 So, I think, the most important
3 thing to talk about here, the most
4 important piece of information provided was
5 certainly to do with the election, and that
6 was a very close vote. You know, there's
7 50.5 compared to 49.5 in the affirmative
8 for this project. That is less than 150
9 votes that separated the folks, the
10 residents who thought there were great
11 benefits to this compared to those who were
12 in opposition.

13 This is the closest community in
14 which we've evaluated an application.
15 Others have had stronger host community,
16 some overwhelmingly and others just strong
17 host community support, so that is a piece
18 of this here.

19 They spent about million and a half
20 dollars to kind of get out the vote. There
21 was no negative advertising, and there were
22 no requests -- there were no contributions
23 made by the applicant. There were two
24 requests but neither one of them was

1 accepted, I think, while they had the
2 voting process going on. So, those are the
3 points I wanted to make about the
4 election-related materials, which plays
5 right into this next category, which is
6 public support and outreach.

7 I think our pictures show that there
8 was, you know, support very -- enthusiastic
9 support as well as those who had concerns
10 about this project. So, I think, our
11 public hearings were a good example of
12 pretty much what the vote told us, right,
13 that this is a community that is split as
14 far as the benefits of this project. And
15 we heard a lot of strong opinions on both
16 sides at both the community and the host --
17 both the surrounding and host community
18 meetings.

19 There were 21 letters from
20 officials, organizations and individuals in
21 support. And it is important to note that
22 most of the public officials in town are
23 supportive of this project.

24 So this chart tells us a little bit

1 about the surrounding community agreements.
2 All of the surrounding communities are
3 listed on the left-hand column. All of
4 them -- each of them the agreements were
5 signed ahead of time other than Easton and
6 West Bridgewater, which did go to
7 arbitration and MG&E was successful in each
8 of those arbitration processes.

9 And, again, Pembroke as you can see
10 in the middle, it really is just monitoring
11 the water, so it's a side agreement with,
12 you know, for 5,000 dollars. The others
13 were pretty uniform. The fees were either
14 10,000 dollars or 5,000 dollars depending
15 on -- most of the impacts that were talked
16 about in all these agreements were traffic
17 impacts.

18 And the annual payments are very
19 close for every community too, either
20 110,000 dollars or 130,000 dollars. All of
21 them will receive a one-time fee of 60,000
22 dollars. And, again, it is traffic impacts
23 were the bulk of these and, you know, I
24 think the studies demonstrated that the

1 communities would be impacted in a pretty
2 similar fashion, a little bit more in some
3 which makes up for the difference. But
4 these are all pretty close.

5 CHAIRMAN CROSBY: Are there
6 reopeners in those agreements?

7 COMMISSIONER CAMERON: Well, there's
8 the community mitigation fund in which
9 there are impacts that were not anticipated
10 the ability to go there. I don't think
11 there are any reopeners for the agreements
12 themselves. Am I correct about that? Just
13 the community and mitigation fund.

14 COMMISSIONER ZUNIGA: Commissioner,
15 you mentioned one arbitration.

16 COMMISSIONER CAMERON: Two
17 arbitrations, Easton and West Bridgewater.
18 MG&E was successful in both those
19 arbitration processes.

20 Regional venues, we're talking about
21 the nonprofits, executed impacted live
22 entertainment agreements, if there were any
23 declined agreements, cross-marketing and
24 exclusivity with entertainers. There is an

1 agreement in place for The Shaw Center.
2 We're are in The Shaw Center and the
3 Campanelli Stadium. If we look out to our
4 right, that's the stadium. There is an
5 agreement in place for both of these
6 buildings, and that agreement includes
7 quarterly meetings and quarterly pro bono
8 marketing advice for both of these
9 facilities.

10 There was a request for Mass
11 Performing Arts Coalition. That was denied
12 due to location. The closest of those
13 locations was 20-miles away, and that was
14 the main reason that that was not accepted.
15 Just couldn't see the impacts at that
16 distance.

17 CHAIRMAN CROSBY: We resolved that.
18 That came before us.

19 COMMISSIONER CAMERON: We did that,
20 yes. It came before us. They could not
21 come to an agreement, so it came before us.
22 And due to location, we did not determine
23 that those impacts were there. Also, there
24 were no -- there is no exclusivity intended

1 in their agreements with performers. Yes,
2 20-miles was the closest venue. That was
3 Cohasset.

4 So, if we look at all of the
5 questions we just talked about, there is
6 solid sufficient in every category. Their
7 contents of the agreement, the host
8 community agreement, the surrounding
9 community, all of the election materials,
10 the public support and outreach, the
11 regional venues just a sufficient.

12 They provided us with the materials.
13 Certainly they did enough to get the vote,
14 and the agreements that they put together
15 were solid agreements and most of them
16 voluntary agreements. And, so, they were
17 adequate and a solid sufficient ranking in
18 this category.

19 Okay. Now we are going to talk
20 about traffic and off-site impacts, a lot
21 of modeling here. I'm going to ask Rick
22 Moore to step up and give you some detailed
23 explanations of the traffic and the
24 modeling that was done with regard to this,

1 so Rick.

2 MR. MOORE: Thank you, Commissioner.
3 Just a little by way of background, you
4 recall yesterday Commissioner MacDonald
5 talked about the site in relationship to
6 the access in the parking and the transit.
7 Now we are going to go off-site and look at
8 traffic impacts off-site.

9 These traffic impacts were evaluated
10 by both Commissioners, so I think the
11 results are pretty much a consensus of both
12 Commissioners as we went through the
13 process.

14 The information we used to evaluate,
15 there was several sources of information.
16 The first one was the traffic study that
17 was provided in the application. That's
18 the same traffic study that was submitted
19 as part of the MEPA process, the first step
20 in the MEPA process called the
21 Environmental Notification Form. That was
22 sent to the secretary. The same traffic
23 study was submitted. This was some time
24 ago.

1 In the interim, the City of Brockton
2 looked at that traffic study, had some
3 questions. And as a result of that, the
4 applicant provided a supplemental traffic
5 study, which we have and looked at.

6 The Commissioners also asked for
7 some clarification of the applicant, and
8 John Ziemba recently double-backed with DOT
9 to see if they had any other comments on
10 the project since they provided comments
11 normally through the MEPA process some
12 months ago. So those are the pieces of
13 information we used.

14 Before I get into the details, I
15 would just like to echo a notion that
16 Commissioner MacDonald made yesterday about
17 the permitting. He said the permitting was
18 very straightforward quite unlike the Wynn
19 permitting. I think you could say the same
20 thing about this project. The traffic is
21 fairly straightforward. It's nowhere as
22 detailed and complicated as some of the
23 other projects that you've looked at.

24 So, once we got the information, the

1 first thing we do is we analyze some of the
2 assumptions, the basic assumptions that
3 were made in the traffic report. And the
4 first assumption deals with how much
5 traffic a casino like this would actually
6 generate. Amy, if you could go to the next
7 slide.

8 So, we call this "casino trip
9 generation." You can see the number of
10 vehicles to and from the casino during the
11 peak hour. Now we have information on
12 every hour during the day. But this
13 particular table focuses on the peak hour.

14 And if you see in the left-hand
15 side, it focuses on the Friday evening peak
16 between 4 and 5 p.m. and the Saturday
17 evening peak, again, between 4 and 5 p.m.
18 And then if you move to the right, you can
19 see the patrons' vehicles coming in and
20 out, the employees coming in and out. It's
21 about 10 percent of the total, a small
22 portion and then the total.

23 So if you focus on the Friday p.m.
24 peak hour, which we will see in a minute is

1 the most critical time, there's about 1,100
2 vehicles coming in and out of the casino.

3 Now, these numbers were based on
4 similar types of casinos and industry
5 standard. If you look -- and the industry
6 standards are typically based on number of
7 vehicles per gaming position. So if you
8 look at the number of gaming positions,
9 it's about 3,000. If you look at Saturday
10 it's about -- so it's about one vehicle
11 trip for each three gaming positions, if
12 you look on Friday.

13 If you look on Saturday, it's closer
14 to one vehicle trip per two gaming
15 commissions. That's well within the
16 competitive range of the industry standard
17 for these type of casinos. So we are
18 comfortable with --

19 CHAIRMAN CROSBY: Rick, why would
20 they have 3,000 parking places?

21 MR. MOORE: That's based on another
22 standard, which is also based on gaming
23 positions, which says that you typically
24 need about one parking space per each

1 gaming commission and that's because of the
2 turnover.

3 CHAIRMAN CROSBY: Right. But -- oh,
4 okay.

5 COMMISSIONER ZUNIGA: This is the
6 peak hours. Not everybody arrives in that
7 hour.

8 CHAIRMAN CROSBY: Well, and most of
9 them there are still people there. This is
10 just the peak hour.

11 MR. MOORE: This is just the peak
12 hour. So if somebody is going to arrive
13 and stay for four hours, you have a
14 multiple hour consideration.

15 CHAIRMAN CROSBY: Okay.

16 MR. MOORE: So, we're pretty
17 comfortable with the -- just go back one.
18 So we're pretty comfortable that the trip
19 generation is accurately done. Now, once
20 you have the trip generation, you have to
21 distribute that around -- the roadways
22 around the site, and that is depicted in
23 the next slide.

24 COMMISSIONER STEBBINS: I'm sorry,

1 go back one. Just looking at numbers from
2 the patrons and share with me your
3 experience in reviewing, you know, our
4 other applications as well as what you know
5 about the industry trend. It's just
6 interesting to note there are more people
7 leaving at that peak hour than coming in.
8 Is that consistent with industry standards
9 and what we have seen from our other
10 applicants?

11 MR. MOORE: It's pretty close, 45,
12 55 percent, so it's a reasonable
13 distribution. And keep in mind a small
14 point, but when they did the traffic study,
15 typically you would take those numbers and
16 you would say some of those people would
17 arrive by Mass Transit. We talked about
18 transit yesterday. To be conservative,
19 they assumed that everyone coming to the
20 casino would arrive by vehicle, so they
21 built in a little safety factor in their
22 analysis.

23 COMMISSIONER STEBBINS: Thank you.

24 MR. MOORE: So let's look at trip

1 distribution. Again, this is an aerial
2 photograph. The site is right here, Route
3 24 north, south, Belmont Street essential
4 east west coming into the site. These
5 percentages are breaking down the total of
6 100 percent and how they come to the site.

7 The percentage is derived at by
8 using what is called "the gravity model,"
9 which looks at similar to what you saw
10 yesterday about the patrons and the
11 revenue. The gravity model looks to where
12 people live and how time of destination and
13 distributes the traffic.

14 If you look at the combination of
15 these three numbers towards the bottom,
16 coming north 37 percent on 24, 36 percent
17 coming from the south and 2 percent from
18 the west. If you add those together, you
19 come up to 75 percent of the traffic will
20 enter the casino through Belmont Street.
21 Most of you probably drove Belmont Street
22 today. It's a four lane essentially
23 divided road, and we will talk a little bit
24 more about that in a minute.

1 About 5 percent is projected to cut
2 off earlier, go past the West Gate Mall
3 down West Street and into the casino. And
4 15 and 5 are 20 percent are expected to
5 come from the downtown area. A good
6 portion of those are employees who are
7 expected to live in the greater Brockton
8 area.

9 Now, I'll point out two
10 intersections, which we think are important
11 and we will talk about later. If you look
12 at this 5 percent traffic number, that
13 comes down through an intersection right
14 here, which is Route 27 and West Street.

15 That's an intersection that is of
16 some concern because of the high number of
17 accidents. You've heard about that in the
18 public hearings. And, so, that is where
19 that intersection is. Keep in mind, we
20 will come back and talk about that a little
21 bit more later.

22 The other intersection I'd like to
23 point out is this 15 percent of the
24 traffic. Remember, this is 15, so it's

1 going both directions. But if you're
2 coming into the casino, you would be coming
3 along Belmont Street and you'd make a left
4 turn down what we call Kennel Worth Avenue
5 into the casino site. And then if you're
6 coming out of the casino site, you come up
7 and you'd make a right turn back towards
8 Brockton.

9 So that intersection, the
10 Belmont/Kennel Worth Avenue intersection
11 we're going to come back to in a minute. I
12 just wanted to make sure you understand
13 where that's located.

14 Now, in that supplemental review
15 that the City of Brockton did, one of the
16 things they brought up is they questioned
17 this 5 percent. They thought the 5 percent
18 was too low. So they requested that the
19 applicant go back and look at essentially a
20 sensitivity analysis of if that 5 percent
21 increased to 20 percent, would that change
22 the traffic mitigation? Would that change
23 the analysis of the intersections? And lo
24 and behold, it actually did. And you'll

1 see it created some additional mitigation
2 along West Street and at that particular
3 intersection. And we'll talk about that in
4 a minute.

5 So, I think we're comfortable with
6 the trip distribution, particularly based
7 on that comment that Brockton had to look
8 more closely at that 5 percent. So once we
9 have the number of vehicles that the casino
10 will generate how they will come to the
11 site, we can overlay that on the traffic
12 that's on the road today. And the next
13 slide will show you what happens if we do
14 that, and we do that for Friday and
15 Saturday.

16 And what you'll see in that slide is
17 along the bottom is hourly information
18 throughout the day on Friday. The lighter
19 color, the greenish color, that's existing
20 traffic. The reddish or orangish color is
21 the casino traffic. That includes the
22 patrons and a small little blip for the
23 employees. And you can see the peak occurs
24 at 4:00 on Friday when you add both the

1 background traffic and the casino traffic.

2 Now, typically, most projects we'd
3 be concerned about the morning and the
4 evening. But because the casino generates
5 such little traffic in the morning, we're
6 really only concerned about the evening.
7 If you had done that same analysis for
8 Saturday, you will find that the peak
9 actually comes a little bit later, 6 or
10 7:00 in the evening.

11 But that peak when you add it to the
12 background traffic is not as severe as the
13 peak hour on Friday. So the peak hour on
14 Friday really becomes what you analyze the
15 intersection for. That's the critical hour
16 of the week.

17 CHAIRMAN CROSBY: Just out of
18 curiosity, I would have guessed that the
19 peak hour would have been maybe 5 to 6.
20 Typically you think of a workday being over
21 at 5. How is it that it's 4 to 5 is the
22 peak hour?

23 MR. MOORE: Because that is what the
24 traffic data --

1 CHAIRMAN CROSBY: That's real data.

2 MR. MOORE: When you measure it in
3 the field, that's what it tells you. And
4 you can see the next hour is not that much
5 less. But that's, you know, there was a
6 great deal of traffic data taken to
7 determine this information.

8 CHAIRMAN CROSBY: Right, okay.

9 MR. MOORE: In this case it's not an
10 assumption. You just follow the real data.
11 Now, so you take this -- as strange as that
12 is, sometimes you follow the data.

13 So you take this information, you
14 project it to 2025 and then you look -- you
15 get all the data, and you analyze actually
16 individual intersections. You see how they
17 work in 2025 with the project without
18 mitigation. And then if you have some
19 problems, you overlay the mitigation and
20 enough mitigation to bring the traffic
21 situation into an acceptable range.

22 So let's look at the next slide,
23 which actually shows you the study area
24 locations. And this is a little bit of a

1 colorful slide, so bear with me and I'll
2 bring you through the different colors.

3 The first color you should look at
4 is the green. Those were the intersections
5 that were analyzed in the initial study,
6 not surprisingly since 75 percent of the
7 traffic comes down Belmont Street and a lot
8 of intersections on Belmont Street were
9 looked at.

10 Forest Street, which is right in
11 front of the site and is a main city
12 avenue, was looked at. So, basically, the
13 initial analysis looked at Belmont Street,
14 Forest Street and then this little section
15 of West Street right in front of the site.

16 As a result of Brockton's comments,
17 the applicant expanded the study area into
18 the blue areas. And you can see they
19 expanded up to West Street to that
20 intersection we were talking about and in
21 front of the shopping center, and they went
22 a little bit farther down Belmont Street.

23 So basically what you have now is
24 good information and good analysis all

1 along Belmont Street, along West Street all
2 the way up to the north and Forest Street.
3 And that's the basis for the mitigation
4 package that we will talk about in just a
5 minute.

6 But before we do that, I would just
7 like to point out that the box in the upper
8 right, which is a blowup of the downtown
9 area, as part of what Brockton requested,
10 they requested that the applicant look at
11 the downtown intersections. And if you've
12 gone downtown, it's a grid system, a lot of
13 one-way streets and a lot of options. You
14 can see there is 13 intersections downtown.

15 So what the applicant did is they
16 looked, and they distributed the traffic
17 through those intersections. And they
18 concluded that because you had so many
19 options, you could distribute the traffic
20 that actually the traffic increase of any
21 one intersection was pretty much within the
22 normal variation of day-to-day traffic.
23 And they took that as to be an
24 insignificant impact, and they didn't

1 evaluate it any further. And we would
2 generally agree with that.

3 But I would point out, and you'll
4 hear this theme a lot in a few minutes,
5 they still have to present that in the MEPA
6 analysis. And you'll see there is actually
7 three red dots in there, and then there
8 is -- and this gets to the third round.

9 There are three red dots downtown,
10 two a little bit outside of the downtown
11 and, most importantly, the whole
12 interchange up by the shopping center that
13 yet has to be looked at and will be looked
14 at in the MEPA process. So those red
15 intersections could generate some more
16 mitigation based on the MEPA process.

17 But for now let's put that aside and
18 go back to the green and the blue, so
19 basically Belmont, West Street and Forest
20 Street and see what the mitigation package
21 is for those key streets. Those are the
22 key streets that come into the site.

23 So the next slide is the first set
24 of traffic mitigation. Again, this is an

1 aerial photograph. This is Route 24. This
2 is that Belmont Street section about a
3 mile, and this is the site. This is Forest
4 Street, and we have three colors here.

5 The first color in green is actually
6 a DOT project that has been on the books
7 for many years. They are very far along.
8 They are about ready to start construction
9 actually. It's in two phases. The first
10 phase is about ready to be under
11 construction, and the second phase shortly
12 thereafter. And the schedule is to have
13 that complete by the time the casino opens,
14 and it's due to be completed in 2018.

15 Basically, it's a full
16 reconstruction of the road. It will look
17 quite nice. It will be a great entrance to
18 the facility, four lanes, bikeways,
19 pedestrian, pedestrian actuated signals.
20 And, most importantly, from a traffic point
21 of view, they will be adding some left-hand
22 turn lanes and extending some of the
23 left-hand turn lanes. Because right now
24 anybody that's driven around knows that

1 left-hand turns are what back up traffic
2 unless you can isolate them.

3 So this project isolates those
4 left-hand turns and allows the through
5 movement a better flow. And, essentially,
6 it will significantly improve the entrance
7 almost to the front door of the casino.

8 The yellow piece, which is the third
9 phase of the DOT project, isn't due to be
10 completed until 2024 after the casino
11 opens.

12 COMMISSIONER ZUNIGA: '24.

13 MR. MOORE: '24, after the casino
14 opens. However, the applicant has taken it
15 upon themselves to fast-track the
16 improvement of those three signals so that
17 the whole signal system will be
18 coordinated. And if you actually think
19 about it, if you're coming to the casino,
20 you really don't have to use that section
21 of Belmont Street.

22 You come down Belmont. When you get
23 to West Street, you turn sort of right and
24 go right into the site. So, we think

1 that's a reasonable approach and the
2 applicant has the fast-tracking what we
3 think is critical to make the whole system
4 work.

5 CHAIRMAN CROSBY: Say again what the
6 schedule is for Belmont Street, the green
7 part of Belmont.

8 MR. MOORE: The green part is 2018,
9 and the yellow part is 2024.

10 CHAIRMAN CROSBY: And the 2018,
11 John, that's been confirmed that that's
12 already to go at DOT.

13 MR. MOORE: We'll talk about that in
14 a minute, because that's a condition. That
15 is an important, very, very important
16 point.

17 CHAIRMAN CROSBY: Okay.

18 MR. MOORE: And we will talk about
19 that.

20 COMMISSIONER MACDONALD: When I
21 drove down Belmont Street today, I saw a
22 flashing sign saying construction, you
23 know, construction about to begin along the
24 street. Is that the beginning of the DOT's

1 improvement?

2 MR. MOORE: That's it, yes. As far
3 as I know that is, yes, yes. They have a
4 contractor. They are about ready to go in
5 the first phase, but we will talk in a
6 minute about that because that's important.

7 Now, what the applicant is doing is
8 primarily the blue issue, and they are
9 rebuilding the front part of Forest Street
10 and West Street right in front of --

11 CHAIRMAN CROSBY: Just so the people
12 of Brockton don't misunderstand this, it's
13 Forest Avenue.

14 MR. MOORE: Forest Avenue, I'm
15 sorry. Forest Avenue and then these four
16 signals will be upgraded and the equipment
17 replaced where appropriate to make that
18 corridor work better in terms of signal and
19 traffic flow.

20 Now -- and then further because of
21 that supplemental study that we talked
22 about that was required by the city, they
23 increased the improvements on Forest or on
24 West Street up to the north to about the

1 edge of where the photograph is. And we
2 will show that in a little bit more detail
3 right now.

4 This is the casino site. You can
5 see that's the hotel. That's the casino.
6 That's the garage. This is Forest. This
7 is West Street, and this is Belmont. This
8 is that new rotary that was talked about
9 yesterday by Commissioner MacDonald. And
10 you come down West Street, which will be
11 improved by the DOT. I'm sorry, Belmont
12 Street into West Street down Forest and
13 then into the site. 60 percent of the
14 traffic is expected to enter the site at
15 this location. And if you go into the
16 hotel, you'd go farther north, turn right
17 into the hotel.

18 Importantly, this whole system will
19 be designed with brand-new signals,
20 pedestrian activated sidewalks, ADA
21 compliant. This intersection right here is
22 the intersection to the high school. That
23 will be improved. We were talking about
24 pedestrian access before. That will be

1 more safety conscious in terms of crossing
2 Forest at that location.

3 So, if we work our way a little bit
4 farther north, one other point. This is
5 West Street right now, which is a straight
6 shot. The proponent is proposing to arch
7 West Street a little bit giving a little
8 bit more land to this parcel perhaps for
9 some future development and then a new
10 intersection on Belmont Street.

11 Now, if you stay -- if you're with
12 me right here on Belmont Street, the next
13 slide will show the section of West Street
14 up to the north, and let's take a look at
15 that.

16 So this is that intersection of
17 West -- the new West Street coming in,
18 Belmont Street and now they are going to
19 improve the roadway West Street up into the
20 neighborhood and taper it back to the
21 existing roadway and reconstruct those two
22 signals, provide enough lanes and turning
23 lanes into signals to move traffic through;
24 particularly in the event that 20 percent

1 of the traffic comes down West Street and
2 not 5 percent of the traffic.

3 And then if we continue on up West
4 Street to that intersection that you've
5 heard about, which has some safety issues,
6 let's look at the next slide. This is West
7 Street. If you kept coming north on West
8 Street, you come into the intersection of
9 27, which is right here. This is the West
10 Gate Mall.

11 And, again, as a result of that
12 supplemental study, there is a proposal to
13 extend the stacking lanes going in this
14 direction so you can better manage the
15 traffic. You'll have better stacking.
16 You'll have more stacking capacity. You'll
17 reduce the weaving a bit. You'll improve
18 the flow and the safety. And we think this
19 is a good improvement at this intersection,
20 but we're suggesting you go a little bit
21 farther and look at some additional safety
22 improvements.

23 You'll recall there was much
24 discussion the other day at Wynn about

1 these highway safety audits that have to be
2 done. There will have to be one done here.
3 We are suggesting that that be done sooner
4 rather than later. And as they go through
5 the MEPA process, they incorporate those,
6 ensure the midterm safety improvements into
7 this plan for the lane improvements. And
8 we think that's important primarily because
9 this is a high accident intersection.

10 Now, the last intersection I would
11 like to talk about is that Kennel Worth.
12 We call it Kennel Worth. It's called
13 Fairgrounds Driveway here. But,
14 essentially, this is that 15 percent of the
15 traffic coming out of Brockton. Brockton
16 is often this direction downtown.

17 And you can see in the Friday peak
18 hour, there are 75 vehicles making a left
19 turn and on Saturday there is 104. The
20 rule of thumb is when you're around 100
21 vehicles, you should be looking at some
22 type of improvement to just a free
23 left-hand turn lane.

24 The proponent proposed no

1 improvements. The Commission has asked for
2 some clarification. They suggested that
3 the roadway there was wide enough with the
4 shoulder so that if a car was stopped to
5 turn left another car could easily go
6 around it. That's essentially true.

7 However, given the volume of cars
8 and given the fact that there's trucks and
9 all type of issues that could occur there,
10 we think this intersection should be looked
11 at in a little bit more detail. We
12 recommend that be done during the MEPA
13 process and see if a projected left-hand
14 turn lane is more appropriate there.

15 Now, I think we can go to the next
16 slide, which summarizes the improvements
17 and gives the costs to them. Number A is
18 the Forest Avenue and West Street and
19 basically in front of the site; B is Forest
20 Avenue corridor. Those are those signal
21 improvements towards the downtown. The
22 third item is the West Street corridor and
23 signal. That's the northern piece of West
24 Street. That's the added one

1 million-dollars as a result of the
2 supplemental traffic report.

3 There is some signal optimization at
4 the signal in front of the junior high
5 school a little bit farther up on West
6 Street. And then lastly, it's the lane
7 extension, not insignificant, 600,000
8 dollars up Route 27 and West Street. And
9 that's the total of that
10 \$10.2 million-dollars that you saw
11 previously in Commissioner Cameron's slide
12 for off-site mitigation.

13 And you can see over on the right,
14 those will all be done before the casino
15 opens. We think those costs are
16 appropriate, and we think the mitigation is
17 appropriate.

18 And particularly so when you add the
19 6.5 million for the phase 2, 1 and 2 of the
20 DOT, you can see there that is scheduled to
21 be done in 2019. That needs to be done and
22 should be a condition in the license. And
23 then the third phase as we talked will not
24 be done later, but the signal system will

1 be upgraded by the applicant and tied into
2 the system.

3 So if we summarize on the next side,
4 we think the mitigation is adequate for the
5 study area that was studied. Recognize
6 that there will be additional traffic
7 analysis needed as part of the MEPA process
8 and that should particularly focus on
9 Belmont and Kennel Worth, that left-hand
10 turn, the safety improvements on West
11 Street, the completion of phase 2 DOT
12 before the casino opens. And as you recall
13 those red dots in the previous slide, they
14 will have to do a little bit more analysis
15 at some additional intersections, including
16 the interchange.

17 One comment about the MEPA process
18 in general. Most of the other applicants
19 you've looked at are far along in the MEPA
20 process typically through their draft
21 environmental impact report. In this case,
22 the proponent has just done the
23 environmental impact ENF, Environmental
24 Notification Form. They still have to do

1 the draft and final EIR. There's a lot of
2 work not only in transportation but the
3 point that Commissioner MacDonald made
4 about the water, that will also be looked
5 at in the MEPA documents.

6 The MEPA process is where mitigation
7 is traditionally in Massachusetts where the
8 package is created. And, so, it's our
9 feeling that the Commission rather than at
10 this point prescribe additional mitigation
11 identify where you have some concerns and
12 say that the MEPA process should look at
13 this, should incorporate it, should let the
14 city and the DOT look at it. Let that
15 process play out.

16 And at the end of that process will
17 be a mitigation package, which you get
18 another chance to look at, as you did with
19 Wynn through the Section 61 finding. And
20 if you agree with the process and you think
21 it was appropriate, you're done; if not,
22 you can adjust it or add to it.

23 And, so, that's generally our
24 position. Most of our so-called

1 insufficient ratings are primarily because
2 they need to do more work, and these couple
3 of intersections need to be looked at we
4 think in a little bit more detail. So,
5 that's the summary of the traffic.

6 COMMISSIONER STEBBINS: Rick, the
7 ENF was filed. Have they gotten a response
8 back from MEPA on the ENF?

9 MR. MOORE: Yes. They had a scope,
10 and all these issues are included in that
11 scope. The scope is 40 pages long. It
12 will be a substantial document in a variety
13 of issues.

14 COMMISSIONER STEBBINS: Just going
15 back real quick. You don't need to go back
16 to the slide. But the traffic coming in
17 off Kennel Worth that takes that left onto
18 Fairgrounds Driveway, that is primarily
19 going to be employee access anyway. They
20 are not looking for patrons to come through
21 that.

22 MR. MOORE: No. There is nothing to
23 stop patrons from doing that.

24 COMMISSIONER STEBBINS: Other than

1 they have no place to go.

2 MR. MOORE: Well, they would. They
3 could still drive to the front parking lot.
4 They wouldn't typically park in the
5 visitors -- I mean, the employee parking
6 lot because there is no entrance there.
7 But I suspect a number of patrons will use
8 that. And, in fact, the traffic study
9 assumed that all 15 percent would make that
10 left-hand turn.

11 CHAIRMAN CROSBY: Other questions?

12 When I started to ask, John, if that
13 was on schedule, you said we'll talk about
14 that more later. Is that simply you mean
15 that it has to be a condition?

16 MR. MOORE: That's right.

17 CHAIRMAN CROSBY: There's no more
18 back story there that you were referring
19 to.

20 MR. MOORE: No. I view it a little
21 bit like the Springfield issue with the Via
22 Duct.

23 CHAIRMAN CROSBY: That's exactly the
24 point. That got delayed by a year.

1 MR. MOORE: And that's why crafting
2 the condition might require a little
3 artwork. But, certainly, you can track
4 this and early on you will know if DOT is
5 getting off track or the contractor is
6 getting off track. And there will have to
7 be some type of intervention early on to
8 make sure that that project doesn't get off
9 track, because we feel that it's
10 essentially you do not want that project
11 under construction when you open the
12 casino.

13 CHAIRMAN CROSBY: They probably
14 don't either. Okay, anybody else? Thank
15 you.

16 COMMISSIONER CAMERON: Thank you,
17 Rick, excellent presentation. So next we
18 have our just the overall ratings for the
19 traffic. As you can see the first
20 grouping, the infrastructure costs and
21 other impacts are all sufficient.

22 The next group is the traffic
23 management plan, and that really is the
24 traffic control measures, which is the most

1 important part of this grouping and this
2 insufficient slash sufficient is really due
3 to we just didn't have enough information.
4 It will have to be sorted out in MEPA, and
5 we believe that additional mitigation will
6 be required but there is a mechanism in
7 place for that to happen, so that's the
8 insufficient slash sufficient.

9 They did have responses for traffic
10 for special events. That was sufficient as
11 well as the snow removal plans were
12 excellent, very well done. So they got a
13 good -- very strong rating there. But the
14 overall rating because the most important
15 is the traffic control measures is the
16 insufficient slash sufficient here.

17 So we're moving on to group three,
18 other impacts. When we talk about other
19 impacts, we are talking about housing,
20 school and emergency services to include
21 police and fire. As you can see, they are
22 all sufficient.

23 We did hire our own consultant to
24 come in and take a look at this, not

1 just -- you know, we know it was in the
2 host community agreement, but we needed to
3 verify that, in fact, the cost would be
4 covered and the community would be covered.

5 So housing there is a positive --
6 there's a positive impact. There's
7 7 percent housing available plus plans to
8 build many, many more houses in Brockton,
9 so there is no issue at all with housing.

10 CHAIRMAN CROSBY: Plans by whom?

11 COMMISSIONER CAMERON: Developers to
12 build new homes in the area. Plans are on
13 the books, and so housing is not looked
14 upon -- it's a positive rather than any
15 kind of a negative. Insignificant with the
16 police department, again, state police as
17 well as some Brockton police at the
18 facility but large contingent of troopers,
19 so the minimal impact to police, the moneys
20 are in the host community agreement to
21 cover that.

22 More significant with the fire
23 department, there will be additional --
24 what they are talking about doing is

1 putting an extra person on every shift thus
2 the 360,000 dollars in additional costs.
3 But, again, those moneys are there in the
4 agreement to cover that, more than cover
5 that.

6 Schools we're looking at extra
7 100,000 dollars. The number was 42
8 additional students. And those costs, that
9 makes up the 100,000 dollars. And, again,
10 the moneys are there for that as well.

11 CHAIRMAN CROSBY: Do you have any
12 idea what metric -- what general -- how do
13 you get from 42 students to 100,000 dollars
14 a year?

15 COMMISSIONER CAMERON: Our
16 consultant looked at this and -- I'm sorry,
17 48 new students. And the way they
18 calculate it is 2,000 dollars per student,
19 which is what, 98,000 dollars. So we
20 rounded it off to 100,000 dollars and made
21 sure the money was in there in the part of
22 the agreement.

23 CHAIRMAN CROSBY: And there's a
24 community foundation 500,000. That's above

1 that.

2 COMMISSIONER CAMERON: Separate,
3 correct. That is just an agreement made.
4 That didn't have anything to do with the
5 actual impacts to the community.

6 CHAIRMAN CROSBY: Okay.

7 COMMISSIONER CAMERON: So that's
8 additional moneys that the school will
9 benefit from.

10 COMMISSIONER STEBBINS: I'm sorry.
11 That's an estimate of 2,000 dollars per new
12 student? That seems awfully low than other
13 communities, but I just note that.

14 COMMISSIONER CAMERON: Rick is
15 telling me that a large amount of that
16 money comes from the state for new
17 students. That's just the local portion,
18 which would be the 2,000 per student.

19 COMMISSIONER ZUNIGA: There's a
20 chapter 70 formula that they have a very
21 high amount to cities like Brockton.

22 COMMISSIONER CAMERON: Correct. And
23 LDS Consulting Group that we hired, this is
24 what they do. They look at impacts on

1 communities. The report is in there if you
2 want to take a look. But, yes, that's the
3 local piece, the 2,000 dollars. So, again,
4 the moneys are there to cover, more than
5 enough moneys to cover from the host
6 community agreements, so no negative
7 impacts with those three categories thus
8 the sufficient rating for all three.

9 So we have a summary to include the
10 traffic and the off-site impacts, solid
11 sufficient rating. As we pointed out
12 earlier, the only insufficient was just
13 will be worked out in MEPA. Just not
14 enough information there to fully look at
15 all of the impacts, so a sufficient rating
16 there.

17 Moving on to the next one. So
18 criteria number three is responsible
19 gaming. A number, as you can see, a series
20 of questions here to do with corporate and
21 social responsibility, support the informed
22 player choice, provide protection within
23 the physical environment, ensure
24 responsible marketing, managing high-risk

1 financial transactions. Under process and
2 measures, there's the engagement with the
3 community, so a series of questions.
4 Again, I had able consultants to help me
5 with this. And as you can see, it is a
6 sufficient rating.

7 Just some of the highlights here.
8 Of course MG&E agreed to follow the MGC
9 responsible gaming framework. They did
10 provide their plan from the Philadelphia
11 casino MG&E did as part of their response
12 to these questions. Their marketing is
13 consistent with the American Gaming
14 Association Code of Conduct, and the
15 employee training was very limited. I
16 think we took note of just one hour of
17 training, which we did not think was
18 sufficient.

19 The other issue that the team
20 brought up was -- do you know there was
21 no -- as we've heard consistently through
22 some of the other presentations, there was
23 no -- nothing that would tie this to
24 Brockton to Massachusetts. Just this is

1 what we do elsewhere but, yes, we'll follow
2 your policies. So we would have liked to
3 have seen a little more thought probably
4 into what they could do here.

5 And after having looked at the
6 framework and, you know, one of the
7 questions, which is where you will see an
8 insufficient there, slash sufficient, I
9 mean, their language was cut and paste to
10 the point where, you know, the question was
11 answered verbatim from the framework, you
12 know, should do this, not we will do this.
13 So even the tense was just cut and paste
14 not even -- so we just thought that it
15 maybe a little more thought could have gone
16 into this, and certainly they did agree to
17 follow our framework.

18 But that was a little bit -- a
19 little more information would have been
20 appreciated, I think, with regard to these
21 answers. Because it is something we take
22 seriously and are looking for our
23 applicants to do the same. So overall,
24 though, sufficient and they did, you know,

1 tell us what they did in other locations.

2 CHAIRMAN CROSBY: Just before you go
3 on, any questions or -- what was the engage
4 the community? Do you remember what those
5 steps were?

6 COMMISSIONER CAMERON: Yes, that
7 was -- oh, to engage the community?

8 CHAIRMAN CROSBY: Yes.

9 COMMISSIONER CAMERON: Mark, do you
10 want to give us some more detail on that?

11 MR. VANDER LINDEN: So, again, this
12 follows all of the different strategies of
13 the responsible gaming framework that the
14 MGC had adopted. Strategy six within the
15 framework talks about engaging the
16 community. So what type of outreach does
17 the applicant do to engage the community
18 that would further mitigate problem
19 gambling? How do they partner with
20 agencies within the community? What other
21 efforts do they do to engage the community
22 that would promote responsible gaming?

23 And, so, while MG&E did indicate
24 that they had reached out into the

1 community, they did not provide specifics
2 about what that outreach included but what
3 did they actually do that I would be able
4 to say that it would exceed the sufficient
5 into a very good. So I want to give them
6 credit for saying that they did reach out
7 into the community, but I would want to see
8 more detail.

9 CHAIRMAN CROSBY: Saying that they
10 did already or that they will do what the
11 framework requires?

12 MR. VANDER LINDEN: But then they
13 further said that they will do what the
14 framework requires.

15 CHAIRMAN CROSBY: Thanks.

16 COMMISSIONER CAMERON: Thank you.

17 Any more questions on responsible
18 gaming? So we will move on to the lottery
19 and sufficient rating here. There is no
20 agreement yet but certainly with all our
21 other applicants, you know, we anticipate
22 that that will happen.

23 CHAIRMAN CROSBY: The agreement
24 was -- I was thinking it was part of -- it

1 won't be part of the application.

2 COMMISSIONER CAMERON: No.

3 CHAIRMAN CROSBY: It has to be made
4 before it opens.

5 COMMISSIONER CAMERON: Correct.

6 MS. BLUE: They had to agree to
7 enter into an agreement as part of the
8 application.

9 COMMISSIONER CAMERON: Yes. We've
10 had others that have not had the agreement
11 in place yet as well.

12 CHAIRMAN CROSBY: Thank you.

13 COMMISSIONER CAMERON: MG&E did
14 propose methods to promote the lottery,
15 point of purchase, direct mailings,
16 promotional giveaways. They gave us
17 information from Pennsylvania as well as
18 Maryland. Now, that's generic information.
19 Obviously they don't operate in Maryland,
20 but they did give us information that
21 demonstrated that the lottery wasn't
22 negatively impacted.

23 So, they have promoted the lottery
24 in their other jurisdictions. They advised

1 us of that, and they proposed similar
2 practices in Brockton. So solid sufficient
3 with their response to question about
4 protecting the lottery here.

5 And just overall summary, you can
6 see a lot of yellow up on the board. They
7 met our minimum qualifications with all of
8 their categories, all of their questions.
9 They provided what we asked for and gave us
10 sufficient answers when it comes to what
11 they will do to mitigate.

12 You know, the insufficient ratings,
13 again, as Rick pointed out, were mostly
14 just, you know, not enough information but
15 they should be sorted out in the MEPA
16 process. And of course we have a second
17 chance after the MEPA process to impose
18 more mitigation, if necessary.

19 Solid host and surrounding community
20 agreements, the agreement with Brockton 21,
21 the traffic mitigation and costs were
22 sufficient other than the additional work
23 with MEPA. They will comply with our
24 responsible gaming, and their approach to

1 the lottery was solid. So overall they
2 provided what we asked them to do in a
3 sufficient manner with regard to
4 mitigation.

5 Any questions at all before I get
6 into some potential license conditions?

7 CHAIRMAN CROSBY: Anybody?

8 COMMISSIONER ZUNIGA: Perhaps just
9 in general, could you speak to or refresh
10 our memories to instances where other
11 applicants went, you know, received a very
12 good or an outstanding what made the
13 difference just by way of where I'm coming
14 from in my question?

15 COMMISSIONER CAMERON: Sure. One of
16 the areas in which other applicants had
17 stronger grades was with their community
18 outreach and support. Meaning after a
19 vote, you listen at the hearing, you find
20 out that there are members of the community
21 that have concerns about X, Y or Z, you
22 schedule a meeting to engage those folks,
23 listen to them, put plans in place that may
24 demonstrate that you are taking their

1 concerns seriously, engagement with the
2 community as far as demonstrating you're
3 going to be a good neighbor, supporting
4 some of the local efforts are areas in
5 which other applicants received higher
6 scores, because they had stronger community
7 outreach and support.

8 For example, MGM got a higher score
9 with the lottery because of their unique
10 approach to say, look, we will try to have
11 it come right up on the machine, would you
12 like to buy a lottery ticket kind of thing.
13 We thought that was innovative ideas.

14 So those are a couple of examples I
15 can give where in particular with community
16 support and outreach that the applicants
17 did a little better job in either
18 innovation or actual work on the ground
19 with community members.

20 COMMISSIONER ZUNIGA: And perhaps
21 also for the record, we never made a
22 judgment on the amount of mitigation
23 agreements reached with the local.

24 COMMISSIONER CAMERON: We purposely

1 decided not to do that. We didn't say,
2 well, this community received more than
3 others because we thought you know what,
4 that's an agreement between the officials
5 in that community and the applicant and
6 every community's needs are different, so a
7 dollar amount isn't necessarily going to be
8 the same from community to community.

9 So we intentionally early on the
10 first time we did this stayed away from
11 saying, well, you could have given -- what
12 we did do is verify there was enough money
13 to cover all the impacts. That's what we
14 thought was important. Not the actual
15 dollar amount.

16 COMMISSIONER ZUNIGA: Thank you.

17 COMMISSIONER CAMERON: Anything
18 else? So a couple of potential license
19 conditions for building and site and
20 mitigation. Rick mentioned some of these.
21 The traffic evaluation of Kennel Worth Ave.
22 and Belmont Street, again, through the MEPA
23 process but a condition would be that we
24 request that that be done. Traffic

1 evaluation of Route 27 and West Street,
2 highway safety audit, again, through the
3 MEPA process.

4 Certainly completion of the DOT
5 phase 1 and 2 on Belmont Street needs to be
6 done before this casino opens. And it
7 would be incumbent upon all of us to watch
8 that and make sure -- the applicant has
9 given us examples. They understand how
10 important this is frankly.

11 They actually gave some examples in
12 a discussion of how they've helped these
13 process. They've helped the process along
14 in other jurisdictions, paid some overtime
15 to make sure the project got done before
16 they open the casino. So I know they are
17 very well aware of this.

18 Water, the evaluation of
19 conservation measures to protect Silver
20 Lake. Important piece here, again, through
21 the MEPA process. And the last piece we
22 thought was important was, you know, the
23 moneys have to be put in place for the
24 studies for the entertainment district. We

1 just thought that should be done as soon as
2 possible.

3 Things like that really do get a
4 community excited about the project. So
5 not only the money in place but really get
6 that study done as soon as possible we
7 thought would be a possible condition for
8 the license as well.

9 COMMISSIONER ZUNIGA: Commissioner,
10 I'm remembering prior instances where we
11 placed conditions and when the applicant
12 had little or no control over something, it
13 was very hard to place a condition on them
14 or for them to accept rather. And I'm
15 specifically thinking of the completion of
16 the phase 1 and phase 2 roadway, which is
17 underway.

18 Everybody would be very much vested
19 into that project happening certainly
20 before the casino opening as there is a
21 clear example like in MGM. But I wonder
22 how we would phrase that condition on the
23 applicant for this topic and maybe that
24 could be for later discussion.

1 COMMISSIONER CAMERON: I think our
2 experts would have to help us with that.
3 But, I think, the applicant realizes it
4 would not be smart to open this with the
5 roadways all dug up right in front of their
6 facility.

7 So, I think, they're very well aware
8 of this and, again, provided examples of
9 how they have helped to make sure this
10 happens in at least one other jurisdiction.
11 And they gave the example of paying
12 overtime to workers to make sure the
13 project is completed on time.

14 So, yes, I think we could find a way
15 to word it that would be acceptable to
16 everyone. Anymore thoughts on that?

17 CHAIRMAN CROSBY: This maybe as much
18 for Commissioner Stebbins as you but is
19 there anything more to this entertainment
20 district than just the notion; is there any
21 meat on the bones?

22 COMMISSIONER CAMERON: Well, I know
23 it's important to all the public officials.
24 They've all spoken about it extensively. I

1 think the study would help determine what
2 it could look like. I'm not aware --

3 CHAIRMAN CROSBY: Sorry, excuse me.
4 Did the entertainment district concept
5 pre-exist this project or did this come
6 about after this started; has there been
7 something that Brockton has been planning
8 for or developing or doing anything for; do
9 you know?

10 COMMISSIONER STEBBINS: I mean, just
11 chiming in, from what we looked at and some
12 of the information I think came forward
13 after the RFA-2 was submitted but we did
14 get information from the mayor's office as
15 part of the Brockton 20, 25 plan they have,
16 you know, I've at least seen the power
17 point presentation, which has an outline of
18 where the actual entertainment district is
19 that they want to focus on.

20 So, I mean, at least in terms of
21 laying the parameters as to where we're
22 going to study developing an entertainment
23 district, I think that's clearly defined.
24 Beyond that, you know, we had information

1 from the applicant. They were excited
2 about participating in the project with
3 100,000 dollars. They have cited other
4 examples of entertainment districts that
5 they are either aware of or participated
6 in, which they would like to use
7 potentially as a model for this
8 entertainment district.

9 So, it's a lot -- I think a lot of
10 this happened since the RFA-2 was filed
11 and, you know, we went out and sought more
12 information from the city. They at least
13 have a specific area they want to study for
14 the development of the entertainment
15 center.

16 COMMISSIONER CAMERON: Anything
17 else?

18 CHAIRMAN CROSBY: Anybody else?

19 COMMISSIONER CAMERON: Thank you
20 very much.

21 CHAIRMAN CROSBY: Thank you,
22 Commissioner. Let's take a quick break,
23 and I'll get ready for my presentation.
24

1 (A recess was taken from 11:11 a.m.
2 to 11:23 a.m.)
3

4 CHAIRMAN CROSBY: Okay. We are
5 reconvening public meeting number 188, and
6 I will be doing the fifth and final
7 presentation of the evaluation criteria.

8 This category on the RFA-2 form is
9 referred to as the general overview
10 section. We've also colloquially called it
11 the "WOW Factor." The way we look at this
12 is that the finance, the mitigation and the
13 economic development and the site and
14 building design are really the blocking and
15 tackling. That is the core guts of the
16 project. No project can go forward
17 anywhere for that matter but certainly not
18 in Massachusetts without at least
19 sufficiency on those four categories.

20 But our Legislation made a point of
21 highlighting certain variables in the mix.
22 Its wish for their to be a dramatic
23 commitment to diversity and inclusion of
24 all types, the clear focus on destination

1 resort casinos and what that means, the
2 notion on economic development above and
3 beyond simply the revenue of jobs that
4 comes from the casino itself, the broad
5 base support of the tourism industry.

6 There are a number of things that
7 our law points out that make it a little
8 bit distinctive, I think, and certainly
9 have said to the Commission these are areas
10 where we would like to be above and beyond.
11 So that's why we kind of refer to it as the
12 "WOW Factor."

13 So, if you will switch to the first
14 slide. I've worked on the language of this
15 quite a bit so I am going to read this in
16 order to stick with it.

17 In order to assess the four
18 questions in the overview section, we used
19 to have nine sections. We rewrote them and
20 reduced it to four, but it's the same gist
21 of the RFA-2 application for MG&E Brockton
22 in Region 1. I convened a diverse group of
23 thought leaders to help me review and
24 evaluate the proposals.

1 They're Phil Clay, he is a Professor
2 of City Planning, and former Provost,
3 Massachusetts Institute of Technology; Liz
4 Devlin, Founder & Digital Curator at FLUX
5 Boston; John Harthorne, Founder & CEO of
6 MassChallenge; John Mullin, Professor with
7 Regional Planning and a variety of other
8 distinguished positions at UMass Amherst;
9 Lily Mendez-Morgan, Chief Operating Officer
10 of the Massachusetts Red Cross and Joe
11 Thompson, the Director of Mass Mocha, the
12 Mass Museum of Contemporary Art in North
13 Adams. All of those people also
14 participated in my evaluation in the
15 earlier projects as well.

16 As I said here, we consolidated nine
17 questions to four. We reviewed the MG&E
18 application materials for questions one
19 through four. We spent much of the day
20 visiting the site with some of the
21 applicants, supporters and staff and the
22 mayor and Local Alderman. We received in
23 depth briefing from the consultants that
24 worked on other related parts of the

1 project such as finance and economic
2 development. And, also, I went to both the
3 Pittsburgh and Philadelphia facilities,
4 Rush facilities.

5 Next up is the rating system. I
6 won't belabor the point. The same rating
7 system we've been using all along that the
8 other Commissioners have used. Next up is
9 a summary.

10 After reviewing all of the
11 aforementioned materials -- I am taking the
12 site visit -- I found nothing distinctive
13 in the applicant's responses to questions
14 one through four and the overview of
15 project or the so-called "WOW Factor"
16 questions.

17 Oddly enough, and this has been now
18 referred to by other Commissioners, I found
19 that the applicant's answers to these
20 questions were often less compelling than
21 their actual performances in other
22 communities and there are very few, almost
23 notably few, actual commitments to match
24 those other communities' standards. The

1 approach of the applicant seemed to be, "We
2 will do good things. Just trust us." But
3 as is the case with all many of the other
4 Commissioners' evaluations, the specifics
5 and the formal commitments were minimal.

6 I had expected that the applicant
7 might have learned from the broad
8 enthusiasm for the MGM plan in Springfield,
9 another project sited in a depressed city,
10 enthusiasm that emanated not only from the
11 Commission but also from the governor with
12 reservations about casino gambling and many
13 others including casino opponents.

14 The MGM proposal, as I said in my
15 summary evaluation, that proposal, quote:
16 Is a generally ambitious and unusual effort
17 to use the economic muscle of the casino
18 development to drive redevelopment of an
19 entire depressed urban area.

20 This proposal, the Brockton
21 proposal, has virtually none of those
22 features. It sits in the middle of a vast
23 parking lot. It's completely isolated from
24 any other operating part of the community

1 with no links or coherent strategies for
2 broader urban renewal or economic
3 development. In this respect, it is a
4 great disappointment.

5 Now, to the first question, I'm
6 going to read it.

7 How will you connect your casino's
8 physical facilities to its neighborhood and
9 regional economy through infrastructure
10 investments, marketing, and programmatic
11 collaborations? Please provide concrete
12 images and strategies. Please be specific
13 in how your proposal fits with the ongoing
14 planning for your community and region and
15 adds to a collective sense of place. In
16 particular, how will your project support
17 and enhance other cultural and tourism
18 venues in your community and region?

19 The MG&E application makes only a
20 token effort to coordinate with local and
21 regional planning, to coordinate with other
22 cultural and tourism venues or to,
23 otherwise, enhance and develop this area.
24 The facility itself is isolated from the

1 community and is basically inward rather
2 than outward looking, which the site and
3 building design evaluation noted also
4 repeatedly. As an example, most of the
5 restaurants cannot be reached from outside
6 the casino unlike Springfield where most of
7 them can be reached from outside the
8 casino.

9 The applicant does pledge 100,000
10 dollars to study the development of the
11 entertainment district, its only meaningful
12 gesture. While it refers to a Rush Rewards
13 program to partner with and promote locals
14 and offers no partners and no specifics as
15 to how that one might actually work. So we
16 each deemed the answer to question one to
17 be insufficient.

18 Question two: Marketing the
19 Massachusetts brand in the competitive and
20 crowded regional and global gaming market,
21 how will you differentiate the visitor
22 experience at your casino, and how will it
23 reinforce and amplify the unique
24 Massachusetts brand? Specifically, how do

1 you intend to market the prospective
2 customers outside Massachusetts, regionally
3 and nationally and internationally?

4 Our analysis is that the MG&E
5 response to this question is wholly
6 inadequate, citing almost exclusively
7 programming and activities at its other
8 locations, but with no specifics, no
9 programs and no partners for Brockton. The
10 hotel and conference space does offer an
11 opportunity for product differentiation but
12 no planning or specifics are offered on how
13 that differentiation might be exploited.

14 I commend the applicant for adopting
15 the brick-style somewhat reminiscent of the
16 city and the region's manufacturing past
17 but that's its only gesture to
18 Massachusetts history or branding. Nothing
19 is made of the "City of Champions" or of
20 the great local history of boxing or the
21 shoe city for that matter. A marvelous old
22 exhibition building, which our site and
23 building design folks referred to as well,
24 could have served as an iconic centerpiece

1 for this project. It's instead left as a
2 dilapidated eyesore tightly adjacent to the
3 rear of this property.

4 For the record, it is not within the
5 property that is the site, the formal site
6 of this project, but that was a matter of
7 choice. That was a decision to carve it
8 out specifically. You can see the lines on
9 the map where it was carved out and an
10 opportunity to do something extraordinary,
11 something special, something with a "wow"
12 was not taken. So, again, we deemed the
13 answer to this question to be insufficient.

14 Question three: Destination resort
15 in a competitive environment, tell us
16 specifically why your particular business
17 model and marketing plan is unique and
18 superior to competitors. How does your
19 proposal assure the Legislature's
20 aspiration for a "destination resort
21 casinos" rather than "convenience casinos"?

22 The MG&E proposal offers very little
23 to demonstrate strengths or distinctiveness
24 in its business model or marketing that

1 will differentiate it in a highly
2 competitive market. The proposal makes
3 passing reference to its commitment to a
4 quote, "a vast program of non-gaming
5 options," with no specifics, partners or
6 programs detailed. There are quote,
7 "partnerships," and quote, "synergies" with
8 local merchants and institutions are
9 promised but none are developed.

10 The proposal details some wonderful
11 amenities from other sister properties many
12 of which I saw, a bike path, a river walk,
13 a running path, an outdoor amphitheater,
14 the green wall. Such amenities would have
15 been a commendable and thoughtful and for
16 that matter relatively inexpensive addition
17 to this proposal; however, no such
18 amenities are offered.

19 Once again, the proposal references
20 the hotel and convention space in the
21 answer to this question but makes no effort
22 to demonstrate strategies for these spaces
23 which would make the location anything more
24 than a nice convenience casino.

1 Question number four: Diverse
2 workforce and supplier base, again,
3 something our statute and Commission has
4 made a major emphasis on how you will
5 guarantee that you will hire and train a
6 truly diverse workforce and procure
7 products and services from a diverse range
8 of vendors? Further, please identify the
9 diversity within your project's leadership
10 and ownership.

11 The MG&E proposal contains a little
12 more than vague promises about its
13 commitment to workforce and supplier
14 diversity, one of the signature evaluation
15 criteria established by the Expanded Gaming
16 Legislation and dramatically re-enforced by
17 the actions of this Commission. The
18 proposal references many, quote, "many
19 training programs" to develop an assured
20 diversity but offers no specifics or
21 examples. The proposal does cite
22 impressive statistics of diversity for its
23 senior management, a really notable and
24 commendable fact, and its employee base at

1 its other three venues, and site visits
2 re-enforced this commendable reality.

3 Minimal data however was offered for
4 the company's performance and supplier
5 diversity, certainly nothing comparable
6 ever to its effort to demonstrate its
7 performance elsewhere. So we deemed this
8 sufficient. I think their track record is
9 notable enough elsewhere in their
10 commitment to that track record that it
11 brings it into the sufficient category
12 rating.

13 And the next. The conclusion was
14 overall for the general overview of the
15 "WOW Factor" section that this had to be
16 considered insufficient. The answers to
17 questions one through four seem to have
18 been delivered with a very casual attitude
19 towards our detailed evaluation criteria
20 and with little, if any, attention paid to
21 the applications of those criteria in other
22 regions of Massachusetts.

23 Two principal concerns in
24 conclusion: One, although there is ample

1 suggestion of other Rush locations that the
2 operator knows how to pay attention to
3 these criteria, there is no evidence of
4 that commitment in this proposal, in terms
5 of specific plans, programs, partners or
6 real commitments.

7 Two, the Expanded Gaming Legislation
8 made a high priority that our facilities
9 should be quote, "destination resort
10 casinos" with a deep commitment to
11 associated economic development. This
12 proposal presents a plan for a nice local
13 convenience casino, and it's not at all
14 clear that such a casino is compatible with
15 our legislative mandate or with our
16 well-established criteria in one category
17 to date.

18 So we each deemed this section of --
19 this category of the proposal to be
20 insufficient overall. Any questions?

21 COMMISSIONER STEBBINS: Mr. Chairman,
22 you have the outside talented group that
23 you have brought forward to review all of
24 the license applications as we have gone

1 through this process. Everybody comes with
2 a little bit of different background or
3 experience or expertise.

4 Did the folks who had this specific
5 expertise either in the building or the
6 community piece kind of weigh indifferently
7 during your evaluation of the questions?

8 CHAIRMAN CROSBY: Do you mean were
9 there differences of opinion do you mean
10 among them?

11 COMMISSIONER STEBBINS: Yes.

12 CHAIRMAN CROSBY: Or different areas
13 of emphasis?

14 COMMISSIONER STEBBINS: Different
15 areas of emphasis or different areas of
16 this work.

17 CHAIRMAN CROSBY: There weren't
18 differences of opinion. As I discussed,
19 this is a sort of -- there's somewhat of an
20 intangible flavor to this. This is sort of
21 you know it when you see it. And when we
22 designed our RFA-2, when we went through
23 the evaluation criteria when this notion of
24 this so-called "WOW Factor" came up, we

1 talked about this in tremendous length.
2 What we were looking for was something a
3 little bit better, a little bit different,
4 a little bit above and beyond.

5 The Legislature put a 500
6 million-dollar minimum capital investment.
7 That's making a very, very powerful
8 statement about the kind of facilities that
9 we want. They use the term consciously
10 "destination resort casinos." And we
11 talked about this a lot, all of us, about
12 the kinds of things that might be done to
13 make these things something special and to
14 get more out of it.

15 This was not just about dollars for
16 the state or even jobs, although they close
17 clearly were both related work. And the
18 people that I asked to be involved in this
19 had -- two of them had very direct city
20 planning experience, a lot of them, couple
21 are in the arts world, very thoughtful, a
22 couple are -- two or three probably
23 50 percent diverse in their backgrounds and
24 in their perspectives. And it was that

1 group, for what it matters, was uniformly
2 unimpressed by this.

3 And, you know, the folks who have a
4 particular stake in diversity efforts, you
5 know, this is just going by the numbers and
6 there is no -- there is -- nobody seems to
7 understand that we were trying to make
8 something special out of this commitment to
9 diversity and to try to meet that
10 aspiration on the Commission sort of the
11 Legislature's part.

12 So it was pretty uniform. Each of
13 them had a little bit of their own specific
14 angle that the person involved in the city
15 planning was immediately looked at it and
16 said, "Wow, it's in the middle of a parking
17 lot. That is not what we had in mind." So
18 each of them sort of had their own
19 different angles, but the consensus was
20 very much uniformed.

21 COMMISSIONER CAMERON: Mr. Chair,
22 you mentioned one example of MGM and
23 outward facing, the restaurants in
24 particular. I'm trying to remember other

1 examples from either of the Category 1
2 projects in which your team was impressed.

3 Do you have a couple of other
4 examples of pieces of the other project?

5 CHAIRMAN CROSBY: Well, I think the
6 whole MGM project, and, you know, I would
7 have thought -- the good news about being
8 last is that you get a chance to see what
9 we, what the Commission values and what
10 other people have done and what we had
11 noted as distinctive.

12 And the MGM proposal, I think, just
13 almost everybody, even some real casino
14 opponents have said, oh, you know, this is
15 a really extraordinary effort for a mixed
16 use development. This has housing. This
17 has a skating rink. This has an outdoor
18 public market. This has a movie theater.
19 This is really something else, you know.
20 This is in itself an entertainment
21 district. This isn't some, you know, just
22 hoped for downstream maybe who knows what,
23 you know. So, and the permeability of the
24 MGM site, for example.

1 The Wynn is its on phenomenal,
2 extraordinary process. As you know, I was
3 not involved ultimately in that decision,
4 so whatever those folks had to say about
5 that category. But even also look at
6 the -- look at the, you know, the Cordish
7 proposal in Leominster or near Leominster
8 that I actually voted for.

9 They had this million-dollar a year
10 commitment to fund to help seed medical
11 instruments in that swath of medical
12 instruments industry up in that region. It
13 was, you know, it was a really dramatic
14 attempt to try to do something different,
15 to do something special.

16 And there is a commitment here. To
17 be fair, there is a commitment of 500,000
18 dollars a year to the community foundation.
19 I don't know that there is a community
20 foundation yet. It's sort of done as a
21 matter of course. There is no development
22 of what that is supposed to go for, what
23 critical variables. It's not tied. It
24 doesn't leverage other moneys. It's not a

1 matching grant.

2 It's not designed to hire -- you
3 know, none of these are particularly good
4 ideas or bad ideas. But it's not designed
5 to hire a grant writer who could help bring
6 in more. You know, it was nice. It was
7 something, and we noticed it. But it
8 didn't rise to the level of the same kind
9 of enthusiasm for the effort to go out of
10 the way to do something special that the
11 others did.

12 COMMISSIONER CAMERON: Thank you.

13 MR. STRUSINER: Is it possible to
14 make a comment?

15 CHAIRMAN CROSBY: I guess I'm the
16 chair. I think it ought to go to the
17 errors process if that's what you're --

18 MR. STRUSINER: I am not sure if --
19 because, like you said, is that it's a
20 drafted opinion, so I'm not sure if we put
21 that in writing but I thought maybe a
22 couple of thoughts in light of your
23 comments might be appropriate.

24 CHAIRMAN CROSBY: Yes. I think it

1 ought to be in writing to be -- we are
2 trying to make sure that we stick to the
3 same process that we've used elsewhere.

4 COMMISSIONER ZUNIGA: You mentioned
5 this briefly, but maybe we can emphasize a
6 little bit more. You did take the -- it's
7 not just answering the four questions that
8 you've summarized well in the presentation
9 but there is a lot of information that gets
10 gleaned from all the other sections in the
11 application.

12 CHAIRMAN CROSBY: Right. Again,
13 that sort of goes to the point. The
14 answers to our questions were very, very
15 short and didn't even pull out of the text
16 of related questions some of the best
17 points. But, yes, in order to get the
18 data, we had to be briefed by some of your
19 consultants, the economic development
20 consultants. I think all of them. I think
21 finance site and building design. I think
22 you all met with either our group or with
23 me individually. Anything else?

24 COMMISSIONER MACDONALD: I was

1 thinking that it might be appropriate to
2 reconsider Mr. Strusiner -- is that your
3 name, sir?

4 MR. STRUSINER: Yes, sir, thank you.

5 COMMISSIONER MACDONALD: Mr.
6 Strusiner's opportunity to respond.
7 Yesterday after the conclusion of Director
8 Wells report on updating suitability,
9 Mr. Donnelly was asked to respond. I would
10 be interested in a timely opportunity being
11 given, but I'm only one of five.

12 MR. STRUSINER: We would appreciate
13 the opportunity for two minutes.

14 MS. BLUE: We've had a process that
15 we have been following for all of our
16 evaluations, and the applicant has not been
17 allowed to respond except in the context of
18 material errors and omissions. And, so, I
19 think if there is a question that they
20 would like to raise or response you would
21 like to provide, we would be happy take
22 that in writing and then we can address it
23 as part of that function.

24 CHAIRMAN CROSBY: Or let them speak

1 to it if we choose to.

2 MS. BLUE: If the Commission has
3 questions on the question, then, yes, they
4 can speak to it at that point.

5 COMMISSIONER MACDONALD: Well, I
6 have -- speaking personally as a
7 Commissioner, I'm curious as to what
8 Mr. Strusiner has on behalf of Rush Street
9 wishes to say.

10 CHAIRMAN CROSBY: Do you folks have
11 a thought, any of the other Commissioners?
12 It's not a federal case one way or the
13 other. We have tried to be rigorous to
14 keep the process in a standard for reasons
15 involved.

16 COMMISSIONER MACDONALD: How is this
17 different from yesterday?

18 COMMISSIONER CAMERON: We did not
19 allow -- because that was a specific
20 question we had of Mr. Donnelly. I asked
21 the first question of him. This is
22 different, because he just wants to speak
23 on his own. No one is asking him a direct
24 question.

1 And, secondly, we have not allowed
2 in any of the other proceedings an
3 opportunity that had many opportunities to
4 tell us -- give us presentation, so I think
5 the consistency I know is very important to
6 me that we follow the process. So I would
7 for one think that the appropriate way
8 would be in writing to the staff.

9 COMMISSIONER STEBBINS: I would
10 agree with that. And keep in mind the
11 questions we asked Mr. Donnelly were about
12 the suitability report. It had nothing to
13 do with our evaluation material.

14 CHAIRMAN CROSBY: Frankly,
15 Commissioner, I am curious too and I
16 understand that my categories are sort of
17 subjective, one more subjective than the
18 way of others but, I think, that is an
19 important -- it's an important principal
20 for us to stick to, so we will address it
21 later.

22 MR. ZIEMBA: Mr. Chairman, our usual
23 deadline for material errors and omissions
24 would be after the lunch break. Perhaps

1 the applicant would like more time than
2 that to respond to some of these.

3 MR. STRUSINER: When I speak with my
4 colleagues, Mr. Bluhm, we may require until
5 tomorrow morning if that is okay.

6 CHAIRMAN CROSBY: Okay. We will
7 work that out.

8 COMMISSIONER MACDONALD: And given
9 the weight of the experience at the table
10 and from our general counsel, I withdraw my
11 suggestion but look forward to the
12 presentation in the appropriate form.

13 CHAIRMAN CROSBY: Okay, anything
14 else? Thank you.

15 COMMISSIONER CAMERON: Thank you.

16 CHAIRMAN CROSBY: It is now quarter
17 of 12 and we did get submissions of
18 reported errors, material errors in the
19 three categories that we reviewed
20 yesterday. We are going to take two of
21 them now and address them and let people
22 know what was raised. And then this
23 afternoon when Commissioner Zuniga talks
24 about some of the special issues about

1 Region C, we will have him respond to the
2 material error issues raised relevant to
3 findings. So for starters, I guess it was
4 Commissioner Stebbins.

5 COMMISSIONER STEBBINS: Thank you,
6 Mr. Chairman. If you'd give me a minute, I
7 was just perusing one of responses we were
8 given.

9 Colleagues, there were three
10 questions that were raised from my
11 presentation yesterday.

12 First question, and I can obviously
13 read these: While we appreciate
14 Commissioner Stebbins' comments that we
15 have a proven track record in addressing
16 the economic development considerations at
17 our existing casinos, any lack of detail in
18 our Brockton proposal merely reflects the
19 early stage of this project and not our
20 commitment to being a good partner with the
21 city and the region. We believe the strong
22 performances at our affiliated casinos is a
23 good indication of what we could do in
24 Massachusetts.

1 I guess my response to that was in
2 two parts. First of all, reflecting on the
3 applications we have received from both
4 Category 1 and Category 2 licensed
5 applicants, many of them provided I would
6 say more detailed information and more
7 detailed responses to their plans
8 specifically for the communities that they
9 were looking to locate in. And all of
10 those applicants would have been on par at
11 the same stage of this project as MG&E.

12 And, secondly, I would respond that
13 in several of the questions those were
14 highlighted, I think, in my comments were
15 asking for specific details and specific
16 plans for MG&E's project here in Brockton.
17 And, again, it questions where we were
18 looking for MG&E's experience. I think we
19 rated those above sufficient just, again,
20 base on their experience.

21 The second question, again, I'll
22 read it or second concern: Given our
23 strong track record of working with local
24 community colleges, we feel the need to

1 point out that we addressed the Massasoit
2 Community College in Brockton in our
3 response to question 3-02 in the RFA-2 in
4 which we mentioned our intent to form a
5 partnership with Massasoit Community
6 College among others to attract talented
7 team members locally.

8 We omitted to mention the Massasoit
9 Community College by naming the next
10 question 3-03 but we stated our intention
11 to work with them in the previous section.

12 Question: Mr. Chair, as I recall --
13 if I recall my comments, and we did go back
14 and look in 3-02, it is correct Massasoit
15 Community College is referenced as a
16 potential partners also with the Metro
17 South, I believe, it is Chamber of
18 Commerce.

19 I think what I was alluding to was
20 that in 3-03 where we are specifically
21 asking about their plans the applicant has
22 for working with Massachusetts Community
23 College Casino Career's Training Institute
24 or other training organizations. I feel

1 that is where, if I mistakenly did so I
2 apologize, but that was the question I was
3 referring to where, again, myself and the
4 reviewers were somewhat surprised that,
5 again, Massasoit Community College being
6 right here in Brockton was not referenced.

7 To the applicant's credit, they do
8 specifically in the detailed response go
9 into, again, the history that they have had
10 working with other community colleges in
11 the vicinity of their other venues and
12 facilities.

13 The third question that was raised,
14 I will read, it says: Page 13 of my
15 presentation states that the Brockton
16 project will be the first casino operated
17 by the applicant outside a major city. Our
18 affiliate currently operates Rivers Casino
19 in Des Plaines, Illinois. Des Plaines is
20 located outside Chicago similar to Brockton
21 being located outside of Boston and both
22 are in major metropolitan areas.

23 Furthermore, the population of
24 Brockton is greater than that of Des

1 Plaines. In addition, another affiliate
2 developed and operated a successful casino
3 and hotel in Vicksburg, Mississippi until
4 we essentially sold the facility in 2012 to
5 Churchill Downs.

6 I can reply here that to a great
7 degree, and I would acknowledge the
8 applicant's point that Brockton is larger
9 than Des Plaines. They are both located
10 equally about the same distance from the
11 City of Chicago as Brockton is from the
12 City of Boston.

13 The larger area, I think, we had
14 information from one of the slides that
15 showed the county size for where MG&E would
16 be located in Plymouth County, which I
17 believe has a population of somewhere
18 around 500,000. Des Plaines is a community
19 in Cooke County, Illinois, which has a
20 population of about 5 million.

21 I would also suggest in my comments
22 were intended to state that, yes, Brockton
23 would be their first casino outside a major
24 city. In comparing them with Des Plaines,

1 I would consider or urge you to understand
2 the point I was trying to make was we will
3 have a licensee in downtown Boston or in
4 the downtown Boston vicinity, which will be
5 a direct competitor to MG&E here in
6 Brockton.

7 The scenario I don't believe equally
8 co-exists in Des Plaines, Illinois where
9 Des Plaines is essentially the de facto
10 casino of Chicago, because there is no
11 casino in Chicago. So it becomes, in my
12 eyes, the de facto casino for the City of
13 Chicago knowing that there is no Illinois
14 casino closer to the urban center than Des
15 Plaines, even though I understand there may
16 be some fewer -- I understand some fewer
17 outer line casinos beyond Des Plaines.

18 And in the Vicksburg information,
19 you know, again, we had valued the
20 operator's experience but the Vicksburg,
21 Mississippi property and operation was not
22 included in this information they provided
23 in the application, so I can't point to the
24 success they had in operating that

1 facility.

2 CHAIRMAN CROSBY: Okay, thank you.
3 Is that all of it for you?

4 COMMISSIONER STEBBINS: Those are my
5 three.

6 CHAIRMAN CROSBY: Commissioner
7 MacDonald.

8 COMMISSIONER MACDONALD: Yes. There
9 were two material errors submissions with
10 regard to the building and design
11 presentation that I gave yesterday. The
12 first one, and I will do what Commissioner
13 Stebbins did, I'll read them into the
14 record.

15 The first is: While we share the
16 desire to see the exhibition hall
17 renovated, it is not part of the property
18 we are requiring. We believe the best
19 chance for the exhibition hall to be
20 restored is for a successful casino resort
21 to be developed adjacent to the building;
22 otherwise, the exhibition hall is likely to
23 sit in its current state for years to come.

24 My response to that is that we are

1 not that -- I didn't mean to suggest that
2 the exhibition hall is owned by Rush Street
3 at this time, but rather the point that I
4 was making, and I think I used the term
5 yesterday, is that it was quote "carved
6 out" of the site.

7 And that my understanding, although
8 I can't say that I know this from my
9 personal knowledge, that the building is
10 owned by Mr. Carney's interest and as such.
11 And for the record, he is nodding.

12 SPEAKER: That's correct.

13 COMMISSIONER MACDONALD: So that,
14 you know, my point expressing the point of
15 the architectural team that was advising us
16 was that it's unfortunate that rather than
17 being carved out that it wasn't carved in
18 and incorporated as part of a --
19 incorporated as part of the overall plan
20 for the casino facility.

21 The second question is -- not second
22 question. The second objection is that:
23 While our affiliate acquired Rivers Casino
24 in Pittsburgh while under construction, it

1 elected to make several important
2 improvements to the property. For example,
3 it constructed the waterfront promenade and
4 landscaping, which was intended to be
5 eliminated by the prior developer due to
6 financing constraints.

7 In addition, it redesigned the food
8 and beverage menus and added the wheelhouse
9 concept instead of leaving unfinished shell
10 space. Our affiliate also built out the
11 ballroom on the second floor, redesigned
12 the high limit area and added table games
13 and poker.

14 I believe that this objection
15 relates to a question or an observation
16 that occurred after I presented the slide
17 in which to Rush Street's architects were
18 provided the opportunity to articulate
19 their design philosophy. And in the course
20 of or as part of that statement of design
21 philosophy, they noted that it was
22 significant with respect to their belief in
23 contextual architecture, I believe that was
24 the phrase, that each of the casino

1 facilities that Rush Street Affiliates are
2 operating are all very distinctive in terms
3 of -- in terms of their architectural
4 style.

5 And as much as it wasn't my point
6 but somebody else's point, I think that the
7 comment that was made or the question that
8 was directed was whether or not was
9 questioning the appropriateness of listing
10 the Pittsburgh Rivers Casino as evidence of
11 Rush Street's architects acting out, in
12 fact, to present casino facility designs
13 that are responsive to the unique setting
14 of the casino site. At least that is how I
15 intended -- that is how I interpreted that
16 comment.

17 And, so, what is being offered here
18 seems entirely appropriate as a response to
19 that. It wasn't -- in other words, they
20 didn't just take over a building and a site
21 in Pittsburgh that was already totally
22 designed and built out. Rather, they took
23 over a facility that was partially built.

24 And as indicated here in the

1 objection, revised it apparently quite
2 significantly in line with the design
3 principals that they had submitted in
4 response to our request for clarification
5 as to their design philosophy.

6 As the commissioner responsible for
7 building and site design, I would accept
8 the representations here and note them for
9 the record as something which I would not
10 take issue with.

11 CHAIRMAN CROSBY: Okay, all right.
12 I think we are done for the morning. You
13 all will have an opportunity if you want to
14 submit perceived errors or comments. If
15 you would like, we can make it an hour and,
16 you know, reconvene at one. And then if
17 you want more time for one of these things,
18 we will try to be flexible about that for
19 tomorrow morning. The point is to give you
20 a chance to respond in good faith and we to
21 you as well.

22 So let's adjourn until 1:00 and then
23 we will talk about the unique issues, the
24 finance material errors, concerns A, and

1 the unique features -- some of the unique
2 features of Region C and B. We are
3 temporarily adjourned.

4
5 (A recess was taken from 12:00 p.m.
6 to 1:05 p.m.)

7
8 CHAIRMAN CROSBY: We will reconvene
9 public meeting number 188. It's about
10 1:00 at The Shaw's Center in Brockton. The
11 rest of the day will be focused on a couple
12 of things. First of all, Commissioner
13 Zuniga will react to the potential material
14 errors from the applicant relative to the
15 finance section.

16 That sort of naturally leads to the
17 last thing we are going to talk about
18 today, which is the several unusual
19 conditions or circumstances or variables
20 that are in play in Region C. That
21 includes the whole travel situation and
22 also a letter we received from MG&E back on
23 Friday.

24 And the purpose of the rest of the

1 afternoon is to make sure that the
2 Commissioners all have a common
3 understanding of the facts as best we can
4 to establish the facts. This is not about
5 deliberating yet trying to come to any
6 conclusions. It's about trying to get a
7 common understanding of the facts.

8 So with that, Commissioner Zuniga.

9 COMMISSIONER ZUNIGA: Thank you.
10 Colleagues, good afternoon. Let me read
11 into the record the material error
12 questions or statements that we received on
13 the finance presentation. I'm going to
14 start with number two because number one
15 refers to a larger question that I want to
16 take up last.

17 In their objections, the applicant
18 states that not only would Brockton casino
19 bring more tax revenue to the Commonwealth
20 as they assert in Innovation Group study,
21 the Brockton casino resort would also
22 create thousands of construction permanent
23 jobs, help anchor the future entertainment
24 district and bring much needed economic

1 development to the City of Brockton. All
2 of this is true with or without a Taunton
3 casino.

4 We simply believe that the economic
5 development, the jobs, the economic
6 development conversations addressed in the
7 economic development section there is no
8 need in our methodology in effort to
9 quantify the financial benefits of jobs.
10 It always -- it never stayed with the
11 financial -- the finance section. It was
12 always in my view with the economic
13 development question, the section rather.
14 Number three -- so I don't see that as a
15 material error of that in the finance
16 section.

17 Number three: The applicant asserts
18 that HLT, our consultant, failed to discuss
19 the 85 million licensee that they would pay
20 to the Commonwealth, again, with or without
21 a Taunton casino.

22 Amy, I'm going to ask that you flip
23 to Section 44 in our presentation. I know
24 it's a few pages further. While I -- I'm

1 sorry. Yes, page 44. I'm sorry, yes, no,
2 page 51.

3 CHAIRMAN CROSBY: You're going to
4 bring it up here too, right?

5 COMMISSIONER ZUNIGA: While I wasn't
6 as perhaps as polished in my presentation
7 as others, we did acknowledge in the
8 section as it's written there that the
9 85 million up from licensing fee is not
10 part of that calculation, but it's very
11 much a part of the economic benefit that we
12 take into account when we offer the ratings
13 that we did.

14 So, we are not in any way omitting
15 consideration of that deed. That is a
16 significant upfront benefit, as it's
17 clearly stated in there and also further
18 detailed in the packet, so we don't see
19 this as a material error.

20 Number four: The applicant states
21 that HLT did not discuss a Brockton only
22 scenario, only a Taunton only scenario. If
23 land in Taunton is taken out of trust, then
24 we can see and the Commonwealth will lose

1 out on the benefits of both casinos where
2 the Commission -- if the Commission does
3 not award a Region C license. For this,
4 Amy, if we could go to page 44.

5 And page 44 is a summary of the one
6 casino scenario, which we compared to the
7 applicants own projections for their own
8 casino. When HLT did their original
9 framework, we took one casino -- that the
10 scenario for one casino we pick Taunton
11 because that was the city that was known to
12 be a potential site, which is why the
13 applicant may have construed that as being
14 a Taunton only scenario.

15 The range, however, the most
16 important piece of this is that with one
17 casino, HLT estimates a range between 346
18 million and 404 million. The applicant is
19 estimating a number I would argue very much
20 in line in the middle of that range. We
21 did talk about how inflow is not submitted
22 by HLT where an applicant does. That
23 inflow number is usually between 10 and
24 20 percent in some cases.

1 All of this we capture and consider
2 it in the rating that they ultimately
3 received in our view for the one casino
4 scenario. So we simply do not see this as
5 a material error as evidenced in this page.

6 Questions on any of that,
7 Commissioners?

8 CHAIRMAN CROSBY: You had one other
9 question?

10 COMMISSIONER ZUNIGA: Yes, there's
11 another question. This question is larger.
12 It was admitted as part of a memo that I am
13 not going to read into the record, but it
14 effectively goes to questions --

15 CHAIRMAN CROSBY: Excuse me, but it
16 will be part of the record, right? Have we
17 posted the material errors?

18 MS. BLUE: We have not yet. We will
19 post it either at the end of the day today
20 or early tomorrow.

21 CHAIRMAN CROSBY: So what
22 Commissioner Zuniga is referring to is a
23 memo that was attached to this submission
24 material errors from the Innovation Group,

1 and that will be available either later
2 today or first thing tomorrow.

3 COMMISSIONER ZUNIGA: Yes, it will
4 be. In the memo, if I could characterize
5 it on a summary level, the Innovation Group
6 questions the methodology used by HLT and
7 by implications of the findings that we
8 spoke about yesterday. Let me start by
9 saying a couple of things.

10 The methodology that HLT used in all
11 its detail has been out in the open since
12 we started this evaluation. All the
13 details --

14 CHAIRMAN CROSBY: Since we started
15 all the evaluations.

16 COMMISSIONER ZUNIGA: All the
17 evaluations, right. The Category 2 back in
18 February of 2014, so that would make it
19 about over two years. In essence, the
20 methodology is very much similar to all the
21 gravity model that it used with its
22 consultants.

23 And let me first generally say that
24 depending on the assumptions, on certain

1 assumptions, and everybody has to make
2 assumptions by necessity when doing this
3 kind of projections, some of the findings
4 may vary obviously. And it's important for
5 us to understand, this will be part of my
6 discussion later on, that sound
7 methodologies about the future, you're
8 saying sound assumptions could yield
9 different results because ultimately
10 everybody is effectively trying to predict
11 the future.

12 Now, there's very good predictions,
13 and there's very good professional people
14 who do this and do this well and have done
15 it for many years. But in placing -- and
16 what I am talking about here is that there
17 is a lot that the market will do regardless
18 of what you use as the methodology. That
19 is outside of the control of anybody
20 studying this at the present time trying to
21 predict the future.

22 A case in point is this. If we were
23 to have two casinos in this region, the
24 market will grow. Everybody seems to agree

1 with that. The real question becomes how
2 do they display those market shares where
3 the split depends on a number of things in
4 a competitive environment. How the
5 operator operates, the type of facility
6 that they build, the type of promotions
7 that they run. But, ultimately, the
8 customer dictates a lot of the end results.
9 And it is simply a methodology, a sound
10 methodology, but it depends by necessity or
11 a number of factors.

12 Again, some of them within the
13 control of somebody like the applicant,
14 many out of the control like somebody like
15 the Commission but, ultimately, predicting
16 what the market might do.

17 And to that end, I did want to
18 mention a couple of things from the
19 Innovation Group that they have done on
20 this region exactly or actually on this
21 market. This is also part of the public
22 record. But when they prepared -- when the
23 Innovation Group prepared a gaming impact
24 assessment in July 2013, they predicted

1 that Plainridge gross gaming revenue
2 estimates would be approximately
3 145 million-dollars a year.

4 They later did a slots licensing
5 gaming market comparison. They prepared
6 that for the North Central Massachusetts
7 Chamber of Commerce. This was during
8 January of 2014. That estimate was
9 slightly different, 143 million-dollars.
10 The tax prep analysis that they did for the
11 Brockton resort as part of the Mass Gaming
12 Entertainment application, they have
13 different numbers because they are now
14 doing different scenarios.

15 But when it came to a
16 Brockton/Taunton scenario, they're
17 predicting, in other words, two casinos in
18 the area, which is the one that matters
19 here, they're predicting 158 million for
20 Plainridge. And this goes to show that
21 even the same professional under different
22 set of circumstances in terms of how they
23 are either working for and how they are
24 making their methodology can yield a

1 different difference.

2 CHAIRMAN CROSBY: Just out of
3 curiosity, in the those earlier two studies
4 that came in the 140s, was that in
5 anticipation of two southeastern casinos or
6 that was one?

7 COMMISSIONER ZUNIGA: That was one.
8 So, actually, the difference is more
9 significant.

10 CHAIRMAN CROSBY: Right, so that was
11 in full competition model. Everybody is up
12 and running but there's only one --

13 COMMISSIONER ZUNIGA: There's only
14 one casino. They would get less revenues
15 than with both competition plus one, in
16 this case a Brockton and a Taunton casino.
17 And I'm picking Plainridge here because
18 it's critical. Something that was, you
19 know, a little in the presentation
20 yesterday but it's important.

21 Depending on what the market split
22 in this case, it's -- once a number of
23 casinos gets introduced, it's a lot more
24 significant if something comes up in terms

1 of impact to the state. If somebody
2 assumes a slightly smaller number coming
3 out of Plainridge than anybody else because
4 Plainridge has a 49 percent tax rate.

5 So, where we see the tax rate
6 numbers, just the different assumption, a
7 small difference, and that is the
8 assumption is as to what Plainridge uses
9 provides a bigger effect in terms of what
10 the Commonwealth uses in terms of tax
11 write-offs.

12 Now, I don't know exactly -- nobody
13 can really know for sure how much
14 Plainridge is really going to lose once
15 there are three or four casinos. But the
16 point is that numbers can have that effect,
17 especially with those differentials between
18 the tax rates, if we are looking at tax
19 rates, which is ultimately something that
20 we are looking at from the Commonwealth's
21 perspective. Any questions from that?

22 COMMISSIONER MACDONALD: Yes, I
23 think I do. Just with reference to the
24 Innovation Group critique, amongst the

1 objections that they may take HLT's
2 analysis is that the Plainridge baseline
3 had not been updated since the 2014 report
4 to align with the actual performance data
5 that has become manifest since then. Was
6 there a reason for Plainridge data not
7 having been updated?

8 COMMISSIONER ZUNIGA: Well, let me
9 say a couple of things on that. If it was
10 to be updated to the current results, then
11 the hit on the effect of the Commonwealth
12 will be a lot higher and the delta between
13 what the Innovation Group projected would
14 be even much more higher.

15 Because the meet point of the range
16 that we did for -- that HLT did for
17 Plainridge is, you know, is not yet coming
18 to fruition. It might, and that is also
19 another area that I wanted to touch on.

20 COMMISSIONER MACDONALD: Okay.

21 COMMISSIONER ZUNIGA: The most
22 important part of my view of the framework
23 that HLT built first and foremost is to
24 keep us at a comfort level of how we think

1 the applicant's own projections are. So we
2 deal the framework. They deal the
3 framework. They say the market can do
4 anywhere between A to B. And if we see
5 that the projections are within range and
6 in addition to that, their own projections,
7 in addition to that they have an operations
8 plan and a financing plan, et cetera, that
9 seems to support it, we all tested as
10 research and within range.

11 In other instances where we had an
12 applicant I remember notably well beyond
13 the range, they were projecting many more
14 gaming revenues than what HLT had
15 projected. It starts to feel in my view
16 uncomfortable, because they depend on very
17 high projections to meet the numbers
18 elsewhere in terms of the return investment
19 and whatnot.

20 So the lack of update, if I can
21 bring you back to the original question, to
22 me I don't think is relevant. There is
23 also the notion that when we did the
24 projection --

1 COMMISSIONER MACDONALD: Can I just
2 stop you there? And I'm on very infirm
3 ground here. If I understand it right that
4 Plainridge, in general, has been performing
5 fairly significantly below what had been
6 projected and part of those projections
7 were based on work by HLT again and others.

8 So we're now working from one would
9 think a base at Plainridge from which
10 calculations as to the impact of
11 competitive casinos, whether it's Brockton
12 or Taunton, that there would be less room
13 to move down, so less impact as you
14 describe it on the net take by the
15 Commonwealth.

16 Why wouldn't it make sense to
17 perceive at this point in time by the
18 lower -- by the actual numbers?

19 COMMISSIONER ZUNIGA: You know, I'm
20 going to let Rob do that since it's his --

21 SPEAKER: Can you please flip to
22 page 31? One previous to that, please.
23 No, previous. So, I think it's 29. Are
24 you going forward or backwards? Back one

1 more. There you go.

2 Commissioner MacDonald, the
3 framework we used we state on the bottom
4 there a key assumption to note for the
5 presentation is timing the model assumes
6 everything is built out from that
7 perspective. So every property is built.
8 Every property gets a stabilized year.
9 Referring to Plainridge right now, we don't
10 believe Plainridge is a stabilized year.
11 It has not even been open a year, although
12 it is tracking to be about
13 160 million-dollars.

14 On that note, HLT did as part of the
15 record for Category 2's believed that any
16 of the Category 2 facilities should have
17 been able to generate between 225 and 275,
18 and that was used to evaluate all of the
19 bidders' submissions from that perspective.

20 In terms of Plainridge, the operator
21 and its third-party consultant, which isn't
22 relevant in this case because it wasn't the
23 Innovation Group, did project that it could
24 do well over 200 million-dollars when there

1 was no competition.

2 Now, that is one point. I don't
3 think we can take the on track for 160 and
4 use it here. But if we did use the 160 and
5 on track here, we have a situation where
6 the property is doing 160 and the current
7 applicant of Region C says add two casinos
8 to Region C, and that property should do
9 158. So, I think, it's a little
10 unreasonable to suggest that it would go
11 down by 2 million-dollars.

12 So, I think, the main part here is
13 that is what's the impact from one casino
14 to two casinos on all the casinos in the
15 states. And this has been disclosed to the
16 public in clear view all forms of
17 methodology, every step, nothing is hidden.
18 It's all in clear view to the public.

19 COMMISSIONER ZUNIGA: The larger
20 point --

21 CHAIRMAN CROSBY: I'm not sure where
22 this fits in the conversation and it's -- I
23 don't want to start to get into the
24 deliberation part of this. But partly in

1 answer to your question, Commissioner, I
2 thought too about the updating and so forth
3 but I at least look at this particular part
4 of this as we are talking about orders of
5 magnitude issues. We are not talking about
6 detailed bottom line.

7 We know full well that there is
8 question about the accuracy of the
9 Plainridge projections. They're
10 projections. Everybody is doing their best
11 to come up with something. If you have a
12 10, 15 percent swing on a total revenue of
13 400 million when you're just throwing a
14 dart trying to estimate, you know, in my
15 view whether it's off 10, 15 percent,
16 that's well within the acceptable range,
17 meaning we can't really rely on these as
18 precise numbers for my money but I think
19 you can.

20 Like you said, if you have an
21 application which is an order of magnitude
22 outside what we see as -- our consultant
23 sees as the spectrum, then we have to look
24 at that because it could, if it's wrong,

1 undercut the entire reliability of the
2 project and all the other assumptions. But
3 if you're within that range, then to argue
4 which end of the range you will be on is
5 not worthwhile from my standpoint.

6 COMMISSIONER ZUNIGA: I guess that's
7 the main idea that I was trying to portray
8 in my opening remarks relating to this is
9 first and foremost a framework to help us
10 evaluate the applicant's own projections
11 and their reasonability. And the more
12 important piece is to understand the
13 dynamics of what happens when additional
14 casinos get introduced.

15 And there is, again, the market
16 grows a little bit, maybe substantially but
17 then there is a split of how those
18 shares -- how the share of that market gets
19 denied. And a lot of it has to do with the
20 behavior of the market what people might
21 do. Certainly a lot of it has to do with
22 the operation of the applicant and how they
23 promote, operate and run a facility. But
24 that's also not the only factor.

1 The methodology is something that
2 has been out there. We believe it's sound
3 and the assertions that the applicant
4 states in their -- state in their memo to
5 us is that we see many of these as
6 immaterial.

7 CHAIRMAN CROSBY: Okay.

8 COMMISSIONER ZUNIGA: We will
9 probably need that presentation there. I
10 might flip to if we need to, but one of the
11 other -- the notion of coming back to the
12 finance section for the competitive
13 environment was something that I wanted to
14 offer my colleagues here at the end of the
15 presentation as a way to perhaps
16 distinguish certain things about this
17 region, certain features that make this
18 region unique.

19 There is a number of statements that
20 we made in the past, Rob made yesterday and
21 that started to get into that, but I wanted
22 to kind of offer this opportunity to have
23 that discussion.

24 And, again, relative to the market

1 assessment, I think it's worthwhile to try
2 to highlight and emphasize what we know
3 about the region. Actually, what we knew
4 when we started, what we know now and what
5 we don't know about the region because
6 that's simply there is information that
7 it's critical to some of these projections
8 and some of the assessment of the casino
9 environment that we simply are making
10 informed assumptions. And, by the way, the
11 applicant is also doing or making.

12 And that has to do certainly with
13 the size and scope. First and foremost,
14 the size and scope of the Taunton casino,
15 the Indian casino in Taunton.

16 So, what we know is that the Indian
17 tribe has conveyed that their total project
18 when fully developed will include 3,000
19 slot machines, 150 table games, 40 poker
20 tables, four food and beverage outlets,
21 nine retail outlets, three hotels
22 containing 900 rooms in total, ballroom
23 meeting space, water park and parking
24 structure for a total project cost of in

1 excess of 900 million as well as a phase
2 and development schedule or, in other
3 words, four phases and that is key to what
4 I will get into later.

5 That certainly sounds a lot like
6 Category 1. There is actually more rooms.
7 If they ever build a 900 room facility,
8 that will be more rooms than even Wynn.
9 Wynn has 600 rooms. They may be smaller,
10 but there are certainly more. MGM has 250
11 if I recall correctly, but they also
12 entered into some kind of agreement with
13 the city as to not overbuilding the rooms,
14 because they're also going to ensure that
15 there was the capacity to have players come
16 into the existing hotels that are nearby.
17 The point is that it's a significant
18 investment if it ever, you know, when it
19 comes, if it ever comes to fruition.

20 That starts with how the bearing
21 into the methodology that I was talking
22 about earlier and the gravity model that
23 gets used, because the larger the facility
24 the further it attracts in terms of people.

1 Going on in the project is currently
2 under development land and trust has been
3 obtained. There is an agreement with the
4 City of Taunton that was reached. Genting
5 has been chosen as a casino manager, but
6 the approval of management agreement is
7 pending the National Indian Gaming
8 Commission, NIGC, has approval of that
9 agreement. And there has been considerable
10 sums of money already expended by Genting
11 on the tribe.

12 The latest that we understand was
13 that there was a recent disclosure of
14 Genting of having spent 249.5 million.
15 There was a recent corporate press release
16 about that. They have construction
17 drawings, and they had some intention of
18 proceeding with some site work.

19 The tribe you will remember also
20 stated that in our meeting on March 15th
21 when we attended Mashpees, they do not want
22 another casino awarded in Region C and that
23 they can open phase 1 by May 2017. That's
24 also what they say.

1 How they do it, whether it comes to
2 fruition may still be an unknown factor.
3 But, however, there is unknowns here that
4 are critical in my view to assessing how
5 quick or how that size and scope ultimately
6 gets built.

7 The terms of the management
8 agreement and the funding terms contained
9 in that agreement or related to the
10 agreement are not known. This is between
11 the tribe and Genting. So we simply cannot
12 know that. The agreement, as I mentioned,
13 has to be approved by the NIGC, and there
14 are certain standards they have to follow.
15 Rob mentioned them yesterday.

16 Ultimately, there has to be a
17 benefit to the tribe. Because after all,
18 it is for economic development purposes for
19 tribes. We cannot go to pay for very
20 expensive money, for example, or go to the
21 bottom line of Genting let's say.

22 So those terms and approval are of
23 known. What happens if that management
24 agreement is not approved? By the way, Rob

1 also mentioned yesterday that management
2 agreement usually can only be approved for
3 five years unless there is a significant
4 investment, which can then be turned into a
5 seven year agreement given the size it
6 could be fair to assume that it's seven
7 years but, again, we don't know that that
8 has been the case.

9 Therefore, the quality of the
10 planned Indian casino is unknown. Because
11 when you tie up capital into all of these
12 things and you understand that the market
13 can do X, that in my view has an
14 implication of what they could do to build
15 ultimately a new facility. So the Indian
16 tribe has made a presentation to the
17 Commission that the total project cost was
18 900 million.

19 It may be fair to assume that we
20 would have to -- one would have to subtract
21 the 250 million that they had spent to date
22 in order to get us answers what the actual
23 facility might look like in terms of total
24 project cost assuming that a lot of it has

1 gone already on some costs.

2 So we do not know if this existing
3 investment is included in the project loss
4 or part of it. Further, we do not know how
5 much of this existing investment will be
6 reflected in the quality of that casino.
7 And, again, I'm talking about quality, size
8 and scope because that has very ultimately
9 into the competitive environment and,
10 therefore, the shares of who might get what
11 in terms of market.

12 Further on the unknown category, the
13 quality conveyed to the Commission, at
14 least on the rendering piece, would appear
15 to be that they would want to look like --
16 to look like or feel a little bit like
17 Wynn. Given the investment amount, it's
18 hard to see that it would be very similar.
19 But all of that, again, goes to the quality
20 of the tribal casino. It's hard to assess.

21 CHAIRMAN CROSBY: Commissioner,
22 excuse me, you may have said this and if
23 you did, I apologize. But one of the many
24 things we don't know is in this theoretical

1 900 million-dollar multiphase investment,
2 we don't know whether the 250 that's
3 supposedly already been invested is
4 included or not. So it might be that they
5 are talking about a 650 million-dollar
6 project, which is essentially identical to
7 the Brockton proposal and we just don't
8 know, right? We're just guessing. We're
9 not guessing. We just have no way of
10 knowing.

11 COMMISSIONER ZUNIGA: Right.

12 CHAIRMAN CROSBY: That's, yes,
13 another unknown variable as we were to try
14 to factor out the impacts. We don't even
15 know within a quarter of a billion dollars
16 what the potential casino that might be
17 competing might look like, so that is what
18 we're dealing with.

19 COMMISSIONER ZUNIGA: Yes.

20 COMMISSIONER MACDONALD: And in that
21 score, is it realistic to think that they
22 could build this grand casino operation,
23 including a 900 room hotel, water park and
24 all of the other features that you

1 described for the same amount of money that
2 Rush Street is proposing to invest in
3 Brockton?

4 COMMISSIONER ZUNIGA: I don't know,
5 which is why it is in the unknown column.

6 COMMISSIONER MACDONALD: It doesn't
7 make sense.

8 COMMISSIONER ZUNIGA: Let me just
9 mention a couple of things. There's not
10 only that. There is a cost of capital,
11 which is critical, which the applicant
12 himself, Mr. Bluhm you might remember said
13 to us in a couple of his presentations to
14 us, given the risk, given the environment,
15 the tribe may have a very hard time
16 obtaining capital or obtaining. And if
17 they do, it's going to be very expensive
18 money.

19 So somebody might want and expect a
20 higher return because of proposition of
21 ultimately prevailing let's say on the land
22 and trust question maybe a question,
23 therefore, there is high return is
24 expected.

1 Even without it, even granting that
2 the Department of Material already made a
3 decision in terms of land and trust. It is
4 still perhaps a project that will command
5 higher cost of capital, so all of that goes
6 to that point.

7 The flip-side of that is something
8 that is very important for us or at least
9 partially consider in this it leaves us
10 nowhere better, but it's still an important
11 consideration. They don't have the same
12 requirements that casino -- that the
13 commercial casinos have in terms of
14 finishing one phase having certain
15 improvements done, you know, by date
16 certain.

17 So they could quite easily,
18 Commissioner, I might argue, only build the
19 first phase. They only are committing to
20 60 percent of the casino surface parking,
21 and I forget the amount of rooms but only a
22 limited amount of rooms, not the 900.

23 COMMISSIONER MACDONALD: I don't
24 think there are any hotel rooms.

1 COMMISSIONER ZUNIGA: Not in the
2 first phase. Thank you for that. And that
3 is the most profitable portion of the
4 project. Everything else is a cost that
5 it's a lot harder to recover. And you
6 recover it -- as an investor in this, you
7 recover it from the gaming operations.

8 So it is quite possible, I might
9 argue, that they build just a casino,
10 surface parking with tables and everything
11 and, you know, it could be made nice and
12 pause or stop there for a while.

13 They didn't say that. They say they
14 are going to go into phase 2, but there is
15 a reality that might come to fruition
16 relative to the competitive nature that
17 gives them the flexibility to at least
18 partial and pause there.

19 CHAIRMAN CROSBY: And they were
20 explicit in answer to a question of mine
21 that there was no recourse -- either the
22 tribe or the city had any recourse if they
23 decided to extend or alter it for that
24 matter. Just get the construction plan.

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COMMISSIONER ZUNIGA: Yes. The inter-government agreement with the City of Taunton does not have any recourse. They have not made any promises in terms of we will open X, Y, Z by a certain date.

SPEAKER: Commissioner, I believe the inter-government agreement stated if we don't build the project as defined in the agreement is the old phase and there is 5 million-dollars pending. There was mention of that but no powers enforced.

COMMISSIONER ZUNIGA: There is a small penalty but there is no how and how or when it would be enforced.

CHAIRMAN CROSBY: Thank you.

COMMISSIONER ZUNIGA: Thank you, Rob. Ultimately leading everybody in terms of trying to analyze this competitive environment, I'm at a bit of a loss of trying to predict exactly how the tribe might react given the competitive nature. And, by the way, whether we award a casino or not -- whether we award a commission license or not, they still have to have

1 flexibility. They could do it in phases,
2 pause there, wait and see, do every phase
3 right after each other, et cetera, et
4 cetera.

5 I touched on this already, but I
6 will mention it a little bit more again.
7 The financing Genting says they are
8 committed to doing phase 1. They weren't
9 quite equivocal as to whether how -- that
10 would come directly from Genting all of it
11 from phase 1 -- for phase 1 or whether they
12 have to engage third-party lenders.

13 Again, that all goes under, you
14 know, a lot of details that are very
15 important to the development of a project
16 that we just simply don't know. We touched
17 on the management contract as well.

18 So, let me mention a couple of ideas
19 or thoughts relative of how these unknowns
20 may impact the MGC decision. You can stop
21 me if that would be better for the
22 operations, Mr. Chairman. But I figured I
23 can at least mention that the Massachusetts
24 casino gaming model is based on a low tax

1 rate with a high minimum investment
2 requirement, a bit of a managed market, if
3 you will, a limited number of facilities
4 with a regional slash type -- regional type
5 monopoly.

6 CHAIRMAN CROSBY: Excuse me, I'd
7 hate to do this since I was on the other
8 side yesterday but do you think it would be
9 possible to either turn the heat down, or
10 open maybe a little door or something?
11 Sorry to be persnickety but I see
12 Mr. Carney has his jacket off and I was
13 afraid his shirt might be next.

14 SPEAKER: A good possibility.

15 COMMISSIONER ZUNIGA: Yesterday I
16 was chilling everybody, and now I'm boiling
17 everybody.

18 So, again, the model was an
19 effectively low tax rate in exchange for a
20 limited competition, if you will, for
21 casino operators. The Indian casino is not
22 subject to this requirement. I already
23 touched on this, but I will read into the
24 record a couple of remarks here.

1 The size and scope of the Indian
2 casino is not -- or that is built and how
3 it is operated will certainly impact the
4 market performance of the facility itself
5 but importantly for us the facilities
6 around it, including Mass Gaming and
7 Entertainment if it is awarded the license.

8 This in turn can have an impact on
9 the financial liability of other casinos as
10 well as the amount of gaming tax that the
11 state would collect. Questions? I see a
12 frowning face, Commissioner.

13 COMMISSIONER MACDONALD: Me?

14 COMMISSIONER ZUNIGA: No,
15 Commissioner Cameron.

16 COMMISSIONER CAMERON: I was trying
17 to follow that.

18 CHAIRMAN CROSBY: Want to do it
19 again?

20 COMMISSIONER ZUNIGA: Sure. You
21 know what, let me read the example. It is
22 right below. If the casino let's say
23 captures 50 million from the Region A
24 casino, you know there is a differential in

1 17 percent to 25 percent. I am not talking
2 about 17 to zero. I am just talking about
3 the 17 to 25. The state would lose
4 4 million in gaming tax revenue due to that
5 tax differential.

6 So if the casino in Taunton takes
7 away business from other existing
8 Massachusetts casinos, the state ultimately
9 loses, you know, 8 percent of that tax
10 rate. This was all part of the number,
11 right, that's what the governor did in
12 order to get the 17 percent to begin with.
13 Because, you know, if the Indians get land
14 and trust, they have the rights to operate
15 a casino, et cetera.

16 Now, if the 50 million comes from
17 the Category 2 facility, the state will
18 lose 60 million because the difference
19 between 17 and 49 is that much greater,
20 because the slots parlor has a tax rate of
21 49 percent.

22 Now, all of this are factors that we
23 just have to live with. We knew the
24 legislation was passed with differential

1 tax rates with this notion of the Mashpee
2 and it's reality. But the point is that
3 how they market, even within Massachusetts,
4 you know, evolves has a big implication
5 into the taxes that we ultimately collect.

6 Does that better explain the point I
7 was making very abstractly before?

8 COMMISSIONER CAMERON: Yes, much
9 better, thank you.

10 COMMISSIONER ZUNIGA: So the Region
11 C applicant, MG&E, provided both a
12 financial and a market assessment of their
13 proposed project. We then in a new casino
14 in Region C. That is very important to do.
15 I think that is a reality they had to face,
16 and they have done that satisfactorily.

17 Those assessments were based on a
18 number of assumptions pertaining to the
19 size and scope, the quality of the Indian
20 casino also by necessity. Those base
21 assumptions were not conveyed to the
22 Commission. We do not have the details of
23 the Innovation Group, for example, market.
24 We only see the results. They did not have

1 to be conveyed to us, but it's just a
2 statement that I am going to make.

3 To be fair, given these assumptions
4 were known, the Commission is not in a
5 position to fully assess the validity of
6 those assumptions because of all the moving
7 pieces that the tribe itself also has.
8 That further complicates our evaluation of
9 the competitive environment.

10 For example, that said, given the
11 magnitude of Mass Gaming and
12 Entertainment's project cost 670 million,
13 including the 500 million at least in
14 eligible project costs, it would not be
15 unreasonable to at least think about the
16 financial liability of the project if gross
17 revenues, both gaming and non-gaming, were
18 less than 250 million for the applicant.
19 That would put the return on investment
20 lower than 10 percent.

21 And we touched on this in my
22 presentation. There were a couple of
23 questions that you started to ask,
24 Commissioners, when I said the applicant

1 projects 20 percent return investment on a
2 casino down to, I think, it was 10, 15 with
3 Taunton. But once you already start adding
4 this extra analysis, if you will, this
5 competitive environment of the realities of
6 an Indian casino, that return investment
7 starts to go down.

8 CHAIRMAN CROSBY: Excuse me,
9 Commissioner. As is our custom, we will
10 welcome and acknowledge the Mayor of
11 Brockton has joined us. Thank you for
12 coming.

13 COMMISSIONER ZUNIGA: So if only
14 phase 1 of the Indian casino was
15 constructed, it is likely that the casino
16 will not fully penetrate the available
17 market and delegating market that this
18 gaming tax revenue to the state and that
19 will be less compared to all the phases --
20 compared to if all the phases were -- I am
21 just trying to read here.

22 So, remember the scenario where they
23 only build phase 1 without expensive less
24 revenue generating amenities. If they

1 didn't build all those later phases, then
2 they will not penetrate as much the
3 available market. They would get perhaps
4 less customers.

5 The gaming revenue not captured by
6 the Indian casino would be captured by
7 other state facilities in order for the
8 state to maximize its gaming tax, but also
9 potentially by other state -- out-of-state
10 casinos. But if this other casinos did
11 capture this revenue, the state tax alone
12 could be higher than what was estimated.
13 The addition of the MG&E casino could also
14 allow the state to fully penetrate the
15 available market if only phase 1 of the
16 Indian casino was built.

17 So perhaps a notion that I am
18 starting to kind of like feel like I'm not
19 ready here is that there's huge
20 variability, right, the revenues could be
21 even larger to the state if they only build
22 phase 1. But we don't know if they are
23 really going to build or stop at phase 1.

24 Unknown issues related to the

1 additional and/or improved existing casinos
2 located in the neighboring states also
3 impact the equation here. We've already
4 seen conversation about the Connecticut
5 casino cooperation between the tribes and
6 down there that may or may not be
7 constitutional.

8 We have seen the narrative about the
9 proposal to move the slots parlor in
10 Newport into Tiverton. That would have --
11 Tiverton, Rhode Island -- that would have
12 also an expansion of the slots only
13 operation into table games. That has to be
14 approved first by Tiverton and then by the
15 state.

16 So, again, there is a lot of forces
17 in the competitive landscape that start to
18 converge around this that have an impact
19 into the gaming revenues for Massachusetts.
20 And it is all regardless of how many
21 casinos are operating in Region C. Even
22 though -- I also failed to mention New
23 Hampshire. There seems to be an ongoing
24 narrative up there as to whether they

1 should approve casinos. It almost feels
2 like every other year they have that
3 discussion, and that could also change in
4 Massachusetts.

5 All of this, whether or not these
6 proposed changes would actually occur, is
7 clearly unknown to the gaming commission
8 and the existing casino licenses, the tribe
9 and MG&E.

10 Another issue or last thought, the
11 MGC has assessed every Category 1 and
12 Category 2 application against the state
13 objectives for gaming except an Indian
14 casino. The MGC has the ability to ensure
15 that plan facility investment, an actual
16 capital -- an annual capital replaced is
17 spent by all licensed holders, again, with
18 the exception of the Indian casino.

19 With regard to the Indian casino, we
20 can rely upon the word of the tribe. The
21 state does not have -- the state does have
22 a political relationship or a relationship
23 with the tribe. It does not have a
24 relationship with Genting. Illegal and

1 financial relationship between Genting and
2 the tribe is unknown to the state as I
3 mentioned before.

4 So those were the big thoughts about
5 the competitive environment, the uniqueness
6 of this region. I thought it was in fair
7 mentioning in this context, and I will take
8 questions and answer them.

9 CHAIRMAN CROSBY: Again, with the
10 objective being to try to all of us have a
11 sort of common understanding of the facts,
12 anymore questions or Commissioner?

13 COMMISSIONER MACDONALD: I have a
14 question. Amongst most of the unknowns is
15 that you have not noted, and I would think
16 that it might have an impact on the very
17 least the cost of capital, is the pending
18 litigation challenging the land and trust.

19 Until I became a commissioner, I
20 didn't know anything of substance about
21 architecture and site design and even now I
22 know very, very little about financial
23 modeling. I'll say I know nothing about
24 financial modeling. I do know something

1 about law, and that I think it's fair to
2 say that the challenge to the land and
3 trust decision at a minimum raises very,
4 very weighty issues.

5 It's very difficult objectively to
6 reconcile the land and trust decision that
7 has been made with regard to the Mashpee
8 Wamponoags with the Supreme Court's
9 rejection of the land and trust a decision
10 with regard to the Narragansett Indians in
11 Rhode Island in 2009.

12 I think for all -- I don't think
13 there is a dispute about this. For all
14 material purposes, the Mashpees Wamponoags
15 are in a similar position to a position of
16 the Narragansetts and the Supreme Court --
17 it wasn't five to four but the Supreme
18 Court at categorically rejected the land
19 and trust decision in favor of the
20 Narragansetts.

21 Now, I would be the last person to
22 say that I would predict what the outcome
23 would be here for two reasons. One is that
24 I've come to know a little bit about,

1 quote, Indian law, close quoted. And the
2 one thing that everybody advises about
3 Indian law is that it's almost a law to
4 itself, and that it's very difficult to
5 predict what judicial institutions will
6 rule with regard to Indian law questions.

7 The second thing is that in 2009
8 Antonin Scalia was still alive and it was
9 his protege, Justice Thomas, who wrote the
10 decision in a classic approach to federal
11 constitutional and statutory questions and
12 it made kind of a classical application of
13 Justice Scalia's approach to those issues.

14 And, so, I have said to others
15 seriously, you know, about this is that the
16 ultimate conclusion of the current and
17 federal litigation in the land and trust
18 issue with the Mashpees Wamponoags may in
19 practice be decided by the result of the
20 presidential election, and I mean that
21 seriously. That is not a causal comment.

22 But coming back to what I said, it
23 is a very, very weighty challenge. It's
24 not one of these harassment type of legal

1 challenges that you're familiar to anybody
2 who tracks substantial public or private
3 projects for that matter.

4 It seems at a minimum that the
5 impact of this litigation would be on the
6 cost of capital. Because once Genting goes
7 beyond its own resources and goes out to
8 other credit markets, the creditor is going
9 to be looking at a very plausible scenario
10 that three or four years or five years down
11 the line hundreds of millions of dollars
12 spent and borrowed and the Supreme Court of
13 the United States is going to say that they
14 have no entitlement to the land and trust.

15 Isn't that something that ought to
16 be taken into account?

17 COMMISSIONER ZUNIGA: Sure. And I
18 think to, again, goes in the very hard to
19 quantify and what I would term as "risk."
20 There is risk that the applicant undertakes
21 by deciding -- the commercial applicant,
22 MG&E, by deciding to put together a
23 proposal saying, you know, I could do this.
24 But there is also the risk that the Mashpee

1 and Genting avenue they are taking to be
2 sure.

3 In some ways that could be all
4 rolled up into the cost of capital. For
5 higher risk everybody demands a higher
6 return and, you know, sort of leave it at
7 that. The reality is who knows what -- how
8 they may fair, right, in either scenario
9 competing against it or by themselves, any
10 one of them by themselves. Yes, to be
11 short. But I don't know that that leaves
12 us any better but with the notion of it is
13 very hard to predict the competitive
14 environment here. We just know that it's
15 risky.

16 CHAIRMAN CROSBY: And since we don't
17 have access to the financial projections,
18 financial modeling to the tribe, which we
19 do of our own applicant, we have no way of
20 knowing the extent to which they calculated
21 that risk realistically and we obviously --
22 the MG&E people think that it's essentially
23 barred commercial borrowing and that no
24 reasonable company no matter how big they

1 are do it on their own because the nature
2 of the risk is that right or wrong how are
3 they calculating that. We have no way of
4 knowing.

5 COMMISSIONER ZUNIGA: Let me mention
6 something about the 250 million that they
7 are in for, which when I read it, I was a
8 bit surprised because I never in my mind
9 took it to be that much. However, I think
10 I did spend a little time trying to figure
11 out how much they are in for.

12 Nobody decides I have 250 million to
13 spend on chase cost one day. They start
14 spending little by little. They say here
15 is an opportunity. Let's keep going. We
16 need more lawyer time. Let's keep paying
17 them. We now need X, Y, Z. Here is
18 another check.

19 So there is an evolution of course
20 in the life cycle of this project and the
21 risk that they, you know, that they
22 attract. And, again, I don't know where
23 that leaves us except to say that, you
24 know, there is real questions as to when

1 any one of these operations and whether
2 they can withstand, you know, the level of
3 competition and risk that they may be
4 associated with.

5 CHAIRMAN CROSBY: Anything else?

6 Okay, thanks. There is one other unique
7 loose end in the Region C which was raised
8 on Friday in the letter to us -- actually,
9 to our general counsel from MG&E, their
10 general counsel and it essentially says, I
11 will read it to keep paragraph, it
12 essentially says that: While MG&E agrees
13 with the Commission's interpretation of our
14 statute, that is the Commission does in
15 fact have the right to make an award in
16 Region C a commercial license award, while
17 MG&E agrees with that interpretation of our
18 statute, they understand from the tribe's
19 public statements that the tribe will
20 challenge that right to issue a commercial
21 license in Region C in court if we were to
22 elect to award a commercial license in
23 Region C.

24 And MG&E is saying, although we

1 think that the likelihood of that suit
2 being successful is remote, there is always
3 an X factor and we would be reluctant to
4 put up 85 million-dollar nonrefundable
5 deposit with that variable still floating
6 around.

7 Therefore, they write: We,
8 therefore, request that if the Commission
9 determines that MG&E shall be awarded the
10 license, the Commission enter into an
11 agreement to award the license upon the
12 earlier of one, a final judicial
13 determination that the Commission has the
14 statutory authority to issue a license in
15 Region C; or, two, MG&E beginning
16 construction on this proposed facility.

17 I take that to mean they would want
18 us to wait until the final judicial
19 determination unless they changed their
20 mind and decide to go forward on their own
21 without that, in which case they would pay
22 the 85 million.

23 How that cuts, how that weighs, I
24 think we will mostly talk about tomorrow

1 but I just want to, first of all, make
2 sure, General Counsel Blue, that I've
3 characterized this accurately and if
4 anybody has any other questions about it.

5 MS. BLUE: No, that is a correct
6 characterization.

7 CHAIRMAN CROSBY: Okay. Any other
8 issues or questions?

9 COMMISSIONER ZUNIGA: I was going
10 to -- I was thinking of how that cuts. But
11 if you want to leave that conversation for
12 tomorrow, I will reserve my comments for
13 tomorrow.

14 CHAIRMAN CROSBY: I have some too,
15 but it starts to get into the substance of
16 the deliberation and we sort of made a good
17 effort to keep the clean break between
18 establishing the facts as best we can lay
19 them out there and, again, let's wait for
20 the deliberations tomorrow.

21 So we are about ready to adjourn.
22 The plan for tomorrow is that we will
23 convene at 10:00 public meeting number 189,
24 which will be a regular scheduled meeting

1 of the Commission to do a few unrelated
2 items unrelated to Region C. We don't
3 expect that will take more than a half
4 hour, so round and about 10:30 we will
5 reconvene public meeting 188, which is this
6 meeting.

7 We will start out by trying to make
8 sure that we have consensus ratings of the
9 five different categories, resolving any
10 issues if there are any, then see if we can
11 come to a conclusion on whether we have an
12 application which warrants an award; and if
13 so, considering all the factors in Region
14 C, including the tribal status, would we
15 want to make that award.

16 And our intention would be to make
17 that decision tomorrow. If we can't get to
18 that decision tomorrow, which would
19 ultimately be a formal majority vote of the
20 Commission, if we can't get to that by
21 tomorrow, we've also reserved the
22 possibility of a final meeting on Friday in
23 our offices in Boston if we need the time.

24 Anything else, anybody, Counsel?

1 MS. BLUE: We do have material
2 errors. We would appreciate the material
3 errors coming to us before the end of the
4 day today so we can work on them and
5 understand they may need some more time but
6 it would be far better for us to have them
7 by the end of the day, and then we'll take
8 those up first thing when we reconvene
9 meeting number 188.

10 CHAIRMAN CROSBY: So we will do
11 that. Any reported errors we will take up
12 first at about 10:30 tomorrow morning. Do
13 I have a motion to adjourn?

14 COMMISSIONER MACDONALD: So moved.

15 CHAIRMAN CROSBY: Second.

16 COMMISSIONER CAMERON: Second.

17 CHAIRMAN CROSBY: All in favor.

18 COMMISSIONER CAMERON: Aye.

19 COMMISSIONER MACDONALD: Aye.

20 COMMISSIONER ZUNIGA: Aye.

21 COMMISSIONER STEBBINS: Aye.

22 CHAIRMAN CROSBY: We are adjourned.

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(Meeting adjourned at 2:08 p.m.)

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GUEST SPEAKERS:

Rick Moore, City Point Partners

Scott Strusiner

MASSACHUSETTS GAMING STAFF:

Catherine Blue, General Counsel

John Ziemba, Ombudsman

Mark Vander Linden, Director of Research and
Responsible Gaming

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COMMONWEALTH OF MASSACHUSETTS

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

WITNESS MY HAND, this 2nd day of May, 2016.




Kristen M. Edwards