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THE COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #191

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Gayle Cameron

Lloyd Macdonald

Bruce W. Stebbins

Enrique Zuniga

May 12, 2016 10:00 a.m. - 2:40 p.m.

MASS MUTUAL CENTER

1277 Main Street

Springfield, Massachusetts

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

CHAIRMAN CROSBY: We are ready to call to order 191st public meeting of the Mass. Gaming Commission at the convention center in Springfield, Mass. This is May 12, 2016 at about 10:00 a.m.

The first item on the agenda as always is the approval of minutes, Commissioner Macdonald.

COMMISSIONER MACDONALD: Thank you, Mr. Chairman. I move that the minutes of the meeting of April 25, 2016 be approved subject to corrections, typographical errors or other nonmaterial matters.

COMMISSIONER CAMERON: Second.

CHAIRMAN CROSBY: Are you doing the other ones separately?

COMMISSIONER MACDONALD: I was going to, yes.

CHAIRMAN CROSBY: Any discussion about the minutes?

COMMISSIONER ZUNIGA: Yes. I have a question. This may be a typographical, but I

1 would like to raise it as a question and maybe
2 a discussion.

3 In the portion of the minutes where
4 at 1:42 p.m., it's on the third page when it
5 describes that Mr. Moore stated this extensive
6 mitigation and in many cases exceeds the
7 minimum standard. The word minimum here may be
8 the thing that may be asked whether that was in
9 fact the case. I think the mitigation package
10 exceeds the standards. And I don't know if
11 there's minimum standards if that's the way
12 MEPA views it. But I just figured I wanted to
13 discuss it.

14 CHAIRMAN CROSBY: It's a good point.
15 Ombudsman, do you want to speak to that? I
16 think that is the language that MEPA uses.

17 MR. ZIEMBA: Mr. Moore's testimony
18 is that in his view, if we're referring to the
19 same matter, in his view this package exceeded
20 mitigation in many other circumstances. I'm
21 not sure of the specific reference in the
22 transcript you're referring to, but he
23 specifically stated to my memory that this
24 package exceeded many other mitigation packages

1 in his memory.

2 COMMISSIONER ZUNIGA: Yes. And the
3 point is made in the summary of the discussion.
4 I think it accurately reflects it. I was just
5 struck by the word minimum. If there is such a
6 thing as optimal standards and I kind of doubt
7 it. I don't know if that's the way MEPA views
8 the standards.

9 MS. BLUE: I think that was Mr.
10 Moore's characterization more than a MEPA
11 characterization of it, yes.

12 CHAIRMAN CROSBY: MEPA doesn't have
13 minimum and maximum. MEPA just has standards,
14 which are therefore ipso facto sort of the
15 minimum. It sounds like this is denigrating
16 the degree of mitigation.

17 COMMISSIONER ZUNIGA: Yes, that was
18 my point.

19 MS. BLUE: His point was we added
20 things to the Section 61s in addition to what
21 was required by MEPA. I think that that was
22 what he was trying to say and perhaps maybe not
23 the most artful way.

24 CHAIRMAN CROSBY: It's just the word

1 minimum. Just delete the word minimum.

2 COMMISSIONER ZUNIGA: I would
3 suggest to delete the word minimum.

4 COMMISSIONER MACDONALD: I will
5 amend the motion to include that the minutes of
6 the meeting of April 25, 2016 be approved but
7 as amended to delete the reference at 1:42 p.m.
8 to the word minimum as it relates to the
9 standard that MEPA would require and subject as
10 well to corrections, typographical errors and
11 other nonmaterial matters.

12 CHAIRMAN CROSBY: Any further
13 discussion? All in favor, aye.

14 COMMISSIONER MACDONALD: Aye.

15 COMMISSIONER CAMERON: Aye.

16 COMMISSIONER ZUNIGA: Aye.

17 COMMISSIONER STEBBINS: Aye.

18 CHAIRMAN CROSBY: Opposed? The ayes
19 have it unanimously. That reminds me, I've
20 been meaning to ask, every once in a while I
21 come across a mis-transcription in the archives
22 in the transcripts. Who do I send that to?

23 MS. BLUE: You're talking about an
24 actual mistake in the transcripts themselves as

1 opposed to the minutes?

2 CHAIRMAN CROSBY: Yes, in the
3 transcript itself where the transcriber just
4 misconstrued a word that was spoken.

5 MS. BLUE: You can send it to us.
6 We don't re-read all of the transcripts on a
7 daily basis to correct them. If you find
8 something that's material and you'd like us to
9 change, just send it to us.

10 CHAIRMAN CROSBY: I don't read them
11 routinely either, but obviously there are
12 occasional mistakes that happen. I picked one
13 up that I would like to check. I'll send that
14 to you. Okay.

15 COMMISSIONER MACDONALD: As to the
16 minutes of April 28, 2016, I move they be
17 approved subject as well to corrections,
18 typographical errors and other nonmaterial
19 matters.

20 CHAIRMAN CROSBY: Second?

21 COMMISSIONER STEBBINS: Second.

22 CHAIRMAN CROSBY: Discussion? All
23 in favor, aye.

24 COMMISSIONER MACDONALD: Aye.

1 COMMISSIONER CAMERON: Aye.

2 COMMISSIONER ZUNIGA: Aye.

3 COMMISSIONER STEBBINS: Aye.

4 CHAIRMAN CROSBY: Opposed? The ayes
5 have it unanimously. Next up is Director
6 Griffin.

7 MS. GRIFFIN: Good morning. I am
8 here to update you on the Massachusetts Gaming
9 Commission's grants to enhance supplier
10 diversity in the gaming industry. And I'm
11 going to of course invite Commissioner Stebbins
12 to jump in as he was involved in the process as
13 well.

14 The Gaming Commission has awarded or
15 will award \$100,000 in grants to six recipients
16 statewide as part of the diversity goal and
17 business technical assistance grant program.
18 The Commission recently developed and approved
19 this grant program to optimize the outcomes for
20 the diversity goals outlined in Chapter 23K
21 related to diversity contracting goals of the
22 casino developers.

23 As you are well aware, the Expanded
24 Gaming Law requires that each casino set their

1 own diversity goals for the utilization of
2 minority-, woman- and veteran-owned businesses
3 as part of the design, construction and
4 operations of the casino.

5 So, the Commission recently
6 requested grant applications to consider
7 funding nonprofits, public or quasi-public
8 organizations through this grant program. The
9 goals of the program included helping diverse
10 firms succeed in the casino markets for goods
11 and services and as subcontractors to prime
12 contractors during construction.

13 Through the selection process, the
14 Commission identified six recipients through a
15 competitive process opened to proven or
16 promising programs, partnerships or
17 initiatives.

18 And I am pleased to indicate that we
19 have selected two recipients in Western
20 Massachusetts. The Springfield Regional
21 Chamber will receive \$10,000. They have
22 partnered with the Black Leadership Alliance
23 and the Latino Chamber of Commerce to offer
24 small business technical assistance and

1 diversity certification workshops.

2 Here with me today, I have members
3 from the Association of Black Business
4 Professionals of Springfield who will receive
5 \$20,000. They have partnered with a number of
6 organizations in a truly collaborative effort.

7 And they're going to talk a little
8 bit more in a minute about their initiative.
9 But I just wanted to give you an overview that
10 in Eastern Mass., the Hispanic American
11 Institute has partnered with the Chelsea
12 Chamber of Commerce and another nonprofit
13 Social Capital, Inc.

14 And they will focus on information
15 dissemination and outreach to targeted
16 businesses in Everett, Chelsea, Boston and the
17 surrounding communities, their media community
18 web portals and outreach to businesses offering
19 technical assistance and also focusing on
20 minority business certification and increasing
21 those numbers.

22 We have recommended three
23 organizations that focus statewide, the Center
24 for Women and Enterprise will be awarded

1 \$15,000 for the creation of a prerecorded video
2 workshop explaining the casino procurement
3 process. The video will include information
4 about supplier needs, diversity and
5 certification in general, and will be something
6 that we can provide a link on our website as
7 well as theirs and the casinos should they
8 wish.

9 The Greater New England Minority
10 Supplier Development Council will also receive
11 an award of \$20,000 to support the
12 identification of qualified businesses as
13 suppliers to casinos and the creation of a
14 database of potential MBEs for operational
15 casino phase.

16 CHAIRMAN CROSBY: That database
17 doesn't exist?

18 MS. GRIFFIN: There are a number of
19 general databases of minority businesses. This
20 will be a database that is categorized by the
21 casino's needs. And they will be looking far
22 and wide in order to be able to be inclusive.

23 Additionally, the Supplier Diversity
24 Office of the Commonwealth of Massachusetts

1 will receive \$20,000 to develop, implement and
2 support an expanded certification program for
3 veteran-owned businesses. As you know, the
4 Governor recently announced an expansion of
5 certification of service disabled veteran-owned
6 businesses and an intention to ultimately be
7 able to certify veteran-owned businesses. So,
8 this will help the casinos tremendously.

9 Unless you have any questions, I'd
10 love to turn it over to our guests to highlight
11 their program.

12 COMMISSIONER ZUNIGA: I do have
13 questions, but I'd rather hear from our guests
14 first because I have a question about the
15 statewide.

16 MS. GRIFFIN: Okay. So, I will
17 introduce to my immediate right Richard
18 Griffin, Jr., no relation --

19 MR. GRIFFIN: You don't know that.

20 MS. GRIFFIN: Maybe, to my knowledge
21 -- from the Springfield Office of Planning and
22 Economic Development. And to his right Robert
23 Jones from the Association of Black Business
24 and Professionals. They are joined by

1 Shayvonne Plummer also from the Springfield
2 Office of Planning and Economic Development.

3 CHAIRMAN CROSBY: Welcome.

4 MR. JONES: Good morning,
5 Commissioners. As a representative of the
6 Association of Black Business and
7 Professionals, we are excited to work in
8 collaboration with the city of Springfield and
9 the regional Chamber of Commerce in welcoming
10 Interise. I don't know if you're familiar with
11 that program.

12 They help minority-, veteran-,
13 woman-owned small businesses, community-based
14 small businesses in Springfield. This is their
15 first foray into Western Mass. They tend to
16 focus on economically struggling communities.
17 They're in Lawrence for example. I think they
18 may be in Lynn, Mass. They work in Boston.
19 They're in New York City, certain boroughs of
20 New York City. They're in Houston. They are
21 all over the country.

22 Basically, what it is they look at
23 the established businesses, small businesses,
24 minority businesses in these economically

1 depressed areas that have been around for three
2 to five years. Their criteria is also they
3 want revenues being generated anywhere from
4 \$250,000 and \$10 million. This isn't really
5 for startup businesses. This is for
6 established business that kind of need a lift
7 and ballast to their business plan.

8 So, it's kind of like an accelerated
9 MBA, if you will, helping these business owners
10 look at their cost-benefit analysis, their
11 profit and loss ratio, marketing, product
12 knowledge, etc., etc. because a lot of folks,
13 they want to get into business because they
14 have an idea, but they don't necessarily know
15 how to operate a business. It takes more than
16 just an idea.

17 And Interise has had some success.
18 And they chronicle those successes with their
19 statistics. So, they record and dialogue every
20 success and every failure, if there are any,
21 along the way because they take that data, roll
22 it up and that's kind of look at how are we
23 going to tweak a program.

24 So, like I mentioned before, in

1 collaboration with the regional Chamber of
2 Commerce, the city of Springfield, we are
3 looking to bring this program into the city of
4 Springfield to help these small community-based
5 businesses.

6 MR. GRIFFIN: Good morning. The
7 city of Springfield is really excited about
8 this idea within Interise. One of the main
9 reasons is because it really helps these
10 businesses that do business with the anchor
11 institutions.

12 MGM we know is going to be one of
13 the major institutions, a major anchor
14 institution that's going to be here. So, it's
15 about five- to six-month program where these
16 businesses can scale up and they'll be prepared
17 to deal with the gaming institutions, not just
18 in Springfield but across Massachusetts.

19 The other part about it that we're
20 very excited about is that usually when they
21 work with a business, they add about two to
22 three jobs per business. And the average
23 salary is about \$60,000 per job. So, the job
24 adding aspect, everything is tracked. They

1 have statistics on everything.

2 And they follow these businesses for
3 three years. We really think it's going to
4 benefit MGM and the gaming institutions and the
5 businesses and for the unemployment rate here
6 in the city of Springfield.

7 MR. JONES: In addition to what
8 Richard Griffin had mentioned, the average
9 income for a household in Springfield is around
10 \$28,000 --

11 MR. GRIFFIN: -- in the economic
12 depressed areas.

13 MR. JONES: -- in the economic
14 depressed area. So, the fact that Interise is
15 able on average to add two or three jobs with a
16 salary of around \$60,000 is a significant boost
17 to the community and the community-based
18 economics.

19 CHAIRMAN CROSBY: Great. Questions?
20 Mr. Griffin, I assume that metric you talk
21 about, we'll be able to see that?

22 MR. GRIFFIN: Yes.

23 CHAIRMAN CROSBY: Because that will
24 be really interesting. Jill you're going to

1 make sure that that's really useful data,
2 however it works out. Great.

3 COMMISSIONER ZUNIGA: Do you have a
4 sense as to how many businesses may be part of
5 what you were describing as the target?

6 MR. GRIFFIN: For the first cohort,
7 we are looking at 15 businesses. Like I said,
8 each cohort is about five or six months. So,
9 we're going to try to do two cohorts in one
10 year.

11 And then if we can get more that
12 will be great, but they do have to go through a
13 selection process. These are established
14 businesses. They are not startups, about a
15 three-year track record. So, they are scaling
16 them up.

17 So, their business plan or the
18 businesses that they're going to start doing
19 their study, they're studying their only
20 business. They're not studying GE. They're
21 not studying another companies. They are
22 studying their own business plans.

23 So, they're looking at their
24 business. Do I have the right people in place?

1 Do I need to lose somebody and then gain some
2 other people? Or maybe they're in the wrong
3 job description. Because this my brother I
4 have him doing this but maybe he's not the
5 right person in marketing or sales. So, it's
6 about 15 businesses.

7 COMMISSIONER ZUNIGA: Without
8 getting into any specifics necessarily, there's
9 an assumption that some of those may be good
10 targets for the casino industry?

11 MR. GRIFFIN: Yes, definitely. We
12 are working with Chelan Brown from MGM to try
13 to identify businesses that fit the criteria
14 for the program. They do specialize in working
15 with minority-, woman-owned businesses and
16 veteran-owned businesses. So, we are really
17 taking a target with the regional Chamber of
18 Commerce as well. They have a woman Chamber of
19 Commerce that falls underneath them.

20 So, we are trying to work anything
21 that supports the major institutions,
22 especially MGM. But we're also looking at the
23 hospitals and colleges as well.

24 CHAIRMAN CROSBY: Do you know

1 offhand of any businesses that might be in that
2 cohort that do do the kind of service delivery
3 for the product that MGM could use?

4 MR. GRIFFIN: Right now, we haven't
5 chosen. We are still working out our contract
6 with Interise. Then we are going to go through
7 the selection process of advertising and
8 putting out there some type of business. But
9 we're going to also target businesses that
10 we're going to go after to try to join it.
11 That's why we thought Chelan would be great
12 because she's always been dealing with
13 businesses that could fall into that criteria.

14 CHAIRMAN CROSBY: Great.

15 MS. GRIFFIN: And I'll mention
16 Chelan has been very excited about this
17 program.

18 CHAIRMAN CROSBY: Anything else?

19 COMMISSIONER CAMERON: Good luck.

20 COMMISSIONER ZUNIGA: Thank you. I
21 did have a question on another topic. I think
22 as I see the mix of grants here, I would
23 characterize them as local and regional
24 nonprofits like our guests that could leverage

1 a lot what's happening and make those
2 connections as were being described here.

3 I have questions about a statewide
4 state agency. Even though the amounts of
5 grants are very modest, the Supplier Diversity
6 Office that's their mission. Their mission is
7 to certify businesses.

8 And the notion that they will do
9 something on an expedited fashion because they
10 are receiving some grants makes me wonder about
11 the efficacy of those dollars or if there is on
12 that side a duty or system in which in order
13 for us to be efficient across state agencies we
14 need to be the recipients of grants.

15 So, I have a bit of a discomfort on
16 the principle of funding a state agency to do
17 what's really part of their mission.

18 By the way, I say this in parallel
19 with we are currently -- there is this question
20 about an indirect cost that we have to assess
21 our licensees. That is very unclear what that
22 really has to pay for.

23 I would argue maybe this is the sort
24 of thing that the indirect cost that we're

1 being assessed to should pay for. If there's
2 increased activity because of the casinos, we
3 are already effectively paying for that.

4 I know that's not necessarily a
5 question to you this notion of indirect. But I
6 just wanted to put it out there because I see
7 that the mix of grant recipients here very
8 different, one in which local nonprofits are
9 worthy of trying to support them in some way
10 but state agencies I put in a different
11 category.

12 COMMISSIONER STEBBINS: It's a good
13 point that you raise. And I think Jill and I
14 were somewhat surprised. We've had numerous
15 conversations with the Supplier Diversity
16 Office looking at how they are hoping to expand
17 the current services. Obviously, the
18 administration's efforts are tied into that.

19 Where they're hoping to focus on
20 veterans I think has been -- we found the
21 resources out there lacking. I'm hoping this
22 is getting to your question or the point.
23 Veteran certification, we've talked about this
24 a lot. There's no infrastructure to do it to

1 the level that we know minority- and woman-
2 owned businesses can get certified.

3 We have generally accepted some of
4 these DD214, their discharge information as a
5 way for them to claim that they're a veteran.
6 But when SDO approached us and said we want to
7 try to also do veteran certification -- to the
8 degree that when they examine a business and
9 looking at the management infrastructure,
10 they're finding out if the principle of the
11 company is really that engaged in the day-to-
12 day operation. Because in the back of our mind
13 we've talked about this with veteran's
14 representatives, it's mud on everybody's face
15 if somebody claims to be a veteran-owned
16 business and turns out not to be.

17 I think what SDO put forward, and
18 again, I agree with you. It's somewhat of an
19 unusual arrangement. This would probably be
20 something we could even conclude through an ISA
21 with another state agency, but trying to find a
22 way for them to delve a little more deeper into
23 veteran certification, if ultimately that's
24 where their organization goes. But to help us

1 make sure that we really are getting veteran-
2 owned and operated businesses through the
3 certification process.

4 It's not a lot of money. I think
5 you pointed that out. I think it's an
6 opportunity that we can use with them to get to
7 the goals of certifying veteran-owned
8 businesses on top of the work they already do
9 with woman- and minority-owned businesses.

10 COMMISSIONER ZUNIGA: I understand
11 the point. I understand the goal. I'm
12 questioning that that is their mission. That
13 is what they get appropriations. I would argue
14 that a lot of what we're doing in terms of the
15 indirect costs pays for that and every other
16 state agency, not just the Supplier Diversity
17 Office, but I've made my point.

18 CHAIRMAN CROSBY: I think the
19 overhead issue is sort of arcane amongst us,
20 but the issue just of paying an agency to do
21 something which is within its own mandate is an
22 interesting question.

23 I think it's becoming pretty
24 commonplace. Just yesterday I was at an event

1 where money was raised to give to the
2 Department of DCR, Department of Conservation
3 and Recreation in order to maintain the trees
4 in the Emerald Necklace.

5 Their job is to maintain the trees
6 in the Emerald Necklace, but they don't have
7 enough money to do it properly. So, private
8 money is added to it which is somewhat similar.

9 I think it's definitely worth
10 keeping an eye on. It raises -- You certainly
11 don't want to set up a situation where someone
12 can come in from the outside and pay an agency
13 to serve them better than they serve everybody
14 else --

15 COMMISSIONER ZUNIGA: -- which is
16 part of my point too.

17 CHAIRMAN CROSBY: So, it's a
18 legitimate concern. I think it's worth keeping
19 an eye on. Commissioner Stebbins makes clear
20 that this was really to do something which is
21 kind of outside its gambit. It doesn't have
22 the infrastructure to do yet, like DCR doesn't
23 have the money to take care of the trees.

24 But I think it's a legitimate point

1 that we should keep an eye on.

2 MS. GRIFFIN: Right. I certainly
3 hear your concerns and especially understand
4 the indirect cost issue. I would just add to
5 the conversation that this has been a challenge
6 for our licensees in terms of meeting and
7 finding veteran-owned businesses. So, this is
8 something that we deemed a priority in this
9 grant period. Since this is an expansion of
10 their responsibilities, we thought it would be
11 beneficial to all the licensees to focus on
12 this. So, I certainly hear your concerns.

13 COMMISSIONER ZUNIGA: And I
14 understand that. I'll leave it at we'd be very
15 interested in seeing the metrics that could
16 come back from what kind evolution the veteran
17 certification has had, maybe not necessary as a
18 result of this grant, because it's, as I said,
19 very modest but for us to tell the story of
20 what has evolved maybe as a result of your
21 efforts, personal efforts, our discussions, the
22 licensees pull and push, etc.

23 MS. GRIFFIN: I look forward to
24 coming back with great results.

1 COMMISSIONER ZUNIGA: Thank you.

2 CHAIRMAN CROSBY: Anything else for
3 Director Griffin? Thank you folks I appreciate
4 you coming in. Good luck. Next up is item for
5 Ombudsman Ziemba.

6 MR. ZIEMBA: Mr. Chairman and
7 Commissioners, I ask that we reverse the order
8 of the MGM Springfield items up for
9 consideration today. I recommend that MGM
10 first provide an update on the design of its
11 facility. After the presentation and any
12 questions from the Commission, I recommend that
13 the Commission consider a motion further
14 approving the design of the MGM Springfield
15 facility. After that MGM could provide its
16 quarterly report.

17 CHAIRMAN CROSBY: Fine with us.

18 MR. ZIEMBA: In regard to MGM's
19 design, as you are aware on December 17, 2015
20 the Commission approved the Massachusetts
21 Environmental Policy Act Section 61 Findings
22 for the MGM Springfield project.

23 At that time it was noted that an
24 approval of the Section 61s when it would in

1 effect be an approval of the major and
2 fundamental elements of MGM's proposed
3 redesign. That initial approval in December
4 followed a thorough review of the proposed
5 redesign that involved numerous presentations
6 before the Commission, a hearing out here in
7 Springfield and an extensive comment period.

8 After the Commission's December 2015
9 approval, MGM sought and received site plan
10 approval from the Springfield city council.
11 During that process, MGM made a number of
12 changes to the design in the facility to
13 address local concerns and to further improve
14 the design.

15 In January, MGM presented some of
16 those changes to the Commission. For some
17 examples, MGM developed a plan for a new iconic
18 sign on its proposed garage and made a number
19 of roadway and parking improvements after
20 consultation with abutting property owners.
21 MGM will describe these changes in its
22 presentation. MGM will also note a few
23 elements of its design that remain under
24 discussion.

1 Following the design presentation,
2 Counsel Blue and I can describe the proposed
3 motion up for your consideration. With that as
4 a background, I ask Jed Nosal, outside counsel
5 from Brown Rudnick for MGM Springfield, Mike
6 Mathis President of MGM Springfield, Brian
7 Packer MGM Vice President of Construction and
8 Seth Stratton, MGM Springfield General Counsel
9 to begin their presentation.

10 MR. NOSAL: Good morning, members of
11 the Commission and Chairman Crosby. As John
12 said, if we can go to the next slide, he
13 highlighted some of the regulatory history of
14 the path that's led us here today. Overall,
15 this chart demonstrates the significant level
16 of review and number of approvals the project
17 design has received since proposing the
18 changes.

19 CHAIRMAN CROSBY: Jed, excuse me.
20 Are we going to get the slides on this monitor?
21 Okay, sorry.

22 MR. NOSAL: No problem at all. So,
23 really just takes us from where we first
24 presented the design changes to the Commission

1 to the present date, again highlighting all the
2 work certainly that's occurred since then.

3 And the various approvals including
4 MEPA and in the context of the Section 61.
5 Throughout these processes, the Commission has
6 left no issue unaddressed. And what this
7 chronology doesn't show is the significant back
8 and forth that we've had with the staff and its
9 consultants regarding very particular details
10 of the design as it's moved through this
11 process.

12 So, that brings us here today to ask
13 the Commission to approve the final design and
14 site plan as approved by the city council on
15 February 22, 2016. With that I'll turn it over
16 to Mike Mathis in support of that to present a
17 brief overview and answer questions that the
18 Commission may have.

19 MR. MATHIS: Thanks, Jed. Good
20 morning, welcome to Springfield on a beautiful
21 New England day. I've been waiting a long time
22 for this day.

23 CHAIRMAN CROSBY: You've heard about
24 these, right?

1 MR. MATHIS: That's right. Worse
2 than that I advertised it to my family before I
3 moved them out here. So, I'm delivering on
4 yet another commitment previously made.

5 Just want to remind you -- No,
6 sorry. A couple of opening comments. One is
7 the matter you just had before you providing
8 the diversity grants to a couple of our local
9 agencies, I just want to commend the Commission
10 for doing that and for the organizations you
11 chose.

12 The Springfield regional chamber has
13 been a great partner of ours. We continue to
14 work with them on finding both construction
15 vendors and operational vendors, many of whom
16 are right here in Western Mass. and provide a
17 national scope. And Brian has met with a few
18 of them.

19 So, ironically, some of them are
20 already working with our other resorts
21 unbeknownst to us. So, there's tremendous
22 resources here but it's also resources that we
23 have to develop with these grants.

24 And then in the form of Rich Griffin

1 and his wife Nicole Griffin, they're one of the
2 first couples I met personally here in
3 Springfield. And they're doing so much for the
4 community.

5 Rich, as you know, is working on
6 this Black Business Professionals Association
7 to develop companies with minority backgrounds
8 to support our business. And his wife Nicole
9 is working on the workforce development side
10 with a women-owned agency. I know Bruce is
11 aware of Nicole's work. But tremendous couple,
12 and they're doing a lot here in Springfield. I
13 just wanted to commend you on those grants.

14 Then the other comment I want to
15 make, I saw a week and a half, two weeks ago
16 your deliberation in Region C. We are somewhat
17 insulated out here in Western Mass. from that
18 decision. So, I was able to sort of watch it
19 truly as a spectator. And I was just taken by
20 how thoughtful that deliberation was and wanted
21 to commend this group.

22 Commissioner Macdonald, considering
23 it was your first deliberation in this context,
24 I think you are doing for Commissioner

1 McHugh's, the spirit of his great work is
2 preserved in you. So, really just wanted to
3 commend you. I was really impressed by that
4 deliberation.

5 CHAIRMAN CROSBY: Thank you.

6 COMMISSIONER MACDONALD: Thank you.

7 MR. MATHIS: With that, I wanted to
8 remind you of the major elements of our
9 project. This is a \$950 million development.
10 We have an update on some of our financials
11 with respect to where we are in our development
12 budget.

13 But that makes it by far the largest
14 private development project in Western Mass.,
15 and puts it on the list of largest developments
16 in the entirety of the Commonwealth, which
17 frankly for too long has been centralized in
18 the Boston/Cambridge area. So, we are really
19 proud to be part of such a transformative
20 project.

21 This is \$1 billion -- represents \$1
22 billion of payments to the city of Springfield
23 over our 40-year host community agreement,
24 which is a significant investment. And we

1 think provides a lot of resources to the city
2 to work on infrastructure which has been in the
3 paper the last couple of days, and different
4 things that will be important to the city's
5 developmental along with our project.

6 2000 construction workers which
7 Brian is going to touch on. We expect
8 approximately 3000 operational jobs and \$50
9 million of local and regional spend annually.
10 Again, we're in conversations with regional
11 chambers about making sure that we're able to
12 concentrate that spend here locally.

13 You've seen a lot of this design
14 materials, so I'll go through it quickly. If
15 anybody has any questions and wants to slow me
16 down, please feel free to do so, including
17 Commissioner Macdonald because I know you
18 haven't has as much time with it as others.
19 We've given these updates to you in various
20 forms including copies of what we've done for
21 the city of Springfield as part of the approval
22 we received from the city council back in
23 February.

24 Just an orientation map to give you

1 some context on what the following perspectives
2 are. So, this is the Main Street view looking
3 up Main Street to the north. In the forefront,
4 you've got our new hotel component, which is
5 252 keys at this point, right Brian -- 252 keys
6 and right on Main Street.

7 It's a six-level building. We think
8 it's going to energize Main Street. That's
9 some of the feedback we got from people that
10 are on the other side of Main Street and are
11 excited about this new design. Again, I liken
12 it to the Hotel Commonwealths of the world and
13 15 Beacon. It's a luxury product that is on a
14 street scale, pedestrian scale. And you can
15 have luxury that is not necessarily in a large
16 high-rise tower.

17 This is a closer view of that same
18 perspective. And if you look at that ocular
19 piece that's in the center of the rendering,
20 that's a 900 square foot what we're calling a
21 presidential suite, but it's going to be one of
22 the finest luxury products in this entire
23 region.

24 Very excited about the level of

1 finishes. Brian and I just came back from Las
2 Vegas where we met with our interior designers.
3 And we are starting to work on the interior
4 design of it. And it's going to be phenomenal.
5 We'll come back and you an update when
6 appropriate but it's proceeding very nicely.

7 This is our outdoor plaza. It
8 doesn't have some of the detail that you've
9 come to expect from our renderings. It's
10 because it is meant to show you sort of the
11 scale of it. But we will provide you further
12 detail as we develop our project.

13 One of the things I note here is the
14 plaza, which is an important part of our design
15 in terms of where we are in the design process,
16 we're working on infrastructure to make sure
17 that we've got power for example identified in
18 this plaza so that we can have food trucks and
19 pop-up retail, some of the activation that
20 Commissioner Macdonald asked us about back in
21 Boston.

22 So, we are working on the outdoor
23 plaza piece. And we're working to put heat
24 lamps and gas for fire and those types to

1 things. That's sort of the context of this is
2 where you'll see further detail as we progress
3 that design.

4 That's just another perspective
5 where you see to the right our outdoor -- our
6 second-floor outdoor plaza space that is
7 adjacent to our convention space. So, that's
8 going to be a really phenomenal space that I
9 think we'll sell to convention groups that can
10 overlook the plaza. We can sell to wedding
11 groups for example to host events up there.
12 You can see the umbrellas.

13 So, there's activation both on the
14 ground level as well as on the second-floor.
15 This is going to be a very exciting space.
16 Again, sort of a streetscape level activation
17 of that space with the casino to the right, and
18 then the movie theater and Taps Sporting Bar to
19 the left.

20 This is looking to the east on the
21 other side of our hotel component. As you can
22 see the differing façades represents the
23 flipside of what you would see on Main Street.
24 That's sort of makes this component of the

1 project really unique is we are matching the
2 streetscapes on the other side of Main Street.
3 While there will be a single product behind it,
4 you'll get a sense that we really combined four
5 or five different buildings to create this
6 structure.

7 The pool deck, we're looking at
8 those suites that you see with fences that abut
9 the pool deck. Those will be an incredible
10 product. In general, we think we can command
11 \$50 to \$75 premium on those on the pool suites.
12 On the other side of that wall which is the
13 spat will be something like our garden suites,
14 the same idea. Outdoor space which is really
15 unique in this market.

16 That is our outdoor plaza. And you
17 can see, we've got the ornamental -- what do
18 you call those?

19 MR. PACKER: Trusses.

20 MR. MATHIS: Thank you. We've got
21 the ornamental trusses that are on top of the
22 plaza. In the summers, it will be a farmers
23 market which is sort depicted here. And in the
24 winters that will house our skating rink. You

1 can see some retail shown behind it as well.

2 Above it --

3 CHAIRMAN CROSBY: Excuse me, Mike.

4 I think I asked this before, is it built to
5 carry like a canvas tarp if you wanted to? Is
6 that an option that would be on the table?

7 MR. PACKER: A couple of things
8 we're looking at structurally is to do exactly
9 what you just described. Also, is there any
10 chance to work in AV equipment, speakers,
11 lighting, can we have that flexibility?
12 Structurally, maybe one can handle more than
13 some of the others. But we are looking into
14 those options.

15 CHAIRMAN CROSBY: I have no idea,
16 obviously, what the extra cost is to make it
17 capable of handling that but I can imagine that
18 in this off seasons when the weather isn't
19 quite right, you can maximize the utilization
20 of that space if you could cover it.

21 MR. MATHIS: We are looking at that.
22 That is a question we have asked internally.
23 And some of the things that the engineers will
24 tell you is what makes it difficult not

1 impossible are the wind loads, the rain loads.
2 It's more difficult than it looks.

3 But it's something I agree with you
4 that provides some opportunities that we could
5 bring tarps down even on the sides and enclose
6 that space depending on the harsh weather
7 conditions. So, we'll continue to look at
8 that.

9 This is a great perspective because
10 it's a reality, as you know. We'll show you
11 some images from our church relocation. But
12 this looking from Union back into the project.
13 You're looking at the back of the Armory and
14 you're seeing that plaza space. So, that
15 church now is in the location shown on the
16 rendering, which it wasn't three weeks ago.
17 It's pretty neat.

18 This is our food market Southend
19 market image. You are looking up State Street.
20 Again, one of the great things about this
21 rendering to remind you is the façade with the
22 four columns is part of an existing building.
23 We're going to do what I understand is called a
24 façadectomy. You have some of those in Boston.

1 And Brian is now working on the
2 engineering to support the rest of the building
3 while we demolish it and leave that façade in
4 place. And then we're going to re-create the
5 other side of that building on the outside of
6 the Southend market. So, the appearance is
7 that we literally drop Southend market into an
8 existing building which is pretty neat.

9 This is an important perspective
10 because it shows the Starbucks on State Street
11 facing the courthouse. I think this is
12 important to show the amenities that we're
13 providing to the downtown business community.

14 We think there's going to be a lot
15 of business that we'll get during the day.
16 Maybe off-peak tourism hours that will be for
17 the lawyers and different professionals that
18 work in the downtown corridor. We joke around
19 about how many plea deals are going to be made
20 in that courtyard throughout the justice
21 system. It's an important space I think for
22 the community.

23 This is our garage. And you can see
24 just a sense of how we might clad it with

1 different promotional materials for existing
2 businesses as well as retailers. You can see
3 our sign in the background.

4 The sign you recall we talked about
5 our inspiration for it. Really it's paying
6 homage to really what's a uniquely New England
7 feature, which are some of these iconic signs.
8 I think Public Market is out in Seattle. But
9 the sense of these large neon lettered signs.
10 You can see our latest rendering of it.

11 Brian is out in the market talking
12 to engineers and designers about some of the
13 specifications around it, including this
14 lighting that we want to look at on the two
15 columns that support the sign to give it more
16 visibility. But that's going to be an
17 incredibly prominent sign because you are right
18 on the viaduct and it will be above the garage
19 and very prominent.

20 CHAIRMAN CROSBY: Mike, you just
21 reminded me of something. Have you got any
22 information on the status of the viaduct
23 apropos of its schedule?

24 MR. MATHIS: Yes, we do. Brian do

1 you want to touch of that?

2 MR. PACKER: On exactly where they
3 are landing on their current schedule versus
4 proposed we can't speak to. I can speak to
5 that we've started going to meetings with
6 MassDOT once every two weeks to be able to
7 coordinate certain things related to their
8 schedule.

9 So, if we're going to have a large
10 amount of truck deliveries, we want to make
11 sure that it's safe for the pre-cast concrete.
12 When it comes down the highway, it can fit
13 through the Jersey barriers or some of the
14 safety concerns that we may have to coordinate.

15 We currently have folks in those
16 meetings. Obviously, it was a light winter
17 So, we anticipate and just from what we see out
18 there, the coordination, the impact on traffic
19 seems to be going well. Exactly where they
20 are, I can't speak to.

21 CHAIRMAN CROSBY: But the way you
22 ended up is you have several months, like five
23 months slip time between their projected hoped-
24 for conclusion and your opening. So, you're

1 protected to some extent by a slip time.

2 MR. PACKER: I think that might have
3 been on their last projection, correct.
4 However, their contract date, I think we have a
5 30-day slip time.

6 CHAIRMAN CROSBY: Right. They had a
7 hope for date and a must date.

8 COMMISSIONER ZUNIGA: Remember the
9 last phase of that project is the paving, which
10 cannot occur during winter. So, if they don't
11 do it by whenever it was September or October,
12 it flips all the way to March or April. It
13 remains to be seen how that progresses.

14 CHAIRMAN CROSBY: I'm sure we don't
15 have to advise to make sure they're on
16 schedule.

17 MR. MATHIS: No. I will just
18 anecdotally as someone that rides those roads
19 and hears the feedback both for our own
20 construction project and for the viaduct,
21 people have been pleasantly surprised about how
22 we've managed both in terms the traffic.

23 There is some congestion certainly,
24 but we try to make sure that our work isn't

1 going on during a particular critical period of
2 their work. And I commend them on the way
3 they've managed it and gotten people through
4 that tight corridor.

5 CHAIRMAN CROSBY: Good.

6 MR. MATHIS: This is our finishes
7 schedule, material schedule. I think the point
8 of this document is it allowed us to make
9 commitments and sort of allay some of the
10 concerns that certainly the city council had
11 and your staff had about what level of design
12 are we at and how can you get comfortable that
13 notwithstanding the fact that we're not at the
14 point where we can identify certain materials
15 that we at least agree on the standard of those
16 materials. So, this a representative pallet of
17 what Brian and our designers have committed to
18 give you a sense of where the final product
19 will land.

20 And then I just want to give you an
21 update on a couple of pending items which I
22 understand are going to be excluded from what
23 will be proposed as the approval for today. As
24 you know, we have an offsite market rate

1 residential commitment that we've. We are in
2 discussions with the city and believe we will
3 be in a position in the next 30 to 45 days to
4 provide a specific plan around that residential
5 program.

6 We're at a point now where we are
7 talking with a few different parties. So, I'm
8 unable to give you specific details about which
9 particular components we are looking at, but
10 just from a timing standpoint, I think we'll be
11 in a position over the summer to tell you where
12 we are at and we'll come hand-in-hand with the
13 city and their support for the plan.

14 CHAIRMAN CROSBY: Their February
15 22nd approval there was also a housing
16 condition. What are the terms of the housing
17 condition in your agreement with the city?

18 MR. STRATTON: Basically, what we
19 did and I'll touch on some of the other aspects
20 of the host community agreement amendment.
21 What we did in our February approval from the
22 city is we amended our host community agreement
23 to reflect our new design.

24 And one of the key aspects of that

1 was changing the discussion of the residential
2 from being on-site to no less than 54 market-
3 rate units within a half mile of the project in
4 downtown Springfield, roughly half of which
5 need to be built 18 months from the approval.

6 So, we are right now at the 18-month
7 timeline to do the first crunch of residential
8 units if we don't do them altogether. So, the
9 city wanted to see some of those come online
10 sooner and we agreed to that.

11 Essentially, it gives flexibility --
12 Sorry, one other aspect of that an important
13 aspect is that it's units that would be either
14 owned, operated or branded by MGM within a half
15 mile of the project.

16 So, that's the currently language
17 within the HCA. We continue our discussion
18 with the city around our plans. And they have
19 a lot of input and desire to collaborate with
20 us making sure that they're on the same page
21 with us and the ultimate product that comes out
22 of that.

23 CHAIRMAN CROSBY: Is there a
24 financial element of that? At one point, the

1 units had a cost associated with them and were
2 a part of your total budget. I guess that's
3 still the case albeit a smaller piece. Does
4 the city have a financial threshold as part of
5 the deal as well?

6 MR. STRATTON: No.

7 CHAIRMAN CROSBY: So, the threshold
8 is own, operate or brand but not necessarily
9 there's no financial terms in that agreement.

10 MR. STRATTON: But there is and I'll
11 actually point to it on a slide later, but
12 there's some language around quality standards.
13 So, it's market-rate upper scale urban. So,
14 we're looking at a certain level of
15 residential. So, the city is going to hold us
16 to that promise in terms of the quality and
17 character.

18 CHAIRMAN CROSBY: Within the 950,
19 the residential housing component is what more
20 or less?

21 MR. MATHIS: It represents about \$10
22 million of our budget.

23 CHAIRMAN CROSBY: In the 950, it's
24 10 million?

1 MR. MATHIS: That's right, yes. One
2 of the reasons I think the city got away from a
3 pure financial sort of threshold is one of the
4 things we think we have the opportunity to do
5 now that we're moving these units off-site
6 outside of our four boundaries is to partner
7 with local potential building owners and
8 partners so that they can share in the economic
9 development.

10 So, it goes from being potentially a
11 wholly-owned piece to something that we can
12 collaborate with different local stakeholders
13 who have been around waiting for some of the
14 economic opportunity.

15 COMMISSIONER MACDONALD: I have a
16 question. I think I understand what own and
17 operate mean in this context. But what does
18 brand mean in this context as an alternative?

19 MR. MATHIS: Sure. It speaks to
20 licensing our name, which is a very high
21 standard from our perspective. But it allowed
22 for the opportunity that we can satisfy this
23 obligation.

24 And I don't think they're all

1 mutually exclusive. So, in my mind although
2 they are set up legally as alternates, it could
3 be a combination of own, operate and/or license
4 brand our name to the product which will add to
5 its marketability and value certainly.

6 And then it also speaks to potential
7 partnerships between the resort. For example,
8 residency in whatever these units end up being
9 might give you rights, privileges in the resort
10 which again make it that much more attractive.
11 So, I think it allows for that kind of
12 partnering and collaboration.

13 MR. STRATTON: If I can just add one
14 more point on that Mike. Part of our
15 discussions when we came up with that language
16 with the city was looking to move the residents
17 off the site gave us the opportunity to partner
18 with local developers to do that.

19 So, not knowing what sort of
20 partnership and structure we'd be able to work
21 out with the current real estate owners and
22 developers, we wanted to give flexibility to
23 have the box checked by ownership, by an
24 operating relationship or even by branding so

1 that we'd have flexibility to take advantage of
2 collaborations with existing developers within
3 the city.

4 CHAIRMAN CROSBY: The only point
5 that I would pursue is that the way it was
6 originally structured and it was really
7 important part of it, as you know for us, was
8 that this was a part, an inherent part of the
9 project that you were bringing to the table
10 something that wasn't already there.

11 And that's not the same as
12 piggybacking on something that's going to be
13 there whether you're there or not. So, there's
14 a line to walk. And I understand the pressure
15 is on you, but that element unlike the tower,
16 unlike the rejiggering of the backspace, unlike
17 anything else you've come up with, was very,
18 very material from my standpoint.

19 So, making sure that this is still
20 an incremental contribution to this mix-used
21 development project from MGM, which was the way
22 you had originally positioned it is really
23 important from my standpoint.

24 MR. MATHIS: Understand Chairman.

1 And I'm highly confident that when we bring you
2 the proposal we're going bring you that you
3 recognize it as the transformative component
4 that we had promised per the original design,
5 even more so in my mind, but we understand.

6 CHAIRMAN CROSBY: \$10 million
7 divided by 54 is \$185,000. Your units used to
8 be \$800,000. So, I'm curious to see what's
9 going to happen for your \$185,000.

10 MR. MATHIS: That calculation is a
11 little misleading because that per unit count
12 incorporated a bunch of the existing façade
13 work that you see for example there, but
14 understood.

15 The other update I want to provide
16 you is for the corner of Union and Main. It's
17 not shown in this rendering but it's the corner
18 that's on the opposite side of Red Rose Pizza
19 there. And it's the site of the former Dave's
20 Furniture store.

21 The update there is that because
22 it's isolated and on the corner and not in the
23 critical path of what Brian is doing on the
24 site, it's got a different timeline in our

1 mind. We've had conversations -- Right now
2 shown as retail, we've had conversations with
3 retailers and also food and beverage operators
4 that have a strong interest in that corner.

5 From our perspective, we think we
6 can optimize the opportunity farther down the
7 development timeline when people can see
8 potential retailers. Operators can see more
9 progress on the site, and maybe can see an
10 anchor tenant announced, one or two.

11 So, we continue to work on that
12 location. And we understand the importance of
13 it in terms of it's one of our front doors when
14 you're coming up Main Street from the south
15 end. But we won't have, intentionally we won't
16 have an update for you for a little bit of time
17 because we want to make sure that the rest of
18 the project is at a stage where we can go
19 promote it as part of a package to sell this
20 corner.

21 COMMISSIONER STEBBINS: What is the
22 size of that space?

23 MR. MATHIS: It's about 7- to 10,000
24 square feet depending on how we handle the

1 surface parking that's connected to it. And
2 that's part of the discussion.

3 It'll be largely driven I think by
4 the tenants we are speaking to. If we go to
5 10,000 square feet it can fit two operators.
6 If it's a restaurant, it can fit multiple
7 retailers.

8 CHAIRMAN CROSBY: That's space you
9 own, right? That is part of the gaming
10 establishment.

11 MR. MATHIS: That's correct.

12 COMMISSIONER ZUNIGA: And if I heard
13 you correctly, it could be retail or it could
14 be food and beverage or a mix?

15 MR. MATHIS: That's right. That's
16 right. We'll come back. The architectural
17 finishes will be -- it'll feel like the campus.
18 Just because it's isolated on the corner, I
19 want just to make sure you understood that
20 commitment from us. We'll provide you updates
21 as we continue to talk to folks about that.

22 And then lastly daycare. This is
23 the corner that is catty corner to the Dave's
24 Furniture's site.

1 CHAIRMAN CROSBY: I'm sorry Mike.
2 Can we get the pictures on here again? Thanks.

3 MR. MATHIS: So, you've seen this
4 location identified in the past. This is what
5 we call the Zorzi lot which is catty corner to
6 the Dave's Furniture site on the other side of
7 Main Street.

8 We are in the process right now we
9 are showing which is consistent with our local
10 and city approvals and the design we provided
11 to you, an approximate 6000 square foot daycare
12 facility with a 4000 square foot play area.
13 And we're in conversations with different
14 daycare managers, operators to help make sure
15 that the design is appropriate because that's
16 we're at in terms of Brian's process is nailing
17 down design.

18 And then we would go on the next I
19 would say 60 days to the market for an RFP for
20 who that operator would be. The preferred
21 operator right now Square One which is the
22 local daycare provider in Springfield.

23 But it will be a competitive process
24 we think at this point unless we can work

1 something out with them that makes sense in
2 terms of the sole-source. But we're again
3 about 60 days away from an RFP going out and
4 starting that iterative process with the
5 manager.

6 COMMISSIONER STEBBINS: Mike you
7 show the corner of Union and Main which is now
8 an empty lot retail. Is that your retail or
9 what you hear through development opportunities
10 somebody else might be taking for retail?

11 MR. MATHIS: So, this lot is owned
12 by the Davenport Group. Chuck Irving, who
13 you've seen at our presentations, we've
14 identified as a development partner. Really
15 this is a great example of the ancillary
16 development that comes with a billion-dollar
17 development.

18 And we think there's other
19 opportunities around the edges of our property.
20 But Chuck Irving and his group are developing
21 this site with us as an anchor tenant. But he
22 is also starting to fill it out with retail and
23 office space. I know he's got some preliminary
24 deals tentatively signed. So, we are creating

1 some of that momentum not only within our four
2 corners but even on the adjoining pieces.

3 COMMISSIONER CAMERON: Would final
4 design, the selected operator would have some
5 say in that whoever you choose to be your
6 daycare operator?

7 MR. MATHIS: Yes, that's right. I
8 think more on the interiors than the exteriors,
9 because it's very specific guidelines in terms
10 of square footage and layout. So, we operate
11 one of these in Las Vegas. So, we know
12 generally how these work. But Massachusetts as
13 you can imagine has even more specific rules
14 when it comes to programming on this.

15 CHAIRMAN CROSBY: Sorry about that.

16 MR. MATHIS: A lot more sinks and a
17 lot more caretakers. But we're understanding
18 it and we're going to partner with them on the
19 final design. And we'll bring it back to you
20 for review. With that I think I can hand it
21 off to Seth.

22 MR. STRATTON: Great, thanks Mike.
23 Good morning everyone. I'm going to cover city
24 approvals and even though this was a mild

1 winter, Mike, Brian and I were fortunate to
2 miss most of the bad weather because we spent
3 the majority of it in the Springfield city
4 council chambers.

5 So, as you know we had a very
6 lengthy and deliberative process with
7 Springfield city council. Mike touched on some
8 of the design elements that we reviewed during
9 those sessions with the council. We worked
10 hard to communicate with all the members of the
11 council and the city the plans that we just
12 explained to you.

13 A good portion though of that
14 discussion focused on two other items, which
15 I'll cover, which is abutter resolutions.
16 There was a lot of discussion around abutters.
17 The abutters attended those hearings, raised
18 some concerns that they had discussed with us
19 previously, as well as some new concerns. We
20 are happy to report that we were able to
21 resolve all those abutter issues during those
22 multiple sessions.

23 And the other issue I'll touch on is
24 getting into a bit of detail in the host

1 community agreement amendment which we just
2 discussed and what that covered. I'll go
3 actually abutter by abutter. There's a lot of
4 detail in here I'll just to try to summarize.

5 But the main concerns that our
6 abutter Red Rose had revolved around this
7 Howard Street and the roundabout rotary here.
8 The concern essentially was by Red Rose that he
9 didn't want traffic from our project interfere
10 with his business, very understandable.

11 And some concerns that if this
12 Howard Street and the cul-de-sac here didn't
13 look like a street that folks would go to pull
14 into Howard Street, get confused go to turn
15 around in his parking lot and kind of wreak
16 havoc on his parking.

17 So, one of the things that was very
18 important to him and that we agreed to through
19 this process was that the surface materials are
20 going to be generally consistent with the
21 public ways. So, that it's very clear to folks
22 that if they do turn into Howard Street, they
23 have the ability to come down, turn around and
24 exit without interfering with his parking. So,

1 that was a major issue that we dealt with.

2 And then the rest of it really deals
3 with signage. To be clear that parking is not
4 allowed on that street, no idling and that
5 there be some signalization at Union and Main
6 Streets to ensure that any extra traffic coming
7 onto Union and Main doesn't interfere with the
8 ability of Red Rose's customers to access the
9 property.

10 So, we were able to get on the same
11 page. Those have been incorporated into site
12 plan conditions approved by the city council

13 COMMISSIONER ZUNIGA: Seth, just one
14 thing, can cars go between the two parking on
15 what's the Red Rose and the other parking?

16 MR. STRATTON: So, that's our
17 parking to the right of Red Rose. No, one of
18 the things -- We were in some discussions
19 around doing that but the ownership of Red Rose
20 had concerns about our patrons using their
21 parking. So, there is going to be a hard
22 barrier curbing and fencing between those two
23 lots.

24 So, Courthouse Park Associates owns

1 this corner parcel here which is the Bacon
2 Wilson Law Firm as well as the bank. One of
3 the important aspects of that property for both
4 their tenants and the public is the significant
5 parking lot they have there, which is used as a
6 paid parking lot that patrons, customers of the
7 courthouse use. And it's a revenue-generating
8 aspect of that property.

9 They have concerns about the impact
10 of our project on access to that parking lot.
11 So, a few of the things that we agreed to here
12 that are incorporated as conditions were we
13 will fund the installation of an automated
14 parking barrier, likely a gate arm on the back
15 portion of their property that abuts ours so
16 that they can reduce the potential for cut-
17 through traffic.

18 We are also going to install an
19 ornamental fence along Bliss Street. There's a
20 chain-link fence there now. In terms of curb
21 appeal and improvement to the property that
22 will be mutually beneficial, we'll install an
23 ornamental fence there and appropriate traffic
24 signage.

1 We'll also have some signage
2 directing our folks exiting the garage to
3 discourage entrance into their parking lot as a
4 cut-through. Finally, we're going to
5 reconstruct the sidewalk along the north side
6 of Bliss Street which abuts their property.

7 So, what is now as far as sidewalks
8 go, it could use some updating. So, it's an
9 older sidewalk with chain-linked fence. It'll
10 be a nice new sidewalk with ornamental fencing,
11 which I think they are pleased with.

12 The next abutter is the Colvest
13 property which is reflected right here. It
14 says existing building that's the Berkshire
15 Bank building. We've been in long discussions
16 with Colvest, Frank Colaccino who has been
17 cooperative with us.

18 Again, his major concern was the
19 impact of cut-through traffic using his parking
20 lot as a cut-through to access Union Street and
21 to get on the highway, and resulting
22 interference with his business.

23 What we agreed to here and approved
24 by the city was that we would reconstruct the

1 curbing to essentially bring out the island and
2 make it very difficult to take a left turn out
3 of our property into his. It'd be virtually
4 impossible without reading some issues to take
5 that left turn. He was satisfied with that
6 resolution.

7 Then our abutter across Union
8 Street, Pride, again, had concerns about --
9 this all relates to access and egress and the
10 interference with traffic into our abutters'
11 properties. If you see, folks who will be
12 coming out of our garage coming down Union
13 Street and the entrance to the Pride property
14 in this picture is to the right.

15 What they've requested is what's
16 known in the traffic industry as a do not block
17 the box where you've got some crosshatching.
18 And folks won't be able to stop and the
19 signalization won't allow a blocking of the
20 street adjacent to that entrance and exit of
21 that property. So, they were satisfied with
22 that approach. And that was incorporated as a
23 condition in the site plan approved.

24 Finally, Parcel 14 which is the

1 Michelman and Burstein property, which we've
2 been in long discussions with resolving some of
3 their concern. That's a unique property
4 because it's really a zero lot line property
5 that abuts our property on all sides.

6 They have no parking and really the
7 building goes up to the lot line. So, one of
8 the major concerns that they raised was that
9 their customers have long used public on-street
10 parking to access their property. And they had
11 a number of other concerns, but we really came
12 up with what we thought was a very generous and
13 fulsome proposal to address some of their
14 concerns.

15 And that is essentially that we've
16 committed to put a public parking lot on the
17 property that we own directly behind their
18 property, which will greatly increase -- Folks
19 who were looking at on-street parking before,
20 there's going to be a minimum of 25 space
21 parking lot right behind their building.

22 They also have some residential
23 units. And we agreed that overnight use, we
24 would allow access for their residents to park

1 overnight so that they can park right behind
2 the building now in our lot just overnight.

3 They also raised concerns about
4 construction impact. So, essentially what
5 we've done and Brian just finished the paving
6 the other day. You'll see this box here next
7 to their property. That's property we own.
8 We've cleared and paved and fenced that so it's
9 a temporary parking lot that we own but that
10 they have exclusive access to during
11 construction.

12 We've also said that that's not
13 enough, apparently they've been leasing some
14 spaces from the Colvest property history. We
15 said that we would reimburse them for the cost
16 of an additional four leased spaces upon
17 evidence that they are making those payments.

18 We also provided some storage and
19 trash. We're going to give them a license to
20 use a portion of our property once we are
21 operational to access -- to have new access to
22 trash dumpster or trash receptacles that
23 they've never had before. And all along the
24 property, the parking lot and their property,

1 we're going to construct new sidewalks for
2 pedestrian access, which again are new
3 amenities to that property.

4 Finally, there were some concerns
5 about the impact if there are residents on that
6 property the lighting. And we said, if it's
7 necessary to install awnings or interior window
8 treatments to address lighting at night that we
9 would fund the cost of those. Those are the
10 resolutions that we came up with, agreed to and
11 approved by the city.

12 Finally, much of the discussion
13 around other than traffic access and egress, a
14 lot of the abutter concerns and questions had
15 to do with our parking. So, one of the things
16 that we did through the discussion with the
17 city is we but some details around and received
18 city approval of the parameters of our parking.

19 And there's two -- One of the
20 primary commitments we made was that the
21 previously available on-street public parking
22 that is no longer available as a result of our
23 project will be replicated in surface lots,
24 two-hour free parking in our surface lots

1 during the business hours.

2 So, those lot are right here behind
3 the Dave's parcel then the one I was just
4 behind the Michelman parcel. We'll have
5 sufficient handicap parking to replace handicap
6 parking that was previously available. So,
7 that was the on-street public parking aspect of
8 it.

9 We also as a result of the purchase
10 and acquisition of parcels in the construction
11 of the project, we've essentially replaced what
12 used to be paved parking lots.

13 And through our MEPA filings that
14 the counts were done. And that's an
15 approximately 700 spaces of private paved
16 parking that was previously available to
17 patrons of businesses, customers, business
18 owners downtown. So, what we've committed to
19 do was provide a minimum of 700 parking spaces
20 that would be available to the public same
21 hours at a rate that we determine in our
22 parking lot.

23 It's likely going to be more than
24 that. But we said at a minimum, we're going to

1 replace what previously existed, those 700
2 paved parking spaces. Then we had some
3 qualifications around peak usage and overnight
4 24 hour parking during events and that being
5 restricted to our guests.

6 So, that was the parking program
7 that we spent a lot of time discussing with the
8 Council. And got the Council on board and
9 comfortable with and approved through that
10 process.

11 Unless there's questions on that
12 I'll move to a brief summary of the host
13 community agreement amendment. There's three
14 aspects. And I won't go through each detail
15 but there's three aspects to that host
16 community agreement amendment.

17 Essentially, it covered the fact
18 that we are opening approximately one year
19 later than we initially intended. So, the
20 original host community agreement contemplated
21 a fall of 2017 opening. So, that amendment
22 contemplates our September 2018 opening.

23 Along with that schedule change, we
24 made some payment adjustments two primary of

1 importance to the city. As you might recall,
2 one of the things we are doing is we are
3 funding in advance these 121A payment in lieu
4 of tax payments that we'll make once we're
5 operational, so around \$17.5 million a year
6 once we open.

7 We are prefunding some of those
8 during the preconstruction stage so that the
9 city has access to funds to ramp up, hire
10 police, etc. And we made two of those payments
11 already, a \$4 million and a \$3 million payment.
12 It was going to be \$10 million that we were
13 going to advance pre-opening. We are now going
14 to advance \$13 million.

15 So, we've added that additional \$3
16 million advances that the city requested. We
17 also made a new \$1 million grant to the city in
18 connection with our delayed opening. And we
19 discussed with the city that we both agreed
20 that it would be important for that million
21 dollar additional payment to really be focused
22 on public safety to improve and address public
23 safety in the city in advance of our opening.

24 So, an additional \$3 million advance

1 and a new \$1 million public safety payment
2 where the primary payment adjustments reflected
3 in that HCA amendment that was approved by the
4 city.

5 The final aspect of that was
6 reflecting essentially our new design. And
7 what we did is we have the RFP with the city
8 and the host community agreement design which
9 was now outdated. We said okay, we will now
10 take those exhibits out of the host community
11 agreement and we'll just add in the approved
12 site plan as the new design.

13 There's also some description,
14 Exhibit G which is the chart that talks about
15 the components, the square footages. We
16 essentially updated Exhibit G to reflect the
17 new plan, the new square footages, the new
18 numbers of various components.

19 And in particular the one that we
20 spent significant time on was figuring out how
21 do we reflect the new residential program. And
22 as I mentioned that's reflected in the
23 amendment by 54 units within a half-mile of the
24 project owned, operated or branded by MGM.

1 They are to be market rate, urban upscale
2 apartments. And we have to continue to work
3 with the city to get there opinion and
4 approvals on what we come up with with respect
5 to residential.

6 That's it for the update unless
7 there are any questions.

8 MR. PACKER: I will go into the
9 first quarter update on construction.

10 MR. ZIEMBA: I think what I propose
11 is that the Commission could then discuss the
12 redesign, vote on that. And then we could
13 finalize that with the quarterly report unless
14 you'd like to proceed this way, Mr. Chairman.

15 CHAIRMAN CROSBY: I think that makes
16 sense to me.

17 MR. ZIEMBA: Mr. Chairman and
18 Commissioners, the Commission's regulation 205
19 CMR 135 sets out procedures that the Commission
20 may use to review project designs. It states
21 that the Commission may participate in the
22 development of key milestones of the design
23 review process.

24 The motion that we have crafted

1 before you proposes a process for the
2 Commission to continue to review the proposed
3 design of the facility as it continues to
4 evolve. It also builds upon the significant
5 reviews already undertaken by the Commission
6 and at the local level by the city of
7 Springfield.

8 Under the process proposed by the
9 motion, the Commission would provide its
10 approval of the site plan and project design
11 submitted to and approved by the city of
12 Springfield.

13 As noted earlier, when the
14 Commission approved the Section 61 Findings for
15 the MGM Springfield project, this was
16 essentially also approval of the major and
17 fundamental elements of MGM's proposed
18 redesign.

19 The approval anticipated in the
20 motion would build upon that initial approval
21 and provide the licensee more certainty about
22 its design as it begins construction of this
23 almost billion-dollar facility.

24 Importantly, staff is instructed to

1 bring back to the Commission any material
2 change from the site plan and project design
3 approval. Because much if not most of the
4 details of the plan for the residential units,
5 retail building on the corner of Main and Union
6 and the planned daycare facility remain
7 outstanding, the further approval proposed in
8 today's motion does not include those aspects
9 of the proposed redesign. Such details would
10 need to be brought back before the Commission.

11 Finally, the motion clarifies that
12 nothing in today's potential approval should be
13 construed to amend or supersede MGM
14 Springfield's obligation under its Section 61
15 Findings and under the memorandum of agreement
16 with the Massachusetts Historical Commission.

17 I do note that both MGM and the
18 Commission have fulfilled their obligations to
19 each provide \$350,000 to the Springfield
20 Historical Preservation Trust Fund.

21 CHAIRMAN CROSBY: Questions or
22 discussion?

23 COMMISSIONER STEBBINS: John, what
24 we've heard about the changes in the HCA, how

1 does that align with our review process and
2 future design changes?

3 MR. ZIEMBA: Under our regulations,
4 there's a provision 205 CMR 127.06 which is
5 reopening of mitigation agreements. And
6 there's a provision for voluntary re-openers of
7 mitigation agreements.

8 And it specifies that the parties
9 can change their host community agreement
10 provided that there is a summary of the ability
11 to change that host community agreement
12 provided in the summary that was provided to
13 the voters when they first moved forward with
14 the host community agreement. MGM Springfield
15 included such a provision. So, that is keeping
16 with our process and our regulations.

17 COMMISSIONER STEBBINS: Okay.

18 CHAIRMAN CROSBY: Anybody else?

19 COMMISSIONER ZUNIGA: Just a
20 question. Remind me what's the programming for
21 the church or is that still being worked out?

22 MR. MATHIS: That's still being
23 developed. It's similar to the discussion we
24 had about Dave's Furniture corner. It's one of

1 those really unique buildings. We've had
2 preliminary discussions.

3 I think it's going to be multiple
4 use. And we're leaning more towards a retail
5 use. So, I think we're looking at things that
6 would complement the ice-skating rink. So, you
7 sort of think of hot chocolate and coffee as
8 well as something that has a seasonal use
9 during the summer months, so, ice cream for
10 example.

11 That's what we're envisioning but
12 again I think we'll have more opportunities as
13 the project develops and we can develop a
14 little bit more momentum with our marketing
15 program.

16 COMMISSIONER ZUNIGA: You're not
17 changing that design obviously.

18 MR. MATHIS: Yeah. We moved it
19 once. I think that was enough.

20 MR. STRATTON: That building is
21 covered by the MHC MOA as well.

22 COMMISSIONER ZUNIGA: It's not like
23 you're going to leave it empty, for example.

24 MR. MATHIS: No, we will program

1 that building.

2 COMMISSIONER ZUNIGA: So, we'd be
3 approving all of the elements of the design as
4 presented with those three specific carve outs
5 that you mentioned. The residential units
6 because that's still being worked out and
7 that's under the discussions the way you
8 articulated them with the city, and you have a
9 couple of options, the retail space right next
10 to the Red Rose and the childcare center.

11 MR. ZIEMBA: With the
12 acknowledgement that staff will continue to
13 review the design as it develops. And if there
14 are material changes, we can bring those back
15 before the Commission.

16 COMMISSIONER ZUNIGA: Right.

17 CHAIRMAN CROSBY: Anybody else?
18 With the carve outs, and I've said what I
19 thought about, felt about -- think and feel
20 about the housing element. Seeing this again,
21 it reminds me about why we were excited about
22 it. I've just got my figures crossed.

23 It's a really exciting attempt to
24 lift a city and to integrate this casino into a

1 whole lot of other stuff. If you listened to
2 the Region C discussions, you heard me regret
3 that Brockton hadn't done any of this. And as
4 you look at these pictures and compare them to
5 what we saw there, it just reminded me what's
6 exciting about this.

7 So, I'm really hopeful and it's
8 terrifically exciting prospect. Does somebody
9 want to move?

10 COMMISSIONER ZUNIGA: I agree and I
11 will be happy to move that the Commission
12 approve the site plan and project design as
13 submitted and represented to us here today and
14 submitted in many iterations and approved to by
15 the city of Springfield on February 22, 2016,
16 including any conditions included therein,
17 provided however that the Commission approval,
18 this approval does not include any matters
19 pertaining to the childcare center, the retail
20 space proposed at the corner of Main Street and
21 Union Street, and the configuration and
22 location of any proposed residential units
23 required as part of the MGM license in the host
24 community agreement.

1 And provided further that the
2 Commission approval shall not be construed to
3 amend or supersede any obligations required of
4 MGM pursuant to the Section 61 Findings and the
5 Mass. Historical memorandum of agreement
6 relating to the project.

7 I also move that the Commission
8 delegate to staff the review and approval of
9 construction design plans as they are completed
10 and prepared for use in the construction of the
11 project; provided further that if such
12 construction design plans contain any material
13 change from the site plan and project design
14 approved here today, staff will submit such
15 plans to the Commission for its review and
16 approval.

17 CHAIRMAN CROSBY: Second?

18 COMMISSIONER MACDONALD: Second.

19 CHAIRMAN CROSBY: Further
20 discussion? All in favor, aye.

21 COMMISSIONER MACDONALD: Aye.

22 COMMISSIONER CAMERON: Aye.

23 COMMISSIONER ZUNIGA: Aye.

24 COMMISSIONER STEBBINS: Aye.

1 CHAIRMAN CROSBY: Opposed? The ayes
2 have it unanimously. Why don't we take a quick
3 break before we do your update.

4
5 (A recess was taken)

6
7 CHAIRMAN CROSBY: We are reconvening
8 public meeting 191. I think we are on item
9 4(a) the MGM quarterly report.

10 MR. PACKER: Good morning. I'm
11 happy to announce that this first quarter of
12 this year was the quarter with the most
13 progress on-site since this project has
14 started. So, we are really excited to walk you
15 through some of the things that have gone on
16 here in the last quarter.

17 As you can see from the overall site
18 progress picture here at the end of the
19 quarter, the majority of the buildings on-site
20 are down. Zanetti is gone. And we're just
21 preparing to move the church, which has since
22 been moved and we'll conclude here with a video
23 of that church move.

24 A better angle here is kind of from

1 the air. And you can see the whole site really
2 starting to come together. An important item,
3 we had the road closure approval. And then we
4 actually went and followed through with closing
5 the roads, removing the curb, securing the
6 entire site. The building salvage as required
7 in our MOA is basically 99 percent complete.
8 All we lack at this point are some of the
9 bricks off Union Chandler Hotel. Other than
10 that all the required salvages is complete.

11 Just some progress shots of Zanetti
12 School coming down. Some of the demolition
13 work along Main Street, along Bliss and then
14 along State. So, we really have made a bunch
15 of progress as it relates to all the buildings
16 and demolition and finalization of abatement.

17 Important thing to keep in mind for
18 the demolition and part of our LEED
19 requirements is the sorting and recycling of
20 all the materials on-site. So, as you see each
21 building come down, steel, aluminum studs,
22 wood, brick, you'll see different piles being
23 sorted and shipped off to different recyclers.

24 Also a bunch of site utility work

1 continuing on-site all around in different
2 areas, as you can imagine. Right now we are in
3 the middle of removing utilities that were in
4 the roadways that have been discontinued.

5 MR. MATHIS: For the record, nowhere
6 near the pipe that burst last week.

7 MR. PACKER: And towards the end of
8 the quarter getting into the garage site prep
9 and excavation. The majority of the garage
10 footprint is where the Zanetti School was.

11 CHAIRMAN CROSBY: Nobody is ever
12 going to remember where Blue Tarp came from.

13 MR. PACKER: As part of our abutter
14 updates, we've spoken about this before, we
15 give bi-weekly updates email of construction
16 activities that's then posted to the MGM
17 website to all of our abutters. That key map
18 has changed. Before we kind of keyed it by
19 building and now we're going to key it by zone
20 because the majority of the buildings are gone.
21 So, we have a little bit of change in how our
22 activities get reported and communicated to the
23 abutters.

24 Then probably the most exciting

1 thing about today is I am really pleased to
2 announce that we've made an award on the
3 design/build garage. And that award -- The
4 design/build garage has been awarded to Tishman
5 Construction.

6 So, today we have here Eric Nelson
7 who is also a Springfield native. And Eric
8 represents Tishman Construction. And we have
9 Dave Fontaine, Sr. and Junior from Fontaine
10 Brothers who are also part of the project under
11 Tishman. With that I'll turn it over to Eric.

12 MR. NELSON: Thanks, Brian. As
13 Brian mentioned, my name is Eric Nelson. I am
14 the project executive for MGM Springfield from
15 Tishman. I grew up in 16 Acres. It's down the
16 road.

17 Tishman has worked with MGM on a
18 variety of projects in the past including
19 CityCenter in Las Vegas, Beau Rivage which
20 Brian knows well and Borgata. We view MGM as
21 one of the finest owner developers in their
22 industry. We are very pleased to be here as
23 part of the team today. So thank you, Michael
24 and Brian very much.

1 This is a very significant project
2 for the city. And being from city, I am very,
3 very pleased to be here as well. I started in
4 our Boston office, which we've maintained for
5 over 30 years. I've worked in Boston, Las
6 Vegas, Abu Dhabi, New York City, Atlantic City
7 and now Springfield, Massachusetts. And I'm
8 just very happy to be here. So, thanks.

9 Joining this team that MGM has set
10 up, I am very impressed with their commitment
11 to contract locally and to use a local
12 workforce here, a very diverse workforce.
13 That's something that I think we'll build on as
14 we move forward in the future.

15 We've been here for quite a while
16 almost 18 months now. We worked with the
17 Pioneer Valley Building Trades to negotiate the
18 PLA. We oversaw a significant portion of the
19 abatement and demolition work on-site. And
20 we've been very fortunate to work with a number
21 of fantastic contractors in this local market.

22 Dave, Sr. and Junior are sitting
23 next to me from Fontaine. We were able to
24 partner last summer on the Mission, which I

1 believe you've all toured. That job was
2 delivered on a very aggressive schedule safely
3 and without sacrificing quality, which is very
4 important to us moving forward here.

5 So, I hand it over to Dave.

6 MR. FONTAINE: My name is Dave
7 Fontaine, Jr. I'm Vice President of Fontaine
8 Brothers. For the Commissioners who don't know
9 about us, Fontaine is a Springfield based
10 company. We're fourth-generation construction
11 manager, general contractor, been in the city
12 since 1933.

13 Some work that we've done around
14 here, we basically work on all types of
15 commercial construction. We also self-perform
16 with our talented union tradespeople concrete,
17 carpentry, masonry, selective demo. Work you'd
18 know in the area, renovations to Symphony Hall,
19 construction of the Hilton Garden Inn, Uno's
20 downtown and the construction of the MassMutual
21 Center, which we are in today.

22 As Eric mentioned our involvement in
23 the MGM Springfield project began last summer
24 working with Tishman to completely renovate and

1 add to the Rescue Mission on that tight
2 schedule. And that job went very well for the
3 team with Fontaine and Tishman. And I think we
4 realized at that point that there was a synergy
5 between our teams.

6 Then another reason the job went
7 well from our perspective is because with MGM
8 coming into town, not having worked in this
9 market before, we didn't know exactly what to
10 expect. But we found that MGM and Tishman,
11 everyone that we've been involved with has been
12 absolutely first-class in terms of owners,
13 developers, contractors.

14 They've stressed and delivered on
15 their commitments to diversity, to hiring local
16 contractors, to safety. We've just been blown
17 away and very impressed by their commitments
18 and their expertise.

19 So, that good experience with MGM
20 and Tishman on the garage and again that
21 finding our team -- I'm sorry on the Rescue
22 Mission finding that our teams worked well
23 together translated into us deciding to partner
24 with Tishman on the garage, and ultimately be

1 awarded the project which obviously we are very
2 excited about.

3 As a local firm and as a local
4 employer and as a local business in the city,
5 we are excited about the economic development
6 that MGM is bringing to the region. And we are
7 very excited to be part of the project and to
8 also work with MGM to bring other local firms
9 like us into the project.

10 COMMISSIONER STEBBINS: As one
11 Commissioner, I think early on we were worried
12 about the size of the project excluding some of
13 the local contractors from participating in the
14 project. We heard it from the building trades
15 they'd be getting kind of the tail-end of the
16 employment opportunities.

17 But using somebody local and kind of
18 as Brian has always talked about piecing this
19 project or laying this project out in
20 individual projects I think has given --
21 Fontaine is certainly a well-known local name,
22 but giving the local companies the opportunity
23 to be part of the project and hire locally
24 which is great.

1 CHAIRMAN CROSBY: Is that how you
2 work? Is that the relationship that you'll
3 take pieces -- Tishman will take pieces of the
4 project and give it to Fontaine? Or what is
5 the operational relationship between the two
6 entities?

7 MR. NELSON: Between Tishman and
8 Fontaine on the parking garage?

9 CHAIRMAN CROSBY: So, the deal with
10 Fontaine is for the parking garage?

11 MR. NELSON: Yes, Sir.

12 CHAIRMAN CROSBY: Oh, okay. I got
13 it.

14 MR. MATHIS: Yes. We need to
15 preserve a little bit of our negotiation
16 powers. So, that partnership isn't going to
17 necessarily going to happen on every component
18 but certainly we found two really good
19 partners.

20 MR. FONTAINE: Although if you want
21 it to.

22 MR. PACKER: From our standpoint,
23 Fontaine really helps with the dialogue of
24 local subs. There may be some hesitation do I

1 want to bid this project because will MGM pay
2 on time. And if they don't, it's a lot of
3 outflow of cash.

4 So, some of that dialogue in us
5 being fair to these guys trickles down into the
6 market and helps that dialogue move forward.
7 So, we're looking forward to it. We're excited
8 to make this announcement. And shortly here
9 get some foundations in the ground.

10 CHAIRMAN CROSBY: So, like in the
11 next quarter you're talking about foundations?

12 MR. PACKER: For the parking garage
13 that's correct.

14 COMMISSIONER ZUNIGA: You mentioned
15 it's a design/build. Is there anybody on your
16 team that is designing as well?

17 MR. NELSON: Yes, Sir. Tim Haus
18 (PHONETIC) is.

19 COMMISSIONER ZUNIGA: That's great.

20 MR. PACKER: And Tishman on the
21 design/build, we had bid out a bridging
22 document which lays out certain parameters but
23 the detail and the actual drawings will be
24 completed by their team.

1 COMMISSIONER ZUNIGA: Sounds good.

2 MR. PACKER: So on schedule, I think
3 just what's important to note here is we are
4 giving you our monthly updates. We are on
5 track for the September '18 opening. We
6 started walking the site with staff once a
7 month right after those updates come out. So,
8 if there's any questions Tishman and their team
9 do that walk and we can answer them right there
10 and status the schedule live.

11 On diversity, I understand our team
12 was in front of you not to long ago on a
13 comprehensive update of everything we're doing.
14 Just through quarter end, some of the
15 highlights WBEs project goal of 10 percent,
16 current commitments are 16.6 percent, MBEs 5
17 percent goal, current commitments are 9.9
18 percent, and on VBEs project goal 2 percent,
19 current commitments are 6.2 percent.

20 And here I think it's worthy noting
21 to date we have 56 companies with commitments
22 on this project that are diverse.

23 MR. MATHIS: If can just pause,
24 these statistics are really remarkable. And we

1 don't get to them by accident. We've got Brian
2 focused on his bidding process and he can be
3 tyrannical with some of these requirements.
4 So, everybody in the subcontractor community
5 knows, you don't come to our bidding process
6 without a strategy on diversity.

7 And you've heard mentioned of Chelan
8 Brown who I'm personally proud to have
9 identified in some of my early days in the
10 community as someone that knows the community.
11 We've given her this task as a dedicated
12 position to make sure we find diverse
13 contractors. So, I just want to commend Brian
14 and the team. It's really pretty remarkable.

15 COMMISSIONER MACDONALD: It's a
16 very, very impressive performance.

17 MR. MATHIS: Thank you.

18 COMMISSIONER ZUNIGA: It is. And
19 does that include the award of the contract
20 that you just mentioned or has that not yet
21 caught up?

22 MR. PACKER: It does. Actually, I'm
23 sorry. For this quarter, I'd have to go look
24 for you. I know in the April numbers we did

1 report that. So, since we're a month behind
2 here, I'd have to research that for you. But
3 in our last report last week it was included,
4 the full barrage of work.

5 COMMISSIONER ZUNIGA: I heard
6 incidentally, I didn't come to that meeting,
7 but the rest of the committee was also very
8 impressed with the report that you made.

9 CHAIRMAN CROSBY: Yes, it was great.

10 MR. MATHIS: And the last qualifier
11 with that I think is these numbers will move.
12 And we won't necessarily maintain this level of
13 performance exceeding our goals throughout the
14 project at every milestone, but the commitment
15 is here. And we will continue to strive to
16 meet and exceed these goals.

17 MR. PACKER: Typically, just quickly
18 we also break down for you the spread between
19 design and construction. Our plan requires us
20 to report the combination. But just so you can
21 see where design is tracking, 10 versus 11.3 on
22 WBE, 5 versus 8.4 on MBE and 2 versus 4.1 on
23 VBE. Then there is usually a question on what
24 are the companies? Where are they from? Who

1 has actually been paid since these are
2 commitments? So, we highlight in green anyone
3 who has actually received certified payment on
4 the project.

5 And on construction commitments the
6 exact same treatment. You'll notice a lot of
7 local folks on these slides.

8 So, those were commitments. We kind
9 of have two parts to our plan, commitments and
10 dollars versus workforce. So, workforce is a
11 calculation on hours worked in the field. The
12 goal is 6.9 percent, current project to date is
13 10.56 percent, on minority 15.3 project to date
14 28.35, and on veteran 8 percent and project to
15 date is 8.65.

16 CHAIRMAN CROSBY: That's impressive.

17 MR. PACKER: With the diversity
18 summary, I'll turn it over to Seth for cost
19 estimate update.

20 MR. STRATTON: Commissioners, I'll
21 be brief. This is our quarterly report on
22 where we stand financially incurred to date
23 versus our estimates. You'll see we've
24 incurred just over \$200 million overall to

1 date.

2 I will touch on two points of note
3 and then happy to address any questions.
4 Before I do that let me just highlight again
5 this is Q1. So, these are figures through
6 March 31, 2016. For instance, the number which
7 I'm going to talk about now, the building
8 construction number as Brian has continued to
9 make progress in the past couple of months that
10 number incurred to date continues to rise.

11 But this quarter report is where we
12 saw a real increase in that first line item,
13 the building construction design number which
14 is now at approximately \$32 million versus a
15 total estimated spend of just under \$500
16 million on the hard construction. Obviously,
17 OSE will come later. I just wanted to touch on
18 that \$32 million spend. There's some early
19 money spent but that's really been over the
20 past say six months and really accelerated in
21 the first three months of 2016.

22 The other item I'll just touch on
23 which reflects -- shows an increase from our
24 previous numbers is the financing cost

1 capitalized interest. As Brian's team was
2 released to start construction, they'll
3 commenced a process where they will do a
4 quarterly analysis of cash flow and cash
5 expenditure.

6 So, on a quarterly basis going
7 forward we're going to be able to have more
8 precisely look at the cash outlay and be able
9 to determine what is really an accounting
10 metric, capitalized interest. But due to those
11 more in-depth reviews, we've made a
12 determination internally our cap interest
13 number is going to be more in the neighborhood
14 of \$68 million versus \$45 million which we
15 previously reported. And incurred to date on
16 that is \$6.4 million.

17 Again that number is more of an
18 accounting metric because we are using cash off
19 the balance sheet. So, it doesn't -- Any
20 increases in that number don't necessitate
21 cutbacks in other areas of the budget. But
22 we're reported it from day one in our RFA-2 and
23 I know there had been some other previous
24 questions on it. So, as that number fluctuates

1 quarterly, we'll continue to update it,
2 incurred to date as well as our projections.

3 MR. MATHIS: Seth, let me just add,
4 Chairman Crosby, you may remember our last
5 meeting on this. You and Commissioner Zuniga
6 challenged us on that line item because it was
7 a little counterintuitive. We had increased
8 the budget but that number had moved slightly
9 down.

10 It was that line of questioning and
11 some other parallel activities internally that
12 led us to go back and look at an updated
13 accounting for that figure. And that's where
14 we landed here. So, we wanted to recognize
15 that we had given you a different number. And
16 it was part of the inquiry that led us go back
17 and challenge it a little bit.

18 COMMISSIONER ZUNIGA: Seth, remind
19 me what is OSE. In line item three, what does
20 that stand for?

21 MR. STRATTON: Supplies and
22 equipment.

23 MR. MATHIS: If there are no other
24 questions, I think I'm going to conclude with

1 the fun part, the church relocation. As you
2 know, it's hard for MGM to do a presentation
3 without a sexy video. I don't know if sexy and
4 church relocation is appropriate, but
5 unfortunately I wasn't able to attend. I know
6 Commissioner Stebbins was here for it.

7 CHAIRMAN CROSBY: Commissioner
8 McHugh came out too, didn't he?

9 MR. MATHIS: And Commissioner McHugh
10 came out. So, we have short video to show you
11 what occurred that day on an expedited basis.

12
13 (Video plays)

14
15 CHAIRMAN CROSBY: I have said this
16 before but I hope MGM gets credit somewhere
17 along the way for the historic preservation.
18 And I know you had to negotiate to get even
19 more. Maybe I'm naïve, but I don't remember
20 any development projects that have done as much
21 historic preservation as you did. In the first
22 instance that you volunteered and then you got
23 beat up for a while. But I think it's really
24 just amazing.

1 I happen to love that stuff, so I'm
2 particularly appreciative of it. But I just
3 don't think anybody else pays that much
4 attention to the kind of historic values that
5 you have. And I hope you get credit for it
6 because it's terrific.

7 COMMISSIONER STEBBINS: I have to
8 tell you it was a pretty amazing experience.
9 Brian started speaking and there was no kind of
10 firing the gun to start the church moving. It
11 started moving and I think everybody who was
12 sitting, is that moving or is that me.

13 Mr. Chairman, you can appreciate
14 trying to stand up there and share remarks with
15 a group that has no interest in what you're
16 saying but is more interested in the church
17 behind you. It was pretty incredible.

18 COMMISSIONER ZUNIGA: It is pretty
19 incredible. How long did it take in real-time?

20 MR. PACKER: It was on the pad that
21 night and then the wheels were removed the next
22 day.

23 COMMISSIONER STEBBINS: And you
24 thought it was going to take three days.

1 MR. PACKER: Originally, the
2 projections were about two days with some other
3 stuff it could have been three. From the
4 contractor's standpoint, it was a really nice
5 day. If things were going well, you wanted to
6 try to get it wrapped up.

7 So, over the course of the day we
8 could watch it from the office. And it landed
9 probably at five or six that night.

10 COMMISSIONER ZUNIGA: Is it now in
11 its final foundation or is it waiting to be --

12 MR. PACKER: It's off the wheels.
13 And there's probably still some existing
14 cribbing out there. And we're working on
15 getting the foundation in to support the walls.

16 COMMISSIONER CAMERON: Brian, were
17 there challenges? Did anything not go
18 according to plan?

19 MR. PACKER: I'm sure there were.
20 They did not get back to me. In my world,
21 usually no news is good news. But I think the
22 biggest challenge actually prior to the move
23 that we did come across was from the
24 geotechnical reports that some of the soil we

1 were going to be going over could not support
2 necessarily the weight of the church.

3 That's why you see the steel
4 plating. We investigated a couple different
5 scenarios. Do we lay down a better sub base or
6 do we -- because the church has to go at a
7 certain slope. You can't just go with the
8 existing contour that was out there.

9 So, after the regrading and looking
10 at the geotechnical, we ended up steel plating
11 along the way. So, the plates that's why you
12 see them kind of move with the church. That
13 was something, a challenge that did come up
14 ahead of time that was addressed.

15 COMMISSIONER ZUNIGA: Is Wolf a
16 local builder.

17 MR. PACKER: They are actually out
18 of Pennsylvania.

19 MR. MATHIS: Amish country, believe
20 it or not. We happen to have a couple of the
21 parishioners from the church at attendance at
22 that event. So, I think it was pretty special
23 for them to see the building preserved even
24 though they've relocated. Hopefully, we're

1 delivering on a little bit of the wow, that
2 intangible wow.

3 CHAIRMAN CROSBY: That was a serious
4 wow.

5 COMMISSIONER ZUNIGA: Sure is.

6 COMMISSIONER MACDONALD: Brian what
7 was the propulsion?

8 MR. PACKER: I'd have to have Eric
9 -- I kind of describe it as watching going to
10 watch the shuttle at Cape Canaveral go to the
11 launch pad and the speed of that.

12 COMMISSIONER MACDONALD: But did you
13 have an engine underneath there? I couldn't
14 see.

15 MR. PACKER: I believe it is
16 hydraulically powered.

17 CHAIRMAN CROSBY: Who was steering
18 it? I couldn't see anybody -- Was there
19 anybody behind it?

20 MR. PACKER: Basically a big iPad.
21 It wasn't an iPad. Actually, in one of the
22 pictures that you see on the beam there were a
23 couple of screens.

24 MR. MATHIS: There was no one

1 actually in the foundation driving, right?

2 MR. PACKER: I believe they were
3 right next to it while it's moving.

4 CHAIRMAN CROSBY: Tell Jim Murren
5 we're excited. It's cool.

6 MR. MATHIS: I will. I'll pass that
7 along.

8 CHAIRMAN CROSBY: All set? Thank
9 you very much. Okay, it's noon, perfect
10 timing. Is 45 minutes enough? We'll take a
11 45-minute break and we will be back at 12:45.

12

13 (A recess was taken)

14

15 CHAIRMAN CROSBY: It is now about 12
16 minutes of one. We are reconvening public
17 meeting number 191. We are going to switch the
18 agenda items around and now go to agenda item
19 (6) Executive Director Bedrosian.

20 MR. BEDROSIAN: Good morning, Mr.
21 Chairman, Commissioners.

22 COMMISSIONER CAMERON: Good
23 afternoon.

24 MR. BEDROSIAN: Good afternoon.

1 Thank you for correcting me. How time flies.
2 The only agenda item for me actually is to turn
3 it over to Mr. Lennon and Ms. Beaulieu to give
4 you our quarterly budget update.

5 CHAIRMAN CROSBY: You don't have any
6 administrative updates? After all these two
7 weeks, nothing's happened?

8 MR. BEDROSIAN: I will report that
9 staff is rested and excited to go on our new
10 future.

11 CHAIRMAN CROSBY: Great. Thank you
12 for the update.

13 MR. LENNON: Good afternoon, Mr.
14 Chairman and Commissioners. Agnes and I are
15 here to provide you with our third quarterly
16 update on our budget. It's going to be a brief
17 budget update. Thankfully things are going
18 somewhat as expected and planned.

19 The summary is our revenue estimates
20 are going to be revised down with this update
21 by \$570,000. Spending estimates are also
22 revised down by \$1.08 million which result in
23 an overall \$510,000 decrease to our budget.

24 I'm not recommending an adjustment

1 on the assessment right now. I'll get into
2 that a little later indirect costs uncertainty
3 there. I just wanted to give a quick overview.
4 At the beginning of the year, we started at
5 \$28.3 million projected budget with \$28.3
6 million in spending and \$6 million in revenues
7 and \$22.2 million assessment on our licensees.

8 Since then, we've revised our
9 spending down with this quarterly adjustment to
10 \$26.87 million. We'll have projected revenues
11 of \$27.7 million which results in a surplus
12 \$863,000.

13 The two items that brought our
14 revenue down also had corresponding cost
15 decreases. And they all had to do with Region
16 C. At the beginning of the year, we projected
17 \$800,000 for consultant costs to review the
18 Region C applications. We brought in revenue.
19 And we're expecting expenditures of \$580,000
20 for that project. Correspondingly, we had
21 projected \$400,000 in grants for Region C to
22 the local community to review the impacts. And
23 we only spent \$50,000 on that. So, those two
24 items came down.

1 Two areas that we are still watching
2 that we may have additional decreases in
3 spending is the UMass ISA for responsible
4 gaming, the cohort and the baseline studies.
5 Spending is behind right now but we are told
6 that they're ramping up on a few contracts that
7 we'll spend significant amounts approximately
8 \$200,000 per month. This is their time that
9 their salary really jumps, because their
10 professors get paid their regular salary as
11 well as a piece of their summer salaries. So,
12 you'll see that item jumping up too.

13 So, if you were looking through the
14 expense budgets and you saw Mark's budget in
15 the PP was down, we're still watching it. We
16 still believe that it's on target but if they
17 slip awarding one of those contracts, you'll
18 see us after the fourth quarter coming back and
19 saying there will be a reduction in spending
20 there.

21 The other item we're still watching
22 is the Attorney General's office. They turned
23 back in \$350,000 of their \$1.9 million. And
24 they've still spent -- Even turning that in,

1 they've only spent \$750,000 through the first
2 three quarters. But they're going to have a
3 few large equipment purchases which will bump
4 them back up. But if they don't get one of
5 those pieces of equipment ordered on time or
6 purchased, you'll see a reduction.

7 CHAIRMAN CROSBY: Like a tank
8 weapon? What kind of equipment?

9 MR. LENNON: So, I guess it's
10 surveillance equipment. So, it's very costly,
11 hi-tech equipment that they're looking to
12 purchase.

13 COMMISSIONER ZUNIGA: Let me say
14 something Derek because it's a good
15 presentation, but there is one item here that
16 we did have control over and that was the
17 Region C evaluation.

18 MR. LENNON: Correct.

19 COMMISSIONER ZUNIGA: I think that's
20 a testament to the internal group here. We
21 took internally the coordination, Janice and
22 yourselves and Director Bedrosian. So, our
23 initial projection came down because for the
24 most part this was efforts that we did

1 internally. We still relied on consultants to
2 a great degree for the evaluation, but it's a
3 testament to good efficient management that I
4 just wanted to point out.

5 MR. LENNON: That's completely
6 appropriate, Mr. Zuniga. That \$800,000 was a
7 conservative estimate when we began. And the
8 amount that the Commissioners did cut down on
9 the use of consultants as well as the amount
10 that Janice contributed by taking on that
11 oversight role and coordination role really
12 drastically cut that down.

13 We were hoping that it would come in
14 at \$800,000. Having it come in at \$580,000 is
15 a very good story.

16 COMMISSIONER CAMERON: Mr. Lennon,
17 it sounds like you have a good relationship
18 with our partners. And they're advising of
19 their spend and you're aware, which helps you
20 budget appropriately, I suspect?

21 MR. LENNON: Partners with --

22 COMMISSIONER CAMERON: Well, you
23 just mentioned UMass and the AG's office.

24 MR. LENNON: So, I have had a few

1 conversations with the AG's office.

2 Commissioner Zuniga and Agnes meet with UMass
3 as well as Mark almost on a monthly basis to go
4 over their spending estimates.

5 Agnes meets on a monthly basis with
6 all of our directors to go over by line item,
7 by contract their spend, what we're
8 anticipating. We run payroll every two weeks
9 to make sure that we're projecting that
10 accurately. And when we find that we'll have
11 savings, you'll see them reflected on the
12 quarterly updates.

13 So, we're trying to stay on top of
14 it so that we don't have a big bump at the end
15 of the year that we're turning in.

16 The one area that I want to touch on
17 again is we are showing a surplus of \$863,000.
18 But I still think we have an internal deficit
19 because of the indirect issue. We are being
20 charged 10 percent of indirect costs on payroll
21 and consultants. Last year that amounted to
22 \$1.4 million, \$1.2 million of which came from
23 the Gaming Control Fund.

24 So, if you look at the \$863,000 that

1 we have right now, we still have about a
2 \$350,000 deficit that we'll have to make up
3 before the end of the year. So, we may be
4 praying for some of these contracts to come in
5 a little slower than anticipated but I think
6 those meetings have been progressing well.

7 We had a meeting with A&F yesterday,
8 discussed the finer points of it. And we hope
9 to have another follow-up with them.

10 COMMISSIONER ZUNIGA: But it's
11 perhaps fair to say that we should assume that
12 that cost will be there for us. We've been at
13 this now for a little while. If nothing for
14 the next year, regardless of the deficit which
15 is important, I'm thinking we should think
16 about budgeting that for the following year and
17 apportioning it to the appropriate departments
18 because it hits different departments
19 differently.

20 CHAIRMAN CROSBY: What is the status
21 of the tribal assessment?

22 MR. LENNON: So, for the tribal
23 assessment, we've taken a look at the compact.
24 We figured out the areas that we can develop a

1 budget. And then there is still a lot of areas
2 that we cannot figure out until we sit down and
3 have negotiations with them as far as what are
4 we going to take on versus what they're going
5 to take on.

6 We have to have discussions before
7 we can present the budget to them for them to
8 vote on and to approve. So, I think we have a
9 good understanding of what's allowable at this
10 point. Now it's just what do you want to turn
11 over us versus what --

12 CHAIRMAN CROSBY: -- you want to do
13 yourselves. Any impact one way or the other on
14 the balance of this year, which isn't much, or
15 on the '17 budget is not yet calculated I
16 gather.

17 MR. LENNON: Correct. So, I don't
18 see much on this year unless we get some
19 discussions moving quickly. But on next year,
20 it'll be just take a look at once again what
21 they're going to let us do. Figure out what
22 the direct costs are. And then figure out what
23 that overhead associated with providing those
24 direct costs would be which would be like we do

1 with racing.

2 I think we are charging off five
3 point some odd percent of our general
4 administrative positions to the racing budget
5 as a percentage of a total budget. Then we'll
6 take a look at what the Tribe is and charge
7 out.

8 CHAIRMAN CROSBY: That's in effect
9 an income item that we don't yet have in our
10 '17 budget.

11 MR. LENNON: Correct.

12 CHAIRMAN CROSBY: So, that's a piece
13 of good news.

14 COMMISSIONER ZUNIGA: That could
15 very well be a revenue reflection with minimal
16 or almost nothing in certain areas cost
17 increase.

18 CHAIRMAN CROSBY: Right. That's
19 what I'm getting at apropos of our other
20 discussion.

21 MR. BEDROSIAN: And we're in the
22 process too of now in the quarterly budget
23 update Director Lennon and I and his staff are
24 obviously working on our commercial side FY '17

1 budget.

2 And we'll also at the same time
3 start those conversations with the Tribe as
4 will the Commission generally to figure out
5 what our responsibilities and co-relationship
6 will be. And we'll start to build that. And I
7 assume we would come in front of the Commission
8 at some point too with a suggested tribal
9 budget.

10 CHAIRMAN CROSBY: Okay.

11 COMMISSIONER MACDONALD: That's
12 payable by them by the Tribe in advance; is
13 that right?

14 MR. BEDROSIAN: My memory of the
15 compact, Commissioner Macdonald, is that it is.
16 And we also are sort of obligated to have a
17 projected budget with them in place. And I
18 think now what you have are sort of two
19 entities the Tribe and their operator and us
20 who are in the startup mode about tribal
21 gaming. So, I think we just have to get
22 together and have those conversations.

23 CHAIRMAN CROSBY: Okay. Anything
24 else on that topic?

1 MR. LENNON: No. In your packet you
2 have the normal attachments, the quarterly
3 spending. We cut the spreadsheet down so
4 people could read it. So, it just shows
5 actuals through 3/31. If you want to see it by
6 month, it's available on the website in the
7 regular budget section.

8 You have the adjustments in detail
9 that we're recommending for this quarter that
10 we -- since it's not adding any additional
11 money, unless you object to anything, we're
12 going to approve. And then you have the
13 expense budget by division so you can see where
14 each division is as a percentage of their total
15 budget either spent or committed. And
16 committed once again is spending plus open
17 contract amount for the year.

18 COMMISSIONER ZUNIGA: One of the
19 areas that I know you do and I'd be interested
20 in having us look at is how we apportion costs
21 of certain -- certain Commission costs on
22 racing versus gaming. I know there's a five
23 and change percent. I know there's a
24 methodology behind it. But if we can come back

1 and true up or especially as we think about
2 next fiscal year. I know there's a lot on that
3 end that is in a bit of a state of flux but
4 there's revenue coming in as well. So, it's
5 something that we should continue to analyze.

6 MR. LENNON: Correct. So, we do
7 freshen that up each year based on the last
8 year's spending. That's what we presented to
9 the licensees. They were all right with that
10 as well. What we try to do is if it's space
11 costs, we'll take the actual space of those
12 people working for racing and charge them off
13 and not try to charge off a piece of ours. But
14 we can always do that too. It's just how much
15 of the racing budget can afford it.

16 CHAIRMAN CROSBY: Okay.

17 MR. LENNON: I'm going to turn it
18 over to Agnes for a quarterly update on our
19 diversity.

20 MS. BEAULIEU: Good afternoon,
21 Commissioners. In your packets, you have our
22 supplier diversity program benchmarks for the
23 fiscal year and to date for the third quarter.
24 It also includes our spending as well as the

1 encumbered amounts to date.

2 And currently we have reached and
3 surpassed our benchmark for the small
4 businesses. We'll continue to work towards our
5 benchmark for the minority- and woman-owned
6 businesses. In those two categories, we still
7 have two large contracts that we will be
8 winding down. And they will be coming off of
9 those categories.

10 With those reductions in our current
11 projections and adjusting the benchmark
12 accordingly with Derek's budget decreases, we
13 look to come in at about 82 percent for the
14 woman-owned businesses -- I'm sorry, 82 percent
15 on the minority-owned businesses and that we
16 will still probably meet the woman-owned
17 business goal.

18 We continue working towards getting
19 both of those to 100 percent. We are working
20 diligently with Director Griffin to identify
21 any new businesses that we can work with
22 between now and the end of the year. Sarah
23 Gangi (PHONETIC) has worked tirelessly trying
24 to identify new and existing vendors that could

1 fill those gaps for us.

2 COMMISSIONER ZUNIGA: Remind me of
3 the percentage calculation. So, if I'm looking
4 at minority-owned, we take the discretionary
5 budget because we've excluded items that we
6 have no control over, multiply that
7 discretionary by the benchmark. And the
8 benchmark would be in dollars 648?

9 MS. BEAULIEU: Correct.

10 COMMISSIONER ZUNIGA: And what
11 you're reporting is we've encumbered 1.3 but
12 spent 383?

13 MS. BEAULIEU: Right. And one of
14 those is the large -- one of the OPM contracts
15 that will be going away.

16 MR. LENNON: What we need to do is
17 revise.

18 MS. BEAULIEU: We need to revise
19 those benchmarks.

20 MR. LENNON: -- our estimates which
21 will then bring the benchmark spending down.
22 The benchmark will stay at seven percent, but
23 our discretionary money, since we are moving
24 away from the OPM that we had set at the

1 beginning of the year at \$700,000 down to the
2 actual spend which will be closer to \$250,000
3 or \$300,000. That will drop it down.

4 We're still not going to hit 100
5 percent goal based on just that by revising
6 that. But it will bring our anticipated from
7 78 or 80 up to 82, which means we still have a
8 lot of work to do.

9 We've been inviting Jill to all of
10 our RFR meetings. Whenever we have a new
11 procurement going out the door, whenever we
12 have something that we're looking to we've been
13 inviting Jill because we are meeting that area
14 where we are having a hard time finding vendors
15 that are competitively pricing.

16 So, it may be a change in policy
17 that we have to make to meet these goals.
18 We're not always going to go with the lowest
19 bid. The best value is meeting this benchmark.
20 So, that's something we're discussing as well.

21 CHAIRMAN CROSBY: Are we using all
22 the tools that we are having our licensees use,
23 all of the support organizations out there?
24 For example the group that's meeting the

1 Hispanic American Institute is partnered with
2 Chelsea Chamber of Commerce or something like
3 that, are we using the same resources?

4 MR. LENNON: We haven't gone to that
5 level. We are bound by the Supplier Diversity
6 Office because that's who responsible for the
7 state. That's who registers everyone that we
8 can get credit for.

9 The piece that we can look at is if
10 we want to open up our definition and say that
11 they don't have to be registered with the
12 Supplier Diversity Office of the state. And
13 then we can take a look at some of our
14 subconsultants to our prime consultants are to
15 see if we capture them as far as the diversity
16 spend.

17 I'm saying that as an option. I'm
18 also saying that with that will come a lot of
19 legwork to figure out and create that inventory
20 and database and certification. I'm not saying
21 it's not possible.

22 CHAIRMAN CROSBY: We are unrelenting
23 with our licensees in insisting that they make
24 that effort. We frequently find vendors who

1 are minority-owned or woman-owned who aren't
2 registered and we get them registered. We help
3 get them through the process. We can't use a
4 different standard for ourselves than we use
5 for our licensees.

6 MR. LENNON: Well, a big problem
7 with that and this is an area that we get into
8 when we adopted 801 CMR 21, just because we go
9 them registered, doesn't mean that we can use
10 them. If there's a statewide contract, we are
11 bound by 801 CMR 21 to use statewide contracts
12 before we go out and do a competitive
13 procurement.

14 So, unless they're on that contract,
15 which is a frustration I have run into many
16 times. I was a Secretary at Supplier Diversity
17 Office for Housing and Economic Development. I
18 can't tell you how many times I had vendors
19 come up to me at these events and say to me I'd
20 love to give my service. Here's my
21 certification. And I'd have to say there's
22 really nothing I can do. Then they get
23 frustrated. Why did I spend my money to get
24 certified?

1 CHAIRMAN CROSBY: We're not limited
2 to stateside contracts, are we?

3 MR. LENNON: If we adopted those
4 procurement rules, which we did, we are going
5 into the competitive pricing of using those
6 contracts. So, the people who applied who
7 followed all of those rules get first
8 preference.

9 If we can show that they aren't
10 meeting our needs, and maybe this is one of the
11 areas where we say the vendor list isn't
12 meeting our needs, we can apply to OSD for a
13 waiver from using their contract.

14 COMMISSIONER ZUNIGA: This is a
15 little bit of the steady state in which now we
16 can find ourselves from the position we were in
17 before. What's really behind some of this is
18 the fact that we're thinking about eliminating
19 the two largest contracts that we had with a
20 minority firm and a woman firm. Those were the
21 OPM operator firms.

22 I think it makes sense for us to do
23 that because of the lifecycle of where we are
24 that there was a business case early on. We

1 hired Joe and evolved in some ways as to what
2 we want to do and how we want to do it. And
3 that begins to limit our ability in the
4 discretionary amount that we have.

5 MR. LENNON: But you're right,
6 Chairman. We have a lot of work we can do.
7 There's a lot more we can do and that's what
8 we're trying to do with Jill, figure out where
9 those opportunities are.

10 COMMISSIONER STEBBINS: To pick up
11 on the Chairman's point, we allow our licensees
12 through like a CWE registration, Greater New
13 England Minority Supplier Development Council
14 certification. Oftentimes, you won't find them
15 certified in both the woman agency or the SDO.

16 COMMISSIONER ZUNIGA: But our
17 licensees are not bound by 801 CMR procurement
18 regulations that we adopted.

19 MR. LENNON: So, one of the things
20 we can do, and Catherine and I have talked
21 about this is come to you with a recommendation
22 of what areas of 801 CMR 21 to follow and what
23 areas we would want to exempt ourselves from
24 and want to make a rule of it, and it's well

1 written out and it clears up a lot of these
2 issues.

3 So, I think that's something that if
4 we can't meet the benchmarks this way, we come
5 to you with a recommendation on how to open it
6 up so that we can. We're still sticking with
7 the major competitive procurement aspect of 801
8 CMR 21.

9 CHAIRMAN CROSBY: Okay, good.

10 COMMISSIONER CAMERON: It's good to
11 see you're thinking of a way to succeed.

12 MR. LENNON: It's the second year
13 we've struggled with this. We have to find
14 some way to get to the point where we're 100
15 percent compliant with our benchmark.

16 COMMISSIONER MACDONALD: Derek,
17 without getting into too much detail on it, how
18 could you summarize what 801 CMR 21 requires?

19 MR. LENNON: So, what 801 CMR 21
20 requires is that there is always competitive
21 procurement. You make yourself open to as many
22 people as possible. And that OSD, Operational
23 Services Division is designated by the Governor
24 as the entity that will set out the regulations

1 and the policies that comply with the
2 regulations for competitive procurement in
3 Massachusetts.

4 And a lot of the stuff that they
5 throw out are the statewide contract list. So,
6 they are the designated agent for procuring
7 those. They are the ones that send out these
8 benchmarks, set them for the year. They are
9 the group that came up with the Supplier
10 Diversity Office and registering people and the
11 background qualifications for registering those
12 people. Who would qualify, what financials
13 they had to submit.

14 So, that was a lot of what
15 originated from that. It's a competitive
16 procurement rule for the Commonwealth.

17 COMMISSIONER MACDONALD: So, it's a
18 comprehensive regime and structure for
19 purchasing in the Commonwealth.

20 COMMISSIONER ZUNIGA: And by
21 adopting them, we have the flexibility, for
22 example, whenever some purchase need comes up
23 to first go to the approved state contracts and
24 just pick a firm that has been prequalified or

1 qualified.

2 COMMISSIONER MACDONALD: And we're
3 obliged to do that; is that right?

4 MR. LENNON: We are obliged, yes.
5 If we don't do it, one of the exceptions in
6 their policy is to write to their General
7 Counsel and the purchasing agent and provide a
8 reason why their statewide contract doesn't
9 work for us.

10 And then they will make a
11 justification of whether that's accurate or not
12 or whether we've met that standard if it
13 doesn't work. Then they'll give us the
14 approval to either procure something on our own
15 or they'll tell us no, go back and ask another
16 group of vendors. That's happened to us a few
17 times.

18 COMMISSIONER ZUNIGA: And we did
19 competitive procurements on our gaming
20 consultants, our outside counsel when we
21 started. We continue to do them. And it might
22 be part of my earlier point was, I think we are
23 going to see less and less of that just because
24 of where we are, less competitive procurements

1 that we'll conduct as we continue to mature.

2 COMMISSIONER MACDONALD: Less and
3 less of managing the procurement process
4 through this centralized --

5 COMMISSIONER ZUNIGA: No, no, less
6 and less of our own competitive procurements.
7 I think it was very understandable for us to do
8 that when we procured unique gaming
9 consultants, for example. There's no statewide
10 contract for gaming consultants.

11 MR. BEDROSIAN: There is now.

12 COMMISSIONER ZUNIGA: There wasn't
13 when we started. A lot of the costs that are
14 on the horizon for us, there's a lot of
15 statewide contracts that we can look at.

16 CHAIRMAN CROSBY: Okay. All set?
17 Thank you.

18 COMMISSIONER CAMERON: Thank you
19 both.

20 CHAIRMAN CROSBY: We are back now to
21 item (6).

22 MR. BEDROSIAN: Item (5).

23 CHAIRMAN CROSBY: You're done, so
24 back to item (5), right, Director Vander

1 Linden.

2 MR. VANDER LINDEN: Good afternoon.
3 The first agenda item I have for you is an
4 update on Play My Way which is our play
5 management tool that will be launched right now
6 expected to be at the end of this month, but
7 I'll give you an update on that timeline as
8 well.

9 I think this is coming along
10 beautifully. I think it's a great tool. I
11 think you'll appreciate the presentation.
12 Granted it's not as cool as picking up and
13 moving a church, but at the same time the
14 effort to this forward has been significant.

15 CHAIRMAN CROSBY: Similar. It
16 weighs about the same as the church.

17 MR. VANDER LINDEN: What I'm going
18 to do is just kind of walk you through each of
19 the screens that you would see as it would show
20 up on a slot machine at Plainridge Park Casino
21 once we launch. Understand that what I am
22 showing you is one type of screen that you
23 would see. And that would be what's called the
24 DM screen, which is the screen that basically

1 it's the large picture slot machine.

2 There are two different types of
3 screens that are on the floor at Plainridge
4 Park Casino. The other is an eyeview or LVDS.
5 If you recall, you saw this in December that
6 that LVDS screen is much, much smaller.

7 So, while it looks like there's
8 plenty of space on this screen, it does look
9 different on that LVDS or small screen. But I
10 assure you, as we've been testing this we've
11 taken a look and made sure that the product
12 that we're developing fits well onto that small
13 screen and that players can see it and easily
14 move through it.

15 What you have is the introduction
16 screen in front of you. This is the screen
17 that a player would see in a couple different
18 scenarios. The first would be right after they
19 sign up for a Marquee Reward card or player
20 card. Mind you that this is a tool only for
21 Marquee Reward players. We're calling -- It's
22 a benefit of joining Marquee or being a Marquee
23 Reward member.

24 So, as soon as an individual would

1 put their card into the machine, this screen
2 would pop up on half of the screen. You can
3 see that Play My Way basically kind of takes
4 over half of the screen. On the other half of
5 the screen is a slot machine.

6 Another way in which a player would
7 see the Play My Way is on the first day of
8 launch. When they first sit down and put their
9 card into the machine, they will get this
10 screen. Another way in which they could find
11 this screen is through enrollment at a
12 GameSense kiosk.

13 It is intended that and as approved
14 by the Commission back in I believe the end of
15 2014 that we wanted to have many ways in which
16 a player could enroll in Play My Way through a
17 slot machine, with a GameSense advisor, through
18 a GameSense kiosk. And that's the product that
19 we have now.

20 And the final way in which somebody
21 would see this screen is you can kind of see it
22 at the very bottom. It's the carousel and you
23 can see the Play My Way icon. Say for example
24 an individual declines to enroll at one point,

1 but a week later says, yes, I want to enroll.
2 They can tap the Play My Way icon at the bottom
3 of the screen. And this screen would come up
4 for them.

5 Also as adopted by the Commission,
6 it's intended that we want to introduce Play My
7 Way, provide this as an option but we don't
8 want this to become a burden or something that
9 they would see every time they sit down at the
10 machine.

11 So, if somebody says close, return
12 to game, the slot machine takes over the full
13 picture. But this screen would pop up for them
14 once every 30 days. Again, this was an issue
15 that was contemplated or directed by the
16 Commission from the onset.

17 CHAIRMAN CROSBY: Mark, I thought I
18 remembered, I think maybe we talked about this
19 before. The first screen you get, you put your
20 Marquee Rewards in for the first time, it's
21 this. I thought there was a first screen that
22 was a question. Do you want to use Play My
23 Way? Because we had then talked about -- Am I
24 wrong? Was there never a question?

1 MR. VANDER LINDEN: There was a
2 placeholder screen very early on. And it
3 looked like it served that purpose, but this is
4 actually the first screen an individual would
5 see.

6 CHAIRMAN CROSBY: Because that's all
7 the more reason why the marketing launch is
8 important. Because they say introducing Play
9 My Way. I don't want to be introduced to Play
10 My Way. What's Play My Way? Whereas if it
11 said do you want to use Play My Way then at
12 least there would be some text that said -- So,
13 it's all the more that they've got to be aware
14 of it when they first sit down with their
15 Marquee Rewards card.

16 MR. VANDER LINDEN: Right. And
17 Elaine and I will talk about a very robust
18 promotional campaign that it's our goal that
19 when somebody sits down when this is launched
20 that they won't have a question about what Play
21 My Way is or what this screen is. And that we
22 will provide a lot of opportunity to talk about
23 it and promote it.

24 COMMISSIONER MACDONALD: Would it be

1 assumed, Mark that when people apply for their
2 Marquee Rewards card that Play My Way will be
3 specifically described to them at the time?

4 MR. VANDER LINDEN: Yes. My hope is
5 that there will definitely be literature within
6 the packet of information that they get. And
7 part of the training that I'll be doing over
8 the next couple weeks is meeting with player
9 services to talk about how they introduce Play
10 My Way as well.

11 COMMISSIONER CAMERON: Mark, do we
12 know the percentage of players at the casino
13 that have the Marquee Rewards card?

14 MR. VANDER LINDEN: Yes, we do.

15 COMMISSIONER CAMERON: Ballpark do
16 you know?

17 MR. VANDER LINDEN: I don't know what
18 the percentage is, but I know what the number
19 of active Marquee Reward players they have.

20 COMMISSIONER ZUNIGA: I remember a
21 figure of around 60 percent but that may be an
22 industrywide, not necessarily a Plainridge.

23 CHAIRMAN CROSBY: I thought it was
24 much higher than that. We can find out.

1 COMMISSIONER CAMERON: I know I've
2 asked the question before and I just I think
3 it's probably changed. I think I recall a 60
4 percent number but that was a while ago.

5 COMMISSIONER ZUNIGA: That could
6 very well be an industry once you have table
7 games too. So, who knows.

8 MR. VANDER LINDEN: Without getting
9 into the actual number that they have, I'm not
10 sure I can share that just for protecting that
11 for them.

12 What my anticipation is that there
13 is a certain percentage of their Marquee Reward
14 players that spend an average of \$50 or less
15 per day. Given that we have an incentive and
16 this may be a more valuable tool for them, my
17 hope is that we capture between 10 and 30
18 percent of those customers that would spend in
19 that price range per day when they are gaming
20 at Plainridge Park Casino.

21 COMMISSIONER CAMERON: And you think
22 that the lower spend is more apt to use this;
23 is that the history?

24 MR. VANDER LINDEN: Again, this is

1 all speculation mind you, because this has not
2 been rolled out in the United States
3 previously. For a couple of different reasons,
4 I think it may be a more attractive tool.

5 One is that it may be a group that
6 is more likely to monitor the amount that they
7 spend first and foremost. Another is that what
8 we have is an incentive that goes along with
9 enrollment in Play My Way. And that incentive
10 may be a more attractive offer for them than
11 perhaps players who spend more.

12 COMMISSIONER ZUNIGA: That makes
13 sense.

14 MR. VANDER LINDEN: Again, if you
15 hit return to game, the game takes over. If
16 you hit enroll, you go to a terms and
17 conditions screen.

18 Any of the verbiage that you see on
19 these screens has all been language that we've
20 worked very closely with Elaine, with Mike,
21 with our advertising company, More Advertising.
22 And it's a very concise, limited way in which
23 we talk about Play My Way. We want to keep the
24 message of what it is and how to use it as

1 simple as possible.

2 So, you'll see language throughout
3 here that is also translated through various
4 types of promotional items that we have.

5 Again, if somebody wants to continue
6 through the enrollment, they are asked to enter
7 their Marquee reward number or PIN number.
8 There is a very brief one to two seconds
9 processing screen that comes up. Then it goes
10 to set your budgets.

11 Individuals can set either a daily,
12 weekly and/or monthly. You can set one or you
13 can set two or you can set all three. In order
14 to do that you would push the set button on the
15 right-hand side there. And it would take you
16 to this screen, a very easy to use keypad.

17 And again, at any point if decide
18 you're in this and you don't really want to use
19 it, you can X out and return to the game. You
20 can X out either through the green button or in
21 the top right-hand corner.

22 Once you do, you get an enrollment
23 successful screen. And it directs you to the
24 GameSense Information Center where they would

1 receive a five dollar food credit for any food
2 vendor at Plainridge Park Casino. That's the
3 extent of it.

4 It could be more complicated. What
5 I walked you through is if somebody sets a
6 daily budget. If you want to set an additional
7 budget, if you want to set a weekly or monthly
8 budget, you would go through that process two
9 additional times before you get to the
10 enrollment successful screen.

11 COMMISSIONER MACDONALD: Mark, the
12 five dollar reward doesn't seem to be an awful
13 lot. Did that figure come up from us or was
14 that what Plainridge said that they were
15 willing to --

16 MR. VANDER LINDEN: That is a number
17 that came from us, but I do have to tell you --
18 We pay that and it is credited back to
19 Plainridge Park Casino. I think incentivizing
20 it -- When we looked at major barriers to this
21 type of program in other jurisdictions, the two
22 things that popped out and I think I mentioned
23 this before, is enrollment, getting people to
24 use it and measuring its effectiveness.

1 And I think that in order to get a
2 maximum enrollment, we really wanted to pay
3 attention to the incentives and how we promote
4 it. Both of which I feel strongly that what we
5 have at least at the onset is a very solid
6 program to maximize the enrollment in the
7 program.

8 COMMISSIONER MACDONALD: I'd be
9 completely supportive of that. It just doesn't
10 seem like five dollars would get you much more
11 than a Coke.

12 COMMISSIONER STEBBINS: Coke is
13 free.

14 COMMISSIONER ZUNIGA: Coke is free
15 at Plainridge.

16 COMMISSIONER CAMERON: Half a beer.

17 MR. VANDER LINDEN: I would say at
18 our GameSense Information -- It's only for food
19 not for alcoholic beverages. Our GameSense
20 Information Center, I know that any promotional
21 items that we have there to hand out that would
22 have a value of far less than five dollars are
23 very popular with patrons that visit the
24 casino.

1 CHAIRMAN CROSBY: Mark, the example
2 you got here is the person has chosen to set
3 their daily budget. They enter \$50. Now if
4 they want to set their weekly budget how do
5 they do that?

6 MR. VANDER LINDEN: They would go
7 back and it would then set --

8 CHAIRMAN CROSBY: So, you don't push
9 enter. You'd push your \$50 and then you'd push
10 back? I think that's going to cause people a
11 lot of confusion.

12 COMMISSIONER ZUNIGA: I remember
13 that you went to the 50, if you push enter it
14 defaults to that screen again.

15 MR. VANDER LINDEN: Actually, you're
16 right, Commissioner. It does. It goes back.
17 And when it goes back to this screen next
18 button, the next button is activated. You
19 can't see the next button on this screen
20 because nothing has been entered, is not
21 activated.

22 CHAIRMAN CROSBY: It's not right
23 here. We've skipped a slide.

24 MR. VANDER LINDEN: Right, I'm

1 sorry. That's right. It does. After you
2 enter, right now you would press enter for the
3 daily -- or set for the daily. It would take
4 you this this screen. You would press enter.
5 It would return you to this screen. The next
6 button would be activated so that you could
7 actually go to the enrollment successful screen
8 or you could set a weekly and/or monthly
9 budget.

10 COMMISSIONER ZUNIGA: You'd see a
11 \$50 on the first white box there and you could
12 then return to game, reset or set the weekly or
13 monthly budget if you wanted.

14 MR. VANDER LINDEN: Right, yes.

15 COMMISSIONER CAMERON: That's a
16 wrench as in adjust.

17 MR. VANDER LINDEN: Correct.

18 CHAIRMAN CROSBY: I first thought it
19 was a lobster.

20 COMMISSIONER ZUNIGA: With very
21 small arms, very small claws.

22 COMMISSIONER STEBBINS: Mark, where
23 does it tell you that you have the option of
24 doing all three.

1 MR. VANDER LINDEN: I believe it's
2 in the -- We have it throughout our promotional
3 materials, but I think that's a good point,
4 Commissioner Stebbins. That we could add a
5 line in there under the introducing Play My Way
6 that would state that you could set a daily,
7 weekly and/or monthly budget.

8 COMMISSIONER STEBBINS: Yes.

9 MR. VANDER LINDEN: There's a number
10 of small content revisions that are sitting
11 with Bally who is our developer for this right
12 now. Those at this point are pieces that we
13 could continue to make requests that that would
14 be included prior to the launch.

15 COMMISSIONER ZUNIGA: The team here
16 has worked very to try to find the right
17 balance to non-verbose. There's a real estate
18 screen issue here especially when you look at
19 the small displays. The more information that
20 we put in the more that there's a risk for a
21 patron to be turned off and say oh, just get me
22 out of here. That's always been very
23 thoughtfully trying to balance.

24 MR. VANDER LINDEN: Yes. It looks

1 like there's plenty of space on here, but again
2 you take it back to the eyeview small screen
3 and that space is crunched down.

4 What I want is to provide people
5 with the information they need in order to make
6 a decision about whether or not they want to
7 enroll. As I said, we have a lot of really
8 important things to say about responsible
9 gaming and ways to keep their gaming fun. But
10 for the most part, it's not going to be
11 captured on these screens because the real
12 estate is very small.

13 We continue to rely heavily on the
14 staff at the casino and more importantly our
15 GameSense advisors to communicate the bigger
16 picture of it.

17 And what I've said before also, this
18 is but one tool that would fall under the
19 GameSense strategy. There's much, much broader
20 strategy that we have employed in Massachusetts
21 to talk about responsible gaming and all the
22 different kind of ways to the principles of
23 responsible gaming. And this is one tool.
24 It's a really interesting tool. And I think

1 it'll be very interesting to see how it
2 unfolds, but it is just one tool.

3 Moving on then. There's a way in
4 which to adjust your budget. So, if you want
5 to adjust your budgets and actually this is a
6 screen where we have made a few changes. I'm
7 going to try to remember that those changes are
8 to the best of my ability.

9 What you are seeing right now is a
10 screen prior to the testing that I had done
11 last week with some recommendations for
12 changes. But before I explain that let me just
13 explain what this screen is.

14 So, if you want to adjust your
15 budgets, you can do so at any time. And what
16 it would do, it would tell you exactly what
17 your current budget is and then you can press
18 the adjust button. And it would take you to
19 another keypad screen. The keypad then would
20 take you back to this screen so you could see
21 what your new budget is.

22 One of the changes, it wouldn't say
23 actual budget versus my budget choices. It
24 will say current budget and the new budget so

1 that there's not confusion about kind of what
2 your current budget is. In addition, we're
3 going to remove the reset button. Really all
4 that that does is it deletes all of your
5 current budget choices.

6 In order to again try to keep as
7 concise as we possibly can with as few buttons
8 and options as possible to get the person from
9 start to finish, we are looking at all of these
10 different factors and ways we can make it
11 easier to use.

12 Once you do that you get a budget
13 successful screen. I wanted to take you back
14 to the reminder screens. Again, there's a
15 small change on these reminder screens that is
16 in process right now too.

17 So, you get reminder screens at 50
18 percent 75 percent as you approach your set
19 budget. You'll get a reminder at 100 percent
20 and then 25 percent -- every 25 percent
21 thereafter.

22 Play is not suspended. Play is not
23 cut off. The machine does not freeze. An
24 individual can continue to gamble if they

1 choose to. And that was a very conscious
2 decision by the Commission that this a tool for
3 individuals to use. They can use it or not use
4 it. We don't want to make it any type --
5 create any type of penalty or a barrier for
6 them. What it is intended to do is to increase
7 a patron's informed choice about their gaming
8 decisions.

9 So, what you see right here is a
10 screen that would say you're approaching the
11 budget that you had set. You have spent 50
12 percent of your budget for the day. And it
13 would give you an opportunity to return to the
14 game.

15 Here is a screen that would indicate
16 that the individual has hit 100 percent of
17 their budget for the day. What we are going to
18 add is another statement in there that would
19 say if you want to stop play to remove your
20 player card and that would terminate the
21 session for the individual.

22 We want to create an option. You're
23 at a crossroads, if you will, when you get one
24 of these screens. And we want there to be a

1 decision, an informed decision about whether or
2 not they would continue to gamble or whether or
3 not they would decide because I hit my budget,
4 it's time to walk away.

5 That's why I think that this screen
6 just in general creates that crossroad. But
7 adding the additional question in there or the
8 additional statement in there kind of further
9 puts -- further makes that point.

10 COMMISSIONER CAMERON: Say you walk
11 away, you go have lunch. Then you decide you
12 want to continue. So, you come back at a
13 different machine and you put your card in,
14 would you get that screen immediately that said
15 you have reached your budget limit?

16 MR. VANDER LINDEN: That's correct.
17 If you set that's correct, you would get that
18 screen. It would let you know where you stand.

19 It's also important to note that
20 these are approximations. When I say that you
21 get a notice at 50 percent, 75 percent, 100
22 percent, the machine calculates that up to I
23 think it's 100 percent once every three spins
24 of the reel.

1 So, you may actually be over 50
2 percent. You may be over 75 percent because
3 it's only calculating it once every three.
4 After 100 percent, it's calculating it every
5 single time --

6 CHAIRMAN CROSBY: -- up to 75.

7 MR. VANDER LINDER: -- up to 75
8 every single time you press the button. So,
9 you get a much more accurate, clearer picture
10 of where you stand in terms of budgets you had
11 set.

12 CHAIRMAN CROSBY: Theoretically
13 you're at 99 percent, you have a big loss, you
14 push, you have a big loss, you're now at 110
15 percent not 100.

16 MR. VANDER LINDEN: And it'll give
17 you the actual percent. So for example, as the
18 Chairman said you would get a message that said
19 you are at 110 percent.

20 CHAIRMAN CROSBY: This one is a
21 flexible one. When you get to 100, it'll give
22 you what your actual is with that the last
23 spin.

24 MR. VANDER LINDEN: Correct.

1 CHAIRMAN CROSBY: Oh, I didn't know
2 that.

3 COMMISSIONER CAMERON: Does it slow
4 down the machine at all to calculate?

5 MR. VANDER LINDEN: No, there is no
6 slowdown in the machine. The machine remains
7 active. Even when you have a screen like this,
8 the machine remains active. It just takes over
9 half of the screen.

10 So, for example, you could get a
11 message that you could adjust your budgets and
12 on the right side. the machine is still active
13 and you can continue to play, which is another
14 feature that the Commission had requested early
15 on and said we don't want to lock up the
16 machine. We don't want to lock up the machine.

17 Another important piece of this is
18 the ability to unenroll at any time. So, if an
19 individual enrolls in it for whatever and then
20 for whatever reason it is that they decide this
21 is not a tool that they want to use, we've
22 always wanted to make it very easy for them to
23 unenroll.

24 But we want to get a little bit of

1 information about why it is that they are
2 unenrolling. What you see right now is a
3 number of choices for them to unenroll. In the
4 latest version that's going to be released,
5 we've trimmed the number of reasons that an
6 individual can state down to I think seven
7 reasons. Again because when I saw this, we
8 didn't want to have a scrollbar. We wanted it
9 to fit on the LVDS screen. So, we looked at
10 the various reasons why would somebody unenroll
11 and trimmed the ones that we thought were
12 either redundant or less likely to be clicked.

13 COMMISSIONER ZUNIGA: Mark, remind
14 me was the text in this also discussed with the
15 Division on Addiction?

16 MR. VANDER LINDEN: Correct.

17 COMMISSIONER ZUNIGA: I'm
18 particularly interested in the one that says I
19 no longer have a problem with gambling.

20 MR. VANDER LINDEN: Actually,
21 Commissioner Zuniga, this isn't what the
22 Division on Addiction and the Gaming Commission
23 had agreed to early on.

24 When I got these screens, there were

1 some other reasons that came from other
2 jurisdictions that were prepopulated. What we
3 have is a very small set of approved reasons in
4 which somebody wouldn't want to.

5 COMMISSIONER ZUNIGA: Thank you.

6 CHAIRMAN CROSBY: Does it have the
7 bad experience with RG ambassador?

8 MR. VANDER LINDEN: No.

9 CHAIRMAN CROSBY: Okay, good.

10 MR. VANDER LINDEN: In fact, that
11 was the first thing that tipped me off that we
12 had the wrong set. We don't refer to them as
13 RG ambassadors.

14 COMMISSIONER CAMERON: Do they have
15 to check at least check one box to successfully
16 unenroll?

17 MR. VANDER LINDEN: Correct, yes.

18 CHAIRMAN CROSBY: But one is I
19 prefer not to say.

20 MR. VANDER LINDEN: Yes, I believe
21 it does. Then you would get a screen that says
22 your unenrollment is successful and you can re-
23 enroll at any time.

24 So, the incentive is for first-time

1 enrollees. So, if somebody comes back for --
2 unenrolls and then comes back for a second
3 time, they're not eligible for that five dollar
4 incentive.

5 So, in addition to the Play My Way
6 program that's launching, at the same time,
7 we're going to offer a set of static screens,
8 GameSense static screens. Again, it's hard to
9 see down there at the bottom carousel, but you
10 see the Play My Way icon but you can also see
11 the GameSense icon on the right side of that.

12 So, what would happen if you hit
13 that GameSense icon again is it's a set of
14 static screens that would provide information
15 only for you and it would launch into those.
16 So, it would provide information about the
17 GameSense Information Center. It would provide
18 information for you about Play My Way.

19 This is language that was adopted --
20 that we had adopted in collaboration with More.
21 It would provide some very basic information
22 about how slots work, and GameSense tips.

23 What you don't have in front of you
24 also is the shots from the GameSense kiosks

1 which are interesting. You can enroll in Play
2 My Way from the GameSense kiosk. There is also
3 a number of different screens and ways to get
4 information from the GameSense kiosk.

5 Commissioner Zuniga, Chairman Crosby
6 last week tested it in an isolated gaming lab
7 at Plainridge Park Casino. It's live on two
8 test machines there. This doesn't I feel do
9 justice to (1) kind of the ease of the tool and
10 (2) just what the value of the tool is. And I
11 invite you to come down sometime over the next
12 couple of weeks before we go live to test it,
13 see it, use it. And I would be glad to kind of
14 walk you through it at that point too.

15 CHAIRMAN CROSBY: You'll also be
16 invited when we go live.

17 COMMISSIONER CAMERON: I'll be there
18 on Tuesday. So, I'd love to try it. Did Bally
19 -- They developed.

20 MR. VANDER LINDEN: Correct.

21 COMMISSIONER CAMERON: Did they
22 develop the Canadian model as well?

23 MR. VANDER LINDEN: Yes.

24 COMMISSIONER CAMERON: Did they have

1 any feedback of this compared to -- I know you
2 don't want to necessarily say this is better
3 than their model, but did they have any
4 feedback?

5 MR. VANDER LINDEN: It's
6 interesting. This is called precommitment.
7 It's the Bally precommitment system. And it
8 was a system that was originally developed for
9 a jurisdiction in Australia. So, that became
10 kind of the base model. And we received a lot
11 of benefit from just taking that base model.

12 But we also had a lot of our own
13 specific unique requirements. Some of those
14 specific unique requirements are then being
15 transferred to other jurisdictions that are
16 picking it up. For example, in Canada Bally
17 also is working with the Ontario Lottery group
18 and the British Columbia Lottery Group -- Both
19 of them are lotteries as well as casinos. -- to
20 develop this exact same tool.

21 It's live in Ontario. They did a
22 test at one casino and are preparing if not
23 they haven't already gone through the entire
24 province are in the process of doing that. The

1 British Columbia Lottery Corp. is planning on
2 taking I think what is very similar to this
3 tool and taking it live throughout British
4 Columbia sometime it's either this summer or
5 early fall. Their timeline like ours has
6 shifted to some degree as well.

7 So, these GameSense tips, the static
8 screen was actually a function that was
9 developed for British Columbia that we then
10 adopted. And I think that there are some great
11 lessons to be learned. What we learn in our
12 evaluation can be applied to other
13 jurisdictions. What other jurisdictions are
14 learning, we certainly would want to consider
15 and see if it makes sense for us in
16 Massachusetts.

17 The key point though is that this is
18 all a test. This was adopted as a test. And a
19 test to be evaluated before we would decide
20 whether or not this is something that we would
21 want to adopt and use throughout our licensees
22 in Massachusetts. As I hear very clearly
23 that's a let's wait and see what the results of
24 our evaluation are.

1 COMMISSIONER CAMERON: Great, looks
2 excellent. Thank you, Mark.

3 MR. VANDER LINDEN: One last piece
4 and I want to credit Mike Sangalang for this.
5 And I thought this was great. Again, not as
6 cool as moving a church but still great is the
7 Play My Way icon in the upper left-hand corner
8 is sort of a dynamic icon where you can kind of
9 see it sparkle or star. That is dynamic where
10 it continues to kind of sparkle. It's more of
11 an animated piece than a static icon on the
12 screen.

13 Now going to the timeline. When I
14 brought this to you originally or when I
15 brought this to you last, it was in March. And
16 we were getting ready to launch into a series
17 of content revisions. Most of those content
18 revisions are done. As you saw, there were a
19 few that were lingering out there that we
20 continue to work on. That's really to be
21 expected. So, we've gone through a number of
22 content revisions both for the EGM as well as
23 for the kiosk.

24 We last week, the Mass. Gaming

1 Commission went through user acceptance testing
2 and training with some additional changes.
3 Right now, Penn Plainridge Park Casino is in a
4 two-week period of user acceptance testing. I
5 think this week the site is doing their user
6 acceptance testing. And next week they'll have
7 representatives from Penn corporate that will
8 be there to do user acceptance testing.

9 The week of the 23rd, so a week and
10 a half from now we will go into an intense week
11 of training where Bally will be back out. And
12 we will go into a number of trainings across
13 all levels.

14 Right now I was adding it up. I
15 have roughly 15 different trainings that I'll
16 be doing, some of them in conjunction with
17 Bally and some of them just on my own to talk
18 about the program, what the value of it is, why
19 it's there and how to use it. The bulk of that
20 will take place the week of May 23.

21 It will be pushed out on May 30 to
22 kind of the system. The idea that on May 31 --
23 Right now, the plan that we have is that it
24 would be pushed out to the gaming floor to two

1 banks on the gaming floor, which is roughly as
2 I understand 20 slot machines on May 31.

3 Those slot machines, those two banks
4 will be cordoned off so that we can go through
5 additional intensive testing to make sure that
6 when it's live and on the floor that it's
7 functioning as expected and everything works.

8 This is a plan that I've worked out
9 with Director Glennon as well as Penn on-site.
10 So, I'm feeling good about that sort of test
11 environment both now as well as when it
12 actually hits the gaming floor.

13 And on June 1 starting at 9:00 a.m.,
14 it would be turned on live onto the gaming
15 floor.

16 CHAIRMAN CROSBY: That will be a
17 soft launch.

18 MR. VANDER LINDEN: It will be live
19 and on the gaming floor. We will be staffed up
20 for it.

21 CHAIRMAN CROSBY: Right. But we're
22 not announcing it as a public event for some
23 time thereafter. It's soft launch, like early
24 opening of a restaurant so we try to get the

1 bugs out before we really promote the fact that
2 it's there. If there's press coverage, it
3 won't be that day.

4 MR. VANDER LINDEN: So, that's the
5 update on Play My Way. I appreciate the help.
6 We've had weekly calls on this. I've had
7 numerous, numerous meetings with Bally who's
8 done a fantastic job in partnering and
9 developing this.

10 And certainly with Penn in providing
11 feedback and trying to figure out where there
12 are barriers to implementing this first of its
13 kind type of program in the United States to
14 figure out how those barriers can be
15 eliminated. That's been great I can't imagine
16 -- Without that cooperation, I can't imagine
17 how we would be able to be successful at
18 getting this actually even off the ground.

19 COMMISSIONER STEBBINS: Mark, beyond
20 some of the free media, Elaine, what other
21 avenues of promotion or highlighting this
22 program are you thinking about?

23 MR. VANDER LINDEN: That's a great
24 question that I think will turn over to Elaine

1 to start talking about the promotional campaign
2 to get the word out about this, if that's okay
3 with you.

4 MS. DRISCOLL: Good afternoon. I'll
5 be very brief because I think that we did
6 already touch upon the vast majority of this
7 information when we unveiled what the
8 collateral and what not would look like.

9 The collateral that we've shown you
10 already is essentially the bulk of it. Since
11 that time, we've added a few different styles
12 pieces and things like that. But they all have
13 obviously the same look and feel.

14 In the last couple of weeks, we've
15 been working very closely with Plainridge Park
16 Casino to establish a strategic timeline for
17 the promotion, and then to also ensure a plan
18 that prioritizes and maximizes customer
19 experience. We obviously don't want to do
20 anything that compromises customer experience
21 while we're in the process of trying to roll
22 this out.

23 Plainridge had a lot of really great
24 feedback for us in terms of how to determine

1 the timeline, and what types of materials to
2 give to the customers when, why, where. So,
3 we're in the process of doing all that right
4 now.

5 Essentially, all of the collateral
6 has been developed. It's been sent to print.
7 We are printing upwards of 30,000 pieces of
8 collateral and things like that, essentially,
9 brochures and signage in a variety of different
10 styles. Again, to be handed out in different
11 types of venues whether it's at player
12 services, the type of brochure they'd be
13 getting, an employee poster for the back of the
14 house, signage that will be hung up around the
15 gaming floor and things along those lines.

16 That's all been done. Basically,
17 they wisely told us that we shouldn't start
18 promoting around Plainridge until the employees
19 have been trained up. So in other words, don't
20 start hanging signs about things that the
21 employees aren't aware of yet, which makes a
22 lot of sense.

23 So, that training will be happening
24 between the 23rd and the 27th. So, coming soon

1 signage will start going up during the course
2 of that week. And we have Play My Way coming
3 soon signage being developed right now.

4 Basically, that will be in the form
5 of posters on the gaming floor as well as we'll
6 be sending just some files to Plainridge and
7 they will be creating signage with our guidance
8 for all of the available digital signage that's
9 around the facility.

10 Mark and I are also scheduled to go
11 out there next week just to make sure that
12 we're not missing any signage opportunities.
13 We think we know everywhere that we have the
14 ability to hang stuff. We just want to make
15 sure that there isn't anything that we missed.
16 So, we'll do a walk-through next week to make
17 sure we're maximizing all available real estate
18 for signage.

19 And then like I said, coming soon
20 signage being created right now. The email
21 blast that will go out to all of the Marquee
22 Rewards holders will happen. And they said,
23 meaning Plainridge said you really don't want
24 to send that until right before it's live, so

1 literally two or three days prior to it being
2 live.

3 Once it's live, the other thing that
4 we'll be doing which was a great suggestion
5 from Plainridge will be essentially creating
6 almost a Play My Way I'm calling it like a pop-
7 up shop inside the GameSense Info. Center. So,
8 we'll transform the GameSense Info. Center into
9 like a Play My Way headquarters, festive
10 environment with handouts, signage, balloons,
11 all that type of stuff. That will be happening
12 for as much as a week to two weeks during that
13 rollout period.

14 We'll also be doing a small
15 advertising buy in the month of June, but it's
16 small. And the reason for that is although we
17 obviously want to be able to create a general
18 mass awareness of the fact that this program is
19 offered at Plainridge, the fact of the matter
20 is this is largely a direct marketing campaign,
21 because those who can sign up is so targeted
22 with Marquee Reward holders that we want to
23 make sure that that's the vast majority of our
24 efforts are.

1 And then at the same time, as the
2 Chairman mentioned, there will be a media
3 campaign that happens around this at the same
4 time. All of the materials will be ready to
5 go.

6 But we're going to have to be a
7 little bit nimble in terms of deciding which
8 day exactly we hit send on the press release,
9 because although we have an idea of when all
10 this is rolling out, the fact of the matter is
11 before we do have a media day or anything like
12 that we do want to have some time to have a bit
13 of a soft launch to work out -- Any time you
14 roll out technology, there's like to be a few
15 kinks and growing pains and things like that.
16 So, we want a little bit of time to be able to
17 work through that. And then be ready to move
18 forward with the media campaign.

19 CHAIRMAN CROSBY: Comments?

20 MR. VANDER LINDEN: Can I make one
21 last comment? The staff piece in making sure
22 we provide additional staff support during the
23 first week, possibly more of the launch that
24 we're working with staff at MGC that are

1 typically based out of the Boston office.

2 We're working with the Mass. Council
3 on Compulsive Gambling, staff that they have
4 there that have been backups for our GameSense
5 Advisors to provide additional staff support
6 during that first week of the launch.

7 It's so very important for us both
8 through the promotional campaign but also that
9 human touch to make sure that if people have
10 questions, if they want more information that
11 we're there to do that. I think that I
12 appreciate everybody's kind of putting forth
13 that extra effort during that week or so to
14 assure a solid launch of this.

15 MS. DRISCOLL: And just to add one
16 more thing too, it's important to note the
17 GameSense Info. Center the good news is is
18 where it's located within the casino, they say
19 that about 70 percent of people who are
20 entering the casino enter through that way.
21 So, the good news is is that we'll be able to
22 touch a lot of people right at that entry point
23 with giveaways.

24 We're giving away like different

1 types of swag, stress balls, lanyards, things
2 like that that are all Play My Way branded.
3 But then what we'll also be doing because the
4 other issue is if you have a lot of people
5 coming in at once and there's a lot of free
6 things to take away, logistically one of the
7 concerns is backup, so almost creating a
8 bottleneck right at the entrance that could
9 potentially happen.

10 Again, helpful feedback from
11 Plainridge in terms of our consideration. So,
12 there will also be another location within the
13 casino, another table over by the valet area
14 that again get the other 30 percent of mostly
15 those that are entering, but also an additional
16 place to hand out and inform people and what
17 not so that there's not a complete backup at
18 the GameSense Info. Center in the event that
19 that were to happen. Maybe it won't, but it
20 will be planned for.

21 CHAIRMAN CROSBY: It's great.

22 COMMISSIONER CAMERON: Excellent.

23 CHAIRMAN CROSBY: You've got one
24 more, Mark? Thanks, Elaine.

1 MR. VANDER LINDEN: I do have one
2 more. It's the fiscal year 2017 gaming
3 research agenda I'm bringing back before you.

4 In December, I brought it to you for
5 advice as we were kind of beginning to form
6 this gaming research agenda. Section 71 of
7 Chapter 23K directs the Gaming Commission to
8 develop an annual research agenda. So, we look
9 to how we can continue this research agenda on
10 an annual basis in a way that provides us with
11 the information that we need to fulfill this
12 section of the mandate.

13 I have a memo for you that's in your
14 binder that provides a little bit of background
15 on section 71. It also provides for you just a
16 very brief explanation about the Public Health
17 Trust Fund Executive Committee which is the
18 body that is chaired by our Chairman Crosby as
19 well as associate Commissioner Lindsey Tucker
20 from the Department of Public Health.

21 It is this group that is charged
22 with setting annual budget and protocols for
23 expenditures that will come from the Public
24 Health Trust Fund.

1 Now mind you that the Public Health
2 Trust Fund has not been established yet but
3 this group is still charged with setting the
4 budget for expenditures that would come from or
5 fall under the umbrella of the Public Health
6 Trust Fund.

7 Also included in there is a brief
8 explanation of each of the research projects
9 that fall under the current research agenda.
10 It's been a process to kind of whittle down the
11 recommendations for the fiscal year 2017
12 research agenda, and included extensive
13 conversations with our Gaming Research Advisory
14 Committee as well as our partner at the
15 Department of Public Health.

16 And it was brought before the --
17 Again, it was brought before our Commission.
18 It was also brought before the Public Health
19 Trust Fund Executive Committee for advice. And
20 on April 11 when the Public Health Trust Fund
21 Executive Committee last met, they adopted this
22 gaming research agenda that I'm bringing before
23 you today.

24 So, the research agenda that will be

1 launched or continued mostly in fiscal year
2 2017, as you know, we have the study of social
3 and economic impacts of gaming in
4 Massachusetts. That continues to be a
5 cornerstone study that we would like -- we plan
6 to continue.

7 We have done an enormous amount of
8 work with SEIGMA. The deliverables that we've
9 received to date are outlined on page one of
10 the memo. And on page two it talks about kind
11 of whether the deliverables that are
12 forthcoming. And a lot of those deliverables
13 then will be carried into the fiscal year 2017
14 gaming research agenda.

15 The agenda also includes a
16 continuation of MAGIC, which is the
17 Massachusetts Gaming Impact Cohort study.
18 Again, this would be the second of the two
19 cornerstone projects that we have underway for
20 us to get a better picture of gambling behavior
21 of residents in Massachusetts, but more
22 specifically of gambling behavior of
23 individuals that are at risk or problem
24 gamblers in Massachusetts to better inform our

1 strategies and plans for intervention and
2 prevention.

3 Another important project that we
4 look to continue is the evaluation of
5 responsible gaming initiatives through the next
6 year. Play My Way is an incredibly important
7 initiatives that we plan to evaluate. That
8 evaluation will dictate where we go in the
9 future with this type of technology. The
10 GameSense Information Center is also an
11 important evaluation piece as well as the
12 voluntary self-exclusion program.

13 We also look to continue our study
14 of the public safety impact that we do in
15 collaboration with Christopher Bruce. We will
16 plan to continue that in the Plainville area
17 and begin to look towards expanding that into
18 Springfield and Everett area.

19 In fact, in the fall of this year we
20 plan to begin discussions with Springfield and
21 all the surrounding communities and begin to
22 pull together the baseline for that study in
23 this part of the state.

24 COMMISSIONER MACDONALD: So, Mark,

1 the baseline for the Boston-area casino and
2 Springfield has not been done yet?

3 MR. VANDER LINDEN: No, it has not.
4 That will be in the works in the near future.

5 CHAIRMAN CROSBY: The baseline?

6 COMMISSIONER ZUNIGA: The targeted
7 samples you must mean.

8 CHAIRMAN CROSBY: The targeted
9 sample for Boston is within the big sample.

10 MR. VANDER LINDEN: No, I'm talking
11 about the crime impact study.

12 CHAIRMAN CROSBY: Okay, sorry.

13 COMMISSIONER MACDONALD: Actually, I
14 was asking about the baseline on everything.

15 MR. VANDER LINDEN: Let me further
16 explain that. We have a baseline of the entire
17 state, a general population study of gambling
18 behaviors added to its prevalence of problem
19 gambling for Massachusetts. It was a sample of
20 roughly almost 10,000 adult residents in
21 Massachusetts.

22 Where we have licensees, we have
23 said that we want to get a clearer picture on
24 those specific areas. In the Boston-area, the

1 sample is large enough from the Boston-area
2 that we didn't need to go out and do a specific
3 targeted sample on that area to get that clear
4 picture.

5 But for Springfield and Plainville,
6 we did need to go out and do a targeted survey
7 in those areas in order to establish that
8 baseline. That has been done for Springfield
9 and Plainville.

10 In fact, another part of the gaming
11 research agenda for 2017 is to go back out and
12 do another targeted survey in the Plainville
13 area to get a picture of what has been the
14 impact in that local area a year after the
15 opening of Plainridge Park Casino.

16 COMMISSIONER ZUNIGA: The
17 Southeastern, the targeted sample. The
18 targeted sample around Taunton is part of the
19 fiscal year '17 research agenda because now
20 that's also an area.

21 CHAIRMAN CROSBY: There's also the
22 secondary data, the data collection for the
23 secondary data which is all the crime
24 statistics and property values and all that

1 other stuff that's all been collected or is
2 pretty near collected for the entire state.

3 MR. VANDER LINDEN: Correct.

4 CHAIRMAN CROSBY: So, our baseline
5 is pretty well set. We pretty well have all of
6 our baseline done.

7 MR. VANDER LINDEN: That's right.
8 In fact, we plan to be in the field for the
9 Taunton and surrounding community baseline
10 targeted survey at the same time that we would
11 do the follow-up targeted survey for Plainville
12 and surrounding community. There's actually a
13 great benefit of being out in the field for
14 both of those at the same time. There's a cost
15 efficiency in doing that that we will realize
16 through this process too.

17 There's two additional parts to the
18 gaming research agenda. One piece is required
19 by statute § 97 that requires us to work with
20 an experienced nonprofit entity to collect,
21 anonymize, store and disseminate information
22 generated by loyalty programs, player tracking
23 software, player card systems or other
24 information systems.

1 It was in the last research agenda
2 for last year, but we were unable to launch it
3 at that time. We've had talks with our
4 licensees just kind of about some of the
5 complications of that and making sure that the
6 groundwork is set to launch that. And we'd
7 look to then procure that in the next fiscal
8 year.

9 To some degree that actually is
10 going to already take place as we launch the
11 evaluation of Play My Way. We will be taking,
12 collecting player information for individuals
13 that enroll in Play My Way as well as a sample
14 of individuals to do a comparison study.
15 Again, following the same piece anonymizing the
16 information so we would never be able to track
17 it back to the individual.

18 The last piece of it is identifying
19 a priority subgroup where further information
20 is needed. And it's expected that the priority
21 subgroup is largely would be isolated by an
22 evaluation of the SEIGMA baseline population
23 survey as well as additional research.

24 And that we will work with the

1 Public Health Trust Fund Executive Committee
2 and other advisory groups to identify the
3 specific subgroup that we would want to take a
4 closer look at.

5 Again, the idea is that we will
6 target an at-risk or high risk group, high risk
7 for a gambling problem so that we have that
8 information. We can develop more targeted
9 types of prevention and intervention programs
10 to those groups.

11 COMMISSIONER ZUNIGA: Can I ask,
12 remind me MAGIC last year had two waves
13 effectively. There was crossover of fiscal
14 years a little bit. There was wave two
15 remainder and wave three almost complete.

16 Do you know -- And I know that UMass
17 has not yet provided us with the details of
18 what they think the budget might be. But what
19 is your understanding of whether we'll be doing
20 only one wave versus more than one for MAGIC?

21 MR. VANDER LINDEN: So, in terms of
22 the MAGIC waves, the first wave was actually
23 considered part of the baseline population
24 survey. That's from the baseline population

1 survey that's the sample that we drew for
2 MAGIC. So, we're able to call that wave one.

3 Wave two was roughly a year ago.
4 And that was complete. So, that's two waves
5 that we would have. And they're in the field
6 right now for a third wave of MAGIC trying to
7 maintain consistent contact to make sure that
8 we retain that cohort for as long as we
9 possibly can.

10 They would look, as I understand, in
11 the next year to continue and follow the same
12 pattern. That they would reach to that cohort
13 of roughly 2300 individuals to do another wave.

14 COMMISSIONER ZUNIGA: To do one.

15 MR. VANDER LINDEN: To do one wave,
16 correct. I continue to work with UMass both on
17 the SEIGMA project as well as the cohort study
18 to kind of finalize those research plans.

19 It's somewhat tentative right now,
20 but given the experience that we have with them
21 we're able to get a general picture of kind of
22 what the scope and in turn budget would be for
23 those projects in fact, all of the projects
24 that we have out there right now.

1 CHAIRMAN CROSBY: Any other
2 questions or summations?

3 MR. VANDER LINDEN: There's one
4 point that I do want to make, it's the Gaming
5 Policy Advisory Committee. § 71 says that we
6 would adopt -- we would seek the advice of the
7 Gaming Policy Advisory Committee as we develop
8 the gaming research agenda.

9 And for various reasons, the Gaming
10 Policy Advisory Committee has not met in the
11 past year. So, we were not able to get their
12 advice prior to adopting -- I'm sorry, the
13 Public Health Trust Fund Executive Committee
14 was not able to gather their advice prior to
15 adopting this research agenda.

16 As I understand, the Gaming Policy
17 Advisory Committee will meet sometime in
18 June/July timeframe. And we will certainly
19 reach out to them to capture advice on the
20 gaming research agenda. Any advice that we
21 would get from them, we would take back to the
22 Gaming Policy Advisory Committee and they could
23 weigh and ratify the gaming research agenda if
24 need be.

1 COMMISSIONER MACDONALD: Are the
2 members of that set by statute?

3 COMMISSIONER ZUNIGA: Yes.

4 CHAIRMAN CROSBY: Yes. The problem
5 has been is there is somebody who is supposed
6 to represent the municipalities and somebody
7 who is supposed to represent the licensees.
8 And to make a long story short, if they serve
9 they become a special state employee which
10 creates a -- Do you remember this issue? --
11 creates a conflict of interest within the state
12 ethics laws.

13 So, they can't be advisors to us on
14 the GPAC at the same time as they are serving
15 their company or their municipality. So, we
16 haven't been able to get anybody to fill those
17 seats. We therefore haven't been able to get a
18 quorum for the meetings.

19 So, we talked to the Legislature
20 about it. We've now talked to the Ethics
21 Commission about it. The Ethics Commission has
22 proposed a modest regulatory change that we
23 have sent to the House and Senate in hope that
24 they will pass it with something or other so

1 that it exempts people from being special state
2 employee for this particular function. To make
3 a long story short.

4 COMMISSIONER MACDONALD: Thank you.

5 MR. VANDER LINDEN: Thank you.

6 CHAIRMAN CROSBY: Let's take a quick
7 break and then we will have Director Lightbown
8 and Mr. O'Neil come up for the last topic.

9 COMMISSIONER ZUNIGA: Mr. O'Toole.

10 CHAIRMAN CROSBY: It's O'Neil in the
11 agenda by accident.

12

13 (A recess was taken)

14

15 CHAIRMAN CROSBY: Ready to reconvene
16 public meeting number 191 at about 2:15 on the
17 12th. We have one item left, Dr. Lightbown.

18 DR. LIGHTBOWN: Good afternoon,
19 Commissioners. Our first item on the agenda is
20 the amended small business impact statement and
21 the final draft of 205 CMR 149 the Race Horse
22 Development Fund regulations. And I'll let
23 Catherine Blue speak to that.

24 MS. BLUE: Thank you. You have in

1 your packet an amended small business impact
2 statement as well as the amended version of 205
3 CMR 149.

4 Just to put it in context the Race
5 Horse Development Fund is established by the
6 Gaming Act. It is one of up to 10 or so funds
7 created into which gaming revenues that come to
8 the Commonwealth are allocated. The purpose of
9 the fund is to provide supplemental purse money
10 for racing and to support racing. So, we
11 created regs. under this section of 23K in
12 order to get that money out to the thoroughbred
13 and the standardbred racing tracks and
14 organizations.

15 So, what you have in your packet is
16 this particular regulation. It's been before
17 the Commission twice before. The changes in it
18 that you see in red were predominantly changes
19 that were made at the Commission's suggestion
20 when it came before you the last time.

21 Since then we've had our public
22 hearing. We have the comments that we received
23 prior to the public hearing and at the public
24 hearing in your packet.

1 The one big change that came out of
2 the public hearing was that our stakeholders
3 asked us to delete the requirement that there
4 be a signed purse agreement before the
5 Commission pays over the purse money. They
6 explained that they wanted to have the right to
7 race if they hadn't fully negotiated that. And
8 I do believe they are the best groups to make
9 that determination. So, I have made that
10 deletion in the regulation.

11 You'll also see a deletion on the
12 second page. It's paragraph 1(b). That was
13 deleted because when we brought this before the
14 Commission the last time, the Commission
15 directed us to add language that it was in your
16 discretion when you wanted to pay out the purse
17 money in terms of how much and when and how it
18 was paid out.

19 So, 1(b) would have conflicted with
20 that language in the balance of the regulation.
21 So, I took that out. But essentially it is
22 pretty much as it was before.

23 CHAIRMAN CROSBY: Questions?

24 COMMISSIONER CAMERON: So, the Race

1 Horse Committee at this point they determine
2 the split between the two breeds. And the
3 Commission determines the other money issues,
4 correct?

5 MS. BLUE: Yes, that's correct. The
6 Race Horse Committee still has the obligation
7 under the stature to determine the split. But
8 it will now be up to the Commission to
9 determine how the purse money is paid out. And
10 as you did last year, for example, you
11 entertained requests from the various tracks.
12 And you reviewed them. And then you determined
13 whether that was appropriate and when to pay it
14 out.

15 COMMISSIONER CAMERON: With regard
16 to the purse agreements, I know we had an
17 earlier conversation -- This may be Dr.
18 Lightbown. -- they were close to both having
19 purse agreements.

20 MS. BLUE: They both have them.

21 COMMISSIONER CAMERON: They do have
22 them. They have executed agreements.

23 MS. BLUE: They each have a purse
24 agreement.

1 CHAIRMAN CROSBY: You're okay with
2 the change that we made to not require --

3 COMMISSIONER CAMERON: Yes, I think
4 that's appropriate. So, the racing wouldn't
5 stop if they didn't happen to have it done.
6 And that's happened for a couple of years now
7 where that hasn't been done at the beginning.
8 It was done during a meet, correct?

9 DR. LIGHTBOWN: Right, correct.

10 COMMISSIONER ZUNIGA: You mentioned
11 that the comments we received were from both
12 groups of horsemen including also tracks
13 relative to the purse agreement or it was just
14 from horse people?

15 MS. BLUE: Most of our comments were
16 from the thoroughbreds and both groups. The
17 standardbreds didn't provide comments. But the
18 thoroughbred folks were adamant that they
19 wanted the right to move forward. And as Dr.
20 Lightbown said, there have been years where
21 they have moved forward with the meet and
22 didn't have a purse agreement at the start.

23 My original thinking was that might
24 be helpful to have that requirement, but they

1 were very clear that it was not helpful to them
2 to have that. So, we take their opinion on
3 that.

4 COMMISSIONER ZUNIGA: And the
5 default is without a purse agreement whatever
6 monies flow from our discretion based on their
7 petition goes to purses.

8 MS. BLUE: It goes to the licensee.
9 It goes into an account for the benefit of the
10 horsemen, but what will get paid out is the
11 purses. And anything that's not paid out in
12 purses will have to sit there until they agree
13 on what's going to happen.

14 So, it won't go to the horsemen
15 automatically. It doesn't go to the track
16 either. So, they will have to come to a purse
17 agreement at some point.

18 COMMISSIONER ZUNIGA: But it doesn't
19 put anybody at a disadvantage from a
20 negotiating perspective --

21 MS. BLUE: No, it shouldn't.

22 COMMISSIONER ZUNIGA: -- when it
23 comes to the purse agreement.

24 MS. BLUE: That's right.

1 COMMISSIONER ZUNIGA: And I know
2 that was the initial intention.

3 MS. BLUE: Yes.

4 CHAIRMAN CROSBY: Okay, Commissioner
5 Cameron do you move?

6 COMMISSIONER CAMERON: So, I'll do
7 that Mr. Chair. I move the Commission to
8 approve the small -- the amended small business
9 impact statement and final amendments to 205
10 CMR 149 as included in the packet and authorize
11 the staff to take steps necessary to file the
12 amended regulation with the Secretary of the
13 Commonwealth and complete the regulation
14 promulgation process.

15 CHAIRMAN CROSBY: Second?

16 COMMISSIONER MACDONALD: Second.

17 CHAIRMAN CROSBY: Further
18 discussion? All in favor, aye.

19 COMMISSIONER MACDONALD: Aye.

20 COMMISSIONER CAMERON: Aye.

21 COMMISSIONER ZUNIGA: Aye.

22 COMMISSIONER STEBBINS: Aye.

23 CHAIRMAN CROSBY: Opposed? The ayes
24 have it unanimously.

1 DR. LIGHTBOWN: Our next item on the
2 agenda is the approval of two new racing
3 officials for Plainridge Racecourse. Tony
4 Salnero, who has been their presiding judge for
5 several years got an offer to work in his home
6 state. Although we are very sad to see him
7 leave, we are very happy for him personally
8 that he'll have this opportunity. I just want
9 to let everybody know from our staff
10 standpoint, he's been wonderful to work with.

11 In his place, Plainridge would like
12 to have Annmarie Mancini approved. You've
13 already approved her as a racing official
14 earlier this year as a clerk of course/chart
15 writer. She also was approved last year as a
16 substitute judge for Tony. So, she's been in
17 that position before. And she is accredited.
18 So, she's already been through our background
19 check and is good that way. So, if you approve
20 her, she is set to go.

21 Then to replace her, Plainridge
22 would like to have Catherine Breedlove approved
23 as clerk of course/chart writer. And she's
24 been in the industry a long time also and has

1 been doing this job down at Pompano.

2 COMMISSIONER CAMERON: The only
3 issue there would be the completion of
4 background investigation.

5 DR. LIGHTBOWN: Correct. She hasn't
6 been through the complete background check yet.
7 So, we would be approving her upon completion
8 of the background check.

9 COMMISSIONER STEBBINS: Obviously,
10 you need the people in these positions right
11 now.

12 DR. LIGHTBOWN: Pardon.

13 COMMISSIONER STEBBINS: You need
14 these people in these positions right now.

15 DR. LIGHTBOWN: Yes. We are hoping
16 that one of them might start next week and it
17 might be a week or two before the other one
18 starts.

19 COMMISSIONER CAMERON: I think we're
20 fortunate that Ms. Mancini is accredited. That
21 really works. because that was important to us
22 to have accredited officials. I know she was a
23 good addition when she filled in last year. I
24 certainly believe we should approve these

1 recommendations.

2 CHAIRMAN CROSBY: Okay. A motion,
3 Commissioner?

4 COMMISSIONER CAMERON: So, I move
5 that the Commission approve Annmarie Mancini as
6 the presiding judge and approve Catherine
7 Breedlove as clerk of course/chart writer
8 pending her satisfactory completion of
9 licensure by the Massachusetts Gaming
10 Commission racing division and satisfactory
11 completion of her background check by the
12 Massachusetts State Police.

13 COMMISSIONER MACDONALD: Second.

14 CHAIRMAN CROSBY: Further
15 discussion? All favor, aye.

16 COMMISSIONER MACDONALD: Aye.

17 COMMISSIONER CAMERON: Aye.

18 COMMISSIONER ZUNIGA: Aye.

19 COMMISSIONER STEBBINS: Aye.

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

22 DR. LIGHTBOWN: The third item on
23 the agenda is a request by Plainridge for the
24 ability to offer a minimum \$.10 wagers on

1 certain exotic bets. This is something that
2 came into the industry back in 2004. I believe
3 Hinsdale, the greyhound track in New Hampshire
4 was the first one to it. And it caught on
5 since then.

6 Included in the packet is when the
7 State Racing Commission approved this for
8 Suffolk Downs back in 2007. So, they've been
9 doing it for quite a while. And they've had
10 success with it.

11 It's a nice way of being able to bet
12 a number of horses with a small amount of
13 money. If you do a was superfecta which is
14 where you have to pick the first four horses in
15 order, if you do a box which allows different
16 combinations with a one dollar bet, it would be
17 \$24 bet total. With \$.10 betting it's a \$2.40.
18 So, if somebody has some change left in their
19 pocket at the end of the day and there's a
20 superfecta, it's a great way of getting them
21 in. Also, I've heard that the bettors that
22 spend higher amounts of money enjoy it also
23 because you can cover a large number of horses.

24 COMMISSIONER CAMERON: Mr. O'Toole,

1 you've never offered this before?

2 MR. O'TOOLE: No. We made a
3 decision years ago to stick with the
4 traditional -- Well, we did come down from two
5 dollars to a dollar when a lot of the exotics
6 when people liked box trifectas and
7 superfectas. We did come down to a dollar.
8 And then we stayed there traditionally. This
9 is kind of the way that it's been. And I think
10 we were a little preoccupied over the last few
11 years.

12 CHAIRMAN CROSBY: You were a little
13 preoccupied?

14 MR. O'TOOLE: Now we see the
15 industry trends. The USTA also has a
16 guaranteed pool that they put out there for
17 certain wagers. And a lot of those wagers meet
18 a lower minimum in order to participate in
19 those. So, we want to take advantage of those
20 opportunities as well.

21 Alex put it pretty well, obviously
22 you get paid out at a fraction of the pool.
23 You don't get what the two-dollar bettors put
24 into the pool but it generates a lot of

1 interest because boxing makes \$24 instead of
2 \$2.40 to box a super. And you can throw an
3 added horse in there as well, brings it up
4 incrementally.

5 The bettors like it. And we're
6 taking them now at Plainridge, because tracks
7 like Gulfstream offer them. So, if their
8 jurisdiction offers them, we are taking \$.10
9 wagers at are track right now just not on our
10 live product because we never individually got
11 it approved by the Commission.

12 COMMISSIONER STEBBINS: Does Penn
13 use this at some of their properties?

14 MR. O'TOOLE: Yes.

15 COMMISSIONER ZUNIGA: I suppose
16 there's a bit of a parallel to some of the slot
17 machine trends where the denomination has gone
18 down but the combinations are such that you
19 could be effectively betting \$5 in a \$.01
20 denomination because the permutations are many
21 more than what would be similarly on a regular
22 slot machine.

23 MR. O'TOOLE: On my way over from my
24 office to the back offices at the casino, I

1 walk by the penny slot machines all the time.
2 I've never seen one say \$.01 for a wager. They
3 say more than \$.01 because of the different
4 lines that they use. It's the exact same.

5 COMMISSIONER ZUNIGA: Same analogy.

6 CHAIRMAN CROSBY: Why would one be
7 resistant to it? Why didn't you adopt it back
8 in '07 or '08 or '09?

9 MR. O'TOOLE: It was a thought
10 process at the time.

11 CHAIRMAN CROSBY: Tell me later.

12 MR. O'TOOLE: And if I could just
13 weigh in one second on my name. I was telling
14 Janice that my brother was known for my whole
15 life as O'Malley. And how they came about, I
16 have no idea, but I imagine when he was small,
17 someone called him O'Malley.

18 As I think you know that I played
19 hockey when I was a kid. And I've been
20 threatening for the last four or five years to
21 exercise more and maybe put the skates back on.
22 So, last July 4 I started. I put the skates on
23 in the summer and I started. And I got into a
24 league that plays on Monday nights. And when I

1 walked into the locker room, there was three
2 Canadian fellows that come from Waltham that
3 play on my team.

4 So, I was introduced as Steve
5 O'Toole. And there was one kind of crusty
6 Canadian. And he has a lot to say about
7 everybody's play and everything and kind of
8 harasses the guys. He never ever called me
9 O'Toole. He always called me O'Riley, O'Neil,
10 O'Malley, O'Donnell, no matter what. Get in
11 the corner, O'Donnell.

12 So, I just thought that was his way
13 of harassing me. So, through the course of
14 playing, everybody's occupation comes up. They
15 find out that I'm over at the casino and
16 pointed out that I'm on the racing part of
17 casino. Him and his wife go to the casino and
18 they like to play. And they'd go to all the
19 casinos. And we're coming down to your place.
20 So, he visited. And the machines don't pay out
21 enough and all the standard complaints. I'd
22 hear from him, hey, O'Flynn you've got to get
23 your machines to pay out more.

24 So, I said look it, next time you

1 come to the casino, look me up. I'll have
2 dinner with you or whatever. Yeah, I will.

3 I went to a game and he said hey,
4 O'Brien, I was at your place the other day. I
5 asked for you and nobody knew who you were.

6 I said really? I said who did you
7 ask? He said, I walked up to the guy with the
8 gold jacket on, which is the security podium.
9 And he said I asked for you. And they didn't
10 know who you were.

11 And I said, well who did you ask
12 for? And he said Steve O'Brien. So, the whole
13 time he was never busting my chops. He really
14 didn't know my name was O'Toole I guess.

15 CHAIRMAN CROSBY: And then you
16 thought he was in cahoots with Janice on the
17 agenda. All right anything else? Do we need
18 to vote?

19 COMMISSIONER CAMERON: Yes, we do.
20 Again, Mr. Chair, I move that the Commission
21 approve the request of Plainridge Park Casino
22 to offer minimum \$.10 wagers on certain exotic
23 wagers.

24 COMMISSIONER MACDONALD: Second.

1 CHAIRMAN CROSBY: Any further
2 discussion? All in favor, aye.

3 COMMISSIONER MACDONALD: Aye.

4 COMMISSIONER CAMERON: Aye.

5 COMMISSIONER ZUNIGA: Aye.

6 COMMISSIONER STEBBINS: Aye.

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

9 COMMISSIONER CAMERON: One last
10 question of Mr. O'Toole, did you have a full
11 house for the Kentucky Derby with the
12 simulcast?

13 MR. O'TOOLE: We had a very good
14 crowd. We parked employees up in the new
15 horseman's lot. So, it opened up parking. It
16 accommodated that well. We were up on Friday,
17 Kentucky Oaks day, we were up 12 percent. And
18 for the Derby we were up 19 percent, which we
19 are really happy about it.

20 CHAIRMAN CROSBY: Great. Was there
21 spill over into the casino?

22 MR. O'TOOLE: Well, personally I
23 noticed it. On the figures the next day, food
24 and beverage, Slacks was packed for the entire

1 day because I go by there a lot. From what I'm
2 told Flutie's was packed as well.

3 As far as the floor, I don't know.
4 There was a good crowd all day. It seemed to
5 be a cross flow of people up and down the ramp
6 all day long. It was a very good crowd all
7 day. It started early in the morning.

8 CHAIRMAN CROSBY: I think that's it,
9 Sir. Anything else?

10 MR. BEDROSIAN: No, Sir.

11 CHAIRMAN CROSBY: Motion to adjourn?

12 COMMISSIONER CAMERON: So moved.

13 COMMISSIONER ZUNIGA: Second.

14 CHAIRMAN CROSBY: All in favor, aye.

15 COMMISSIONER MACDONALD: Aye.

16 COMMISSIONER CAMERON: Aye.

17 COMMISSIONER ZUNIGA: Aye.

18 COMMISSIONER STEBBINS: Aye.

19 CHAIRMAN CROSBY: We are adjourned.

20 Thank you everybody.

21

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

23

24

1 ATTACHMENTS:

- 2 1. Massachusetts Gaming Commission May 12,
3 2016 Notice of Hearing and Agenda
- 4 2. Massachusetts Gaming Commission April 25,
5 2016 Meeting Minutes
- 6 3. Massachusetts Gaming Commission April 28,
7 2016 Meeting Minutes
- 8 4. MGC Diversity Goal and Business Technical
9 Assistance Grants
- 10 5. MGM Springfield Final Design Update and
11 1st Quarterly 2016 Report
- 12 6. May 12, 2106 Play My Way Development
13 Update
- 14 7. Massachusetts Gaming Commission May 12,
15 2016 Memorandum Regarding FY 2017 Annual
16 Gaming Research Agenda
- 17 8. Massachusetts Gaming Commission May 12,
18 2016 Memorandum Regarding Fiscal Year 2016
19 (FY16) Third Budget Update (with
20 attachments)
- 21 9. 205 CMR 149 Race Horse Development Fund
- 22 10. Amended Small Business Impact Statement
23 205 CMR 149

24

1 Attachments (continued):

2 11. Massachusetts Gaming Commission May 9,
3 2016 Memorandum Regarding Plainridge
4 Racing Officials (with attachment)

5 12. Massachusetts Gaming Commission May 9,
6 2016 Memorandum Regarding Plainridge
7 Request for 10 cent Minimum Wagers (with
8 attachment)

9

10 GUEST SPEAKERS:

11 Richard Griffin, Jr., Springfield Office of
12 Planning and Economic Development

13 Robert Jones, Association of Black &
14 Professionals

15 MGM SPRINGFIELD:

16 Michael Mathis, MGM Springfield

17 Jed Nosal, Esq., Brown Rudnick (on behalf of
18 MGM Springfield)

19 Brian Packer, MGM Springfield

20 Seth Stratton, MGM Springfield

21 Eric Nelson, Tishman Construction

22 Dave Fontaine, Jr., Fontaine Brothers

23

24 Steve O'Toole, GM Plainridge Racecourse

1 MASSACHUSETTS GAMING COMMISSION STAFF:

2 Agnes Beaulieu, Finance and Budget Office
3 Manager

4 Ed Bedrosian, Executive Director

5 Catherine Blue, General Counsel

6 Elaine Driscoll, Director of Communications

7 Jill Griffin, Director of Workforce, Supplier
8 and Diversity Development

9 Derek Lennon, CFAO

10 Alex Lightbown, DVM, Director of Racing

11 Mark Vander Linden, Director of Research and
12 Responsible Gaming

13 John Ziemba, Ombudsman

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C E R T I F I C A T E

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

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

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

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

WITNESS MY HAND this 16th day of May, 2016.



LAURIE J. JORDAN
Notary Public

My Commission expires:
May 11, 2018