

Educational Forum on Casino Gaming  
sponsored by  
The Massachusetts Gaming Commission

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Western New England University  
1215 Wilbraham Road  
Rivers Memorial Hall  
Springfield, Massachusetts 01119

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Bruce W. Stebbins, Commissioner

Enrique Zuniga, Commissioner

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South Shore Convention and Visitors Authority (Indiana)

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Marie Downey, Executive Director  
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Ed Harrison, Chair  
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Betsy Wall, Director  
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## I N D E X

### WNEU Welcome

Arthur Wolf, Director.....Page 6  
 Institute for Legislative and Administrative Affairs

### Overview and Introduction

Tim Brennan, Executive Director.....Page 6  
 Pioneer Valley Planning Commission

### Welcoming Remarks

The Honorable Gale Candaras.....Page 8  
 State Senator/Chair  
 Joint Committee on Economic Development and  
 Emerging Technologies

### Legislative Viewpoint on Expanded Gaming Act

The Honorable Stan Rosenberg.....Page 10  
 State Senate President Pro Tempore

### Introduction of Panel Session

Bruce Stebbins, Commissioner.....Page 15  
 Massachusetts Gaming Commission

### Panel Discussion: Community Mitigation

Tim Brennan, Moderator.....Page 20  
 Executive Director, Pioneer Valley Planning Commission

Ed Harrison, Chair  
 Western Massachusetts Casino Task Force

Jeffrey Simon, Director  
Commonwealth of Massachusetts Recovery and Investment  
Office

Monica Lamboy, Former Executive Director  
City of Somerville Office of Strategic Planning and  
Community Development

Panel Discussion: Tourism - Connecting Casino  
Gaming to the Massachusetts Tourism and  
Hospitality Industry

Betsy Wall, Moderator.....Page 81  
Director, Massachusetts Office of Travel and Tourism

Speros A. Batistatos, President and CEO  
South Shore Convention and Visitors Authority (Indiana)

Peter Rosskothén, President and CEO  
The Delaney House and Log Cabin  
and Chair  
Greater Springfield Convention and Visitors Bureau

Scott Madden, Senior Partner  
Connelly Partners

Panel Discussion: Creating Career Opportunities  
in Gaming For Massachusetts Residents

Larry Martin, Moderator.....Page 134  
Business Services and Special Projects Manager  
Hampden County Regional Employment Board

William Messner, President  
Holyoke Community College

Marie Downey, Executive Director  
BEST Corp./Local 26 Hotel Training Center

Laurie J. Salame, J.D., Lecturer  
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Massachusetts

Concluding Remarks

Stephen Crosby, Chair.....Page 177  
Massachusetts Gaming Commission

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1:05 p.m.

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1:05 p.m.  
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MR. WOLF: Good afternoon, everyone, and welcome to Western New England University. I'm Art Wolf. I have the privilege of serving as the Director of our Institute for Legislative and Administrative Affairs.

President Andy Caprio could not be here today. He's out of town on official business. So, he's asked me to bring a warm welcome to each of you for being here today. We especially thank Chairman Crosby and the members of the Commission for their organizing this educational forum for all of us here in the west, and maybe east as well, to learn more about the siting issues that arise in the course of the Casino Gambling -- Gaming Commission's proceedings.

So, again, we welcome you all here. We hope you have an enjoyable afternoon, and I have the additional privilege of introducing you to the Executive Director of the Pioneer Valley Planning Commission, Mr. Tim Brennan.

MR. BRENNAN: Good afternoon, everybody, and welcome to this educational forum and I put the emphasis on "educational". I especially want to welcome, to western Massachusetts, Chairman Crosby and the other members of the

1 Casino Gaming Commission.

2           We are here to learn today, and I'm happy to  
3 say that this particular forum is the best attended thus  
4 far, which I think is a credit to western Massachusetts and  
5 our level of interest in learning and helping one another  
6 to go through this process.

7           We have an ambitious agenda this afternoon.  
8 As opposed to previous forums, we are actually tackling  
9 three subjects, community mitigation, which will be the  
10 first panel that I'll moderate. The second being the  
11 alignment or the attempt to align a casino resort here in  
12 western Mass. with the hospitality industry, and last but  
13 certainly not least, the issue of workers -- how workers  
14 connect to the jobs that this casino, for the western part  
15 of the state, will generate and the municipality at large.

16           To get it started though, this afternoon, I  
17 want to welcome a legislator, who was part of the  
18 architects' team that put this legislation together.  
19 Senator Gale Candaras represents a good portion of the City  
20 of Springfield, but I can recall that long ago when the  
21 legislature crafted this bill, it was evident that her  
22 credentials as a former local official, finance board  
23 member, planning board member helped her kind of understand  
24 the kind of concerns that we had. So, please welcome

1 Senator Gale Candaras.

2 SENATOR CANDARAS: Thank you, Tim, and to  
3 all of our distinguished guests here today, it is an honor  
4 to have been able to participate in putting this together.  
5 Obviously, we are very excited that you are all here at the  
6 Legislative Institute for Governmental Affairs.

7 This venue was created expressly -- the  
8 institute was created expressly to provide venues for just  
9 these types of events and make available to the people of  
10 western Massachusetts the kinds of opportunities they have  
11 in the eastern part of the state.

12 I am delighted with the level of interest  
13 that has been shown by potential developers to obtain -- be  
14 the winners of the license here to develop a western Mass.  
15 casino.

16 A little bit of the back story. When  
17 Senator Rosenberg, whom I'll have the privilege of  
18 introducing shortly, was working on this legislation, we  
19 all had an opportunity to provide input.

20 One of the things they do in Boston from  
21 time to time is hire consultants, and they had a consultant  
22 who actually was saying that we would have to work extra  
23 hard in Massachusetts, maybe even lowering the licensing  
24 fees, because they doubted there would be much interest in



1 a western Massachusetts license by developers; and so we  
2 pointed out to them, Senator Rosenberg and Senator Welch,  
3 who has joined us in the back, that we thought we knew our  
4 district better than the consultants and we were pretty  
5 sure there was going to be intense interest by developers  
6 in a western Mass. license.

7 As you can see, western Mass. is absolutely  
8 the hot spot in the entire state for developers -- proposed  
9 casino developers. So, we are really excited about the way  
10 this has shaken out here in western Massachusetts.

11 It is my distinct pleasure to introduce to  
12 you today about as fine a gentleman as I've ever met. He  
13 is the architect of the gaming legislation that is going to  
14 be discussed today. His name is Senator Stan Rosenberg.  
15 He is also the Senate President Pro Tempore of the  
16 Massachusetts Senate.

17 He was first elected in 1991. He is  
18 Massachusetts born and bred and a UMass graduate. He has  
19 always, always done extraordinary work in the Senate. He  
20 is the gentleman, who, twice now, twice now, has handled  
21 the redistricting. As you know, we redistrict every ten  
22 years, and he has done it under the most adverse  
23 circumstances imaginable.

24 He is about as well regarded in the Senate

1 and throughout the Commonwealth as anyone who has ever,  
2 ever served. He has a very broad range and a lot of big  
3 responsibility. So, without further ado, it is my pleasure  
4 and privilege to present my great colleague, Senator Stan  
5 Rosenberg.

6                   SENATOR ROSENBERG: Thank you, Senator  
7 Candaras, and thank you to Western New England University  
8 for hosting this event, and thank you especially to the  
9 Commission for moving around the state and providing an  
10 opportunity for people to learn, firsthand from the people  
11 who are working to make this law work, exactly what's going  
12 on and how this all is coming together.

13                   I want to offer great commendations to my  
14 dear colleague, Senator Candaras, who has served this  
15 region so well both in the House and the Senate, and she  
16 understates her role on economic-development matters,  
17 including this matter, and I just want to give her a pat on  
18 the back.

19                   Senator Jim Welch, who is also here, and a  
20 relative newcomer to the Senate, but a very welcome one  
21 having succeeded in the House and moved over to the Senate  
22 where we do it even better.

23                   So, my job today is to create a context for  
24 the conversation today, and I'm supposed to tell you how we

1 got here, and how we got here was a long and torturous  
2 route that went over several decades as there has been  
3 discussion in Massachusetts about joining the now 38 other  
4 states, but back in the time when we started, there were  
5 probably 15 or 20 states, but now we are state number 38 to  
6 involve ourselves with expanding gaming, including resort  
7 casinos.

8           The initial debates were around slots and  
9 racetracks and eventually expanded to a question of  
10 resort-style casinos because that's where the jobs and the  
11 maximum revenue is if you have resort-style casinos, and we  
12 know this very well because we are just a stone's throw  
13 away from Foxwoods and Mohegan Sun, and we see what has  
14 happened down there in terms of the economic development  
15 and tax revenues. So, we can see the model right there.

16           When we reach the point where Governor  
17 Patrick was taking office, he was introduced to this topic  
18 because the Mashpee Wampanoag tribe had an application  
19 pending before the Bureau of Indian Affairs for federal  
20 recognition.

21           That application was there for a while, but  
22 it was getting very close to the point where it would be  
23 approved. The Mashpee said when they got their recognition  
24 and when they got their land in trust, land in trust is

1 reservation, they would exercise their federally granted  
2 and protected rights to gambling on their land.

3           The Governor understood, at that point, that  
4 if they went down that path, and they said they would, they  
5 would be untaxed, unregulated, and there could be no state  
6 interference because the Mashpee would be a recognized  
7 sovereign people, and our state government could not  
8 interfere in their operations in relation to gaming and  
9 that they would be able to do gaming at the highest level  
10 that the Commonwealth's laws allowed at the time.

11           At the time, bingo licenses were issued by  
12 the government, as well as Las Vegas night licenses, to  
13 non-profit organizations. That means that the tribe would  
14 be able to do bingo of their choosing, including electronic  
15 bingo.

16           Electronic bingo, to the average person, is  
17 indistinguishable from slot machines. There are actually  
18 some technical differences. If you want me to bore you  
19 later, I will be happy to explain them but suffice it to  
20 say that they are effectively slot machines, and those  
21 would be untaxed, unregulated, and there would be no state  
22 interference with them.

23           However, if they wanted to do casinos, the  
24 law would have to be changed, and if the law were changed

1 to allow casinos, then a compact would have to be  
2 negotiated between the tribe, as a sovereign people, and  
3 Massachusetts state government.

4 That compact negotiation is the mechanism by  
5 which the state gets to enter into an agreement that  
6 includes taxation, regulation, law enforcement, and a range  
7 of other things that can be and are usually negotiated as  
8 part of the compact. Again, the word "compact" in this  
9 case is actually a substitute for the word "treaty" between  
10 two governments.

11 So, the reality set in that the tribe was  
12 about to be federally recognized. They would get their  
13 land in trust. They would then do gambling on that land,  
14 and if we didn't move to resort-style casinos, the Governor  
15 knew that he would not be able to do any taxation or any  
16 regulation.

17 So, at that point, he dispatched his staff  
18 to prepare a gaming bill. The gaming bill went through the  
19 legislative process and died in the House. The next term,  
20 separate bills were filed by different people. Some of  
21 them looked like the Governor's bill. Some of them were  
22 very different.

23 A two-year process ensued. At the end of  
24 that two-year process, a bill actually got to the

1 Governor's desk. The Governor didn't like some provisions  
2 of it and sent it back with amendments. It was at the end  
3 of the legislative term -- excuse me. It was at the end of  
4 the legislative formal sessions, which meant that, after  
5 July 31st, any single member could stop consideration of  
6 any bill. It was clear this bill was dead because there  
7 was no time to entertain the Governor's amendments.

8           We come back for the term that we are in  
9 now, and you all know the story. Otherwise, we wouldn't be  
10 sitting here today with petitions and people wearing  
11 T-shirts of various colors and people trying to get  
12 themselves ready and organized to compete for the license.

13           So, the law is now in place. I was reminded  
14 that the law was signed nine months ago, and the Commission  
15 was fully formed April 1st, which was about four months  
16 ago; and this week, from yesterday's meeting until  
17 tomorrow, they went through the process, the Gaming  
18 Commission, of agreeing to start the process of receiving  
19 applications with a \$400,000 filing fee, non-refundable, in  
20 order to apply to pre-qualify for consideration for  
21 submitting an actual application.

22           I would argue that's a lot of work in a  
23 short period of time and done properly and done very well.  
24 So, now the race is on, and if any of you happen to have

1 your \$400,000 check with you, before you give it to the  
2 Commissioners, could I hold it for just a minute because  
3 I've never held a \$400,000 check? I want to see what it  
4 feels like to hold that check, but the game is now moving  
5 to the next level.

6           The Commission will move on to  
7 pre-qualifying and checking the credentials and checking  
8 the veracity of people who want to put in an actual  
9 application and then the application -- the competition  
10 will be on for considering how many licenses, where within  
11 each region they would be, and who will be the outfit  
12 selected to move on to actually receive a license and  
13 construct the gaming operation.

14           So, that's the story. That's how we got to  
15 today. You're going to hear from a lot of good people  
16 today about a lot of particulars of what's involved, in  
17 putting this together, in greater detail.

18           I think I've discarded my duty of giving you  
19 the overview of how we got there, and I'll wish you all a  
20 very successful forum and hope that you all get information  
21 you need so that, as citizens, you can participate actively  
22 in this extraordinary social and economic change that is in  
23 the process of being unfolded before us. Thank you.

24           COMMISSIONER STEBBINS: Thank you, Senator.

1 I've been told that over the past, I think, 15 to 20 years,  
2 Senator Rosenberg has traveled around the country. He's  
3 added a few days on to his vacation to meet gaming  
4 authorities in other states and jurisdictions so that when  
5 a bill was finally passed, and myself and my colleagues on  
6 the Commission have heard this numerous times, we've been  
7 told Massachusetts got it right.

8                   So, it's a credit to the legislative  
9 process. It's a credit to Senator Rosenberg, Senator  
10 Candaras, Senator Welch, and the legislators who are here  
11 with us.

12                   I'd like to introduce myself. I'm Bruce  
13 Stebbins. I'm a member of the Massachusetts Gaming  
14 Commission. As the Senator said, we have been on the job  
15 officially as a team for about four months.

16                   I'm glad to welcome my four colleagues to  
17 western Massachusetts. I'm glad they were able to  
18 experience the commute I get every once in a while. I did  
19 send them via Pittsfield so it made it seem a little bit  
20 longer.

21                   I just want to take a minute and share with  
22 you really the purpose of these forums. We have held  
23 several of these around the state. This is the first one  
24 in western Massachusetts. As Tim Brennan mentioned, it is



1 certainly the most well attended.

2           The purpose of these forums is really to  
3 educate the five of us. There are a number of topics  
4 related to the bill that we are trying to get our hands  
5 around.

6           How do we craft regulations? We do that  
7 with getting a lot of good information from experts,  
8 panelists, and from general comments from the public.

9           We invite you to be a part of this education  
10 process because we want to give you the opportunity to hear  
11 the same information that we are hearing. After the panel  
12 speaks, the Commissioners will have an opportunity to ask  
13 some questions.

14           At the end, we will have an open meeting in  
15 the Commission to talk amongst ourselves about some of the  
16 topics, but we also want to take an opportunity to hear  
17 from you.

18           What we're doing to accommodate that is --  
19 you'll see over against the wall. We have a nice box. It  
20 just shows you the extent to which the Commission will  
21 spend money to get a nice box.

22           We invite you to go over, drop in questions,  
23 drop in comments. I can promise you every comment and  
24 question will be responded to, but we will go through those

1 comments and questions and take out those and, again, we  
2 hope that you address those comments and questions, in  
3 particular, to the topics you are hearing about today.

4 I would be remiss if I didn't tell you you  
5 can also follow the Commission's activities through a  
6 variety of means. We have a general comments e-mail line.  
7 We encourage everybody to drop us a note to the general  
8 comments e-mail line.

9 You can also follow us on Facebook, Twitter.  
10 We won't tell you when we are stepping out for lunch, but  
11 we will share with you more important details than that.

12 Just to mention, we have three very  
13 important panels, and this is the first time that we have  
14 tried to address three important panels in one forum.

15 Community mitigation, which is a big issue  
16 for the Commission itself to get our arms around. For  
17 western Massachusetts, the idea of a half-a-billion-dollar  
18 construction project is a rather daunting task.

19 We think we have some good panelists up here  
20 to help the communities to get a better understanding of:  
21 How do we facilitate that? How do communities deal with  
22 that large a project coming into their community?

23 Secondly, we want to talk about tourism.  
24 Throughout the legislation, I don't think this was any

1 accident, the legislature made it clear that they wanted  
2 gaming to have a positive impact on tourism. Tourism and  
3 hospitality is the third biggest industry in the  
4 Commonwealth of Massachusetts. We certainly want to make  
5 sure that there's a marriage between gaming and tourism  
6 that will bolster not only jobs but revenues for the state.

7           Finally, job training and workforce  
8 development. One thing that we are anxious not to see is  
9 once the license is approved that there is a big  
10 importation of people to fill jobs when we feel we can  
11 create the training environment and resources to help  
12 people from Massachusetts be able to apply for the  
13 permanent jobs.

14           I want to thank Senator Candaras on this  
15 last point. She reminded me the other day that this bill  
16 really was passed because it is a jobs bill, not only the  
17 temporary construction jobs but the permanent tourism and  
18 hospitality and gaming jobs as well as what we hope would  
19 be the ancillary jobs throughout the community.

20           Senator Rosenberg said that the work of this  
21 Commission and our purpose is not to fight the notion of  
22 gaming. That is all going to happen. Within your own  
23 community, when all of you, as residents, have a chance --  
24 should your community potentially be a host community,

1 you'll have the opportunity to go to the polls and voice  
2 your opinion in that manner, but Senator Rosenberg said  
3 that it is the job of this Commission to make the law work,  
4 to protect the interest, to mitigate unintended  
5 consequences, maximize job development, and create a robust  
6 gaming environment.

7                   So, I want to thank you for all turning out  
8 today. This is a great crowd. We greatly appreciate it.  
9 With that, I will turn it over to Tim Brennan to begin the  
10 first panel.

11                   MR. BRENNAN: So, the subject is community  
12 mitigation, and I'm going to play two roles. I'm going to  
13 play the role of moderator but also speaker. We have two  
14 others in addition. I'm going to introduce them  
15 individually.

16                   To kick off, I'm going to call on Ed  
17 Harrison. Ed has and continues to chair the Western Mass.  
18 Casino Advisory Task Force, a group that actually came  
19 together in 2007. So, we have been at this for quite a  
20 long time.

21                   Ed grew up, spent a good portion of his  
22 youth here in the city, retired from a career at MassMutual  
23 and has been spending much of his retirement time doing  
24 duty as a select board member on a variety of local

1 committees. Ed.

2 MR. HARRISON: Thank you, Tim, and thanks to  
3 the Commission for allowing us to make a little  
4 presentation here on behalf of the Western Mass. Casino  
5 Task Force, the acronym for which is WMCAT. If you hear  
6 WMCAT, then you know that's us.

7 Anyway, as Tim pointed out, we were formed  
8 in the fall of 2007 once the board of selectmen became a  
9 little concerned when Mohegan Sun said Palmer might be a  
10 great site for a casino, and we are saying, living right  
11 next door to them, What does that mean for us?

12 Since we are a small community, 8,500 or so,  
13 we said, It might be a good idea to involve some of the  
14 other communities in our area in looking at what the impact  
15 might be to their communities.

16 So, we got folks together in initially 10  
17 surrounding communities and now about 14, including  
18 Belchertown, Brimfield, Brookfield, Hampden, Holland,  
19 Ludlow, Monson, Palmer, Sturbridge, Wales, Ware, Warren  
20 West Brookfield, and Wilbraham. So, this was all pretty  
21 much centered on the Palmer area.

22 If this were Lenox or Lee, we probably  
23 wouldn't have come into existence, and the size and  
24 location may change depending on where the ultimate

1 licensee in western Mass. turns out to be.

2           We developed a mission statement early on  
3 that said, "To ensure that the economic, social, and  
4 quality-of-life interests of communities within the western  
5 Massachusetts region are protected and all impacts  
6 resulting from the development of Class 3 casino gambling  
7 within the region are recognized."

8           We had three objectives. Basically, to ensure  
9 that the western-region communities are included in every  
10 step of the public-policy process for community  
11 development. That is, we really wanted a voice at the  
12 table. We wanted an opportunity to influence the  
13 legislation and whatever the legislation entailed going on  
14 once it was implemented.

15           The second was to ensure that the state  
16 commits the funding for a professional, comprehensive, and  
17 unbiased study of the potential impacts, both positive and  
18 negative, of casino gambling on the western-region  
19 communities. That is one of the things I don't think we  
20 really accomplished, and we had been harping on that for  
21 about five years but so be it.

22           The third one, and perhaps the most  
23 important, was to ensure that casino-gambling legislation  
24 is amended to guarantee that the western-region communities

1 receive adequate compensation for and mitigation of any  
2 negative impacts of casino development and operation.

3           It was in March of, actually, 2008 at  
4 Quinnipiac University where they hosted an informal forum  
5 on casino gambling and the social problems and impacts that  
6 are often ignored in the debates about them. The most  
7 important take away -- I wasn't there. I think Tim was  
8 there.

9           It was not very well attended, but the most  
10 important take away, bar none, was the response that  
11 Connecticut Attorney General Blumenthal gave in response to  
12 the question put to him, which was essentially, What is the  
13 biggest mistake that Connecticut made when it legalized  
14 casinos more than a decade ago that Massachusetts should  
15 learn from and strive hard not to repeat?

16           So, the Attorney General, without a moment  
17 of hesitation, said that Connecticut had completely failed  
18 to properly account for and proactively address the  
19 physical and social impacts that would fall to the  
20 communities surrounding the host community, and this was  
21 and continues -- I emphasize continues -- to be a serious  
22 omission with lots of adverse consequences that are  
23 regrettable.

24           So, WMCAT's official position on casinos is

1 that we are neither pro- nor anti-casino. We have  
2 maintained that stance for this last five years. There are  
3 a lot of groups out there who are flag waving for casinos  
4 for lots of reasons, and there are anti-casino groups out  
5 there.

6 We are not one of those. We are neutral,  
7 and I think that has really opened the doors for us to be  
8 able to talk to legislators, to people who will listen to  
9 our case, and we are very grateful for that. What have we  
10 done for the past five years? Well, it's like one year all  
11 over again every couple of years because we had to do this  
12 three times.

13 First and most importantly, I think we  
14 enlisted the support of the Pioneer Valley Planning  
15 Commission, and they have been enormously helpful to us. I  
16 don't think we would have been able to do a very good job  
17 of this if it hadn't been for their support. They take our  
18 meetings, record our minutes, and provide us with sound  
19 advice on how to proceed in dealing with the legislature  
20 and what not.

21 We studied the proposed casino-enabling  
22 legislation three times, met with local legislators,  
23 including Senators Candaras and Rosenberg and our own local  
24 Senator out in our area, Senator Brewer. We developed a



1 list of 23 concerns, which are, we feel, generic enough for  
2 use by all potential host and surrounding communities who  
3 might be impacted, and copies of these -- I think Tim left  
4 100 copies or so up on the table in the back if anybody  
5 would care to look at that.

6 We communicated our concerns on multiple  
7 occasions to the general court and executive branches of  
8 Mass. government, mostly by letter; testified at public  
9 hearings held by the Joint Commission of Economic  
10 Development and Emerging Technologies several times.

11 We did make a presentation, just once, to  
12 the Metropolitan Area Planning Council, who was interested  
13 in our work, and I think it was very well received by them  
14 and I think they worked very well together with their own  
15 group in the eastern part of the state.

16 When the last set of legislation came up, we  
17 submitted amendments to proposed casino legislation through  
18 our regional legislators, and ultimately, today, we have  
19 produced a draft of a community-impact checklist of items  
20 that communities should address prior to the  
21 casino-licensing process, and I emphasize prior because if  
22 you start doing this after the applications have been  
23 submitted, it may be too late; and copies of that should be  
24 included in the packet that you picked up with the agenda,

1 and we welcome any suggestions or changes or additions,  
2 whatever you want. You can give them to either PVPC or  
3 myself. Whatever.

4 I would like to think that the efforts of  
5 WMCAT had a positive influence on the Massachusetts  
6 casino-enabling legislation for this past 2011.

7 From a local perspective, putting my  
8 selectman's hat on, what are we concerned about? We are  
9 always concerned about monies. Municipal budgets are what  
10 we live and die by on a day-to-day basis.

11 I'm sure all of you are aware of the --  
12 especially the town officials are aware of what they've had  
13 to do to cut expenses due to the recession. Like them, we  
14 have foregone raises, laid off staff, reduced staff hours,  
15 and cut services. We don't have a lot of spare money to  
16 work on Memoranda of Understanding with potential casino  
17 licensees. So, we help in that area, and I think the  
18 legislation does allow for this.

19 It's there in black and white, and for us,  
20 for example, being close to the Springfield area, we are  
21 considered a surrounded community, and that's a concern to  
22 us. Are we going to make that cut? If we were Palmer, it  
23 would be a no brainer. If it were Springfield, there might  
24 be some question. We might be looking at three or four

1 casino applications, so that's three or four Memoranda of  
2 Understanding that we have to come up with.

3           Part of that process, I think is to -- in  
4 order to be able to do that kind of negotiation is to  
5 develop a baseline of community resources, as  
6 infrastructure, transportation, public safety, education,  
7 housing, economic development, workforce development,  
8 public health, et cetera -- all those kinds of things where  
9 we have resources within our individual communities. So,  
10 each community has to do that for themselves.

11           I think that's a critical inventory to have  
12 because it allows us to demonstrate where the impacts might  
13 be and once the impacts do occur, if they do, that they are  
14 documented. So, that would be the baseline for giving us a  
15 methodology for tracking impacts.

16           We realize or thought that the mitigation  
17 funds were not sufficient but are grateful for what we did  
18 get in the legislation. It's probably more than what was  
19 initially anticipated. There will be a great deal of  
20 competition, we think, for the mitigation funds. Since the  
21 host is included in the group with the surrounding  
22 communities, as a surrounding-community selectman, we may  
23 not see a lot of that mitigation coming our way.

24           Of course, there's always a quality of life

1 for our community. I'm not sure a lot of folks pay  
2 attention to that unless you can put an economic price on  
3 it.

4           So, how can the Mass. Gaming Commission help  
5 us and the host communities as well as the surrounding  
6 communities? Communities need short-term help with the MOU  
7 process. We can't afford to hire legal counsel and  
8 consultants to be sure that the results are going to be  
9 fair to everybody.

10           Now, I was very pleased to see, on July  
11 24th, that there was a press release by the MGC. It's  
12 number 12-019. I'm not going to take the time to read it  
13 here, but it really says that the Commission has thought  
14 about this. They've taken to heart the message that we  
15 tried to get across; that mitigation is important to not  
16 only the host but the surrounding communities.

17           I think they could help -- this Commission  
18 could help by developing appropriate templates for the  
19 information that has to be submitted to them, whether it's  
20 an MOU template or community checklist or whatever kinds of  
21 information you folks need to do your job in selecting a  
22 licensee or approving a licensee. It might be helpful to  
23 have a template so everybody is playing with the same set  
24 of rules. It's kind of like an RFP, if you will.

1           The community checklist, which I think you  
2 have copies of now, is something that WMCAT produced and  
3 it's a draft. We welcome any kind of comments from anybody  
4 who wants to change that, but I think it might be useful  
5 for communities to consider.

6           We realize that one size does not fit all.  
7 That came across very loud and clear at the last  
8 presentation. I never thought it was an issue because we  
9 all realize, being such small communities competing with  
10 larger communities, say, like Springfield or Boston or Fall  
11 River, that it was pretty obvious. Different communities  
12 have different requirements. It depends on location and  
13 everything else.

14           We think it's a good idea to retain the  
15 resources of regional-planning agencies throughout the  
16 state for other regions, not just ours. They've been so  
17 helpful to us that I think it's a good approach to bring  
18 together those communities who think they are going to be  
19 impacted by a casino.

20           WMCAT may morph into something quite  
21 differently depending on where the approved licensee winds  
22 up. I think keeping the lines of communication open  
23 between us is pretty important going forward. Like I say,  
24 opportunities like this to communicate are well received.

1                   So, that's pretty much all I'd like to say  
2 except to thank you once again and to thank Tim for all he  
3 does.

4                   CHAIRMAN CROSBY: Tim, are we going to hold  
5 questions? How do you want this to operate?

6                   MR. BRENNAN: It's up to you.

7                   CHAIRMAN CROSBY: Well, I just wanted to --  
8 you raised a really interesting point, Mr. Harrison, about  
9 how the mitigation monies -- can everybody hear me? Is  
10 this working right? How the mitigation monies will be  
11 allocated, and one point that I wanted to make is you were  
12 afraid the host communities might eat up the lion's share  
13 of the community-mitigation monies that are generated each  
14 year as a small percentage of the revenues from the  
15 casinos, and the surrounding communities wouldn't get  
16 anything.

17                   One thing I want to seize on immediately is  
18 both the host and surrounding communities have the option  
19 to negotiate with the casino operator. Both the  
20 surrounding communities and host communities have to have  
21 signed agreements before the proposal could come to us.

22                   So, the first line of defense with the  
23 mitigation monies ought to be your own direct negotiations  
24 as a host or surrounding community. Get everything you can

1 possibly think of at that point so that the Commission  
2 monies -- the mitigation money that come to the Commission  
3 is left for generally unanticipated or -- whatever.

4           You should not be thinking about, Let's go  
5 get our money from the community-mitigation fund. Every  
6 community should be thinking about getting whatever is  
7 appropriate mitigation monies from the operator up front.

8           MR. HARRISON: Is this live? Yes. It is.  
9 Point well taken. That's the first bite of the apple, and  
10 it's kind of an unknown out there, what's going to happen.  
11 We can only speculate as to what the impacts are going to  
12 be, but if we can't get an agreement and we've got a scant  
13 30 days to accomplish that --

14           CHAIRMAN CROSBY: What is the 30 days?

15           MR. HARRISON: I think we have 30 days.  
16 Well, according to the legislation, I think it says we have  
17 30 days to negotiate an MOU; otherwise, the MGC steps in  
18 and makes sure the license application includes that.

19           COMMISSIONER MCHUGH: If I could interject.  
20 I think the Commissioner -- the Chairman is talking about  
21 even before the application process starts. The 30-day  
22 application only begins and kicks in after what -- what we  
23 are calling the Phase 2 application occurs.

24           MR. HARRISON: Right.

1                   COMMISSIONER MCHUGH: The regulations that  
2 were promulgated yesterday, at least began the process of  
3 promulgating yesterday, anticipate the possibility of  
4 negotiations early on between host and surrounding  
5 communities and the developer for the kinds of things the  
6 Chairman was talking about.

7                   MR. HARRISON: Okay. Point well taken. I  
8 just want to make one point though. Mitigation is not, in  
9 our eyes anyway, a one-shot deal that finishes with the  
10 completion of the construction of the project. It includes  
11 operation, not just development, and that could have an  
12 impact over years.

13                   If we had to hire two policemen, for  
14 example, to handle the increased DUIs or something like  
15 that, that's \$100,000 or \$150,000 perhaps when you consider  
16 if you have to provide those on a three-shift basis.  
17 That's an ongoing commitment for a long time that would  
18 take a small community like ours to absorb.

19                   CHAIRMAN CROSBY: I just want to enforce  
20 this though. That ought to be one of the things that  
21 you're talking about to the developer up front. It should  
22 be -- that ought to be what's part of the initial  
23 negotiation.

24                   When they come to you as a surrounding



1 community or you purport to be a surrounding community, if  
2 you can't agree, then ultimately, we will weigh in on that,  
3 but for the most part, the developers are going to want to  
4 have working relationships with surrounding communities,  
5 and part of the job should be to anticipate you need two  
6 extra cops up front.

7 Don't let that stuff slide because we will  
8 run out of money quickly if the surrounding communities and  
9 host communities don't do a good job -- a really buttoned  
10 job of negotiating effectively with developers way at the  
11 beginning of the process.

12 MR. HARRISON: So, I assume part of the  
13 criteria for selecting a licensee might be how well do you  
14 mitigate --

15 CHAIRMAN CROSBY: Absolutely. This  
16 conversation is reinforcing that. This is a really  
17 important point, I think. If other communities have been  
18 really thinking this way, we would absolutely look very  
19 favorably. I think I'm speaking for myself, but I'm sure  
20 we all would look very favorably on proposals that do a  
21 really good job of paying for mitigation with both host and  
22 surrounding communities. The legislation requires us to.

23 MR. HARRISON: Thank you very much.

24 MR. BRENNAN: I'm going to try to tag team

1 with Ed and go a little bit deeper. In the spirit of what  
2 Commissioner Stebbins said at the outset, that this is an  
3 educational forum and particularly the Gaming Commission  
4 members are looking to receive information, I tried to ask  
5 myself six questions that you might and answer them.

6           The first question is: Is there a couple of  
7 definitions that are key when we talk about mitigation, and  
8 I think there are. In a general sense, mitigation  
9 typically means when you try to lessen, to the extent  
10 possible, any adverse consequences of a development. This  
11 one happens to be a casino, but it could be any kind of  
12 development, but not all the mitigation measures are the  
13 same.

14           There are three categories. One is  
15 prevention measures, things that can be done up front, as  
16 the project is actually designed, that would either  
17 minimize or eliminate the possible adverse effects.

18           Second is compensatory. Example being you  
19 clear the site, take down a lot of trees, replace the  
20 trees. Maybe not precisely the same location but you  
21 place them on the development site.

22           Then last but not least, remediation where  
23 damage is done but efforts are made, as part of the whole  
24 development scheme, to fix that damage or to restore a

1 wetland, perhaps, that gets disturbed.

2                   This definition is a typical one and  
3 planners like me use it all the time, but I think, in this  
4 instance, it doesn't go far enough, and I would tweak it  
5 and say that there are also positive impacts of this kind  
6 of development.

7                   The premier might be the one that's already  
8 been mentioned several times. Jobs, but I think to work  
9 that advantage takes work on the part of the host and  
10 abutting communities as well as the Gaming Commission, and  
11 I think you are going to hear some ideas about that from  
12 panelists.

13                   The same is true with something like the  
14 hospitality industry. How can you work it at the front end  
15 so that there's mutual benefits rather than a winner and a  
16 loser?

17                   Casinos, to a planner like me, is a DRI.  
18 Not DUI. DRI. Development of regional impact. Not  
19 unusual. They exist all the time. Think shopping center.  
20 Think airport. Think large, planned residential community,  
21 and many places as close as Cape Cod have explicit  
22 procedures for dealing with this. Some states do.

23                   I just heard from a colleague where the  
24 State of Georgia absolutely overhauled their procedures,



1 got my idea that it's a DRI, the footprint is regional.  
2 It's not going to be only in the host community. The  
3 impacts will spill out, which brings us to why this  
4 committee I just explained to you was created five years  
5 ago, and I know there's work going on in this regard  
6 elsewhere, including in Springfield.

7                   Time line. I'm going to come back to this.  
8 The time line is long. This is not a project that is  
9 proposed this week and built perhaps in the next 6 to 12  
10 months. It has a long pre-game warm up related to it  
11 before an actual shovel gets in the ground, and that  
12 changes the dynamics of the process and the way to treat  
13 the project.

14                   Complexity. Exceedingly high. Demands the  
15 expertise of multiple disciplines but not working  
16 unilaterally but working together. I think your own  
17 composition is a way of reflecting that.

18                   Ed already alluded to community resources  
19 are limited, and some may argue, in some cases, austere.  
20 What I want to undersCORIs it's not just a matter of  
21 constraints in terms of money resources; it's also a  
22 constraint in terms of human resources. How many staff are  
23 in that town hall with the kinds of time and expertise that  
24 are going to be needed to respond appropriately to this?

1           Last but not least, but I think this is why  
2 this is an educational -- there's not a lot of precedent.  
3 It's not like you can run to some shelf and find wonderful  
4 examples. Sure. Casinos exist elsewhere, but I think, if  
5 you know anything about the legislation process, this is  
6 very, very unique. So, we are learning and doing at the  
7 same time. It's not the easiest thing. It's possible, and  
8 it's necessary to do.

9           Question three. Why is a wholesale  
10 understanding of the time line important here? I think,  
11 again going back to an earlier statement, in terms of  
12 --ultimately, this project will evolve in four separate  
13 time zones.

14           Zone one is planning, permitting, licensing,  
15 the period we are in now and, by the Commission's estimate,  
16 will probably go to perhaps the fall of 2014.

17           Following that, there's design, although  
18 presumably some design can go on before a particular  
19 licensee knows that they are successful.

20           Third, construction phase, which, again,  
21 does not necessarily happen in all one bite. It very well  
22 may happen in phases, and it may take time to do.

23           And third -- or fourth, excuse me. Zone  
24 four. The casino as an operation. Again, as Ed alluded

1 to, it's in operation presumably in perpetuity.

2           The key point I want to make now in terms of  
3 mitigation: The most important period, time wise, is this  
4 one, zone one, before an actual selection is made. I think  
5 that's a point that Chairman Crosby was just making. This  
6 is a time where you can shape things in a way that is,  
7 again, beneficial to all the parties. Later, it may be  
8 much more difficult or impossible to achieve.

9           There's one question about mitigation that  
10 hardly ever gets asked, but I'm going to ask. I'm going to  
11 give you my answer, but I don't necessarily think it's  
12 going to get unanimous agreement.

13           The question is: Is it realistic to believe  
14 every impact of a casino, in this case, but, again, it  
15 could be another type of project, can be mitigated? I  
16 think the answer to that is probably not.

17           So, I think, again, when you think about  
18 mitigation, probably there's three principles that ought to  
19 come into play. The first is be realistic about the  
20 mitigation efforts.

21           Second, because you can't do everything, be  
22 targeted in the way you apply those mitigation efforts.

23           Thirdly, mitigation needs to be funded to  
24 the extent that mitigation is possible to afford.

1                   Question four. Are the types of projects'  
2 impacts more or less the same? Again, whether it be a  
3 large-scale project or, in this case, a casino-resort  
4 facility, no. Once again, I think there's three distinct  
5 types of impacts to be thinking about, worrying about, and  
6 planning for.

7                   First would be the direct impacts. I'm just  
8 going to give some hypothetical examples. There's an  
9 intersection close to the casino location that ultimately  
10 gets picked. That intersection fails based upon the  
11 traffic. Direct impact, and something needs to be done,  
12 compensated for that factor.

13                   Indirect impacts. Again, very, very  
14 important. What about the school system that's two  
15 communities out that suddenly has an explosion of school  
16 population and a population that also has special needs  
17 that's never been anticipated? We heard a lot about that  
18 when we were in Connecticut. So, something you have to  
19 think about.

20                   Last but not least, the cumulative impacts.  
21 I imagine that a project like this is going to be built in  
22 phases, but you have to anticipate what the human impacts  
23 are going to be. Not when the parking lot is finished or  
24 even when the casino is finished but all the pieces. You



1 have to think beyond what actually gets built is Phase 1 or  
2 2 or 3.

3                   What kind of considerations go into this  
4 bowl -- salad bowl of mitigation? Well, there will be a  
5 lot, but probably the premier ones would be physical. How  
6 is the infrastructure going to deal with this development?

7                   Natural. What's going to happen to the  
8 water quality or air pollution?

9                   Social. How about things like public safety  
10 and problem gaming?

11                   Fiscal. We already heard Ed talk about  
12 those.

13                   Legal. There's a lot of complicated legal  
14 agreements and, again, many of the communities that we try  
15 to serve would not have that expertise in town hall.

16                   Economic. Again, how you make sure the  
17 benefits from the economic side are there.

18                   And then staffing. How do we get the  
19 capacity, staff wise, and expertise that we need to make  
20 this front end, this zone-one time zone that I'm alluding  
21 to, work the best.

22                   If I had to guess, sitting in the seat of a  
23 municipal official that's worrying about these kinds of  
24 issues, there's probably three in this moment that are most

1 compelling, most urgent, and I think you've heard them many  
2 times before, but I'm going to repeat them.

3           Staffing -- staffing capacity, legal  
4 expertise, and answers to the fiscal questions that have  
5 come up repeatedly.

6           Question five. Who is responsible for  
7 maximizing the chances that the mitigation mix that you put  
8 together are effective and successful? The short answer  
9 is: Everybody. Everybody at interest. There's a role for  
10 the Gaming Commission.

11           In that regard, one thing you're going to  
12 struggle with, because we have, and that is what are the  
13 surrounding communities? Where does that begin and end?  
14 That's a call that the Gaming Commission is going to have  
15 to make at some point in time. That's probably something  
16 where group thinking would be very helpful.

17           We struggle with it and we have, as Ed  
18 alluded to, 14 or 15 different communities, but I think we  
19 all would acknowledge that the impacts in the 14 or 15  
20 municipalities are not going to be the same.

21           The host community has a role in terms of  
22 its negotiation. Impacted communities have a role in terms  
23 of what they see as a priority of mitigation measures.  
24 What are the top priorities?

1           The developer clearly has a role both in the  
2 early stage of negotiation but, likewise, to follow through  
3 on design because, again, those preventative measures are  
4 the ones that are the cheapest but get you the biggest  
5 positive bounce. The more they are built into the actual  
6 construction, the more the benefits for all.

7           Clearly, the developer, once they get a yea  
8 or nay from the Commission, will be in the driver's seat in  
9 that regard. For that matter, the public at large has a  
10 role in terms of having their questions brought forward and  
11 answered or bringing suggestions forward. We have  
12 certainly benefited from that over the last five years.

13           Question six. Ed already started, and I'm  
14 going to give you what I would suggest as success of the  
15 Gaming Commission in the context of the mitigation, and I  
16 would say right up front that some of these are repeats,  
17 and they are repeats purposefully because they are  
18 important and they need to be underscored yet again.

19           So, my list would go something like this:  
20 Recognize, through your process and regulations, that the  
21 one-size-fits-all proposition is real and that a level of  
22 flexibility is built in so that the way that's responded to  
23 a site in western Mass. is not necessarily a mere copy of  
24 what might happen in the greater Boston area.

1           Continue, because you've already started, to  
2 pursue measures and to provide resources that level the  
3 playing field essentially between the developer and the  
4 communities, whether that be the host community or that be  
5 the surrounding communities. A level playing field, again,  
6 fits all, but you have to help in that regard, and I know  
7 you already have started down that road.

8           Self-serving, but use the regional planning  
9 agencies to advantage. Most of us were created a half  
10 century ago for exactly this purpose. We typically bring  
11 expertise in some of the key areas, transportation,  
12 environment, mitigation, et cetera, but also in the sense  
13 we are the region's kitchen table. We are the place where  
14 communities come together. That is our customer. That's  
15 who we work with all the time. I think to the extent that  
16 you can use the RPAs that is beneficial to the region and  
17 to your work as well.

18           Fourth. Look for ways to reward good  
19 behavior on the part of the casino developers. I think  
20 you've, again, suggested a couple of ways, even today,  
21 about that, but I would look for different ways in all of  
22 those time zones that the criteria that you include in your  
23 weighing the decision, the hard one as to which will be the  
24 project winner, is really important and that includes this

1 phase as well.

2 Ed has already said this but, again, I'll  
3 reinforce. Maximize the Gaming Commission as the hub of  
4 sustained communication between and among all the parties  
5 because, again, I think that's helpful. You've already  
6 done that, whether through your Web site, through your  
7 forums, through the fact you've taped the forums, so if you  
8 couldn't get to them, you could benefit. That's all  
9 important in terms of a maximum communication strategy.

10 Your Chairman just did it, so I'm going to  
11 repeat it. Champion the notion that the time to be engaged  
12 and to be proactive and to act is now. It's not next week.  
13 It's not next month. It's certainly not two years from  
14 now. The time is now because, from a mitigation point of  
15 view, early in means much more benefit.

16 I do want to join Ed in thanking the Gaming  
17 Commission because it's clear from this forum and previous  
18 ones that you have been listening, and I think that's given  
19 us a high level of comfort in the communities, particularly  
20 the ones that I've been working with over the last five  
21 years that have struggled with the mitigation issue and  
22 many others. Thanks.

23 CHAIRMAN CROSBY: One point of  
24 clarification. You referred to the licensing phase, the

1 first of the three phases, as being over, you said, by the  
2 fall of '14. That was actually out. We said between the  
3 fall of '13 and fall of '14.

4 MR. BRENNAN: I said estimate. That was my  
5 best guess as what you meant, but the time table was also  
6 helpful in terms of framing, to some degree. It's not just  
7 a black space. Okay.

8 Our next panelist is Jeffrey Simon, who  
9 serves as the director of the Massachusetts Recovery and  
10 Investment Office. It's a key office established in the  
11 Commonwealth under direct supervision of the Governor that  
12 dealt with the over \$7 billion of stimulus money that came  
13 to the Commonwealth over the last several years.

14 Before he was -- returned to sort of public  
15 service, he has worked both in the public and private  
16 sector. I think the bedrock of his career has always been  
17 related to real estate development, whether it be in  
18 Massachusetts as the Director of Land Bank, as we once knew  
19 it, or working in off-shore locations re-planning former  
20 military bases. So, I think, again, his perspective to  
21 this discussion will be very helpful. Jeff.

22 MR. SIMON: Thank you very much, and thank  
23 you for inviting me here today. As Tim mentioned, I have a  
24 fair amount of experience in large-scale development

1 working on a lot of really great projects all over  
2 Massachusetts, and I've had the opportunity to be both the  
3 public partner and the private partner in some really great  
4 public/private partnerships.

5           So, the perspective that I bring, like all  
6 of us, is tempered by our experience, but what I've learned  
7 is that understanding the perspective of both sides and  
8 trying to de-demonize the use of the term "sides," is  
9 really a key to success, particularly for communities.

10           The most on-point experience that I've had  
11 and I want to talk to you a little bit about today is that  
12 I was the director of the redevelopment of Fort Devens for  
13 four years.

14           When Fort Devens closed, it was in four  
15 communities, Ayer, Harvard, Shirley, and Lancaster. We had  
16 a little bit of a different issue; that when the United  
17 States Army created Fort Devens, they really weren't  
18 cognizant, in any way, of town boundaries. So, you had  
19 major buildings with town boundaries going right through  
20 the middle of them.

21           When we sat down and tried to look at the  
22 regulatory framework and how we would actually encourage  
23 development from both the state and the municipal point of  
24 view, it just didn't seem to make sense to have the

1 building inspector for Ayer to be responsible for one end  
2 of the building and the building inspector from Harvard be  
3 responsible for the other.

4           Situations like that really force you to  
5 take a different approach I think, you, quite frankly, take  
6 for granted. What you learn in large-scale development is  
7 that large-scale development is really, at its essence,  
8 about reconciling competing and opposing interests.

9           It is all about balance, what the economists  
10 call Perato optimality, which is simply doing the most  
11 positives -- getting the most positives with the least  
12 negatives. It's about balancing the developer's interest  
13 with the community's interests, the short-term  
14 considerations, long-term considerations, and economic  
15 gains with the social impact and potential changes to the  
16 quality of life.

17           I've done a lot of speaking on the impacts  
18 of large-scale development, and one of the experiences that  
19 I've had that I like to relate is a conversation that I've  
20 had a number of times. It's a very difficult conversation.  
21 A difficult conversation is talking about a 20-year  
22 development with a two-year mayor.

23           It takes the time frames and it butts them  
24 up against each other and I never fail -- you can always



1 tell the people who actually are in municipal government,  
2 like Jay Ash sitting in the front here, because when I say  
3 that, they all smile and shake their heads because they've  
4 had to deal with that. They've had to deal with those  
5 competing interests.

6           Regardless of the type of development, that  
7 issue is really, at its essence, what we all struggle with,  
8 particularly when you recognize that, in Massachusetts, the  
9 regulatory system is based on a whole lot of volunteer  
10 citizens, who meet every two weeks, once a month maybe, and  
11 it really doesn't contemplate -- it doesn't anticipate the  
12 kind of major development impacts that a large development  
13 of any kind -- and everything that I say today will be  
14 regardless of the type of development. I'm not speaking  
15 specifically to casino development. I'm talking about the  
16 impacts of large-scale developments. Those impacts, when I  
17 think about them -- I want to talk about dividing them up  
18 into four different kinds of quadrants.

19           One of the things that I try and do is try  
20 and keep up on what other people do in the field. There is  
21 a professor at the University of Illinois named Mary  
22 Edwards, who has kind of a framework that I would like to  
23 use.

24           The impacts end up divided up, for today,

1 the community impacts, into four different, general  
2 categories -- two general and two specific.

3           Fiscal, which is really dealing with  
4 community costs and revenues.

5           Socioeconomic. Dealing with the  
6 demographics, some of the things people have mentioned  
7 before.

8           Community image and aesthetics. Dealing  
9 with what I've heard so much, particularly on working with  
10 large-scale development. It is generally that elusive  
11 character of the community. When you do a lot of this kind  
12 of development, you get kind of a mental image of some guy  
13 running around with a T-shirt and, There goes the character  
14 in the community.

15           It really is what makes that community  
16 unique, what makes people want to live there who do live  
17 there. What is it you value, and what is it you want to  
18 preserve?

19           And then third, the environmental impacts.  
20 Some of these are obvious. You talked about before. Air,  
21 water, vegetation, wildlife. Sometimes the environmental  
22 impacts, particularly in some of the work that I've done on  
23 military base redevelopment, can be quite positive, quite  
24 frankly. If you can have positive impacts on clean up or

1 environmental remediation worked into the process, that's a  
2 real boom.

3                   Lastly, and it's of particular interest  
4 here. Traffic. Traffic always deserves kind of its own  
5 section, its own consideration.

6                   I'd like to just talk briefly about each  
7 one.

8                   Fiscal analysis. So, this really looks at  
9 the impact on the government of the community, and  
10 Massachusetts, in particular, where we have some different  
11 kinds of forms of government, some of which are all  
12 volunteer without any real permanent or full-time staff --  
13 it really is important to look at the cost and the impacts  
14 on that government in terms of revenue and in terms of its  
15 ability to do that kind of costing.

16                   There are two ways generally that the  
17 economists look at it. One is the average cost. So, you  
18 just kind of look at what your costs are to provide  
19 schools, fire, police, trash pick up, all of those kinds of  
20 issues. You figure out how many new people there will be  
21 and you just multiply. Very straightforward, but what that  
22 doesn't really take into consideration is the way that  
23 services grow and the way the communities grow.

24                   That gets into the second approach, which is

1 called a margin-costing approach. It looks at the cost at  
2 the margin of providing one more unit of whatever service  
3 that is. That becomes particularly important to cities and  
4 towns. If you think about how they staff up because  
5 development occurs -- development occurs, as Tim talked  
6 about, at a fairly predictable kind of smooth rate. Yes.  
7 There are different plateaus, but it's fairly predictable.  
8 It's reasonably well known.

9           Your staff, however, doesn't, particularly  
10 in a town. So that what will happen is that you'll hire  
11 that staff. They'll come in and start to deal with it, and  
12 you won't even think about going to the legislative body,  
13 the selectmen or the alderman or the city council, until  
14 that staff member is so overworked that he or she can't see  
15 straight and then you're going to hire one more. You're  
16 not going to hire two more. You're going to hire one more.

17           Then that same pattern is going to repeat  
18 itself. As the development picks up, then you'll have two  
19 people, and two people are going to go nuts, and when they  
20 are right at the point where they are ready to hang it up  
21 and move to Vermont, you're going to hire one more, and  
22 that's kind of how the pattern will go.

23           The difficulty in that is that that lumpy  
24 nature of providing public services gets repeated all

1 throughout the different departments of town government,  
2 and in projecting the fiscal impacts, it's important to  
3 recognize that you can't have a real -- a real smooth kind  
4 of progression.

5                   So, generally, you start by looking at the  
6 population and the employment changes. You try to  
7 disaggregate the budgets into residential impacts and  
8 non-residential impacts. You look at both the revenues and  
9 the costs for each one of those two major kind of divides  
10 and then they come back together at the bottom, and you  
11 start to be able to project fiscal impacts on your city or  
12 town.

13                   One of the major limitations of that impact  
14 analysis is that it doesn't really look at the interactions  
15 among those users. It just looks at kind of an additive  
16 effect, and there are interactions that take place. It  
17 also only looks at a single unit of government. It kind of  
18 puts blinders on as if the impact didn't kind of spill over  
19 in lots of different ways.

20                   So, a couple of questions. What are the  
21 spending categories that major developers are going to  
22 impact in your city or town? Are there new services that  
23 are not existing at all today that will be necessary? Will  
24 it prompt changes in the way you deliver services?

1           I know -- I was on the school committee in  
2 my town for nine years, and when we looked at fiscal  
3 impact, we tried to anticipate wholesale changes to the way  
4 that those services would be provided and it's very  
5 difficult.

6           In addition to the staff, you need to look  
7 at the impact on things like police response times or fire  
8 response times and the location of those services and the  
9 cost.

10           Now, on socioeconomic-impact assessment,  
11 that really looks at the other side, which is the impact on  
12 community life. It looks at demographics. It looks at  
13 retail analysis. It looks at housing-market analysis. It  
14 looks at the demand for public services but not necessarily  
15 the costs of those services, and it looks at the changes in  
16 impact -- excuse me -- employment and income levels that  
17 might take place through the change of demographics in your  
18 community.

19           It tries to roll all that up into that  
20 aesthetic quality of the community that ends up with you  
21 looking at yourself and saying, What do we want this  
22 community to be? Not today. Not tomorrow but in 50 or 100  
23 years.

24           It really deals with the hopes and dreams

1 and aspirations that all of us have in the communities that  
2 we live in, and that's such an important part of the system  
3 of American democracy. It looks at the density and  
4 distribution of people within the town. It looks at the  
5 mix between permanent workers and temporary workers and the  
6 difference in demand that that makes.

7           It looks at the existing land use and the  
8 zoning plans to deal with those land uses and needs to be  
9 examined for the impact on the new development that is  
10 occurring and the impact of the new development that's  
11 occurring.

12           So, again, it's both sides of those same  
13 questions. It also looks at the impact on your retail  
14 areas. I did my work at Fort Devens. We saw dramatic  
15 changes to downtown Ayer, for example, when that base  
16 closed. 17,000 people went to work there every day.

17           When I came in, those 17,000 people were  
18 gone. Restaurants, dry cleaners, building suppliers,  
19 carpet sellers. All of those kinds of people -- all had  
20 significant impact on the retail side.

21           On public services, the mix that's  
22 appropriate today may not be the mix that's appropriate for  
23 tomorrow.

24           Third are the environmental impacts.

1 There's a whole industry built around dealing with  
2 environmental impacts and a lot of people who do a great  
3 job of this, but it generally looks at the size and the  
4 nature of development, the location of the development, the  
5 character of the environment that's being impacted, and  
6 then the spill-over effects of those environmental impacts,  
7 and it categorizes those into the subject areas of open  
8 space, air, and water on both sides. Water provision and  
9 water treatment or waste-water treatment.

10 So, there's a whole cycle that needs to be  
11 looked at, and today, one of the most important  
12 considerations ends up being the demand for power. Power  
13 is becoming such a commodity that is determining  
14 development and a determinant of development that its  
15 environmental impacts need to be included.

16 Fourth and last, deserving its own category,  
17 as I mentioned, is traffic. Tim talked about a lot of the  
18 issues of traffic that need to be looked at by a really  
19 solid traffic engineer. You need to look at the impacts  
20 across your community on primary roads, on secondary roads,  
21 on feeder roads, on tertiary roads, on driveways, quite  
22 frankly. You need to look at how those existing patterns  
23 will be influenced and where your failing intersections are  
24 going to be and what kind of a knock-on effect that is



1 going to have going down the line.

2 I know the intersection that is right in the  
3 middle of Ayer, for those of you who drive that area, had  
4 huge effects on the Town of Groton, but the Town of Groton  
5 wasn't really involved in the process of redevelopment,  
6 much like you have communities impacting the surrounding  
7 communities and then the surrounding surrounding  
8 communities -- I may not be using the terms right but I  
9 think you know where I'm going with that.

10 Probably those larger impacts need to be  
11 addressed on a regional basis, but the projections need to  
12 be realistic, and we have dealt in large-scale development  
13 with all kinds of projections on both sides, either  
14 completely minimizing the impact or just taking a worse  
15 case and way overstating it, but you need to remember that  
16 it's reasonably hard to change traffic issues once they've  
17 occurred. So, you really want to think them through. It's  
18 not impossible, but major, drastic changes are hard to do.

19 So, overall, I'd say evaluating both the  
20 positive impacts and the negative impacts of development is  
21 important. Focusing on significant impacts and this is a  
22 real discipline -- focusing on the significant impacts and  
23 not on those nominal impacts of development is a huge  
24 challenge, particularly because there will be someone in

1 your community who is only focused 100 percent on a very  
2 small impact but that's what they care about, and that  
3 impact -- that opinion deserves consideration but it can't  
4 dictate the development.

5           Looking at direct impacts and, as Tim said,  
6 cumulative impacts of each one of those decisions today and  
7 down the line will give you a better sense of where you are  
8 going overall, and looking at the long-term goals and  
9 trying to assess what they are for the community will be  
10 the guide.

11           I think there's a great opportunity here to  
12 actually think this through up front and to negotiate with  
13 all the potential developers or operators beforehand. So,  
14 I give you a couple points in conclusion.

15           First of all, people need to participate.  
16 It's been said before, but it bears repeating, that  
17 democracy is not a spectator sport. You need to  
18 participate.

19           Second, realize the limitations. Recognize  
20 the limitations, particularly of your governments, and plan  
21 for them. Hire consultants. I've run a number of major  
22 development competitions, and the goal of the development  
23 competition is to get as many developers with as  
24 high-quality proposals knocking at everyone's door as

1 possible and realizing that you don't want to shut the  
2 door. You want to make it easy for your communities to  
3 deal with developers.

4           So, therefore, you need to organize for  
5 success. You need to plan for success. You can't put up  
6 the walls and barriers because that, frankly, won't serve  
7 your population very well. You can't, at the same time,  
8 pretend that major development is just like any other  
9 development and say, Okay. Planning board meets once a  
10 month. That's good enough for this development. They are  
11 just going to have to wait. Because that won't serve your  
12 community well.

13           The certainty of regulation fairly applied  
14 is what the development community really looks for. Notice  
15 I didn't talk about the amount of regulation or the  
16 intensity of regulation at all. It's just certainty of  
17 regulation.

18           If they do A, B, C, and D that you asked  
19 them to do, they know, at the end of that, that permit will  
20 be forthcoming, and they know that not only are they being  
21 asked to do A, B, C, and D but all developers are being  
22 asked to do that, and it's the same A, the same B, the same  
23 C, and the same D.

24           Make that developer a partner in the

1 community. It's in their interest, and it is in your  
2 interest. Think creatively and work regionally. Very few  
3 impacts recognize town boundaries.

4           So, I would say in conclusion, thinking through  
5 the approach, minimizing emotional impacts -- excuse me --  
6 emotional responses and maximizing professional responses  
7 will really serve your community well.

8           Last. Just plan for the long term. Recognize  
9 that this is a 100-year decision that you are undertaking  
10 today and tomorrow. Treat it with the respect it deserves,  
11 and I think you will serve your communities very well.  
12 Thank you very much.

13           MR. BRENNAN: Thank you, Jeff. Very  
14 helpful. Last but not least, we are joined by Monica  
15 Lamboy. Monica is now associated with the Collins Center  
16 at UMass, but I think her role today is really talking  
17 about her most recent experience before that, which was  
18 working in Somerville, where they have a large project  
19 called Assembly Square, if I'm not mistaken, and also  
20 bringing a transit line to which Monica was trying, again,  
21 to align the transit system with some of the development  
22 particularly at the mills. Monica.

23           MS. LAMBOY: Thank you. Good afternoon. My  
24 name is Monica Lamboy, and I'm a senior associate at the

1 Edward J. Collins Center for Public Management at UMass  
2 Boston. If you are not yet familiar with the Collins  
3 Center, we were created by the state legislature about four  
4 years ago to offer technical assistance to cities and towns  
5 in the areas such as government, charter reform, executive  
6 improvement, organizational studies.

7           So, we are here to help, but what I'm here  
8 to do on this forum in mitigation is to talk about  
9 relationships. What specifically I'd like to talk about is  
10 the relationship between the community, the municipality,  
11 and the developer, and I allege that if those three groups  
12 can work together successfully, you can get through the  
13 mitigation process in a forthright manner that creates good  
14 outcomes and you can get through the construction and the  
15 operation phases, but care and attention needs to be paid  
16 to the relationship.

17           You could liken it to a three-legged stool  
18 where the community, the developer, and the municipality  
19 are all individual legs of that stool. So, they each need  
20 to be strong in and of themselves, but they have to come  
21 together as one to create a stable environment for the  
22 conversation and the work.

23           Another way to think about it is this is  
24 your next long-term relationship that you are embarking on

1 because the developer and operator will be here not only  
2 through the construction process but hopefully for years to  
3 come as they are operating in the community, and those  
4 types of relationships need care and attention.

5           What I'd like to do is highlight a project I  
6 had the good fortune to work on for four years and pull  
7 back and think of the some of the lessons I learned and saw  
8 in the process.

9           So, the Assembly Square project, Assembly  
10 Row, is in Somerville, and it's a few short miles away from  
11 downtown Boston. It will ultimately be three transit stops  
12 on the Orange Line from North Station. So, it's right  
13 (inaudible) in the way with little or no development.

14           This is just a little bit closer where you  
15 can see the Orange Line running north and south through the  
16 area and along the Mystic River, which is a beautiful  
17 waterway that doesn't get a lot of attention.

18           Zooming a little bit further, the entire  
19 urban renewal area is 145 acres in size. The development  
20 that is called Assembly Row is 56.2 of those acres. So,  
21 it's a very large project, but it's really a subset of  
22 what's going to become quite a large neighborhood.

23           The history is long. The project is long.  
24 The history is long. The Ford car manufacturer opened an

1 assembly plant on this site in 1926. That then closed in  
2 1958 leaving a very large building, a large shell, and some  
3 other buildings on the site. It was converted into a  
4 shopping mall that failed in 1999, and then the question  
5 is: What happens next?

6 In 2000, an Ikea store was permitted on the  
7 waterfront, meaning literally on the Mystic River, and  
8 while there were some design elements that were different  
9 from the standard Ikea, the basic large box in a sea of  
10 surface parking was the basic design of the facility. This  
11 was adjacent to the mall area.

12 What happened then was a group of residents,  
13 called the Mystic River Task Force, came together to  
14 litigate against the permit, and here's what's interesting.  
15 They didn't just say, We don't want this.

16 They actually said, We want that.

17 What they said they wanted was a  
18 transit-oriented, pedestrian-oriented, mixed-use  
19 development with a large amount of commercial square  
20 footage to improve the tax base of the city and a  
21 waterfront that was open and welcoming to all.

22 So, they didn't just say, No. They said,  
23 Yes. We want this.

24 As a result of their clear picture of what

1 they wanted, a developer came forward and said, Yes. I can  
2 offer that.

3 That's the Federal Realty Investment Trust  
4 that had done tremendous work in Bethesda Row, Rockville  
5 Town Square, in Maryland and Santana Row in California, and  
6 they marry the community's vision with their business model  
7 and said, We think we might have a partnership here.

8 So, after discussion, a settlement agreement  
9 was reached in 2007 letting the project start to go  
10 forward. What we have planned -- is planned was 1.75  
11 million square feet of new office space, 852,000 square  
12 feet of retail, a 200-room hotel, and 2,100 residential  
13 units built on a grid pattern looking out on the water,  
14 accessed by a train station because people had an idea of a  
15 vision and others responded to that.

16 What does this mean in terms of numbers?  
17 \$1.36 billion in private and public investment on the site  
18 in infrastructure, open space, and amenities including a  
19 \$50 million new transit system, which is pictured on the  
20 top left two pictures, and a new five-acre open-space park  
21 on the waterfront. That's supposed to produce around  
22 10,000 permanent and 10,000 construction jobs.

23 So, the pictures look pretty, but where are  
24 we today? It's actually under construction. They are



1 building the first three blocks and there's also a small  
2 retail building, and the work on the train station has  
3 started.

4                   So, reflecting on where we are in our  
5 economy, how could such a large development launch at such  
6 a time? What were the pieces that helped make that  
7 successful, albeit over a long term, and why do they think  
8 it's an okay risk to do at this time period?

9                   What I want to offer is a few key elements  
10 to success. First. Establish community or common vision.  
11 Second. For the municipalities, provide support but to  
12 maintain its objectivity. Everyone should know that  
13 there's going to be bumps in the road and to recognize that  
14 change is difficult. It's not fast.

15                   So, in terms of establishing a vision,  
16 importantly, cultivating leadership at all levels is  
17 vitally important from the elected officials to the staff  
18 to the public agencies to the developers and the community  
19 at the table. The residents that are involved can speak to  
20 other residents in a way that no one else can. Business  
21 leaders can get involved, can talk to other businesses to  
22 understand their concerns, their questions, and can relay  
23 and also give information back.

24                   That network of people who all come to the

1 table with different skill sets and different strengths can  
2 create a tremendous team that will help carry you through  
3 those challenging periods.

4 Acknowledge existing conditions. Kind of  
5 what Jeff was talking about. What about our community is  
6 really precious to us that we want to retain? Is it the  
7 design of the city center? Is it the certain aspect of our  
8 quality of life? What are the things that are not too  
9 successful right now? Do we have congestion, or are some  
10 areas that we dealt with unsuccessful? Is there  
11 infrastructure involved? Are there impacts from some  
12 transportation decisions? Have our neighborhoods been  
13 severed by roadways that haven't been successful? Are  
14 there public-health impacts of some of the aspects that we  
15 are dealing with?

16 Importantly, looking at the services that we  
17 offer today or we would really like to offer, do we have  
18 the revenue base to provide what the community needs, and  
19 is there an imbalance between the residential tax base and  
20 the commercial property tax base that could be remedied  
21 through thoughtful development? What does it mean if you  
22 have limited infrastructure, as part of our town is on  
23 sewer and on well? Do we have the capacity to offer other  
24 kinds of infrastructure if we move together forward?

1           While figuring out your vision, look at who  
2 has been successful. There's nothing wrong with stealing  
3 ideas of somebody who has been successful and faced the  
4 same challenges that you have. Of course, your community  
5 is special and different, but there may be something to be  
6 gleaned.

7           This is a project I talk about a lot, the  
8 Fruitvale Transit Village in Oakland, California, where a  
9 BART service lot separated the transit station from the  
10 neighborhood and the public -- the BART agency was about to  
11 build a parking structure completely in between the  
12 neighborhood and the train station. Here's an example,  
13 again, where the residents came together and said, We don't  
14 want that. What we want to do is connect to the train  
15 station.

16           After many years of work, there's a  
17 mixed-use project with a library and senior center and  
18 housing, and there's a direct connection from that  
19 neighborhood to that train station. They built the parking  
20 off to the side, which is always an option.

21           Promote a culture that's open to change.  
22 Community participation is vitally important when you are  
23 talking about change, and there are so many tools and so  
24 many great ways to do it right now that there doesn't have

1 to be a forum where there's just one microphone and one  
2 person talking where everyone is sitting and listening.

3           There are electronic tools here. There's  
4 visual modeling where you can zoom in and feel what a site  
5 looks like. There's new ways of having conversations, like  
6 world cafes, where lots of conversations happen in the same  
7 room and they coalesce at the end so that everybody is  
8 participating and you're not -- the intensity when someone  
9 takes the microphone doesn't take place as much as having  
10 lots of small conversations.

11           Provide support but maintain objectivity is  
12 me really talking to my peers out there in the  
13 municipalities. We have to walk a fine tightrope between  
14 the community and the developer at times or maybe a balance  
15 beam might be a more apt allusion to use at this point in  
16 time.

17           As soon as it looks or it feels that you're  
18 leaning one way or leaning another way, people will grab  
19 onto that, and you will have lost trust. So, maintaining  
20 that objectivity throughout the process is important.

21           The technical team. Assemble your technical  
22 team. There needs to be information to the elected  
23 officials, to the members of the community. Who needs to  
24 be on your team? What are the technicians that you need to

1 have access to, and how do you get that information out so  
2 that people can review it?

3           There were many times in my job where  
4 community people would read intense environmental documents  
5 that we were trying to read at the same time, and they  
6 would have picked up something we would have missed.  
7 Fortunately, we had them available, and people will do that  
8 if you give them access to the information.

9           Establish a working relationship early. How  
10 often are you going to meet? When are you going to meet?  
11 Who is going to be there? Write it down. What pieces of  
12 the project is the town going to be responsible for?  
13 What's the developer going to be responsible for? Who else  
14 is going to be doing things? Document, document, document.  
15 Create a work plan.

16           Maintain design control. I think it's  
17 important for the municipality to maintain design control.  
18 One. It helps create the reflection of that community  
19 character that you wanted. Two. As things get underway  
20 and resources get tight, sometimes there's a desire to  
21 downgrade or modify a design because it's more affordable,  
22 but it's important for the community to maintain the design  
23 control so that they can at least have that conversation in  
24 front of the board, the planning board, or any public

1 forum.

2                   On the other hand, I would say it's  
3 important for some level of discretion to be at the staff  
4 level so you don't lose time when tiny, minor changes have  
5 to be made in design because time lost means money.

6                   You can really get some great work. On the  
7 slide here on the bottom right-hand side, that's actually a  
8 public-storage building that's in a high-profile location.  
9 We said we really want to have a really great, really rich  
10 design that you don't normally see in the storage facility.

11                   Additionally, because of the design process,  
12 we were able to require them to build floor plates that  
13 could be converted to other uses in the future. So, the  
14 building is convertible to office if the market shifts at  
15 some point in time. So, it was only because they had to go  
16 through a permit process that we could have such a dialogue  
17 about what we really wanted it to look like.

18                   Get into your words exactly what the  
19 materials are that are going to be out there, and then the  
20 people who go out to inspect can make sure that's what you  
21 got. Put in writing what you're going to get.

22                   Know there's going to be bumps in the road.  
23 Everyone can hope for the best, but how often does that  
24 always happen, not to be discouraging, or if it did, how

1 many bumps would you have to get through to get there?

2                   So, there's big things that happen. The  
3 national and regional economy, financing challenges, things  
4 that looked like they were going to come through that  
5 didn't. Regulatory agencies that come out of nowhere, that  
6 you didn't know how to roll in the project, that suddenly  
7 say, Here I am. Now you have to pay attention to me.

8                   Market timing, and sometimes there's  
9 positive bumps. The error monies was a positive bump in  
10 the road that was not expected, and everybody had to come  
11 together to really take advantage of that opportunity, and  
12 people really did from the state to the local level to get  
13 money for the project.

14                   The development agreement, in terms of  
15 challenges, is going to be an important tool to lay out  
16 specific deliverables, specific time lines, and what are  
17 the accountability measures if the time lines are missed,  
18 whether it's the time line that the municipality was  
19 supposed to undertake or something that the development  
20 team was going to undertake. What is the repercussion if  
21 that happens?

22                   Consider what's going to trigger a major  
23 amendment versus minor amendment, things outside the  
24 agreement. Figure out what is plan B, what's plan C, maybe

1 what's plan D. I mean I hate to say this, but what is the  
2 worst-case scenario for the proposal that you're working  
3 with, and how do you address that if it happens? If it  
4 stops mid-construction, how does the municipality get that  
5 site active again? Do they have an opportunity to take  
6 eminent domain? Do they have a right of first refusal?  
7 What is that scenario that you never want to have happen  
8 and think of it now and try to plan for it in your written  
9 agreement.

10           Also, an important thing to think of is:  
11 What is the do-not-cross line? When is that too big that  
12 we have to say, despite all the years of work we put in, we  
13 can't cross this line? It's very easy to sort of  
14 incrementally increase the public commitment to the project  
15 and then, at the end of the day, sit back down and realize,  
16 Wow. This is a totally different package than we started  
17 with. So, consider a line that is a do-not-cross line.

18           Recognize that change is difficult. If we  
19 think in our own lives, when your spouse asks you to stop  
20 putting that wet towel on the bed, how hard is it to change  
21 our behavior? We are actually talking about a large  
22 development, which is going to change people's lives. We  
23 can mitigate and it's great and it's helpful, but there is  
24 change, and the default is to do nothing. The community



1 knows what the status quo is. I know what life is like  
2 today. I may not be totally excited about it. It may not  
3 be perfect but I know it. I've touched it. I can feel it.  
4 I know what it is.

5           Now we are trying to introduce something  
6 completely new. So, they have to feel comfortable enough  
7 to know that that new thing is something they want because  
8 the knee-jerk reaction is to say, No. I'm safe today.  
9 What you're offering me is too much change and too much  
10 chaos, and I don't know what it really means.

11           So, the default is to do nothing, and that's  
12 probably not good for anybody.

13           In closing, the real message is to  
14 communicate, communicate, communicate. There are so many  
15 ways to communicate right now that there really shouldn't  
16 be a situation where somebody comes to the table and says,  
17 I'm opposing this because you didn't tell me.

18           You never want to fight the fight, You didn't  
19 tell me; therefore, I don't want it.

20           Because you can't win that argument and you have  
21 to go back to the beginning and go through that same  
22 conversation you had with everybody else with that person  
23 in order to bring them to where you are. So, think about  
24 the communication plan and think about how to keep this

1 relationship strong throughout the process. Thank you.

2 MR. BRENNAN: So, I guess this is the place  
3 for any other questions that the Commission may have before  
4 we go to break.

5 COMMISSIONER STEBBINS: I had a question.  
6 Ed Harrison alluded to the fact that, as you considered  
7 budgetary issues, how did education pop up or did it?

8 MR. HARRISON: I'm sorry?

9 COMMISSIONER STEBBINS: Did you ever have a  
10 question about school funding or --

11 MR. HARRISON: That's one of the 23 items on  
12 our list of concerns that we initially developed. The  
13 education and, especially on an ongoing basis, if there's  
14 English-language-learning requirements that come along  
15 where we haven't anticipated where we have to hire more  
16 teachers with different skills, but schools are definitely  
17 part of that.

18 I know there are towns in our group who say,  
19 If we have one more student that comes into the town, they  
20 are going to have to build a new school.

21 I mean that's a little bit of poor planning  
22 and foresight of what's going to happen in the future  
23 because most towns are growing at some rate.

24 MR. BRENNAN: If I could add a P.S. to that.

1 This mitigation measure can be effective there, too.  
2 That's hiring from within the region and the community in  
3 which the casino is going to happen. Again, when we looked  
4 at Connecticut, it appeared that the workforce essentially  
5 came in from out of state, pushed the population up, and  
6 then led to these other needs.

7           So, to the extent -- and that's a separate  
8 battle -- that you're able to employ folks that are here in  
9 the Valley, I think that's a mitigation strategy, actually,  
10 on the fiscal side.

11           COMMISSIONER STEBBINS: My second question  
12 would be to Jeff and Monica. You gave a lot of great  
13 advice and recommendations as to how a community can  
14 prepare to negotiate a host agreement, potentially prepare  
15 for all of the impacts, as well as what could be called the  
16 behavioral attitude they bring to the discussion, the  
17 objectivity but obviously interest in seeing the project go  
18 forward.

19           Turn your hat around and think of yourself  
20 as a developer. What recommendations do you have for the  
21 developer to also have a positive effect on the process?

22           MR. SIMON: As a developer, I would much  
23 rather deal with a competent, experienced person on the  
24 other side of the table, who has the opposite opinion of

1 mine, than I would to deal with someone who just doesn't  
2 have the experience or understanding of the terms of the  
3 discussion. That's hard.

4 I don't know that people with those kinds of  
5 skills exist in all the communities that are going to be  
6 impacted. So, I think that hiring people to advise you on  
7 your side to help you negotiate, who speak that language,  
8 who understand the constraints financing puts on any  
9 development, and who understand some of the development  
10 process details would really stand you in good stead. I'm  
11 not sure how else you do it if you don't have people who  
12 really have that experience.

13 I just agree with Monica's point that we  
14 need to know where the line is and get right up to it and  
15 not go over it.

16 MS. LAMBOY: I would add to that. I would  
17 think, for a developer, money well spent is money given for  
18 technical assistance to help the communities because if the  
19 hard questions don't get asked and answered, you are not  
20 going to be able to create the compelling package that  
21 says, Yes. We should go forward with this.

22 If people feel that there's been a stone  
23 that hasn't been turned over, they're going to ask for it.  
24 So, being able to staff up the communities or get them

1 access to consultants that they need is vitally important.

2 COMMISSIONER MCHUGH: I have a question.  
3 I'm not sure if you can answer it today, but at least I can  
4 throw it out for future thinking.

5 The final application, the Phase 2  
6 application, has 19 or 20 statutory criteria that have to  
7 be considered. We can add additional ones, but there are  
8 19 or 20 of them. Two of those focus on regional impact,  
9 and the application has to be accompanied by studies  
10 showing the regional impact.

11 From the outset, I've been concerned about  
12 how to evaluate those studies. What does the Commission do  
13 when it looks at those studies and particularly studies in  
14 the competitive environment where you have two to three or  
15 four, or however many it is, proposals, each of which has  
16 an assessment of its regional impact and they probably will  
17 not be contrary?

18 So, I would welcome some assistance from the  
19 regional authorities, regional groups, statutory groups on  
20 the creation of a mechanism for evaluating -- help us  
21 evaluate the accuracy and liability and merit of those  
22 various studies. Now, it seems to me to be the time to get  
23 thinking about that and planning for it and coming up with  
24 proposals because it seems to be, too, that the indigenous

1 perspective -- neutral indigenous perspective or, at least,  
2 the neutral perspective would be the most helpful.

3 MR. BRENNAN: I think the best answer I  
4 could find is that all of these planning agencies,  
5 including my own, which has responsibility for 43 cities  
6 and towns, review every single MEPA that comes into the  
7 office. Every project that's subject to the Massachusetts  
8 Environmental Policy Act comes in to this kind of scrutiny.

9 We, oftentimes, are the surrogate staff for the  
10 communities in which this particular project is going to  
11 be, and we feel our job is to do a good job in teasing out  
12 whether the mitigation measures are appropriate. Ones that  
13 are positive, celebrate them. Those that are missing,  
14 falter. We don't actually get the final decision. We get  
15 to recommend, but that's a role we played for decades.

16 MR. SIMON: If I could just add to that and  
17 underscore. There was a lot of talk in the various  
18 people's comments about making the regional planning  
19 commissions partner of the municipality, but they also  
20 should be the partner of the Commission, just as the  
21 Commission needs to understand those regional impacts and  
22 doesn't necessarily have the ability, as you said, to look  
23 at all the different reports on the same project and know  
24 which ones are really standing the test of time; and then

1 the second thing is I think what you can do is look at two  
2 things.

3           One is the methodology that's used and the  
4 second is the source of information, and if the methodology  
5 is correct and the information sources are the right  
6 sources, then the result of that should stand scrutiny.

7           MR. BRENNAN: Just one other P.S. that  
8 hasn't come up, to my recollection. Another part of  
9 mitigation that often comes up in these MEPA reviews is the  
10 proponent says, This is what's going to happen with traffic  
11 and they've done a good job, but we are not sure they are  
12 on the money.

13           What we will say is, Monitor. See what  
14 actually happens in a year or two or three. Put that into  
15 the permit.

16           Then if they are right, hands off, but if  
17 the mitigation has sort of been understated, bring in more  
18 after the fact, which seems a fair way to try to deal with  
19 situations that are not absolutely black and white.

20           CHAIRMAN CROSBY: That was something I was  
21 just thinking about, Tim. The host and surrounding  
22 communities ought to put those kind of clauses in their  
23 agreements as well because you're not going to be able to  
24 know for sure what's happening, but if part of your

1 agreement is you'll be open for discussion in three years,  
2 two years, whatever, then you're set for it, but if you  
3 look at it in one snapshot in time -- I think it's a good  
4 idea. The host and surrounding communities ought to be  
5 aware of that as well.

6 I had one question. We talked about this at  
7 our other mitigation board in Framingham. Ultimately, we  
8 discussed the mission we will have before us to determine  
9 what will be considered, quote, a surrounding community and  
10 what will not, and of course, we haven't given any thought  
11 to it yet, but we are going to need some kind of mechanism  
12 by which we determine what is the surrounding community,  
13 other than just our own ad hoc whimsy. I can sort of  
14 imagine there must be some kind of community that has a  
15 material adverse effect and what's that?

16 Probably in the planning world, in the  
17 regional-planning world, there are ways to measure this  
18 that would be helpful to us, to come up with a metric, a  
19 template, format, a value system, something that would help  
20 us when the time comes to determine what is a surrounding  
21 community.

22 You can speak to it now if you want to, but  
23 I would just ask you all and everyone else who listens that  
24 this is a scenario we are going to need help with as time



1 moves forward.

2 MR. BRENNAN: I'm happy to hear that because  
3 I think this is one of those times when the wisdom of the  
4 crowd comes to bear. There are materials out there. We  
5 looked at some from other states, from other regions, but  
6 as I say, the difference here is that this process in  
7 Massachusetts is quite different from other places. I  
8 think you can cherry pick some ideas out but there's going  
9 to have to be some judgment calls, but it's a hard  
10 decision, and we'd be happy to help you any way we can.

11 COMMISSIONER STEBBINS: Thank you, all. We  
12 will take a quick break, and we'll set up for the next  
13 panel. Thank you very much.

14 (A recess was taken.)

15 MS. WALL: Good afternoon. We are going to  
16 start up the next panel discussion now. My name is Betsy  
17 Wall. I'm the Executive Director of the Massachusetts  
18 Office of Travel and Tourism. That's the state agency  
19 that's charged with marketing Massachusetts as a leisure  
20 destination.

21 I'll tell you very quickly why state  
22 government cares so strongly about tourism in the  
23 Commonwealth. Every year, there are approximately 20  
24 million visitors to Massachusetts. Of them, about 2

1 million comes from international markets. That makes  
2 Massachusetts the sixth largest destination among the US  
3 states.

4           Those visitors, when they're here, spend  
5 about \$16 billion in our communities across the  
6 Commonwealth. The money they spend supports about 124,000  
7 jobs across the Commonwealth.

8           So, the stakes are very high for the tourism  
9 industry when there's any change on the horizon, and  
10 obviously, this is potentially a very large change. The  
11 tourism industry brings a tremendous number of assets to  
12 the visitor industry, to the life in Massachusetts, and I  
13 think they are very interested in knowing that if the new  
14 gaming should come to Massachusetts, and when it comes to  
15 Massachusetts, it will be an asset that enhances existing  
16 tourism businesses.

17           So, I'd like to introduce the panelists for  
18 their perspective. Right to my left is Scott Madden, who  
19 is a senior partner at Connelly Partners, which is a  
20 Boston-based advertising agency, which represents the Mass.  
21 Office of Travel and Tourism and manages our  
22 domestic-marketing programs.

23           Next to him is Peter Rosskothén. He's well  
24 known in this region as a business leader in the

1 hospitality industry and is, in fact, a leader in the  
2 Commonwealth tourism industry and is the current Chairman  
3 of the Convention and Visitors Bureau here in Springfield,  
4 and our guest from Indiana is -- we are going to hear from  
5 him first.

6           This is Speros -- I'm going to screw this  
7 up. I did fine without the microphone. Speros Batistatos.  
8 He's the President and CEO of the South Shore Convention  
9 and Visitors Authority in Indiana, which is his area of the  
10 state along the coast of Lake Michigan. He has significant  
11 experience in that region of the country and also in  
12 Atlantic City. So, we will hear from him first about what  
13 he has seen and participated in.

14           MR. BATISTATOS: Good afternoon, everyone.  
15 Let's try that again. Good afternoon, everyone. Much  
16 better. It's my pleasure to be here. As introduced, my  
17 name is Speros Batistatos. I'm the President of the South  
18 Shore Convention and Visitors Authority.

19           Members of the Commission; Senators; members  
20 of the Massachusetts House, local, elected officials;  
21 business leaders; and hospitality-industry leaders, it is a  
22 great pleasure for me to join you today in this process.

23           Having been through gaming, I was one of the  
24 people who -- in 1989, we started the legalization of

1 gaming in Indiana for the express purpose of creating jobs  
2 and economic benefits for Gary, Indiana.

3 Gary is my home town. It's where we reside  
4 today. We passed -- there were six of us lobbyists, who  
5 basically camped out at the State House in Indiana for all  
6 of 1993. Over a gubernatorial veto in special session, the  
7 Indiana House and Senate passed House bill -- and there's  
8 no -- it was number 1107.

9 So, with that, I am really, really pleased  
10 to be here and to be able to serve the Commission of Mass.  
11 or answer any questions they might ask.

12 I was struck by someone's comments earlier  
13 about your need to amass someone with expertise, and I did  
14 a little research about John Spence, who recently authored  
15 Awesomely Simple, and he talks about expertise requiring  
16 the four Ps, passion, persistence, practice, and pattern  
17 recognition.

18 I was especially struck during a portion of  
19 the discussion on practice where it says that in order to  
20 be an expert, you need seven to ten years or more than  
21 100,000 hours to do any one thing to become expert at it.

22 That struck me that as outstanding as this  
23 Gaming Commission is, you don't have seven to ten years.  
24 So, all of us in this room and all the expertise that we

1 have to share are here that we can more rapidly get you to  
2 that level that you need to make all these critical  
3 decisions that the industry and the state and the residents  
4 so desperately are waiting for. I think it was actually  
5 Mr. Brennan who said, Allow us to serve as your experts.

6           And I am very pleased to be able to do so.  
7 I brought a very brief four-minute video that I wanted to  
8 share with you because I've been doing gaming for 21 years.  
9 I started my convention visitors bureau, which at the time  
10 was, in -- 1993 when I started -- I'm sorry -- 1989 was the  
11 Lake County Convention and Visitors Bureau. We had a  
12 budget of \$280,000 and a staff of two.

13           Today, in 2012, we are a  
14 four-and-a-half-million-dollar agency, a full-time staff of  
15 19, and we have done that, in large part, by a partnership  
16 in gaming and by very, very judiciously managing the  
17 revenue that it brought us, but beyond that, gaming is just  
18 a step on the way of what we want to do as a destination.  
19 That's why, after some lengthy conversation, I thought if  
20 you would indulge me for about four minutes, you can get a  
21 sense of, A, where we are located and what we do, and, B,  
22 how gaming fits into the greater kind of destination  
23 management that we are trying to do as an entity.

24           So, if I could have whoever is going to do

1 that, cue up the video for me, that would be great. I want  
2 to warn you that the talent in this video is miserable.  
3 It's all we could afford.

4 (PowerPoint Presentation.)

5 Hey, guys. Why don't you take a break.

6 The industry has been careful in this  
7 economy for decades. I'm here to tell you a story about a  
8 community that's been built by steel and changed by  
9 tourism.

10 Our journey begins in 1983 with an economy  
11 almost as bad as it is today. A group of business people  
12 approached the Indiana General Assembly, and born out of  
13 necessity and means of better economic times was the Lake  
14 County Convention and Visitors Bureau, the thinking very  
15 simple, a place for hotels, have it paid for by visitors,  
16 and use that money to market the community and secure  
17 conventions or import goods, even for a short period of  
18 time. My how things have changed.

19 So, with a \$208,000 budget, we went to  
20 market. We added hotels, restaurants, attractions, and  
21 retail along the way, but we learned very quickly the  
22 Convention Bureau needed to do something that no one hotel  
23 could do by itself. That was going for a bigger piece of  
24 the business.

1           So, we started in 1986 with the men's state  
2 bowling tournament. We found out very quickly in 1991 by  
3 taking a hoosier past time, men's basketball, and turning  
4 it into the very first special event we had, bringing in  
5 thousands of people from throughout the midwest.

6           Our emphasis in premium facilities has never  
7 changed. We placed a very big emphasis on meeting the  
8 Indiana General Assembly in 1993. Gaming was legalized,  
9 and we knew our product was going to work. New work in  
10 Gary, Indiana; Chicago created tens of thousands jobs and  
11 hundreds of millions of dollars in investment.

12           This brought us new visitors and helped the  
13 community expand our attraction base, but we needed a home.  
14 How do we tell people about our multi-ethnicity, the deep  
15 industrial background, who are we as people?

16           So, we built the Indiana Welcome Center,  
17 which took a lot of work and became reality. We told the  
18 story of who we are and what we do, and more importantly,  
19 we added a very good, simple regional headquarters to our  
20 industry.

21           Our growth continues. Today, we are an  
22 \$840-billion industry, more than 45,000 jobs. We have  
23 great attractions, great meeting space, and we are one of  
24 the fastest growing destinations in the midwest as well as

1 one of the most technologically advanced convention  
2 bureaus, but we needed to change our name. Why not the  
3 Lake County name when people recognize the South Shore and  
4 the uncommon brand that it brings with it?

5           Large businesses and small businesses all  
6 invested in making the South Shore brand widely recognized.  
7 It's embraced throughout the region and brings us economic  
8 benefit everywhere. We also do something our competition  
9 don't. We continue to make our investment in amateur  
10 sports pay off.

11           In 2007, we brought in the largest piece of  
12 business ever, the National Softball Association's world  
13 series. 10,000 athletes, coaches, and families came from  
14 all over the country and descended on northwest Indiana.  
15 We also took over the air show and kept a great (inaudible)  
16 in the midwest, but the real sell, the real sell, begins  
17 right here at our hotels.

18           We wanted to purposefully bring people from  
19 all over the midwest, and when we do, our staff makes them  
20 feel welcome, tells them the stories they need to  
21 know, where they can go spend money, have great ethnic  
22 food, do all the things that make our region excellent.

23           We showed you our conviction today, and it's  
24 a partnership with sports and technology. We listen to our



1 customers because they tell us they don't see county lines  
2 and neither do we. If we were to add a convention center  
3 to the mix, I can guarantee we are going to have a  
4 billion-dollar industry.

5 As we continue to penetrate Chicago and  
6 Indianapolis, our biggest markets, we are confident that  
7 profits are going to grow and more jobs will be created,  
8 and we are very proud of our people, our heritage, and our  
9 industries.

10 While we have been built by steel, we are  
11 going to continue to grow our product by diversifying the  
12 economy, and we are confident that we are going to be a  
13 great place to work and live and play all along the South  
14 Shore.

15 (PowerPoint Presentation Ends.)

16 CHAIRMAN CROSBY: How many takes did that  
17 take?

18 MR. BATISTATOS: Mr. Chairman, that was nine  
19 takes. We lost the sunlight, so we actually had to tilt it  
20 around and go at it backward. There's a much longer story  
21 that I'll tell you at another time. That is our branding  
22 position, built by steel, changed by tourism. Travel does  
23 matter. There are some quick statistics. You can see that  
24 video is a little bit old.

1           We are the second largest industry in our  
2 corner of the state. We talk about the tax savings that we  
3 generate per household from having the hospitality industry  
4 here, something we found resonates with people because if  
5 you didn't have hotels, restaurants, banquet facilities,  
6 casinos, all of those things, our property taxes, in order  
7 to sustain the level of service we have, would be a  
8 thousand dollars higher for every household we have.

9           We are now a \$1.62 billion industry.  
10 Visitors spend about 1.37 -- that number should be billion,  
11 not million. Combined with Porter and LaPorte, our two  
12 next-door neighbors, we have a visitors industry as large  
13 as Indianapolis.

14           So, I want to kind of put it in perspective  
15 for you what our product looks like, who we are, where we  
16 are located just outside of Chicago. There's the map. You  
17 can see the competitive steps for gaming in the great  
18 Chicago market.

19           The four licenses that are in my service  
20 territory are A, B, C, and D. You can see them right there  
21 on the southern tip of Lake Michigan. That's Horseshoe,  
22 Ameristar. The Majestic 1 and 2 is C, and then Bluechip  
23 Casino in Michigan City.

24           Just to the far right of your screen, you

1 see an Indian gaming reservation in Michigan. The day they  
2 opened, took 30 percent from Bluechip, first day, and they  
3 stayed in that role for a very, very long time. You can  
4 see the suburban markets, Joliet, and some of the other  
5 ones, but the only one that is inaccurate -- and it's funny  
6 what a casino name does to a community. The letter to the  
7 left, H, is a nightclub in Chicago called Casino Nights,  
8 and we couldn't get it off Google maps. So, there is no  
9 casino in downtown Chicago.

10 That gives you a sense of what we have in  
11 our community and the size of it. To give you a greater  
12 sense of the level of play, there you can see the number of  
13 tables and slots that we have for the four. Again, there  
14 are ten licenses in Indiana. Four of them are our service  
15 territory.

16 From January 1st to June 30th, those four  
17 casinos had a take of \$571 billion. In 2011, gross for the  
18 state of Indiana was 2.774 billion with 42 percent of that  
19 coming out of the northwest corner of our state near  
20 Chicago. So, gaming obviously is a very, very important  
21 part of what we do and the taxes that we pay to the state  
22 of Indiana to the cities and towns that do this.

23 So, a couple of things I want to point out  
24 to the people that are in this room. The Indiana Gaming

1 Commission process didn't look anything like this. My  
2 congratulations to you. I truly think you got it right.  
3 We did not have an opportunity to, as a convention bureau  
4 or hospitality industry or average resident, to go through  
5 this kind of comprehensive regional look at what's going to  
6 happen.

7           The Gaming Commission was formed and rapidly  
8 moved ahead. It allowed the cities to cut deals with their  
9 preferred operator, and it really took a lot of this kind  
10 of process and left us now -- I'm a 20-year veteran of  
11 gaming. Left me with a product that if I could go back to  
12 the beginning and have this be the room, I guarantee you  
13 the product we have today would look a lot different than  
14 what we are stuck with, and one of the things that we made  
15 a mistake on, and I'll touch on that later, is we failed to  
16 cluster our licenses.

17           We got into an individual thinking  
18 mentality. Gary has got to have its licenses. Gary has  
19 got to have its license, and Chicago, Hammond, Michigan  
20 City and you can see -- go back to had we clustered all  
21 four of those licenses in our -- and created one  
22 megacomplex, and again, that's not the Massachusetts model,  
23 but I'm talking about what we could have done better. We  
24 would have had a destination. We would have had four huge

1 casinos, two or three hotels, an entertainment district.  
2 Something that had its own life outside the casino, which  
3 had rights -- we did didn't do that.

4           So, we have those four items of  
5 entertainment that are completely separate from anything  
6 else that's going on in the community. So, that's one  
7 thing that we didn't do very well. We had asked ourselves,  
8 What are we going to do with gaming?

9           We gave a large portion of money directly to  
10 the Convention and Visitors Bureau. We knew that if we  
11 didn't do something meaningful and very impactful that we  
12 would be a target for, Those guys don't need all that  
13 money.

14           So, our strategic plan was based on building  
15 what you see there as quietly recognized in the industry.  
16 It was a \$10 million project. It was 26,000 square foot.  
17 In architectural language, from the far right of your  
18 screen, the stainless steel waves of Lake Michigan crashing  
19 into the sand dunes, which is Little Dune Wall. Then we  
20 come to the smoke stacks of industry, and on the south, on  
21 the left, the muddy waters of industry and agriculture.

22           We give a visual symbol for who we are as a  
23 community and what we stand for and that put us in debt,  
24 and that allowed us to use the money wisely, which was a

1 game changer and I'm going to talk about that a little bit  
2 later.

3           What is your plan for capital investment and  
4 game changers? A casino on its own is going to bring you a  
5 lot of visitors. It is not going to change your  
6 hospitality industry per se. I say that again. The small  
7 business people in this room, the entrepreneurs, if you  
8 think -- I had the great fortune last night of having a  
9 wonderful dinner at Theodore's, and I went to Student  
10 Prince, sat there, and had a cocktail myself.

11           If the owners of those two businesses think  
12 that a casino is going to open up somewhere in western  
13 Mass. and the people are just going to beat down their  
14 doors, it's not going to happen. You, as the owner; you,  
15 as an industry; you, as a CVB; you, as a chamber have to be  
16 very aggressive about working on that partnership with  
17 whoever the eventual operator is, creating -- is the  
18 loyalty card for the casino going to be recognized and  
19 rewarded at every retail shop in your downtown? Are we  
20 going to have cross promotions on the Web? Are we going to  
21 share databases? What are we going to do?

22           Because left alone and I go back to -- I  
23 think it was Mr. Brennan's comment. No. It was the other  
24 gentleman. Forgive me for -- Mr. Simon. He talked about

1 the clash. He talked about the inherent conflict and  
2 trying not to make that emotional but it exists.

3           The casino is a completely different  
4 business than we are most of the time. We need to  
5 recognize that and embrace it and understand it as a  
6 different industry to be successful. I would urge, unlike  
7 what I've seen in some destinations and I'll let the  
8 Commission ask questions -- do not use your revenue for  
9 general fund purposes. I understand governments are  
10 running lean right now. We don't have as many cops. We  
11 don't have as many lawyers. We don't have as many  
12 whatever, private service, but if you use your casino to  
13 balance communities' budgets, you'll be making the greatest  
14 mistake you ever made because that money eventually is  
15 going to decline, if not go away.

16           I never thought I'd see the day that we have  
17 bankruptcy in an Indiana casino but we do. Had that city  
18 planned on using that money to balance its general fund,  
19 where would it be? We always talked about having the  
20 well-communicated plan that outlives both the casino  
21 management and administrations.

22           The joke about I got a 20-year plan and a  
23 two-year mayor -- well, I also have a 20-year plan with a  
24 four-year casino general manager, and I'm spoiled by having

1 the Horseshoe, the closest one to Chicago, the highest  
2 grossing, thus the most community-impactive casino -- the  
3 original general manager was there for 12 years. He knew  
4 everyone, knew how we got there, knew what we went through  
5 to pass the bill, understood who the senator was, knew it  
6 all.

7           The new guy? He's one more step removed  
8 from that. He doesn't know who the players are, and guess  
9 what? He doesn't necessarily care. This is now like a  
10 military post. One guy gets promoted. A new guy comes in.  
11 He's further removed from the deal.

12           So, if you don't have a very clearly  
13 articulated community plan that is indifferent to politics  
14 and tied -- I think the CVB here has done an outstanding  
15 job. Mary Kay and her board chairman -- you guys -- if we  
16 could have had part of this process, we would have had been  
17 well ahead but tied to renewal, tied to certain things so  
18 that they can't just change course when the general manager  
19 changes or when economic times change; that there is a  
20 greater plan in play for the community. I summed it up by  
21 saying some operators have forgotten how they got there.

22           You guys right now are the belles of the  
23 ball. They are loving you. They want to take you on a  
24 date. They want to buy you dinner. They want to have fun,



1 you know, hold your hand like it's a date. Guess what?  
2 Ten years from now, they are not going to know who you are,  
3 and they really are not going to care. Their business is  
4 there and they are established.

5           Again, that's not meant to be negative.  
6 They are just -- the longer it goes, the further removed  
7 they get from knowing what we went through to do this or  
8 understand it. That deal was cut with those two cops on  
9 the street -- it's part -- they are just going to start  
10 picking apart the spreadsheet, and that's something I would  
11 ask you to keep an eye out for.

12           Community partnership cannot exist without  
13 recognition, the dynamic tension of each partner, and their  
14 role. Casinos want to bring people into their casino.  
15 Keep them at the table or the slot machine. If they want  
16 something to eat, you want to complement their buffet.  
17 They want to come back and play some more. If they are  
18 really good players, they want to spend the night in their  
19 hotel. See if they can come back and play some more.

20           Their business model is to keep them in the  
21 casino. That's their business. We shouldn't be surprised  
22 by this. We shouldn't -- I mean if any of us think that  
23 they are going to sit there and go, Gee. You know what?  
24 What can I do to get people into Peter's restaurants, that

1 thought doesn't come to them, and part of the reason why  
2 that thought doesn't occur to them is because they are  
3 simply focused on time on machine and table play.

4           Those are technical terms that they study,  
5 and the way casinos can slice and dice information is --  
6 Big Brother would be jealous. These guys can tell you  
7 stuff that are absolutely frightening. Part of the other  
8 attitude is that they are the heaviest regulated and most  
9 taxed industry that exists.

10           About 46 percent of every dollar collected  
11 in an Indiana casino goes back to taxes, whether it's  
12 property tax, payroll tax, win tax, commission tax, income  
13 tax. You name it, but if your business were being taxed 46  
14 percent on the dollar, you're going to be real careful  
15 about what else you're getting involved in that you don't  
16 have to do. So, I think that it's incumbent on us to  
17 realize how much we ask of that business and how much taxes  
18 they pay at all levels of government.

19           The magnitude of the player data is mind  
20 boggling. They can tell you from the time I parked my car  
21 at valet -- and would you like to know this as a  
22 restaurateur? The time I parked my car to the time I get  
23 in. When the first slot machine is pulled or the dice  
24 thrown at the table the first time. They can tell me what

1 I drink. They can tell me how fast the waitress can give  
2 me my drink, and if I have a spouse in the house who is a  
3 slot player and I'm a tables player, I might be getting two  
4 -- not like. I'm getting two different promotional pieces  
5 sent directly to me because they know what I do. The  
6 computer tracking and information they have is staggering.  
7 So, their ability to do mass customization to their markets  
8 and keep those players loyal is a very important part of  
9 what they do.

10 Part of the things that I wanted to talk  
11 about a little bit with -- a couple of things we talked  
12 earlier about was defining -- somebody defined terms. I  
13 think Mr. Brennan or Mr. Simon, but we talked about -- I  
14 hear about destination resorts.

15 In my business, that has a very specific  
16 meaning. A destination is something that is very  
17 purposefully built to drive you to that destination. A  
18 resort -- think about that. Any resort we have gone to, if  
19 it's in Jamaica or Mexico or one of the great American  
20 old-fashioned resorts, you go there, park the car, and you  
21 stay. You have horseback riding and tennis and spas and  
22 great dinner. All of those things. Those two words  
23 together, to me, send a very strong signal of you're  
24 putting these people here and they are going to be there.

1 So, maybe the legislative/non-legislative intent with the  
2 use of those two terms in the industry means something  
3 different than what I think you guys do with that. Just as  
4 a side note.

5                   Can we theme -- this is -- Massachusetts is  
6 where basketball got invented. I passed the museum on my  
7 way in. Can we talk to the operator and have part of -- I  
8 guarantee they've have got archives and things not on  
9 display -- through the new restaurant called Hoops that's  
10 going to be in the casino, and in that casino, they'll tell  
11 people about basketball and urge them to visit.

12                   Can we do some cross theming of player -- we  
13 talked about the business community being ready to open  
14 their doors and give special discounts and offers. Are  
15 we linked with them on the Web? Are we cross promoting  
16 with them on the Web?

17                   One of the things I urge you to consider is  
18 that a casino room is not a hotel room. That was Atlantic  
19 City's biggest problem when I was there. One of the very,  
20 very early things that I got called to task on was I had  
21 this big, beautiful, half-billion-dollar convention center  
22 in Atlantic City. You know, it's gorgeous and it sat  
23 empty, and my board put their collective foot in my kiester  
24 and said, We've got to book more city money.

1           Okay. So, I ran out and started talking to  
2 my sales staff and said, Find out what the city wants.

3           Again, come to find out, unlike the  
4 Massachusetts model, the New Jersey model has more  
5 authorities involved than you can shake a stick at, but  
6 each developer had to fashion an agreement with the casino  
7 redevelopment authority, and the casino redevelopment  
8 authority wasn't in tune with the needs of the community.

9           So, the hotels that got built weren't hotel  
10 inventory for me. They are promotional items for the  
11 casino. I had a city of 14,000 hotel rooms that ran 94  
12 percent of the time, and I couldn't book a city-wide  
13 convention because why would Ballys give me 400 rooms and  
14 Trump Taj Mahal give me 400 rooms and everybody else give  
15 me 400 rooms, and maybe I didn't sell them? Maybe I didn't  
16 get the convention.

17           They need those rooms for their real players  
18 who are coming in from New York and Philly and those  
19 places. They don't care about the convention center. So,  
20 there was an inherent disconnection between the various  
21 facets of government and the various agencies that are  
22 trying to do work to try to get aligned in the same city.

23           So, when you're talking with your developers  
24 about how do we build 400 rooms, your question needs to be

1 to them: Is that 400 rooms for your casino-marketing  
2 department?

3 Yes. It is.

4 Okay. In that case, our conventioneer is  
5 telling us -- the convention center is telling us we need  
6 another 200 rooms to really kick start the convention  
7 center and book more citywides. I want to talk to you  
8 about these other 200 rooms, and are you -- will you be  
9 willing to make them committable all the time so that we  
10 can sell the city?

11 Because a casino development is not part of  
12 my inventory for what I sell when softball comes to town or  
13 when the air show comes to town or whatever else comes in.  
14 They are filled with players for the casinos. Again,  
15 that's the casino's job. We shouldn't be surprised by  
16 this, but if we want to meaningfully impact inventory, in  
17 our minds, we have to differentiate committable rooms from  
18 those that they can occupy.

19 We do a little thing in northwest Indiana  
20 called soup to nuts where we focus on all the things that  
21 are grown in our area. If Massachusetts is anything like  
22 New Jersey, there's a lot of great produce. There's a lot  
23 of great things made here. What are we involving in the  
24 casino? Will the casino have the world cheeses, the milks,

1 the produce, the things that are seasonal here to get  
2 people aware of what goes on in Massachusetts?

3           Somebody told me there's Yankee Candle out  
4 here somewhere. I don't know what you do with Yankee  
5 Candle, but I'm just thinking out loud. How do we bring  
6 that kind of activity into the casino in a partnership  
7 manner so that my experience may start in that item of the  
8 casino, and I may go there for two nights, never come in to  
9 downtown Springfield, but at least when I leave, I've seen  
10 a message on the TV. There's a visitors' guide. There's  
11 something that says, Hey. The next time we go, we need to  
12 take an extra hour to stop by that Yankee Candle original  
13 store. We need to go downtown and hit this blues bar.

14           So, that is an entry into the community  
15 because -- we still struggle with it, and I've been having  
16 these discussions since 1995. Every day we talk about,  
17 with my staff, how do we work visiting folks into our  
18 communities, and that problem is never going to go away as  
19 long as we are here.

20           I would really like to keep this brief or as  
21 brief as I can because there's many more great speakers to  
22 come in. I'll answer questions the Commission may have.

23           In my conversations earlier and for the next  
24 panel that comes up, I would be remiss if I did not tell

1 you a little bit about employee retention and employee  
2 pilfering by casinos. It was so obvious to me that I was  
3 stunned when I didn't think of it. The number one industry  
4 tapped by casinos -- I was thinking about waiters,  
5 waitresses, cooks, chefs, you know, people that command  
6 concerns of the small-business managers.

7           These guys are going to come in and they are  
8 going to pay more money and they are going to take my  
9 people.

10           Yeah. They are. So, start now. Give them  
11 some love, up their pay a little bit. Sit down and  
12 calculate how much money you've got invested in every  
13 person in your restaurant, bar, tavern, hotel, front desk  
14 and put monetary value to that and then realize two things  
15 are going to happen.

16           If you lose that person, you lose all of the  
17 training, experience, expertise. Everything that they've  
18 been giving your business walks out the door. Secondly,  
19 you're going to get an inferior person that you're going to  
20 have to train doubly as hard, that's going to put your  
21 customer at risk, who maybe doesn't understand your core  
22 values. You're going to get somebody who is unemployed or  
23 way under-employed, and now they are your front line.  
24 That's the person I see when I'm checking into the



1 Marriott.

2                   So, it's a double whammy for the business  
3 pool, but the one I completely missed -- and I walked into  
4 the boardroom for a business economic-development group  
5 meeting one day, and I got basically stoned by this  
6 industry. They were ready to string me up. Bankers, and  
7 it was so obvious I don't know how I missed it, but bank  
8 tellers, people who handle cash, people who are in the  
9 money industry are going to be a highly-sought-after  
10 commodity by casinos.

11                   When I looked at them, I thought, I never  
12 even thought of it.

13                   Because I was focused on my industry and  
14 what goes on there. So, yes. Employers out in the market,  
15 you're going to have people come after your employees. So,  
16 the good position -- you've got time to really focus in and  
17 point out why it's good to stay in your business. Give  
18 them a little love. Give them some things that will make  
19 them not want to leave you because they will leave you, and  
20 when they do, all their experience and all the money you  
21 poured into them will walk out the door with them.

22                   Finally, I think my last couple of comments  
23 will be -- were on the news on the way here. I was getting  
24 dressed, and Gamesys and Facebook announced they will be

1 doing legalized bingo for money in the UK. So, if you  
2 think gaming is stopping at how we know it today, think  
3 about a world where your Facebook account -- at some point  
4 in the future, you can gamble on line in this country.

5           Gambling knows no boundary. It's like  
6 water. It will seep everywhere it can get. So, what we  
7 are talking about today, in ten years from now -- we  
8 haven't even thought about how the gambling industry will  
9 evolve and even undercut its capital assets in ways that  
10 weren't thought of, and that takes me to mistakes and the  
11 long, unintended consequences in the area.

12           I can tell you -- in my home town, did we  
13 put 10,000, 12,000 people to work? Absolutely we did.  
14 Were most of them from Gary? Absolutely they were. Where  
15 do they live now? Not Gary. It was a leg up, a step up.  
16 They got out as fast as they could because Gary didn't plan  
17 because the mayor at the time had a horrible plan -- didn't  
18 have a plan.

19           So, all these people that had been through  
20 the worst times of the city and should be those beacons of  
21 change that are going to stay and make the city better, out  
22 to the suburbs they went because we didn't have plans in  
23 place for re-gentrification of the neighborhoods. We  
24 didn't have plans in place for traffic, business. We

1 didn't have plans in place for even the schools. We didn't  
2 do the things to follow up what casinos were going to do  
3 for us. They took their paycheck and their family and  
4 left.

5                   With that, I'll answer any question you have  
6 but very, very brief. Again, not because I'm in the  
7 business of -- great CVB. Mary Kay opened my eyes to some  
8 of the great work she's been doing in RFP. You're very  
9 fortunate to have some capable leadership on the local  
10 level. I'll answer any questions that the Commission might  
11 have.

12                   CHAIRMAN CROSBY: Thank you.

13                   COMMISSIONER CAMERON: When were you in  
14 Atlantic City?

15                   MR. BATISTATOS: I'm sorry?

16                   COMMISSIONER CAMERON: When you were in  
17 Atlantic City?

18                   MR. BATISTATOS: I was in Atlantic City in  
19 2000 and 2001.

20                   COMMISSIONER CAMERON: When the convention  
21 center was there or --

22                   MR. BATISTATOS: Yes. I just got there --  
23 it was probably two years old.

24                   COMMISSIONER CAMERON: Were you responsible

1 for the Miss America at the Sheraton? Was that your --

2 MR. BATISTATOS: Yes. I was charged with a  
3 couple of things. One of them -- I got dumped, and I was  
4 very upset when I found out. I had a 17-year contract for  
5 the place with Miss America. I had a contract through 2016  
6 or 2017, and they broke the contract on me.

7 Atlantic City is its own set of, you know --  
8 and it's a great place and tremendous opportunity, but you  
9 see Governor Christie doing the things he's doing in that  
10 state today because we were unable to get what we needed  
11 done in the early part of this decade when we were saying,  
12 Guys. There's a problem here and competition is coming.  
13 We are going -- we are really going to get kicked.

14 And they're like, yeah, yeah, yeah, yeah.

15 So, you know, the action the Governor is  
16 taking now with the casino district, the extra cops, trying  
17 to force some new development -- the Baltimore group put  
18 the mall in front of the Sheraton. Beautiful project. Ten  
19 years too late.

20 Without rooms, which is still the number one  
21 issue -- without committable rooms, the Atlantic City  
22 product is never going to get anything more than motor  
23 coach or leisure. There will be no viable convention  
24 center. In my opinion, from my experience, now ten years

1 later -- I want to make sure I temper that because I don't  
2 want to say -- I loved it. I'd go back in a heartbeat, but  
3 they've got to do some structural changes.

4 CHAIRMAN CROSBY: Are there other issues  
5 that you'd be interested for us to hear your perspective  
6 on? You said if you could have had a chance to plan your  
7 expanded game business, your casino business, how you would  
8 have done it a lot differently. One was cluster people  
9 differently -- cluster facilities different.

10 Are there other quick insights that come to  
11 mind about how you'd do it differently -- would have done  
12 it differently?

13 MR. BATISTATOS: I want to be very careful  
14 here because I have two casinos that are on my board of  
15 directors, and one of them is bidding on the projects here.  
16 So, I want to be very, very careful on how I answer. Every  
17 choice site has -- and I cannot be as articulate as the  
18 last panel. I'm just a heads-and-beds and sheets-and-seats  
19 guy.

20 Every option you have has cost and benefit.  
21 I will tell you that you guys are going to do it better  
22 than we did in Indiana. So, you will have better  
23 opportunity for the hospitality industry to find linkages,  
24 and I can tell you immediately, regardless of where they're

1 built, you will get more of these casino patrons, whether  
2 it's the Ameristar property or the MGM-proposed property or  
3 whatever -- I saw yellow T-shirts or whatever it was. Your  
4 process drives a better income.

5                   To me, I tend to look at it -- my time in  
6 Atlantic City has jaded me. Put it where you want the  
7 people. I mean it's as simple as that because, generally  
8 speaking -- and if you are able to carve out 12 percent of  
9 the visitation, get them back into the industry somehow --  
10 and I'm carving out two percent, you've had a huge success,  
11 but that still leaves us 88 percent of the people that are  
12 driving to this island that we never see. So, if you want  
13 pedestrian traffic, if you want -- if the charges and the  
14 goals are to do X, Y, and Z, then do that.

15                   I mean if we wanted to change downtown Gary,  
16 why did we put the boat out in a former marina used by US  
17 Steel? I mean for us, the concept of these riverboat  
18 licenses having to float on Lake Michigan -- and now we are  
19 ready to go through a blood bath in the Indiana General  
20 Assembly about land-based gaming because Gary is sitting  
21 there saying, We never got the economic impact we started  
22 out for.

23                   And I've got four other operators who say,  
24 Whoa. Wait a minute. I have to be out on the lake. I'm

1 not going to support your land-based initiatives to put it  
2 next to the interstate.

3                   So, again these kinds -- these decisions we  
4 are facing now are going to last with you for a long time.  
5 If you want it out there and you feel it's important to,  
6 you know, do what you need and you're going to manage the  
7 money differently to do downtown re-gentrification and this  
8 or that and the other thing, great. If you want to sell it  
9 or you want a chance at people lengthening their stay and  
10 doing some different things, then force them. It's your  
11 call.

12                   They will come no matter where it's built.  
13 That's the one thing -- don't let anybody tell you.  
14 Wherever you put that casino, people will come to, and that  
15 is the decision that rests uniquely with the Commission,  
16 and so I hope that answered your question, Mr. Chairman.

17                   CHAIRMAN CROSBY: Are there communities  
18 where -- jurisdictions where they have done a particularly  
19 good job of forcing, you know, the relationships,  
20 partnerships between the hospitality industry and the  
21 casinos?

22                   MR. BATISTATOS. I think, in my mind, the  
23 best one that I can think of, again, in Indiana is French  
24 Lick. First of all, it's land based. There's no water --

1 CHAIRMAN CROSBY: French Lick?

2 MR. BATISTATOS: French Lick, Indiana.

3 There was an existing resort, beautiful, old 1990s -- I  
4 mean 1900-something hotel in West Bay Springs, which used  
5 to be a huge attraction in the 1800s. The Cook brothers --  
6 the medical Cook brothers got their license and poured in  
7 what people say is 500 million -- I think it's closer to  
8 1.2 billion -- and took these old hotels and put the casino  
9 there, and now businesses are springing up around them.

10 They put it right in the heart of French  
11 Lick. There are actually two properties. There are four  
12 golf courses. There are riding stables. It is truly, in  
13 all sense of the word, a resort destination.

14 CHAIRMAN CROSBY: Why is that? How did that  
15 happen?

16 MR. BATISTATOS: Because there were two  
17 hotels that were existing. Because those two great, old  
18 hotels were there, and the casino was a way to really make  
19 that happen. Now, they had a real problem with workforce  
20 development in French Lick. I mean everything has a trade  
21 off. You go over there -- Orange County is a community of  
22 40,000 people. So, now you're looking around for a  
23 workforce, but they are finally catching up.

24 So, every decision you make, you have to



1 weigh workforce availability, economic needs, impact, and  
2 all those things, but you know, to me, if your priority is  
3 the revitalization of a certain city, then be bold and  
4 revitalize that city. Come up with programs that keep the  
5 paychecks there, you know.

6 Do the Atlantic City model. One thing they  
7 did great -- I'm going to try to be quick because I'm real  
8 long. The 3 percent rate they offer for people who are on  
9 government payroll. When I was there, mortgages were 7  
10 percent. If you were a congressman or a dog catcher, it  
11 didn't matter.

12 If you bought a house in Atlantic City, you  
13 got a 3 percent mortgage. You had to be there for ten  
14 years. You had to do a few other things, but guess what?  
15 The whole Chelsea Heights community where, you know, your  
16 generation might have grown up, cops and firemen and EMTs  
17 went back. They are buying their parents' house. They are  
18 buying their grandparents' house. So, those paychecks came  
19 back into the city.

20 That's one thing Atlantic City did well.  
21 They managed to capture and use that money to leverage  
22 other money to keep you in the city.

23 With that, I'll be happy to talk afterward.  
24 I feel like I've extended my time.

1 CHAIRMAN CROSBY: Great. Thank you.

2 MR. BATISTATOS: Thank you very much.

3 MS. WALL: Thank you, Speros. You're right  
4 when you said that this region has an authentic and  
5 uniquely Massachusetts-bred tourism product. Somehow a guy  
6 from Austria runs two of those businesses but Peter  
7 Rosskothén.

8 MR. ROSSKOTHEN: I think that's Betsy's way  
9 to say, This is a guy coming with a little bit of an  
10 accent. I'm very grateful to all of you and everybody else  
11 here today to allow us, the Convention and Visitors Bureau  
12 -- the Greater Springfield Convention and Visitors Bureau,  
13 to tell you a little bit about our thoughts.

14 We have members in four counties in western  
15 Mass. So, we look at ourselves as a regional organization.  
16 We are really proud of this area, and I'm an import to this  
17 area and I've got to tell you, if you haven't spent time in  
18 this area, it's an amazing area. We're really lucky. As  
19 mentioned earlier, we've got Yankee Candle at one end, and  
20 we use that as a big attraction. It is probably the  
21 largest tourist attraction -- one of the largest in  
22 Massachusetts. We got Six Flags right on the other end.

23 We got things like the Springfield Museum,  
24 Basketball Hall of Fame, and then we take everything else

1 together, and what we do at the Bureau is we work very hard  
2 today to take those visitors we have and find ways to  
3 convince them to stay longer, if it's the whole day --  
4 hopefully, it's more than a day and it's multiple days.

5 Our position on gaming started really early  
6 in the process. We were probably one of the very first  
7 organizations in western Mass. that had an entire board  
8 vote on, Where do we stand on casinos? What do we want to  
9 do with this?

10 We voted in favor of casinos. It was quite  
11 a controversial vote, and I need you to hear that because I  
12 think we put a lot of thought into it, as, Yeah. Are you  
13 going to be afraid of casinos? Of course you are.

14 It's something that, when you're a small  
15 business owner, you look at and say, Huh. How do I deal  
16 with this labor issue or how do I deal with some of my  
17 dollars that are being spent in my restaurant going to the  
18 casino?

19 But we took the approach that we wanted to  
20 look at the big picture and my key things -- my key part of  
21 the presentation is to tell you about this big picture that  
22 we are taking on at the Greater Springfield Convention and  
23 Visitors Bureau with the casinos.

24 We are really looking for regional

1 partnership with these casinos. Speros, you couldn't have  
2 said it better. I wish we would have talked to you earlier  
3 because maybe we could have incorporated some of your  
4 thoughts into this, but we are really asking you, the  
5 Commission, and, specifically, the developer to find a way  
6 to break the model and turn this into a regional  
7 partnership and truly a partnership. There's not two sides  
8 to the same, but turn it into a regional partnership so we  
9 can grow together. The casino can attract its visitors and  
10 the region can attract its visitors, and we can keep people  
11 for a couple extra days or longer stay.

12           We are -- we heard what you were saying,  
13 Speros, and we've been on the same track. We want  
14 something concrete. We want don't want a wishy-washy  
15 proposal. We do not want something that is not going to  
16 survive 15 or 20 years from now. We want to get to a point  
17 with a developer, whoever the developer is, and have an  
18 agreement that lasts a long time. This partnership -- this  
19 marketing-focus partnership needs to last a long time.

20           So, we are seeking a Memorandum of  
21 Understanding with these developers. What we have done to  
22 create this Memorandum -- and the Commission has this  
23 packet from us and you have a copy of our RFP. We put a  
24 lot of thought into this RFP. There's a lot of points that

1 are important to us, as the Convention and Visitors Bureau  
2 that represents this region.

3 We want a developer to give us a proposal  
4 that, if it's a favorable proposal, that we use that  
5 proposal and engage in a Memorandum of Understanding. Some  
6 of the key things that we are asking is the cross promotion  
7 with attractions and restaurants. We understand they want  
8 to keep people in the building.

9 We want to see, What can we do for the  
10 surrounding communities?

11 We have an amazing community up in  
12 Northampton, Mass., which has incredible shopping and  
13 restaurants. How do they get a benefit of this? And some  
14 sort of cross promotion is kind of the best way to deal  
15 with this.

16 We want to understand how they are going to  
17 move people in the Valley. Move them around. If the  
18 casino is outside of Springfield, how can you bring them to  
19 Springfield? If the casino is in Springfield, how do you  
20 bring them to Northampton, or how do you bring them to  
21 Palmer? How do you move some of the guests around so  
22 everybody benefits?

23 We want the casino developer to commit to  
24 marketing. We feel that we can rise all tides; that we can

1 fill our convention space. We have some incredible meeting  
2 space here in this area with a beautiful MassMutual Center,  
3 but there's other facilities. Let's fill them up. Let's  
4 make it more successful. How do we do this? How do we  
5 grow that?

6           One other point that was very important to  
7 us, and there's a lot of points, but is also how is this  
8 casino developer going to interact with local businesses?  
9 Who are they buying from? Who are they integrating  
10 themselves with? Are they outsourcing out of the area, or  
11 are they actually using local businesses?

12           So, we are very interested in this RFP.  
13 It's a completed RFP. We have already presented that RFP  
14 to two developers that are interested, and hopefully, the  
15 rest of them will take it on, and our goal is to engage in  
16 a Memorandum of Understanding with each one of them.

17           Our key ask of you and it's a really  
18 important ask -- it's my hope and it's the Bureau's hope  
19 that you integrate this process that we are doing and how  
20 you look at applications. It would be really helpful to  
21 our process, and I think it's the right thing for tourism,  
22 specifically following the comments.

23           I know I was a lot shorter than you, but  
24 that's my message. I'd be happy to answer any questions.

1                   CHAIRMAN CROSBY: Well, you asked a lot of  
2 questions, and we are looking for answers. You said, How  
3 do we do this? How do we do that? How are we going to get  
4 them to Northampton?

5                   Anything you all, your organizations, can  
6 do to adopt -- there are answers to these questions. These  
7 things been done, not maybe as well as they could be done,  
8 but the Speroses of the world are beginning to understand,  
9 in operating mode, how you can create these cross-marketing  
10 deals and so forth.

11                   So, as much as this industry can tell us the  
12 kinds of best practices that we might incorporate into our  
13 RFP -- we will certainly want to take a look at your RFP,  
14 and you know, we'll be predisposed to taking these kinds of  
15 constructive ideas and incorporating them into our RFA  
16 process, but as much as your industry can give us the  
17 tools, give us the strategies that you want us to put into  
18 the spec, and put points for -- a credit against these  
19 proposals, you know, that would be -- that's really  
20 helpful.

21                   MR. ROSSKOTHEN: Mr. Chair, that's the  
22 intent of the RFP, and I think I want to explain myself a  
23 little bit. When you go point by point on the RFP, when I  
24 say, What are you going to do about this or that, what we

1 mean is the casino developer.

2                   So, we want the casino developer  
3 specifically to tell you what they are doing with  
4 transportation. How are you, the developer, planning on  
5 moving people around the area so other restaurants and  
6 other attractions can benefit, or specifically, what are  
7 you proposing for a relationship with the CVB? What are  
8 examples of that?

9                   So, when you read the RFP, you see how we  
10 approach that. Our internal process is a grading process  
11 of the replies to these points in the RFP, and if we feel  
12 that we have a positive proposal, we hope to engage in this  
13 Memorandum of Understanding with a developer.

14                   CHAIRMAN CROSBY: Right. I get that. There  
15 are kind of two different ways to approach this. One is to  
16 say to the developer, You're smart. You're in the  
17 business. You tell us how you're going to go about doing  
18 this.

19                   But another way is for us to be prescriptive  
20 and for us to know, and either way we still want to know  
21 -- we want to know, ourselves, what the best practices are.  
22 We want to be smarter than anybody in assessing how well  
23 this is being done. So, both -- obviously getting them to  
24 be creative is terrific and coming up with ideas is



1 terrific, but also we would like to be as informed as we  
2 can possibly be about what practice -- what the best  
3 practices already are.

4 MR. ROSSKOTHEN: Well said.

5 CHAIRMAN CROSBY: Anyone else?

6 COMMISSIONER ZUNIGA: I just want to pick up  
7 a little bit on both of you, Speros and Peter, relative to  
8 a point you make on the data -- on how casinos have a lot  
9 of data available. Can you hear me? You can hear me.  
10 How casinos have a lot of available data  
11 that may be beneficial to the likes of the Visitors Bureau.  
12 So, can you expound a little bit on that thought and how --  
13 whether that would be useful for your case.

14 MR. BATISTATOS: For those of you who might  
15 have had difficulty hearing the Commissioner, he asked  
16 about the volume of data that casino operators have and  
17 what the likelihood, if I understood your question,  
18 Commissioner, properly -- what the likelihood of them  
19 sharing that with us, as an industry, would be.

20 I would not want to speak for any casino  
21 operator who might have people in the room here today.  
22 That would be something I would ask your applicants  
23 directly.

24 My experience is we're not going to see it.

1 That's highly proprietary. It is something -- it's years  
2 of their proprietary information and knowledge and data  
3 that drives -- it's at such the core of their marketing  
4 that I would be surprised if you were even allowed to see  
5 the room where the machine lives that collects the  
6 information. It's very, very secret.

7 I think though -- my experience with some of  
8 our operators have been, in broader context, when asked a  
9 broader question like where are you seeing X, you know,  
10 percentage of people or can you talk broader demographics,  
11 we have always had very productive conversations.

12 I can almost -- again, I'm not speaking for  
13 any of them. My experience tells me it will be a very cold  
14 day before we would ever see that information in a very  
15 meaningful, detailed manner. As it should be. I'm not  
16 suggesting we need to see that. It's their proprietary  
17 work product, and I doubt that anyone would give it up.

18 MR. ROSSKOTHEN: I'm not so sure,  
19 Mr. Zuniga, I'm qualified to answer that but I'm taking  
20 your question in the direction of -- I think what we're  
21 looking for -- not I think. I know what we are looking for  
22 is to break the mold a little bit that the consumer needs  
23 to stay in the casino.

24 We want a little bit outside of that. So,

1 give us that exposure so, hopefully, we get you to visit  
2 the Basketball Hall of Fame. Give us that kind of exposure  
3 that they go to Yankee Candle. Perhaps the data can help  
4 understand how they're doing, and that's probably my quick  
5 gut answer to what you're saying.

6 COMMISSIONER McHUGH: To follow up on that  
7 question, you pointed to French Lick as a place where  
8 they've done a particularly good job of getting people  
9 integrated into the community and other kinds of things.

10 How can we get a handle on other places in  
11 other states where they've done it well so that we all  
12 could perhaps spend some time looking at the models that  
13 they used and the criteria they used and the kinds of  
14 incentives they used in order to achieve the result that  
15 you described? Other places throughout the country. Is  
16 there a national organizations? Is there some place we all  
17 could go to find those paradigms?

18 MR. BATISTATOS: First of all, let me  
19 clarify. Success in the context I was talking about French  
20 Lick about who did it well and other businesses got  
21 involved -- when you take a look at strictly -- when you  
22 take a look at gross revenue, the leader in our state is  
23 Horseshoe. Two miles from Chicago. No questions asked.  
24 They do -- I want to be very careful about what we are

1 defining as --

2                   COMMISSIONER MCHUGH: My definition of  
3 success is this integration of the casino as a -- not only  
4 as a successful business entity on its own but as a gateway  
5 of other things in the region.

6                   MR. BATISTATOS: Commissioner, I've never  
7 been asked that question before. So, pardon me for  
8 stuttering and stammering a little bit. I think that every  
9 casino jurisdiction has done some things well, and they've  
10 done some things not so well.

11                   So, in my mind in trying to answer you  
12 openly and honestly, I think that we can look at, you know  
13 -- you can take a look at Atlantic City and see what it's  
14 doing well today and the changes they're making in  
15 addressing the problems.

16                   I think perhaps your question is best  
17 answered by asking jurisdictions what problems are they  
18 correcting today from the decisions they made 20 years ago  
19 versus perhaps a best-case study because gaming, in any  
20 community, is reactive to the legislature, the local mayor.  
21 There are just so many variables. So, me, I would suggest  
22 perhaps this Commission frame it as, Dear Lake County,  
23 Indiana. What would you have done differently that would  
24 allow better integration with your existing hospitality

1 industry?

2 Dear Atlantic City. Dear Tunica. Dear  
3 Mississippi Gulf Coast. And find out what policies they  
4 are having to pursue now to correct unforeseen  
5 circumstances that cropped up because -- you know, this is  
6 1993 for us. In Indiana, we just didn't know -- we were  
7 more interested in getting a leg up and getting boats  
8 operated than we were anything else and we did that.  
9 Therefore, by all arguments, we were successful, but we  
10 still end up, 20 years later, with some things that we  
11 would have had liked to have done differently. I hope that  
12 answers your question in some form or fashion.

13 COMMISSIONER STEBBINS: I have a quick  
14 question for something that you said, Speros, about time in  
15 Atlantic City. Trying to get hotel space for conventions,  
16 and now I turn to Peter because there's been some growth  
17 and some small hotels going up, you know, across western  
18 Mass., mostly to feed a visitor industry.

19 Would you say, based on the experience  
20 Speros saw in Atlantic City -- would the hospitality  
21 industry in western Mass. feel threatened by a hotel  
22 attached to a resort, or do you have somewhat a level of  
23 comfort now to know that maybe that hotel is going to be  
24 maximized by the people going into the gaming facility as

1 opposed to maybe poaching your business? I mean you have a  
2 property that has some hotel rooms attached to it.

3 MR. ROSSKOTHEN: I still overwhelmingly  
4 believe that we need to rise all tides, and I think what  
5 will happen outside of the casino area, if it's well  
6 promoted and marketed -- I think all of us will do a little  
7 bit better. At least that's my approach to this. I think  
8 specifically to your question, and it's something that  
9 Speros said that I think really rang in my head that I  
10 think is extremely valid.

11 If there's a hotel attached to the casino,  
12 that hotel is probably designed to specifically serve the  
13 casino, and I think that if you have convention space and  
14 things like that, I think the point that you raise to  
15 actually make the hotel larger is an extremely valid point  
16 that I don't think I understood well until earlier today  
17 when I had a similar conversation with him.

18 Not exactly the answer to your question, but  
19 I think you need to design the hotel to handle the casino  
20 and, hopefully, some of the business that will happen in  
21 the immediate area, and then for properties like ours that  
22 is going to be somewhat removed because I don't believe my  
23 -- for the rest of the Commission, my properties, for  
24 example, are not close to a casino because it's a community

1 that doesn't want a casino.

2           We still feel there's market that will grow.  
3 I mean that's why I believe in this. I think if we can get  
4 a casino developer to make some sort of arrangement where  
5 we promote the market, I think all of us will gain  
6 something out of this.

7           MR. BATISTATOS: To that end, again, I want  
8 to be putting my -- you know, reflecting the industry that  
9 I serve. The casinos are going to look at you and say,  
10 Okay. I hear you want me to build more rooms beyond what I  
11 need for casino marketing. Show me your lost-business  
12 book. What haven't you booked in Springfield because you  
13 haven't had these 200 rooms? Where is the lost business?  
14 Where's the new markets? How am I going to get a bite of  
15 those people? I mean maybe they are staying in my hotel,  
16 but are you going to do VIP welcome nights in my casino on  
17 a Tuesday night so I can help pay for these rooms that I  
18 built for you?

19           So -- I mean there's going to be a series of  
20 very legitimate questions coming out of the casino industry  
21 saying, Okay. I get it. This market needs more rooms to  
22 serve the convention center, but where is the convention  
23 center marketing plan? What markets are we going to be in?  
24 Show me the sales force. Show me the lost business.

1 All of those things are going to be  
2 incumbent on the CVB and the convention center to bring in  
3 and say, This is why we're making that ask.

4 So, I don't want my comments to be taken one  
5 way. I think any casino operator will tell you, Sure. Can  
6 I get more people Tuesday, Wednesday -- Monday, Tuesday,  
7 Wednesday, midweek? Will that help my business? Sure it  
8 will, but there's also a price point at which building 200  
9 extra rooms doesn't pencil out unless there is something  
10 very active in a marketing plan that they get.

11 MS. WALL: Thank you. Between the regional  
12 tourism councils and the state agency, the Mass. Office of  
13 Travel and Tourism, the taxpayers of Massachusetts will  
14 invest \$18 million in tourism marketing this year. So,  
15 it's critically important that the lead marketing plan for  
16 the state, for its efforts, be data driven, highly  
17 effective, and measurable.

18 In Massachusetts, we have a highly  
19 competitive process for selecting an ad agency. We have  
20 Connelly Partners in Boston, represented here by Scott  
21 Madden.

22 MR. MADDEN: Thank you. Good afternoon,  
23 everyone. I think there's been a lot of good suggestions  
24 directionally about ways we could maximize the impact of a



1 casino resort in this area for the tourism -- economic  
2 tourism impact outside the walls, if you will, of the  
3 resort.

4 I'll come at it from a different perspective  
5 and give you at least my understanding, as a marketer, what  
6 a casino would do, historically, from a marketing  
7 perspective.

8 They would come in and they would want to  
9 quickly establish awareness by blitzing media markets in  
10 their respective trade areas, so those dry markets, like  
11 New York, Hartford, Boston, and they would be spending  
12 probably the heaviest amounts of media dollars in the first  
13 two years of their presence with the idea of trying to ramp  
14 up awareness of their resort and trying to impact --  
15 immediate traffic impact to come to their casino.

16 I think that presents an opportunity for the  
17 broader region, possibly through Peter's Memorandum of  
18 Understanding, to quantify ways that this casino would  
19 partner specifically with the region so that the region, as  
20 a whole, benefits beyond just the casino itself.

21 So, if you're looking for specific examples,  
22 I would think -- from just a marketer's perspective, one  
23 of the things I think you could talk to casinos about,  
24 again, with an understanding of partnership, would be to

1 have or require a casino to promote, within its heavy-spent  
2 marketing dollars, the area at large. So, highlighting the  
3 hoop hall. Highlighting other aspects in and around the  
4 perimeter of not just Springfield but the Berkshires and  
5 broader Pioneer Valley, and by showing those broader areas  
6 of things you can do outside the walls of the casino, you  
7 are helping build a brand and the awareness of this region  
8 and these markets where you otherwise couldn't financially  
9 afford to do it.

10 On the flip side, it behooves the casino to  
11 do that because any casino that comes into this area is  
12 going to compete with Mohegan Sun. They are going to  
13 compete with Foxwoods. They're a casino. They all have  
14 gaming tables. They all offer the same base services. So,  
15 they need to create other distinctions, competitive  
16 advantages, as to why consumers should come to this area  
17 versus a Foxwoods, versus a Mohegan Sun, and one of those  
18 obvious assets they can leverage is the broader experience  
19 this region provides any would-be casino prospective  
20 traveler.

21 So, I think that's one place where you could  
22 require or, in the spirit of partnership, strongly  
23 encourage a casino partner to represent a broader visual  
24 representation of the region as a core component to their

1 marketing strategy. I think -- I would expect casinos to  
2 be receptive to that idea because, if I were them, I would  
3 be thinking that this is a competitive asset that I can  
4 leverage against those other two casinos I mentioned in  
5 Connecticut.

6 I think there's just more to do here.  
7 Because of where these casinos potentially are going to be  
8 located, they are less isolated, and there's an opportunity  
9 for people to conveniently leave the walls of that casino  
10 resort to do other things here. So, I think that's an  
11 advantage.

12 I think the idea of cross promoting -- as  
13 Speros said earlier, they are wildly sophisticated on their  
14 one-to-one marketing. Once someone walks in that door,  
15 they capture their name. They know all of that behavior,  
16 and they will put them into buckets of value, a high  
17 spender; a high, active gamer; a high entertainment person,  
18 and they are going to have a lot of direct communications  
19 with that person after they leave that first visit to their  
20 casino.

21 That's another easy, obvious place for you  
22 to quantify in that Memorandum of Understanding that we --  
23 they'll be pushing e-mails, if not monthly, more  
24 frequently, to those folks to get them to come back. If

1 they can include representation of the broader region in  
2 those marketing messages to those audiences, you would  
3 collectively benefit from that additional exposure.

4 I think whether you benefit from the  
5 specific trip, that person comes back to the resort, or you  
6 just benefit from the added awareness that this area  
7 receives from television advertising, radio communication,  
8 direct marketing, be it e-mail, digital, or snail mail, you  
9 benefit because you are raising awareness.

10 Although they might not visit the hoop hall,  
11 for example, on their next casino visit, the western part  
12 of Massachusetts, the Springfield area, becomes more top of  
13 mind for them the next time they are planning their spring  
14 vacation or their summer vacation. I think you can benefit  
15 from those types of requirements of partnership with the  
16 would-be casino.

17 So, from thinking of it from their  
18 perspective, the broader area around the outside the  
19 perimeter of the casino walls is a competitive asset for  
20 the casino coming into this area comparatively to Foxwoods,  
21 comparatively to Mohegan Sun.

22 You have to require some quantifying of what  
23 that partnership needs to entail versus talking general --  
24 in generalities about it, but I think it would make sense

1 for them as much as it would greatly benefit the region.

2           So, with that, I would open it up to any  
3 questions that you might have specifically for me. Thank  
4 you.

5           COMMISSIONER STEBBINS: Just a quick  
6 question. How do you see gaming necessarily folding in to  
7 the state's overall marketing, not only domestically but  
8 internationally?

9           MR. MADDEN: I didn't get into that because  
10 I was being sensitive to time, but quickly, from a macro,  
11 statewide perspective, I think casinos add a very real and  
12 tangible asset for us from a broader state-marketing  
13 standpoint and certainly against our northeast competitive  
14 states that don't have gaming within their respective  
15 states.

16           We already have a really rich collection of  
17 assets that are unique to Massachusetts against most of our  
18 competitors that we certainly leverage on a very regular  
19 basis, but I do think that the inclusion of casinos would  
20 only strengthen that, and we think -- we would need to  
21 think certainly tactically about where and what channels of  
22 communication we would leverage the casinos.

23           We have a very rich database within -- a  
24 consumer database within MOT's servers. So, we have the

1 opportunity, much like the casinos themselves, to try to  
2 get a better handle on the behaviors of those folks as it  
3 relates to interest in gaming.

4           From that standpoint, we can serve messages  
5 directly to them on a regular basis in a very measurable  
6 and efficient way but I think -- even when you think from a  
7 broader brand perspective, I think we would have an  
8 opportunity to leverage the casinos collectively in the  
9 state.

10           It's just another strength to differentiate  
11 ourselves, especially from our northern New England  
12 competitors that don't have that. It will absolutely be an  
13 asset, and I think we would find the right place to  
14 leverage it.

15           CHAIRMAN CROSBY: Thank you very much.

16           COMMISSIONER STEBBINS: In the interest of  
17 time, can we make a quick switch and get our next panel up  
18 here as soon as possible? Thank you.

19           MR. MARTIN: Good afternoon, everybody. My  
20 name is Larry Martin. I'm the Business Services and  
21 Special Projects Manager for the Regional Employment Board  
22 of Hampden County, and due to the time, what I'm going to  
23 do is do a brief introduction of the panelists. I'm going  
24 to give you a quick overview of the Regional Employment

1 board and our role in workforce development in this region,  
2 and then I'll hand it off to the panelists.

3           So, the first panelist that will be speaking  
4 is William Messner, President of Holyoke Community College.  
5 Our second panelist is Marie Downey, Executive Director for  
6 Boston Education Skills and Training, who works in  
7 collaboration with the Greater Boston Hotel Employees/Local  
8 26. Our final panelist will be Laurie Salame, lecturer  
9 from the Department of Hospitality and Tourism Management  
10 for the Isenberg School of Management at UMass Amherst.

11           I was listening to the comment Speros made  
12 about the data, and it sort of brought back memories  
13 because when I was finishing my grad work, one of the  
14 projects we had to work on was data mining, and the model I  
15 used was actually Harrah's and how they data mine customer  
16 service and how to build a better customer-service model.  
17 So, I found that very interesting.

18           My only concern about data is to make sure  
19 that our college graduates from this region get an  
20 opportunity to go for a those types of data-mining jobs.

21           So, that's the approach we are taking at the  
22 Regional Planning Board. So, you know, this is a very  
23 exciting project. We've had a lot of great projects  
24 happening in this region. Bay State Health Systems

1 Hospital of the Future; a brand new vocational school,  
2 Putnam Academy. We are going to be breaking ground on the  
3 revitalization of Union Station. Lots of great projects.  
4 The rail project, but all of those projects and their  
5 visionary approach will not have the immediate workforce,  
6 economic impact of this project.

7                   We are talking about 1,500 to 2,000  
8 construction jobs during Phase 1 and 2,200 to 2,800  
9 full-time occupations of various types of skill sets that  
10 are going to be created by this initiative. The Regional  
11 Employment Board of Hampden County has been the region's  
12 primary convener to address workforce development issues  
13 since 1980.

14                   Established by Federal and state law, the  
15 REB is a business-led, non-profit corporation that engages  
16 its members from business, education, labor, and community  
17 agencies to build and establish public policy that will  
18 build a better workforce from pre-K to gray. That's our  
19 primary mission.

20                   Meeting the existing and projected needs of  
21 business and industry and the labor force requires a  
22 collaborative effort, and the key to this effort is our  
23 regional one-stop career centers, Future Works located in  
24 Springfield and Career Point located in Holyoke.



1           These two organizations provide jobs-seeker  
2 assistance, career readiness, career counseling, case  
3 management, and access to rare training options. We also  
4 provide business services to include job postings and  
5 career fairs.

6           An initiative of this magnitude requires a  
7 collaborative workforce effort to comply with the  
8 requirements of the gaming legislation but to also create  
9 equitable, effective, and efficient policies and procedures  
10 to address local and regional outreach, recruitment,  
11 assessment, selection, and training of our residents  
12 throughout the region.

13           One of the things that Speros brought up was  
14 training the individuals that are within the community, and  
15 when I say "community," wherever this project lands, we  
16 have to make sure that those who live in that local,  
17 direct, and impacted community have an opportunity to apply  
18 and be trained for these positions; and also, keep in mind  
19 that if they don't make the first wave, you are not going  
20 to be left behind. Our vision is to also make sure we pull  
21 you up through additional training so you can come around  
22 in the next round. So, we don't leave anybody behind.

23           The second primary issue that Speros brought  
24 up -- and this is one of the things that I first thought

1 about when this came up because the Regional Employment  
2 Board deals with a lot of sector initiatives. We respond  
3 to sector initiatives especially when employers are  
4 pilfering employees from one another because their industry  
5 is growing, and they don't have enough skilled employees.

6           So, my main concern and the Regional  
7 Employment Board's main concern is: What happens when this  
8 gaming casino/hotel resort comes in? There's this huge  
9 vacuum of job opportunities that are pulled into it, but  
10 yet our other businesses and industry are going to be  
11 impacted, whether it's restaurant, whether it's services,  
12 financial sector.

13           So, our vision is to not only prepare an  
14 adequate workforce that has the skills and competencies to  
15 address the needs of whoever lands this project but also to  
16 support and continue to support the workforce pipeline for  
17 our existing business structure within this region.

18           One of our -- two of our primary partners in  
19 workforce development are Springfield Technical Community  
20 College and Holyoke Community College. They have been  
21 vital partners in all of our sector initiatives, as well as  
22 other colleges in the region. We work with K through 12  
23 and other partners, but these two colleges are a primary  
24 entry way for -- to provide skilled workers to either

1 matriculate to four-year colleges or directly into the  
2 workforce. They have also taken the lead and are  
3 recognized as leaders in education, business, and workforce  
4 development in the region.

5           Representing the community-college system  
6 today, it is a privilege to have HCC President William  
7 Messner here with us to discuss the strategic approach to  
8 training and support of western Massachusetts' gambling  
9 initiative. It is my pleasure to introduce William  
10 Messner.

11           MR. MESSNER: Thank you very much. It's a  
12 pleasure to be here today and to meet, again, with the  
13 Commission members. As Larry indicated and as you folks  
14 are aware, the community colleges, for the last six months,  
15 has been involved in an effort to put together a statewide  
16 collaborative approach toward meeting the unique workforce  
17 challenges that the advent of the casino industry brings to  
18 Massachusetts.

19           That challenge grows out of the unique  
20 nature of the workforce of the casino industry. Just to  
21 mention some dimensions of that workforce. Number one, as  
22 you're well aware, casinos generate lots of jobs. Here in  
23 western Massachusetts, each of the potential casino  
24 operators that we've talked to are talking in terms of a

1 minimum of 2,500 to 3,000 jobs. Extrapolate that across  
2 the state, you're talking close to 10,000 jobs, and then  
3 beyond that, the thousands of construction jobs and other  
4 ancillary jobs that might be generated.

5           The good news is that's lots of job. The  
6 bad news is that's lots of job. Particularly in the area  
7 we are sitting in right now in terms of Springfield,  
8 Holyoke, Chicopee, unemployment rates are high. That  
9 certainly is the case, but the wealth of trained  
10 individuals, job ready, does not match, even currently, at  
11 least in some areas.

12           The second dimension to the casino industry  
13 workforce that I think is important and is one that the  
14 Governor pointed out was instrumental in his thinking as he  
15 signed this bill was the casino industry focuses on what's  
16 called middle-skills jobs, jobs that require more than a  
17 high school diploma but less than a baccalaureate degree.  
18 Studies that I've seen would indicate that upwards of 85  
19 percent of the jobs within the casino industry fall into  
20 that designation.

21           That, again, speaks to the needs of areas  
22 such as you have here in western Massachusetts, where,  
23 particularly unlike in the east, we have significant levels  
24 of folks who do not have baccalaureate degrees but are

1 looking for jobs.

2           The third interesting dimension of the  
3 workforce for the casino industry is, despite the fact that  
4 your name is the Gaming Commission, about three-quarters of  
5 the jobs in the casino industry don't have anything to do  
6 directly with gaming. Rather they fall into areas such as  
7 food service, which we'll hear about in a bit, hospitality  
8 management, computer information security, computer  
9 networking, criminal justice, business management,  
10 accounting, and on and on.

11           And fourth dimension, which I think you're  
12 keenly aware of, is the fact that, for reasons that I won't  
13 go into right now, jobs in the casino industry and  
14 particularly in the gaming area -- the whole notion of the  
15 integrity of the hiring process and the training process is  
16 going to be particularly important.

17           Given all those dimensions, large numbers of  
18 jobs, middle-skill jobs, many jobs in areas that are  
19 ancillary to gaming, and the importance of the training and  
20 hiring process, community colleges, when this legislation  
21 was signed, felt that this workforce effort particularly  
22 fell within our purview. In fact, we believe we would be  
23 derelict if we did not embrace this challenge in terms of  
24 filling this workforce need.

1           We have gone about that process. We met  
2 with you folks in June and outlined our first initial  
3 efforts in taking a comprehensive, collaborative, regional  
4 approach to this. We had agreed we'd come back in  
5 September, if I'm not mistaken, to update you as to where  
6 we stand. Today gives us sort of an opportunity to give  
7 you an interim report on that.

8           We've got a detailed -- I'm looking for Jeff  
9 Hayden here, but Jeff has got a detailed report, which  
10 we'll give you at the end of the session. Simply to tell  
11 you what we have done over the last two months since we met  
12 with you is, number one, here in western Massachusetts, we  
13 have done our best to gather the major workforce players to  
14 alert them, if they needed to be alerted, to the  
15 opportunity/challenge and to make an effort to get them all  
16 on the same page in terms of crafting a workforce regional  
17 collaborative.

18           The REB is playing a central part in that  
19 effort. The University of Massachusetts has indicated its  
20 willingness to sign on. Westfield State University. Many  
21 of the other non-profits. We are also putting in place a  
22 regional coordinating team that will drive that process of  
23 putting in place training programs.

24           On the basis of that model that we have now

1 put in place here in western Massachusetts, the other two  
2 regions are now embarking on their effort at bringing the  
3 workforce players around the table, both in the Boston area  
4 and the southeast, also to sign a Memorandum of Agreement  
5 that the major players will work collaboratively in this  
6 effort, and to put into place, in each of those regions,  
7 regional coordinating teams as well.

8           What we then are intending to do is come  
9 back to you in September, which we indicated when we met  
10 initially in June, and give to you, number one, a report on  
11 workforce best practices drawn from other states, also a  
12 draft workforce plan that we hope that you will be able to  
13 use for your own purposes.

14           Finally, we would like to suggest that we  
15 put in front of you a Memorandum of Agreement that will  
16 outline the expectations that you have for our  
17 collaborative and that we would have for you as well as we  
18 move forward in meeting this challenge.

19           I should say that here in the west, we have  
20 now met with every one of the casino developers, if you  
21 will, who have gone public with their intention. We've  
22 shared with them our efforts in this regard. With at least  
23 two of them, we have sat down with their HR folks to make  
24 sure that we are certain as to what they are going to be

1 looking for in terms of specific jobs and the like, and we  
2 are now in the process of beginning to outline what are the  
3 specific training programs that we think will be necessary  
4 to meet those needs. A similar process we intend then to  
5 put in place in each of the other regions very well.

6 So, that's where we stand as of this moment.  
7 Hopefully, when we meet with you again in September, those  
8 three regional MOUs will have been signed. We'll be able  
9 to give them to you and we will talk more about the  
10 specifics of how, hopefully, we can move ahead in  
11 combination with the Commission. Thank you very much.

12 MR. MARTIN: Any questions for President  
13 Messner?

14 COMMISSIONER STEBBINS: I have just a quick  
15 one, Mr. President. When we met in June, the tribal  
16 compact with the Governor hadn't been signed with the  
17 Masphee Wampanoag tribe down -- for a location in Taunton.

18 How do you see the southeast regional group  
19 either working with that entity or impacting the job  
20 opportunities in and around, say, the Boston region?

21 MR. MESSNER: That's a good question, which  
22 we don't, as of this moment, have a definitive answer to.  
23 What we assume is that, in terms of the credentialing  
24 requirements, the licensure requirements and the like will



1 be no different in the southeast than they would be in  
2 either of the other two regions.

3 We are certainly going to -- the folks in  
4 the southeast region are going to have to sit down with  
5 that group and work through the specific jobs and the like  
6 that are going to be going on there. My assumption is  
7 you're going to have to tell us what differences might or  
8 might not be existent there that we need to be sensitive  
9 to.

10 CHAIRMAN CROSBY: There's lots more time to  
11 talk about this, but I think actually you'll have to be in  
12 touch with -- we can help look at this -- but with the  
13 Tribal Gaming Commission, which will be the first --  
14 they're us relative to the southeast region. We are sort  
15 of a backstop to them, but they would be the first line of  
16 communication, but there's plenty of time to get around to  
17 that.

18 MR. MESSNER: Sure.

19 MR. MARTIN: I'd also like to mention that  
20 the Franklin Hampshire Workforce Investment Board as well  
21 as the Central Mass. Workforce Investment Board have also  
22 been part of the conversation. So, we are taking an  
23 overall western -- Pioneer Valley approach to this  
24 initiative.

1           Next up is Marie Downey, who has over 25  
2 years of experience of working on issues related to  
3 workforce development. Since 2004, Marie has been the  
4 Executive Director of the Boston Education Skills and  
5 Training Corp.

6           At BEST Corp., she applies all of her  
7 professional skills and training to deliver a quality  
8 educational experience for the members and employees of the  
9 Greater Boston Hotel Employees/Local 26.

10           From 1988 to 2004, Marie was the Vice  
11 President of Modern Assistance Program, Inc., an  
12 employee-assistance program that provides counseling and  
13 comprehensive social services. Marie.

14           MS. DOWNEY: Thank you. Thank you. This  
15 has been a very interesting afternoon. I've certainly  
16 heard a lot of information. There's so much to consider.

17           BEST Corp. has a sector-based approach to  
18 workforce development. We teach the skills that are needed  
19 for vital hospitality jobs, and oftentimes when people  
20 think of positions like cooks and room attendants and food  
21 service, they think of low pay, no benefits, dead-end jobs,  
22 no career-advancement opportunities. They don't think of  
23 these jobs as good jobs, jobs that pay enough to sustain  
24 families; and unfortunately, most of the time they are

1 right.

2           The majority of these jobs are forcing  
3 hard-working people to live in poverty, and the practice of  
4 outsourcing these jobs to temporary agencies has  
5 accelerated in the last few years.

6           So, we first saw the outsourcing trend in  
7 2009 when the Hyatt Hotels in Boston and Cambridge fired  
8 100 long-term workers and replaced them with workers from a  
9 temp agency, reducing the hourly wage from \$15 with  
10 benefits to 8.50 with no benefits, and there was an  
11 expectation for them to clean even more room.

12           This is Janolette Estevez. She was one of  
13 those temporary staffing housekeepers. She came here from  
14 the Dominican Republic, and she told me that she'd come  
15 home from work every day, crying, saying to her sister,  
16 This is why we came here? This is the American dream?

17           She found out about the hotel training  
18 center, and thankfully, there is a better workforce  
19 development model out there.

20           When we talk about middle-skilled jobs, a  
21 lot of times we are talking about middle-level wages. The  
22 jobs that I'm talking about right now have found a way --  
23 these hospitality employers in Boston have found a way,  
24 along with the hotel workers union, to provide middle-skill

1 wages. She now makes \$19 an hour with benefits.

2                   So, how do you make sure that jobs that come  
3 into your community are good jobs? It takes community  
4 commitment to make sure that business partners invest in  
5 good wages, benefits, and training. In our experience,  
6 this happens when workforce-development strategies take an  
7 integrated approach and labor, employers, and community  
8 partners are involved from the beginning.

9                   For more than 25 years, I've been involved  
10 with a shining example of a partnership that has proven  
11 that these jobs can be good jobs. This partnership now  
12 consists of over 30 hospitality employers and hotel  
13 operators like the Sheraton, the Westin, the Ritz-Carlton,  
14 United Local 26, public and private funders, and community  
15 organizations.

16                   Over 80 percent of the funding for our  
17 education and training program comes from participating  
18 employers through a contract negotiated with Local 26  
19 workers. These contracts become even more important as we  
20 are seeing hotels being sold constantly, but there's a  
21 steady level of consistency with the workers with these  
22 contracts in place.

23                   Jobs like room attendants, dishwashers, food  
24 service, and cooks can and do sustain families. People's

1 lives change when employers invest by providing good wages,  
2 affordable health-care benefits, and training  
3 opportunities.

4           This successful model has been used  
5 elsewhere. In Las Vegas, industry partners, such as MGM  
6 and Caesars, fund the culinary training center where they  
7 train thousands of workers a year. Here in Boston, we  
8 serve over 500 workers a year. Workers come on their own  
9 time and by their own choice to improve their language or  
10 customer-service skills or to train for other positions  
11 such as cooks, food service. We do outreach into the  
12 community to successfully recruit and train people to get  
13 into the industry.

14           Let's see if I can do this. These partners  
15 that I'm talking about, the Local 26 hospitality employers,  
16 have found a way to offer workers a comprehensive benefit  
17 package that allows them access to the American dream.  
18 They have paid time off when their children are sick. They  
19 have vacation pay, a medical plan, education and training,  
20 and \$10,000 down payment toward the purchase of a home.

21           Our trainees come from diverse backgrounds.  
22 60 percent are non-native speakers, and 50 percent have a  
23 high school diploma or less. Most of them live in the  
24 communities where they work.

1           So, what do we teach? Based on what workers  
2 and employers need, we teach five levels of English  
3 classes, computer and technology skills, GED/citizenship  
4 prep, culinary arts, professional food server,  
5 room-attendant classes, and all of the classes include  
6 customer-service skills, understanding diversity, and  
7 handling conflict. Workers graduate with the skills and  
8 the competencies that our employers need.

9           Our employer partners have high standards.  
10 At one time, a room attendant need not speak English. In  
11 most hotels, that's no longer the case. Employees need to  
12 have excellent customer-service skills.

13           We also teach, as I said, culinary and  
14 food-service classes, but all of our students get certified  
15 in national food safety certifications, in Tips and Teen,  
16 which is the responsible serving of alcohol. We teach  
17 Micros, which is the point-of-entry system for -- that most  
18 hospitality employers use. Waitresses, waiters today --  
19 when you go into a restaurant, you notice they are holding  
20 a hand-held gadget. We teach that.

21           Our professional-food-server class is very  
22 popular with workers who want to pick up extra shifts doing  
23 banquet work or as an advancement opportunity. Constantina  
24 Cruz began as a room attendant making \$35,000 a year. She



1 instructor as well to demonstrate safety practices, and all  
2 of our programs were developed with our employer partners.

3           So, what is the outcome and return on  
4 investment? One worker who comes to mind that is taking  
5 all the classes at the training center is Olivia Cristobal.  
6 When she first came from Peru, she didn't have enough  
7 English to say, Hold the elevator.

8           She had to use her foot. She's now taken  
9 our English, computers, financial, literacy, and  
10 professional-food-server class. She said her life changed  
11 the day she was able to say, Please wait for me.

12           She's been certified in food safety, CPR,  
13 safe serving of alcohol, and she's moved from prep cook to  
14 a busser position at the Colonnade Hotel. She also bought  
15 a home recently.

16           In three years, we have graduated 118 people  
17 from our room-attendant class. 88 percent were placed in  
18 positions that pay \$17 an hour with full health care  
19 benefits, and our retention rate in the last year is over  
20 90 percent.

21           At one of our recent graduations, we had the  
22 hotel managers in and the union. This manager said, We  
23 want you to succeed. The union wants you to succeed, and  
24 BEST Corp. wants you to succeed.



1           We have employers that come to these  
2 graduations offering people jobs on the spot. Another  
3 recent graduation we had was at the Boston Convention  
4 Center where -- the Convention Center is partner, and they  
5 allowed us to host a graduation there for 40 people, and  
6 Attorney General Martha Coakley came and shared in the  
7 graduation with us as well as Union President Brian Lang  
8 and many hotel employer partners.

9           So, I know a key goal of the Gaming  
10 Commission is to bring good jobs to Massachusetts, and the  
11 opportunity is here. The sectoral model demonstrates  
12 what's possible. Creating and maintaining good jobs at  
13 every level is a pathway out of poverty, and I hope that  
14 that is what you consider when you create these jobs.  
15 Thank you.

16           MR. MARTIN: Laurie Salame teaches in the  
17 Isenberg School of Management at UMass Amherst in the  
18 Department of Tourism and Hospitality Management where she  
19 has been since 2001. Her classes include introduction to  
20 hospitality tourism, hospitality law, gaming and social  
21 policy, and casino operations management.

22           Prior to teaching, Ms. Salame was an  
23 attorney and a community legal aide, formerly Western  
24 Massachusetts Legal Services, where she was a staff

1 attorney, an AmeriCorps domestic violence project attorney,  
2 an equal justice fellow developing a program in doing  
3 economic development work with the low-income community.  
4 I'd like to introduce to you Laurie Salame.

5 DR. SALAME: Well, I feel like today is an  
6 Olympic race. It's a relay race and I'm a closer. Like  
7 every closer, I've got to be fast, and I want to bring home  
8 the gold medal for everybody in Massachusetts because we  
9 are all going to be a winner in this, you know, endeavor  
10 that we are doing, and I want to start winning by pressing  
11 the right button with this. Nope. Nope. Okay. Which one  
12 is it? To the right. Okay. Got it. All right.

13 So, let me just start by telling you who we  
14 are, and I am here representing the Department of  
15 Hospitality and Tourism Management, which is part of the  
16 Isenberg School of Management housed at the University of  
17 Massachusetts Amherst. We were established in 1938.

18 So, we certainly are one of the oldest  
19 hospitality-and-tourism-management programs in the country.  
20 We are ranked as one of the top programs in the world.  
21 Historically, we are ranked as one of the top ten in the  
22 country. We are very excited. A recent ranking just put  
23 us at number six. We are usually top 20 in the world. So,  
24 even though we have been around a long time, we continue to

1 grow. We continue to change.

2           In 2007, we opened up the Marriott Center  
3 for Hospitality Management, a \$6.2 million food and  
4 beverage teaching and research facility. I think a couple  
5 members of the Commission were there recently for a  
6 training that was put on by the Massachusetts Compulsive  
7 Gambling Commission -- Council, and it's a beautiful  
8 facility.

9           So, we continue to grow. We continue to  
10 expand our program. We are one of only 50 four-year  
11 hospitality-management programs that are accredited by our  
12 accreditation program, ACPHPA, which means that we have to  
13 follow extreme academic rigors in order to make our  
14 accreditation on a regular basis.

15           We have excellent faculty in both the  
16 business area as well as strong academic backgrounds. We  
17 have approximately 6 to 700 students at any given time in  
18 our program.

19           We run a bachelor of science program as well  
20 as a Ph.D. program. Typical areas of concentration for our  
21 students run in casino management, club management, food  
22 and beverage management, lodging management, tourism,  
23 convention and event management. Many of our students do a  
24 dual degree. Most often I see a pairing with accounting or

1 with finance.

2           One really nice thing that we have been  
3 doing for a number of years is you can do our entire  
4 four-year degree BS program on line. We also run a  
5 certificate program on line in two areas. One is in casino  
6 events or casino management, and the other is in events  
7 management, and the on-line programs are great for adult  
8 workers.

9           We get people from all over the world. I  
10 have -- because I teach in the casino-management program, I  
11 had a student who was a pit boss on the Italian Swiss  
12 border. So, you get students from all over the world. I  
13 had a student who was serving in the Allied Armed Forces in  
14 Afghanistan. They bring great perspective, and it gives  
15 them the opportunity, as working professionals, to come  
16 back to school and earn a program -- earn a degree from a  
17 program that is a brick-and-mortar building. So, you get  
18 the same faculty that you have at UMass Amherst, the same  
19 courses that you would have at UMass Amherst. You can  
20 typically do the certificate program in one year as opposed  
21 to going through a four-year program.

22           We also have international associations with  
23 programs in Switzerland, Scotland, Ireland, Australia, and  
24 England. One thing about our casino program, usually the

1 class sizes for our on-campus program is maybe 25 to 30  
2 students. This last semester in the spring, we had 65 to  
3 70 students in each of those classes. So, we are expecting  
4 to see that demand continue in Massachusetts with the  
5 passage of the casino bill. So, that's a little something  
6 about who we are.

7           Let me tell you a little something about our  
8 alumni, what they do. We have over 6,500 alumni right here  
9 in New England, about 15,000 worldwide. Every year, UMass  
10 does a survey of all graduating seniors. We don't have the  
11 2012 results yet, but the 2011 results have a 96 percent  
12 placement rate for our alums. So, they are highly sought  
13 after.

14           We run a big career day. It's completely  
15 run by our students. This year we had 53 recruiters there,  
16 and in 2011, we had 48 recruiters. So, we are actually  
17 expecting a larger placement rate than 96 percent.

18           Our program is preparing managers and  
19 leaders for career opportunities in the areas of hotel  
20 restaurant management, resort and club operations, casino  
21 management, tourism planning, development, accounting and  
22 finance, human resources, sales and marketing, event  
23 planning, and more.

24           Pretty much if you look around at any

1 hospitality company you can think of, you can find one of  
2 our alum. They are very active in the industry. They are  
3 very active with us. We have a very large advisory board.  
4 They pay money to be on that board. They come. They meet  
5 with us. They mentor our students. We really work really  
6 close with industry. We maintain a lot of connections, and  
7 certainly the electronic and social networking has helped  
8 with that.

9           We haven't had a lot of success getting the  
10 casino industry as part of our members and having them come  
11 to our career day. I personally reached out to them many,  
12 many times. I have great success with having them come to  
13 my class as a guest speaker. Our neighbors to the south  
14 have not come to our career today. One time they  
15 registered. Three days before the event they cancelled.  
16 Now, that was in 2008. It was a tough year. So, I can  
17 understand that.

18           Now, this year, the day before the event, we  
19 did have a casino company who called us and said, Hey. We  
20 just happen to be in town. We heard about your event.

21           We were full. We literally put them in the  
22 hallway. They took it. They were happy. We put a table  
23 in the hall, and they got -- you know, they got some hits.  
24 I don't know. I'm hoping that, you know, as we continue to

1 grow this industry in this state that we will have more  
2 interest there, but certainly we have leaders all over the  
3 world. That's one of our properties from one of our alums  
4 at the Boston Harbor Hotel.

5           In terms of our work with students in terms  
6 of the community colleges, we have articulated agreements  
7 with five community colleges right now where the students  
8 are automatically enrolled in our program upon graduation  
9 from the community college and it's really nice. We are  
10 very eager and willing to expand that program -- oops.  
11 Sorry. That went a little fast.

12           But basically, when you look at the  
13 community college focusing very much on technical skills  
14 for some of those kind of middle jobs that we are talking  
15 about and then the students can then take that degree and  
16 come to us, or what we see happen a lot is they take that  
17 degree and they go to the workforce. Let's say they go to  
18 the casino. Once they are in the casino, then they can  
19 come back to school.

20           So, they can come back to school part time  
21 with us, or they can take their on-line-course program or  
22 maybe they, you know, decide to leave the workforce for  
23 some period of time and come back to school, but some of  
24 the best students I have have come from the community

1 college and many of them enter our Commonwealth Honors  
2 Program.

3           And I want to kind of mirror what Marie said  
4 because a lot of our students work. In fact, almost all of  
5 my students work. I serve on the scholarship committee.  
6 So, I read these applications. I cannot tell you how many  
7 of my students are self-supporting. They need jobs to pay  
8 a living wage. So, to the extent that we have every job in  
9 these places paying living wages, it helps everybody in the  
10 long run.

11           So, we have people who are kind of coming in  
12 and searching for all kinds of jobs, but certainly we are  
13 graduating about 200 people, plus or minus, a year, and  
14 they're looking for internships while they're in school.  
15 They are looking for mentoring -- either formal or informal  
16 mentoring programs. They are looking for jobs while  
17 they're in school. Some of them don't have to work but  
18 most of them do have to work, and they are within commuting  
19 of a western Mass. casino, and then they are looking for  
20 jobs when they graduate. You know, good, entry-level  
21 supervisory management jobs.

22           In terms of our work with the industry, I  
23 think we have some language in the bill that actually  
24 requires the applicants to address certain aspects of



1 workforce development. I didn't pick out everything but  
2 some of the things that are particularly good.

3           The applicant should address how they're  
4 going to utilize the existing workforce. So, that kind of  
5 is an invitation to say that you should know what your  
6 existing workforce is for this state; that it encourages  
7 the types of partnerships that we have been talking about.

8           How are you going to hire from the  
9 unemployed that encourages them to work with the  
10 organizations that are working with unemployed people?  
11 What are the methods for accessing employment? That  
12 45-minute application on line could be a huge barrier for  
13 some of the people that we work with, and maybe that's my  
14 legal services hat coming on.

15           The human resources departments are supposed  
16 to have hiring and training practices for developing career  
17 advancement and promotion from within. They want to see  
18 people have the ability for increased responsibility and  
19 pay grade. So, some really great language in there that  
20 says, Tell me, applicant. What are you going to have for  
21 resources for tuition reimbursement?

22           Hello. I like that one. On-site day care?  
23 What are you going to have available for people so they can  
24 take advantage of those things?

1           So, there's some language in there that  
2 gives us some real opportunities. Affirmative action,  
3 workforce-development programs. All that stuff the  
4 applicant should be looking at at that time. So, it gives  
5 us lots of opportunities to create partnerships and that's  
6 kind of what we have been talking about all along, and  
7 certainly the legislature anticipated that.

8           I think that the industry is very, very good  
9 at training dealers. They're a numbers game. That's what  
10 they're about. That's really all they care about. The  
11 rest is the frosting on the cake. It's about cake. That's  
12 what holds everything up, and I think we are kidding  
13 ourselves if we don't admit that.

14           They are very good at training that, but if  
15 you want to take somebody who is a dealer and promote them  
16 into another type of job, they need to also have management  
17 skills, and I think that's where a program like UMass comes  
18 in. If you want to take people who have some of the other  
19 middle jobs and move them into management jobs that have  
20 higher pay and higher progression, then employees are going  
21 to have to get the management training.

22           That's where we are very helpful. So, they  
23 can come to us. We could actually come in and do intense  
24 training programs on site with the casinos. So, maybe what

1 the casinos do is every year they identify a group 20  
2 rising stars within the casino.

3           These are people who we want to groom this  
4 year, and so once a month, you're going to come in, UMass,  
5 and you're going to do an intensive every Thursday -- every  
6 third Thursday, you're going to come in for three hours and  
7 do an intensive. Here's their workbook.

8           At the end of the year, they are going to  
9 get a certificate, and they are going to move into  
10 supervisory jobs from a housekeeping job or from a dealer's  
11 job or something like that. So, there's opportunities to  
12 do that.

13           We also -- because we already have an  
14 on-line program, we could do this all on line. It's very  
15 easy for us to customize that. We can change the content.  
16 We can change the length of time. We can completely change  
17 that, and we could do it for all of the casinos. None of  
18 this has to be proprietary for one or for the other because  
19 we are talking about skills that are going to enhance  
20 customer service or enhance the management skills for the  
21 whole workforce team.

22           We have a gentleman from Mohegan Sun, who  
23 was kind of an entry-level supervisor, and he went through  
24 our certificate program and said, This program is

1 fantastic. Every single manager here should go through it.  
2 I want you to meet our HR guy, totally get this going.

3 Sure. We'd love to. Are you kidding?  
4 Absolutely.

5 Well, that happened in 2008. It was a big  
6 year for us, and unfortunately, you know, that wasn't a  
7 time for them to be thinking about spending money on career  
8 development, and so it didn't really proceed but we were  
9 ready to do it. I think the opportunities are there, and  
10 certainly we have the ability to do those types of things.

11 So, I really would like to see each licensee  
12 have either internal or outsourced management training,  
13 executive-development programs with two facets. One is  
14 identifying an in-house talent pool, and the other is  
15 having a program for recent college graduates where they're  
16 actually -- they are moving them into management, and when  
17 times are tough, sometimes that's a program that gets cut.  
18 So, I don't want to see that get cut. So, I think that's  
19 kind of an important thing.

20 And I'd like to see them working with UMass.  
21 There are some really great examples out there, UNLV,  
22 University of New Orleans. They work very closely with the  
23 casinos, and, you know, the industry actually funds  
24 significant funding to higher ed. in the states where they

1 are because they realize that they are going to get a  
2 really high-quality worker that enhances their product and  
3 brings them more money.

4           It's the next generation, if you will, of  
5 employees that feeds their, you know -- their production  
6 and they know it. So, it's to their advantage, and it's  
7 good PR as well to say they are giving money to UNLV.

8           So, I mean I would hope that part of the  
9 application process would show Memorandum of Understanding  
10 with the community colleges, with UMass, and things like  
11 that that, you know, says, This applicant understands what  
12 an asset they have in the state as far as education is  
13 concerned.

14           And just as kind of an aside, 70 percent of  
15 the students in our program at HTM come from Massachusetts,  
16 and you know, when I graduated from UNLV, we all wanted to  
17 travel. I mean in 11 years, I lived in six states and I  
18 was glad to do it, but most of our students -- they want to  
19 stay in Massachusetts, and I have students saying now, I'm  
20 going to go work for a casino company so that when they  
21 open up in four or five years, I can come back home.

22           So, I mean most of the students want to stay  
23 here. So, we have students who are from here. They want  
24 to stay here. It's a talent pool that, you know -- it's

1 our sons. It's our daughters. It's our assets, and it  
2 would be nice to have them stay here.

3 Just some closing thoughts. We have the  
4 resources in the state now to build the casino industry.  
5 We just need to kind of get a commitment on the part of the  
6 industry to hire local. Like you see those bumper stickers  
7 all the time, Buy local.

8 Hire local. Really. Hire local. You don't  
9 need to go outside of the state, and I think that the  
10 Commission actually has the ability to encourage that.

11 In Connecticut, as other people have  
12 mentioned, we did see people come from out of state, and  
13 there's a lot of problems that go along with that,  
14 substandard housing, educational drains, and things like  
15 that.

16 The flipside of that that we talked about is  
17 that cannibalization. Suddenly, the jobs get posted, and  
18 everybody moves to take those jobs and leaves local  
19 employers kind of screwed. So, we want to kind of avoid  
20 that, too.

21 So, by thinking strategically ahead of time,  
22 which is what we have been talking about, long-term  
23 strategic planning, how do we get people ready, move them  
24 into the jobs in a way that's kind of organic and takes

1 shape without kind of putting a burden on anybody, is a win  
2 for everybody, I think, at the table.

3 So, I look forward to working with  
4 everybody. Thank you.

5 MR. MARTIN: As you can see, we do have the  
6 training capacity in this region within our  
7 community-college and four-year-college system that is very  
8 adaptable to the needs of the gaming industry. We do have  
9 to address the workforce pipeline as far as career  
10 readiness, as far as preparation and skills gathered to be  
11 able to make sure that we can supply not only the gaming  
12 industry but our existing infrastructure of business and  
13 industry.

14 I do want to apologize, Marie. I was remiss  
15 in not allowing the Commissioners to ask you questions, but  
16 for the sake of time, I figured we could open it up for  
17 more questions at this point. Commissioners.

18 COMMISSIONER STEBBINS: I just have one  
19 question. More of a comment, too. You know, I think it's  
20 pretty evident to Laurie's last point that we certainly  
21 have the training capacity and the assets within the state  
22 to provide an incoming gaming operator with the workforce  
23 that they are going to need and help them really meet their  
24 needs to open on time, and at the same time, you know,

1 training, workforce development, worker recruitment can be  
2 a tremendous expense and trying to dispel that expense as  
3 much as we can is helpful.

4 I had a question in terms of lots of  
5 incentives out there now, work opportunity, tax credits,  
6 benefits for hiring veterans, and maybe that is a question  
7 directed at the REB, but how do all of those incentives  
8 potentially play into workforce development regionally,  
9 statewide per location?

10 You know, the credits are out there. Is the  
11 REB giving thought to try to be a partner and use those for  
12 a gaming operator if they hire from those respective pools  
13 of people?

14 MR. MARTIN: We are looking at the  
15 utilization of work-opportunity tax credit. Not only that  
16 but the workforce-training-fund hiring, incentive training  
17 grants, looking at how we disburse -- our way of funding  
18 youth and adult dislocated workers to make sure we can  
19 complement any existing funds that come through for  
20 training to make sure -- because one of the things we have  
21 to do is be able to sustain this workforce pipeline, not  
22 just create a whole, huge training program that lasts two  
23 years and sort of disappears.

24 So, those types of opportunities will come



1 through as tax credit. Hopefully, the Workforce  
2 Competitiveness Trust Fund gets passed. That's based on  
3 sector initiatives as well. Any of those types of  
4 initiatives -- we would look at that, look at where the  
5 need is, and try to balance the career readiness. A lot of  
6 the programs are geared toward the more marginalized person  
7 we are trying to bring into this program. So, we look at  
8 utilizing those tools to also provide a trained workforce.

9           What's going to happen is there are going to  
10 be -- we are a workforce pipeline. We say from pre-K to  
11 gray. We look at the whole workforce pipeline, but this is  
12 not going to be one contiguous pipeline.

13           There are going to be streams of different  
14 inputs from the college system at different points of  
15 entry, whether they go directly to the community college,  
16 will they go to a four-year college on some kind of  
17 transfer compact, or they have to go through a workforce  
18 readiness training program for career readiness or GED.

19           As we look at those different streams and  
20 try to bring them into the overall contiguous workforce  
21 pipeline, being aware that the workforce is aging out,  
22 being aware that the workforce coming behind them is not as  
23 large. So, we utilize all those tools to make sure that  
24 that does happen.

1           Like Speros said earlier, we already started  
2 the planning for this because I'm looking at all these  
3 occupations and looking at the hope that holds for them and  
4 the competencies.

5           Like I say, the colleges already have the  
6 capacity, but we want to make sure the other components,  
7 the career readiness, the transitional-assistance component  
8 -- all those components are brought in so we don't leave  
9 anybody behind.

10           We have heard a lot of examples of other  
11 casinos that have left a lot of individuals behind who  
12 lived directly in that neighborhood. So, it did not have  
13 the socioeconomic impact that we wanted. We don't want to  
14 do that. So, we are looking at this right now to envision  
15 how we can include individuals and citizens, regardless of  
16 where this ends up, into the mix here. Did that answer  
17 your question?

18           COMMISSIONER STEBBINS: Yes.

19           COMMISSIONER MCHUGH: I had a question as to  
20 -- all these presentations described terrific programs.  
21 Are there lines of demarcation between what they each deal  
22 with, or should there be?

23           MR. MESSNER: Yeah. There is and there  
24 isn't. Certainly, you can distinguish between a

1 certificate program, an associate-degree program, a  
2 baccalaureate, a graduate program, and the like. So, there  
3 are some lines of demarcation.

4           On the other hand, many of us do more than  
5 one of those things and there is overlap and even  
6 competition in some areas, and frankly, one of the reasons  
7 that -- the prime reason that six months ago we went ahead  
8 and said, Hey. We want to take a collaborative approach  
9 toward this, is that we didn't think it was a good use of  
10 any of our resources or of your time and energy to be  
11 dealing with 100 different workforce providers; and that if  
12 we could take a more concentrated, collaborative approach  
13 irrespective of the lines of demarcation or lack of same,  
14 it would be in everybody's best interest, and so one of the  
15 things that then becomes incumbent upon us, the providers,  
16 if you will, is sitting down at a table and our approach  
17 now is to do that on a regional basis, and hash out who is  
18 doing what.

19           You get the sense there's a rich array of  
20 training programs available on all levels and there  
21 certainly are. We simply need to determine how are we  
22 going to approach this challenge so we can maximize our  
23 resources and minimize the competition among us.

24           MR. MARTIN: One of the comments that I've

1 gotten from my colleagues in the eastern part of the state  
2 was, We didn't know you had such a great relationship with  
3 the community-college system on the REBs and how we  
4 interact with our partner REBs in the north and to the  
5 east, and I think that's a benefit to this region that we  
6 can work with the community-college system and  
7 four-year-college system; and yes, there's always going to  
8 be some healthy level of competition, but yet we can  
9 collaborate together and create a synergy if necessary

10 CHAIRMAN CROSBY: This is something that, at  
11 some point, is going to be an issue that we are going to  
12 need some help with. I just throw it out there and you can  
13 speak to it or just be thinking about it.

14 Because of the peculiar nature of this  
15 business, we have to do background checks on all of our  
16 employees. We have a legislative mandate for all of the  
17 gaming commissions. We have to do background checks and  
18 drug testing, and we will probably mandate some pretty high  
19 level of similar scrutiny for the employees of the gaming  
20 facilities.

21 CORI checks, credit checks, drug testing  
22 tends to discriminate against a certain socioeconomic  
23 cohort of people, many of whom are the people most needing  
24 the job training, the help, and the jobs.

1                   So, we have got a problem. You know, how do  
2 we match this important market audience resource with our  
3 job opportunity, and can we? I don't know exactly what the  
4 answer to that is, but it would be a pity if we ended up  
5 having to define out of this upward mobility opportunity a  
6 whole cohort of people who, because of their backgrounds,  
7 can't access.

8                   MR. MESSNER: That's an aspect that we are  
9 well aware of. One of the things that we talked about at  
10 our initial meeting in the western region was, You know,  
11 are there certain of the workforce partners who have a  
12 particular expertise in that area, running CORI checks and  
13 all the rest.

14                   So, we are currently hashing that out among  
15 ourselves. We know full well that that dimension to the  
16 issue along with the need, you know, for a graduate program  
17 or a baccalaureate program -- you're talking two, three,  
18 four, five years necessitates that we are going to have to  
19 take on this challenge right now. You know, even if the  
20 casinos aren't going to be in operation until 2015, 2016,  
21 whatever the date is, we need to start now.

22                   One of the casinos' developers described it  
23 as a funnel. If you've got 10,000 jobs that need to be  
24 filled, we are probably going to have to generate 20 to

1 30,000 initial individuals for those jobs because of that  
2 screening process that needs to be put in place.

3 DR. SALAME: Well, isn't there -- I'm sorry.

4 CHAIRMAN CROSBY: Go ahead.

5 DR. SALAME: Don't we have different  
6 criteria for gaming employees versus non-gaming employees  
7 in terms of the level of scrutiny of the application? So,  
8 maybe that's another way to think about it. In terms of  
9 moving up pay grade, certain areas of the properties may  
10 always be unavailable to certain people, and they should  
11 know that -- that should be -- part of the employee  
12 training program is to educate people to know that, but  
13 with any cash-handling position -- you know, if you wanted  
14 to work in banking, that would probably be the case as  
15 well.

16 MR. MARTIN: Sometimes it all depends on the  
17 level of CORI we are talking about. Felony, how deep into  
18 the credit check do you go. That's where you -- I run a  
19 lot of training programs, and I've lost some students  
20 because of issues, selective service or whatever.

21 So, it depends, you know, what the  
22 particular facility is looking for. Are they looking at  
23 just disincluding someone that has a felony or above? Will  
24 they include certain levels of CORI? One of our partners

1 at the career centers has a level of expertise in that as  
2 well as, you know, dealing with this type of situations as  
3 well as our community-based organizations we work with.

4 CHAIRMAN CROSBY: We haven't obviously  
5 thought this through yet about how we would handle that,  
6 but one thing just occurred to me as you were talking,  
7 Bill, about your program. You know, could there be some  
8 kind of a training/certification process, which, if it were  
9 successfully completed, could neutralize the negative  
10 effect of a credit check problem or a CORI problem?

11 I don't know. I haven't thought about that.  
12 I'm wondering if Atlantic community colleges -- you know,  
13 they must have the same issues. I wonder whether if you  
14 are certified by that curriculum, even if you had a problem  
15 prior to that certification, does that say to the casino  
16 operators in Atlantic City that since you got this  
17 certification, you are okay. Never mind the problem you  
18 used to have.

19 DR. SALAME: Certificate of readiness?

20 CHAIRMAN CROSBY: Pardon?

21 DR. SALAME: Certificate of readiness?

22 CHAIRMAN CROSBY: Something like that.

23 Yeah.

24 MR. MARTIN: At the end of the day, it's

1 going to be whether the casino operator is going to  
2 recognize that. That's really the key. Would they be  
3 willing -- if the individual had a challenge but they went  
4 through a six-month financial, customer service, whatever,  
5 will that organization say that's acceptable to you?  
6 That's the key.

7 COMMISSIONER CAMERON: A point I wanted to  
8 make. It's actually not up to the casino operators. It's  
9 up to us. We will put the licensing standards in place,  
10 and I'm not aware of any program where significant issues  
11 in licensing can be overcome by independent training. Just  
12 not willing to take those -- to take those risks when it  
13 comes to licenses.

14 MR. MARTIN: I guess it depends on the level  
15 of the position, too. Obviously, if you're a  
16 financial-services manager, operating can insist that you  
17 cannot accept felonies because of that.

18 COMMISSIONER CAMERON: There are several  
19 levels of background investigations, but even the  
20 lower-level investigations are significant when it comes to  
21 those kinds of issues.

22 MR. MARTIN: So, if we look at -- all of our  
23 organizations always look at career track, not just placing  
24 individuals in jobs. So, if we look at different levels of



1 career track, maybe there's an opportunity at the lower,  
2 entry-level positions that would not be as acute, and as  
3 you work your way up, through professional development,  
4 take this particular course that was designed for a  
5 four-year or community college, maybe that's your point of  
6 entry because you already proved yourself as a good  
7 employee. So, that might be an approach to it as well.

8           COMMISSIONER MCHUGH: However we sell it --  
9 I mean however we approach it, I echo the Chairman's  
10 thought and Commissioner Cameron's thought that,  
11 particularly on the credit -- I mean we are in a time of  
12 enormous economic reversal when a lot of people have gotten  
13 into credit trouble. Now the jobs have come to potentially  
14 get them out of the problems.

15           If they are going to be disqualified because  
16 they had problems, we are really not going to make this  
17 thing work the way it should. So, somehow we've got to  
18 come to grips with that, and that starts perhaps with the  
19 training and screening.

20           MR. MARTIN: But as Commissioner Cameron  
21 mentioned, if we're setting policies and procedures, it's  
22 going to be very helpful in addressing that situation as  
23 long as it's equitable for the trainees as well the  
24 organization that's looking to place roots here.

1                   COMMISSIONER MCHUGH: We've got to work  
2 together to figure out how to address that.

3                   MR. MARTIN: I think so. Are there any more  
4 questions? Mr. Crosby, how would you like to proceed?  
5 Open dialogue?

6                   CHAIRMAN CROSBY: No. I think we're done,  
7 and I'm just reminded by Commissioner Stebbins that my job  
8 was to wrap up.

9                   I just want to thank you all and your  
10 predecessor panels. This has been great stuff. As usual,  
11 I'm walking away with page after page of notes.

12                   Some of the ideas that came out, this issue  
13 about the host and surrounding communities, really  
14 negotiating quickly up front for mitigation monies so they  
15 are not just laying back waiting for our monies, talking  
16 about using the RPAs, talking about putting time frames in  
17 the community-mitigation agreements so that we can reopen  
18 the window and renegotiate -- I mean there's a whole host  
19 of really interesting ideas that have come out of this, and  
20 it is a tremendous resource for us in the Commission as we  
21 will get to the next phase of writing the regs that are  
22 site specific that will really have to do with the  
23 particular proposals, and we're going to need a vast amount  
24 of help from folks like all these panels to help us figure

1 out what do we put in these regs. What are the gaming  
2 criteria, and this kind of forum has been tremendously  
3 helpful.

4 So, to all of you, I say thank you very  
5 much. To those of you in the audience behind me, I'm sorry  
6 I've had my back to you all day long, but thank you very  
7 much for coming.

8 We now, I think, will actually switch to an  
9 actual meeting of the Commission in order that we can  
10 deliberate together a little bit about some of the things  
11 you all have talked about. So, we'll take a quick break  
12 and then we'll come up front and begin a meeting. Thank  
13 you, again, very much.

14 (Meeting adjourned at 5:20 p.m.)  
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1 Commonwealth of Massachusetts

2 County of Worcester

3 C E R T I F I C A T E

4 I, Elizabeth O. Bailey, CSR and Notary Public in the  
5 Commonwealth of Massachusetts (my commission expires  
6 3/11/16), do hereby certify that the foregoing record is a  
7 true and accurate transcript of my stenographic notes taken  
8 on August 8, 2012, at the Educational Forum on Casino  
9 Gaming sponsored by the Massachusetts Gaming Commission;  
10 and that the transcript was prepared in compliance with the  
11 Administrative Office of the Trial Court Directive on  
12 Transcript Format.

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17 Elizabeth O. Bailey, CSR

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21 //Elizabeth Tice//

22 Elizabeth Tice, President, OfficeSolutionsPlusLLC

23 My commission expires: August 26, 2016

24