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## Subcommittee on Community Mitigation Meeting Minutes

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**Date/Time:** October 2, 2019 @ 11:00 a.m.

**Place:** Massachusetts Gaming Commission

**Members Present:**

Bruce Stebbins	Carmina Fernandes
Sean Cronin	Haskell Kennedy
Eric Demas	John Robertson
Ron Hogan	Patricia Gentile

**Attendees:**

Catherine Rollins	Joe Delaney
John Ziemba	Mary Thurlow

### Call to Order

Commissioner Stebbins called the meeting to order. He then introduced Patricia Gentile, a new member of the Subcommittee with professional experience in community mitigation related to gaming, appointed by Governor Baker. Commissioner Stebbins welcomed her to the subcommittee and summarized her professional background. The committee members then introduced themselves.

Commissioner Stebbins stated that this is a turning point meeting, as the casinos have moved past the construction stage and are now generating money for the Community Mitigation Fund (CMF). He noted that each region would have its unique challenges. He then asked the members to bring any feedback from their communities to the Subcommittee, stating that he wants to ensure the continuation of wise spending of these funds.

### Approval of Minutes from the November 26, 2018 Meeting

Mr. Robertson moved to approve the minutes from the November 26, 2018 Subcommittee Meeting, subject to correction for typographical errors and other nonmaterial matters. The motion was seconded.

The motion passed, with Ms. Gentile abstaining.

### Update on Project Monitoring Research

Joe Delaney, Construction Project Oversight Manager. He updated the members regarding the traffic monitoring requirement during construction. . He noted that there were several requirements placed on licensees to monitor traffic. Encore Boston Harbor was required to hire a designated transportation coordinator. Encore hired an independent organization called STV Inc. STV performed baseline traffic counts just before the casino opened. Encore is

required to conduct traffic studies twice a year to determine whether or not the estimates that were made were accurate. They will start this work in December.

MGM has similar requirements, with one difference being that in western Massachusetts, the surrounding community agreements have a baseline, a one year, and five year lookback studies. The lookback studies will include an analysis of other areas of impact in addition to traffic.

Ms. Gentile asked if there are any surveys regarding the impact on residents. Mr. Delaney stated that there are not. However, Commissioner Stebbins stated that Springfield has set up a committee that met last week for the first time that is designed to address potential economic growth in the area.

Next, Ms. Gentile asked what kind of environment is being created for residents. The Ombudsman stated that the objective is to have more market-rate housing, restaurants, and retail areas. He briefed Ms. Gentile on the 31 Elm Street project in Springfield.

Last week the Commission received the real estate report from MGM Springfield. Mr. Ziemba reported that there had not been many concerns from a public safety perspective, as there has not been much activity outside the casino. The MGM Springfield 4-month report is now on the Commission's website for reference.

A baseline analysis report of crime statistics, calls for service, and collision data in the communities near Encore will be presented at the November 7<sup>th</sup> Commission meeting. There will also be an analysis report of changes in police data following eight months of operation at MGM Springfield. Plainridge Park Casino (PPC) analysis reports will show social and economic impacts and changes in police data following four years of operation. Mr. Ziemba will provide a copy of these reports to the subcommittee members.

He stated that the total of impacts to the region have yet to be determined, regarding MGM Springfield. The same timetable to be expected for impact results from MGM is also anticipated for Encore. Reports should be forthcoming from Encore by July or August of 2020.

Commissioner Stebbins stated that Springfield saw an uptick in real estate sales of multi-family properties. He also commented that there has been significant participation from local chiefs of police, providing data for analysis of incidents of crime in the area. He concluded by stating that he anticipates more calls for service as the population increases.

Mr. Ziemba directed Subcommittee members to [massgaming.com's Research Agenda section](https://www.massgaming.com/research-agenda) to view all reports. He added that the section provides a narrative that details what to expect for future research.

### **Discussion of 2020 Community Mitigation Fund Policy Questions**

Ombudsman Ziemba reviewed a schedule of policy questions with the committee. He explained that this is the beginning of the process, and described the process with regional meetings. The Commission initially reviewed the policy questions at last week's Commission meeting. There

will be a further review next week at the Commission meeting on October 10, and again at the October 24 Commission meeting with the discussion draft of the Guidelines. The Guidelines will then be posted for public comment. The Commission will try to convene again to review the Guidelines again at the beginning of December, per the schedule.

Next, Mr. Ziemba introduced a draft of questions with the Subcommittee. The first question raised for 2020 is whether the Commission should place an overall limit on grants. Because MGM Springfield opened on August 24, 2018, and Encore Boston Harbor opened on June 23, 2019, the CMF will have significant additional funding in the near term. In the 2019 CMF Guidelines, the Commission determined that revenues generated by the facility in each Category 1 region would be allocated for awards in that gaming region. Two caveats to this determination are that slot-related impacts are to be funded from all regions, and those unused allocations should revert back to the general Community Mitigation Fund after three years.

Ms. Gentile asked for a spreadsheet of the numbers. Mr. Ziemba stated that the history of numbers will be complicated as a tool for predictions, as the fall season is slower. However, he will provide her with a spreadsheet for analysis.

Mr. Robertson asked for clarification on numbers. Mr. Ziemba replied that numbers and information on each fund are located in the [monthly revenue reports on the Commission's website](#). One can multiply the total in collected state taxes by 6.5% to calculate the income going into the fund.

Last year was the first split of funds, per the policy determination to do so. This effort has been successful so far. However, it needs a review annually. The western region did not use the full allocation of funds this past year. The Commission needs to determine what is to remain in the western region for next year.

The Commission determined that funds would remain in a region for three years, and then go back into the general fund to become available for all regions again. A protocol for the calculation of rollover dollars needs to be developed. If there is a greater need in one region and more funds in the other, Mr. Hogan remarked that the funds staying in the region for a full three years enables the region to save up for a sizeable project and is most helpful. Mr. Ziemba described how the calculation is performed currently.

Mr. Delaney commented on a first-in, first-out policy that would continually have a surplus and grow a more abundant supply of funds. He offered to prepare different scenarios for the members to analyze.

There was discussion around multi-year grants. Mr. Ziemba explained that the commitment to a multi-year grant carries significant risk and that the Commission provides a clause that addresses this.

Mr. Cronin voiced his concern regarding municipal general obligation bonds. He stated that one would need the full grant award before the bond authorization can occur, and that is not a possibility, noting the MSBA as an example of this.

Mr. Delaney further explained that there is no guarantee on a multi-year grant, as there is always the risk of a casino's status changing. There would need to be a limit on the funds that can be granted in multi-year funds. Mr. Cronin stated that he could consult with a municipal bond counsel on the matter.

There was discussion around an inter-agency agreement, as well as the need for a comprehensive policy on long-term commitments.

Next, Mr. Ziemba addressed a budget for public safety needs with the Subcommittee. It was clear that the legislature intended the funds to be spent in the communities. The Commission is working this fall to determine what types of limitations are needed.

Ms. Griffin stated that the Commission has encouraged regional collaborations in western Massachusetts, specifically with the Springfield Technical Community College (STCC) and other local colleges. She stated that there are two separate applications from the east.

Next, Ms. Griffin addressed policy question #4 that asks whether the 2020 CMF should continue to help residents of the Springfield or Everett areas obtain their high school and/or work readiness credentials for employment. She stated that there is a need for educational programs, as the licensees have reported work readiness issues of new employees.

Ms. Griffin also stated that the funds were used to mitigate the impacts of Encore poaching employees from MGM Springfield. Commissioner Stebbins noted that the new employee survey from MGM Springfield will provide valuable information on this. Ms. Gentile asked for metrics to provide input and offered that the department of labor should have some real-time data.

### **Review of 2019 Community Mitigation Fund Awards**

The Ombudsman provided the committee with an overview of the grant recipients in 2019.

### **Next Steps**

The date of the next subcommittee meeting is November 26, 2019. The meeting time will be determined later. Ombudsman Ziemba will set aside some time to meet with a bond counsel. Mr. Cronin will provide names and numbers to him. Mr. Ziemba asked the members to craft letters in support of the bill clarifying municipal and regional planning agency conflict of interest and responsibility to be passed in the Legislature that ultimately amends the gaming law.

12:34 p.m. *Commissioner Stebbins made a motion to adjourn. The motion was seconded. The motion passed unanimously.*

/s/ Shara N. Bedard  
Secretary

**List of Documents and Other Items Used**

1. Notice of Meeting and Agenda dated September 27, 2019
2. Draft Meeting Minutes dated November 26, 2018
3. 2019 Community Mitigation Fund Awards
4. 2019 Community Mitigation Fund Guidelines
5. 2020 Policy Questions for the Community Mitigation Fund