

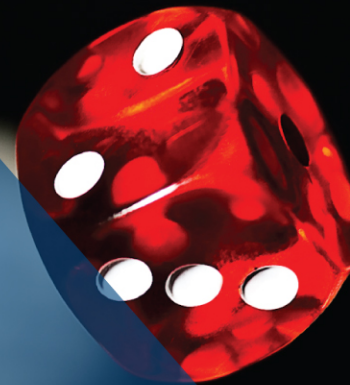


OVERVIEW

PRESENTATION

CATEGORY 1 – REGION A RESORT CASINO

SEPTEMBER 9, 2014



INTRODUCTION

In order to assess the questions in the “Overview of Project” section of the RFA-2 Application for MGM Springfield in Region B, Chairman Crosby convened a diverse group of advisors to help him review and evaluate the proposals. The Advisory Group consisted of:

- Theresa Cheong, Senior Development Coordinator, Asian American Civic Association
- Philip Clay, Professor of City Planning, and former Provost, Massachusetts Institute of Technology
- Elizabeth Devlin, Founder & Digital Curator, FLUX Boston
- Ruth Ellen Fitch, former corporate attorney and President, Dimock Community Health Center
- John Harthorne, Founder & CEO, MassChallenge, Inc.
- Ira Jackson, Dean, McCormack Graduate School, University of Massachusetts Boston
- John Mullin, Professor of Regional Planning, UMass Amherst
- Lily Mendez-Morgan, Chief Operating Officer, Massachusetts Red Cross
- Joseph Thompson, Director, Mass Museum of Contemporary Art



PROCESS SUMMARY

That group reviewed simultaneously the applications submitted by MGM, Mohegan Sun and Wynn. Chairman Crosby then prepared and presented a report on MGM's response to the questions in Category 1 during the MGM evaluation hearings. Later Chairman Crosby recused himself from the Category 1 licensing proceedings in Region A. Accordingly, evaluation of the Region A, Category 1 questions was divided among the four other Commissioners in the following fashion: Commissioner Cameron evaluated questions 1 & 9, Commissioner McHugh evaluated questions 2 & 3, Commissioner Stebbins evaluated questions 5, 7 & 8, and Commissioner Zuniga evaluated questions 4 & 6. In the course of their evaluations, each of the Commissioners met separately with the group Chairman Crosby had assembled, though several members of that group were unable to attend the meetings. Each Commissioner also had access to meeting notes compiled by the staff of Pinck & Co. that summarized the group's discussion of the questions for which that Commissioner was responsible. All references to Chairman Crosby or his views were deleted from those notes before the Commissioners saw them. The resulting evaluations, which are set forth below, reflect solely the judgment of the Commissioner responsible for making the evaluation, though all of the Commissioners are grateful for the thoughts and insights members of the advisory group provided. The Commissioners have not discussed their evaluations with each other and will determine the overall rating for Category 1 during the public sessions of the licensing proceeding.



RATING SYSTEM



Insufficient – Response failed to present a clear plan to address the topic, or failed to meet the minimum acceptable criteria of the Commission



Sufficient – Response provided was comprehensible and met the minimum acceptable criteria of the Commission; and/or provided the required or requested information



Very Good – Response was comprehensive, demonstrates credible experience and plans, and/or excels in some areas



Outstanding/Excellent – Response was of uniformly high quality, and demonstrates convincing experience, creative thinking, innovative plans and a substantially unique approach



COMMISSIONER CAMERON: QUESTION 1

Massachusetts Brand: How does the project you propose manifest an appreciation for and collaboration with the existing Massachusetts “brand,” i.e., our intellectual/knowledge economy; our biomedical, life sciences, educational and financial services economic driver; and our long history of innovation and economic regeneration over the 400 years of our existence?

Mohegan Sun | Revere

Sufficient/Very Good

Mohegan Sun’s tribal culture and traditional approach to develop a facility that is compatible with the regional community is consistent with New England’s reserved cultural history. Their culture and history have provided them with a deep understanding and knowledge of the region. This integration with community has influenced both their design features and their outreach efforts. They have committed to the renewal of local historic institutions such as Suffolk’s Downs and Revere Beach. Mohegan Sun’s marketing approach reflects their emphasis on attracting a great percentage of customers from the New England region.

Wynn | Everett

Sufficient/Very Good

Wynn proposes to add destination entertainment to the multifaceted Massachusetts Brand. Wynn has committed to the restoration of a contaminated site and to renewing the connection of an under utilized industrial waterfront to public access. This approach aligns with Massachusetts’ recent emphasis on recapturing the economic and recreational value of its historic harbor sites. Wynn’s marketing strategy to attract a greater percentage of international visitors to their facility is consistent with their worldwide reputation.



COMMISSIONER MCHUGH: QUESTION 2

Destination Resort: Some visionaries in the gaming business describe an evolution of gaming facilities from “convenience casinos” to “destination resorts” to “city integrated resorts.” Explain what, if any, meaning “city integrated resorts” has to you, and how you anticipate following its principles, if in fact you subscribe to them. Additionally, please explain how the project you propose embraces the Legislature’s mandate to present “destination resort casinos” rather than “convenience casinos”?

Mohegan Sun | Revere

Sufficient

Mohegan Sun’s approach to a destination resort rests on the concept of a “city-integrated” resort, i.e., a facility that encourages a traveler experience that is fully integrated with the surrounding city. Modeled on the Harrah’s casino at the foot of Canal Street in downtown New Orleans, the approach emphasizes relationships with local restaurants, shops and other business to draw travelers to the facility and then connect them with the surroundings. Mohegan Sun has energetically pursued the relationships with local businesses that are key ingredients of its plan, though it is somewhat unclear how it intends to ensure that it will be the destination rather than another feature of a greater Boston destination that already exists

Wynn | Everett

Outstanding

Wynn’s approach to the concept of a destination resort clearly focuses on a marketing plan designed to attract travelers from distant locations, principally those in Asia, and bring them to the facility for an extended stay. The plan is comprehensive and well integrated into the application’s overall concept. The three principal components of that plan utilize Boston’s world-wide reputation as a destination City, luxurious accommodations designed to attract travelers and the Wynn brand which is known for the luxury the local facility embodies.

COMMISSIONER MCHUGH: QUESTION 3

Outward Looking: How do you propose to merge the creation of a destination resort casino or slots parlor with the concept of creating an outward looking physical structure; that is, an establishment that relates to and is integrated with the host and surrounding communities, leverages Massachusetts' existing assets, and enhances and coordinates with Massachusetts' existing tourism and other leisure venues?

Mohegan Sun | Revere

Very Good

Mohegan Sun's approach to the outward look centers on the casino's relationships with existing businesses and attractions rather than a physical connection to the surrounding area. Indeed, in deference to the partially residential neighborhoods for which it is planned, the facility and its various components are accessible at only two points in addition to the garage areas. That said, Mohegan Sun has been aggressive in its efforts to connect with local businesses and attractions and those connections, if maintained, will facilitate an outward flow by casino patrons.

Wynn | Everett

Very Good

Wynn's approach to the outward look has three main components. The first is the multiple entry points to the shops, restaurants and other attractions in the arcade. Second is the outdoor space that will be landscaped in a fashion designed to attract walkers, picnickers and others, at least in fair weather, and facilitate access to an extended harbor walk. Third is use of water-borne transportation to connect the facility to downtown Boston and the airport that holds the promise of greater expansion as time progresses.



COMMISSIONER ZUNIGA: QUESTION 4

Competitive Environment: Describe the competitive environment in which you anticipate operating over the next 10 years and how you plan to succeed in that environment without taking revenues away from other Massachusetts gaming establishments, race tracks or businesses.

Mohegan Sun | Revere

Sufficient

This proposal can be summarized as a regional casino that targets and attempts to capitalize on customers and players closest to the facility.

MSM and Brigade have entered into a marketing restriction agreement that lacks some clarity around its implementation. The restriction, places a limit on the marketing to individuals within specified MA zip codes from other Mohegan properties, but does not preclude such marketing. That threshold (limit) is set by the facility in MA. The practical application of this agreement is not well articulated. This restriction in conjunction with other elements of the financial, marketing and operations plans (slots product mix, pre-opening expenses, etc.) imply that the primary focus of this operation will be on nearby and existing players.

The applicant asserts that the possible introduction of gaming in New Hampshire would represent a significant downturn for the operation, but appears to have failed to reflect it in their financials.

Wynn | Everett

Very Good/Outstanding

While this proposal partially capitalizes on the proximity to the nearby population, the applicant heavily focuses on attracting high-end play as well as the player from outside of the defined regional market area. The track record of the applicant and their marketing and operations plans support their projections.

The applicant's marketing and business plan emphasizes differentiation and segmentation (which complements prior decisions made by the MGC, and positions the state to be competitive in the Northeast). The applicant is very familiar with this approach in highly competitive environments (Las Vegas, Macau), and intends to replicate that model in what is becoming a competitive regional market in the Northeast US. With this proposal the Commonwealth would be in a better position to capitalize on attracting players from outside of New England, and thus realizing a higher economic development for the State.

Further, Wynn's financials include margins that would allow the applicant enough flexibility to respond to changing conditions in a competitive environment.



COMMISSIONER STEBBINS: QUESTION 5

Meeting Unmet Needs: How do you propose to work with affiliated attractions and amenities to broaden the market base of the gaming facility and to meet unmet needs in our array of entertainment, education and leisure resources?

Mohegan Sun | Revere

Sufficient

MSM proposes to work with area attractions and entertainment venues to broaden, not compete with, existing product offering. An entertainment services agreement has been signed with CitiCenter to promote entertainment events as well as the intention of entering into partnership agreements with other area entertainment venues.

MSM proposes to include a 38,000 multi-use space in the resort that can be programmed for convention, trade show and/or entertainment events. A marketing relationship will be sought with Massachusetts Convention Center Authority (MCCA) to promote convention and meeting activity.

MSM intends to build a collaborative marketing initiative—similar to the “Mystic Country” program developed by MSM in conjunction with local attractions and tourism agencies in Connecticut—to create awareness of and increase the tourism draw of the Revere/Boston area. Revere Beach will be featured as a regional destination through transportation and marketing support. Further, MSM intends to draw visitors to the region and encourage them to explore Revere and other communities and amenities along the North Shore including Salem, Rockport, Gloucester and Lynn.

Wynn | Everett

Very Good

Wynn is proposing to add a luxury-oriented destination resort as a complementary offering to Boston’s and Massachusetts’ existing tourism offering. Wynn sees an opportunity to increase visitor spending on entertainment in the Boston area.

Strategic alliances will be sought with TD Bank Garden and Boston Symphony Orchestra (to market new visitor opportunities), with the Boston Harbor Association and Boston Harbor Island Alliance (to provide needed water transportation services) and with an identified long list of target partnerships for sporting events (Red Sox, Bruins, etc) and state and local tourism organizations as part of partnership.

Wynn also plans to create partnerships with cultural, dining, historic and entertainment attractions across the Commonwealth to enhance their customer’s stay and increase local spending.

In addition, Wynn will partner with Bunker Hill Community College to focus on workforce training and their 5-Star level of service training similar to program at Temple University and create career pathways training program for area residents



COMMISSIONER ZUNIGA: QUESTION 6

Collaborative Marketing: How do you intend to market aggressively outside Massachusetts and internationally, perhaps in cooperation with our existing industries and organizations such as MassPort and the Massachusetts Office of Travel and Tourism (“MOTT”), and certainly in collaboration with our existing institutional drivers of economic and international development?

Mohegan Sun | Revere

Sufficient

The applicant anticipates a collaborative marketing approach with state agencies GBCVB (Greater Boston Convention and Visitors Bureau) and MOTT. Further, the applicant emphasizes its proximity to Logan airport and other regional amenities as additional factors that would drive visitors from outside of Massachusetts. This is further complemented with the applicant’s existing database of customers.

However, the marketing plan, operations plan and defined market area demonstrate that the majority of revenues would be generated from the regional market, and specifically from the 1-hr drive to the facility.

Wynn | Everett

Very Good

The applicant relies on 275 marketing employees (based internationally), plus 100 domestic sales and services workforce force (based nationally) to drive business to its property, and thus the region.

The financials and operations plan support the stated objective of aggressively marketing outside of Massachusetts.

Although silent on specific marketing efforts utilizing existing state organizations (i.e., MOTT), Wynn’s target and emphasis on the international traveler and the high end player aligns with the State’s goal of economic development tourism by bringing dollars from outside the market area.



COMMISSIONER STEBBINS: QUESTION 7

Diverse Workforce and Supplier Base: Describe your commitment to a diverse workforce and supplier base, and an inclusive approach to marketing, operations and training practices that will take advantage of the broad range of skills and experiences represented in our Commonwealth's evolving demographic profile. Further, identify and discuss the diversity within the leadership and ownership of the applicant, if any.

Mohegan Sun | Revere

Sufficient

MSM stressed their current status as a minority owned and operated facility and diverse workforce (41%) despite operating in regions that are less diverse than Boston.

They will create a MSM Diversity Plan similar to plan created at other facilities and will organize a Diversity Committee to oversee implementation. Through their HCA and SCA's, MSM plans to focus recruitment and hiring in local area with specific target of Spanish-speaking population.

They will create a plan to recruit diverse suppliers and engage organizations such as Greater New England Minority Supplier Development Council (GNEMSDC), Boston Minority Business Development Center and Corporate Council of Center for Women and Enterprise. They also expressed their support for the UMass Boston Commonwealth Compact.

MSM will create Inclusion Policy stipulating that all contracts over \$100K include a bid from a minority, woman or veteran owned business and develop a Minority Vendor List. The company mentioned their intent to work closely with MGC Director of Workforce Supplier and Diversity Development.

Wynn | Everett

Sufficient

Wynn demonstrates a track record in workforce (the Las Vegas operation comprises 60% diverse employees). Wynn identifies diversity among its workforce and non-discrimination in all hiring practices as a core value. The company's track record of diversity in management/leadership positions was also noted as a perfect score achieved with Human Rights Council's Corporate Equality Index.

In Massachusetts, they plan to create local Recruitment Partners and provide general recruitment materials and targeted marketing campaigns. They also have created detailed Training and Development Practices including: Leadership Training, Skills Training, New-Hire Orientation, Tuition Reimbursement, and Internal Career Counseling.

In addition, Wynn highlighted key diverse management leadership members and how they have supported Citizenship Classes and hosted Citizen Swearing-In event. The company also cited their perfect score with Human Rights Council's Corporate Equality Index.

Finally they pledged to work with Massachusetts Supplier Diversity Office to help existing and newly formed companies compete for work during \$1 billion construction and ongoing \$80 million local operating spend.



COMMISSIONER STEBBINS: QUESTION 8

Broadening the Region's Tourism Appeal: What is your overall perspective and strategy for broadening the appeal of your region and the Commonwealth to travelers inside and outside of Massachusetts?

Mohegan Sun | Revere

Sufficient

MSM will focus on drawing visitors to the region and encouraging them to explore Revere and the historic beach in addition to other communities and amenities along the North Shore including Salem, Rockport, Gloucester and Lynn. To meet this objective, they will focus on their existing database of 5 million members. The company has employed a similar regional strategy in Connecticut and highlighted success of similar efforts in the Philadelphia area.

MSM also identified international and out-of-state visitors as potential patrons of the proposed casino, although MSM appears to place a greater emphasis on regional visitation. More than 95% of projected visitation is generated from within a 120-minute drive of Revere. Despite the significant database, there seemed to be limited focus on the markets of RI, CT and NY.

To help accomplish their goal of increased visitation, MSM will partner with organizations such as Greater Boston Convention and Visitors Bureau (GBCVB) North of Boston CVB and Massachusetts Office of Travel and Tourism (MOTT). MSM also plans to partner with Massachusetts Convention Center Authority (MCCA) to help attract conventions and meetings to Boston.

MSM will use in-room promotions to highlight area attractions, provide a dedicated tab on MSM website and rotate exhibit and promotion of local attractions and businesses throughout MSM property, as well as providing ground shuttle service to area amenities. MSM social media capabilities and on-going direct mail campaigns will further promote the project. MSM will use their Momentum Rewards point program with local businesses to allow members to patronize local businesses.

Wynn | Everett

Very Good/Outstanding

Wynn sees an opportunity to increase current entertainment and recreation spending as a percentage of total visitor expenditures in Massachusetts (6% of \$16.9 billion) by offering a unique entertainment destination. Wynn believes the 6% proportion from entertainment is well below the entertainment contribution identified in other major metropolitan regions in the United States.

Wynn will focus on drawing on an established, existing customer base that comprises higher income earners, who tend to stay longer at Wynn hotels. The Company's national and international (China, HK, Macau, Singapore, Taiwan, Japan, Canada, California) sales and marketing offices will be utilized to draw visitors from outside the region and the country.

Wynn's strategy relies on creating partnerships with cultural, dining, historic and entertainment attraction across the Commonwealth in addition to utilizing TD Bank Garden for their entertainment and with the Boston Pops and BSO to enhance their customer's stay and increase local spending.

Wynn will use their Red Card room key or Wynn App to incentivize visits to other amenities including Museum of Fine Arts, New England Aquarium etc. Wynn's established "Red Card" loyalty program will be used to support international marketing efforts. They also work to create an "In State" marketing program to encourage more residents to spend more recreational dollars in Massachusetts.

Wynn's projected marketing spend supports these marketing initiatives.



COMMISSIONER CAMERON: QUESTION 9

Post Licensing: Describe any post-licensing actions by the Commission or the Commonwealth of Massachusetts that you believe will be essential for the success of the project you are proposing.

Mohegan Sun | Revere

N/A

Wynn | Everett

N/A

The Commission did not evaluate question nine on post-licensing issues. As written, the question created a level of ambiguity on the information sought; thus the responses were not material to the overall evaluation.

OVERVIEW RATING

The Commission will now engage in a rating discussion

Mohegan Sun | Revere

TBD

Wynn | Everett

TBD