



19

COMMUNITY MITIGATION FUND

APPENDIX F

Non-Transportation Planning Application

BD-19-1068-1068C-1068L-33629

Please complete the entire application.

Check if a joint application

	City of Chicopee, MA and City of Springfield, MA
1. NAME OF MUNICIPALITY(IES)/GOVERNMENT ENTITY(IES)/DISTRICT(S)	
2. NAME AND TITLE OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS ON BEHALF OF MUNICIPALITY/GOVERNMENTAL ENTITY (CONTRACT MANAGER)	Richard K. Sullivan, Jr, President of The Economic Development Council of Western Massachusetts
3. LEAD APPLICANT – NAME AND TITLE OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS ON BEHALF OF MUNICIPALITY/GOVERNMENTAL ENTITY (CONTRACT MANAGER)	Richard K Sullivan, Jr, President of The Economic Development Council of Western Massachusetts
4. ADDRESS OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS ON BEHALF OF MUNICIPALITY/ GOVERNMENTAL ENTITY (CONTRACT MANAGER)	1441 Main Street Springfield, MA 01103
5. PHONE # AND EMAIL ADDRESS OF INDIVIDUAL AUTHORIZED TO HANDLE FUNDS ON BEHALF OF MUNICIPALITY/GOVERNMENTAL ENTITY	413-310-6463; r.sullivan@westernmassedc.com
6. NAME AND CONTACT INFORMATION OF JOINT APPLICANTS – MUNICIPALITIES/GOVERNMENTAL ENTITIES/DISTRICTS	
7. NAME AND TITLE OF INDIVIDUAL(S) AUTHORIZED TO COMMIT FUNDS ON BEHALF OF MUNICIPALITY(IES)/GOVERNMENTAL ENTITY(IES)	Brian Connors, Deputy Director of Economic Development, City of Springfield
8. ADDRESS, PHONE # AND EMAIL ADDRESS OF INDIVIDUAL(S) AUTHORIZED TO COMMIT FUNDS ON BEHALF OF MUNICIPALITY(IES)/GOVERNMENTAL ENTITY(IES)	413-787-6664; bconnors@springfieldcityhall.com ; 70 Tapley Street Springfield MA 01104
9. NAME OF GAMING LICENSEE	MGM Springfield

• IMPACT DESCRIPTION

Please describe in detail the related impact that is attributed to the construction or operation of a gaming facility. Please provide support for the determination that the construction or operation of the gaming facility caused, is causing or may cause the impact.

With the recent opening and operation of MGM Springfield, it is imperative that an economic development and housing plan needs focus to ensure the long-term success of Springfield, Chicopee and several other communities in Western MA. Utilizing funds through this grant process and future legislative funding requests, it is a priority that we begin working with local developers, landlords, investors, tenants, etc. to build a solid foundation of partnerships, public stewardships, incentives, regulatory/zoning assistance and impact development projects focused on jobs, housing, tourism, and education, which is currently lacking in the communities.

• PROPOSED USE OF PLANNING FUNDS

a) Please identify the amount of funding requested.

\$50,000.00

b) Please identify below the manner in which the funds are proposed to be used.

Funds will be used to begin implementing recommendations found in the "Reinvesting the Gaming Economic Development Fund, Mass Gaming Commission, January 2018", and the "Implementation Blueprint, An Economic Development Strategy for the Renaissance of a Great American Downtown: Springfield, MA, May 29, 2018.

It is the intent of the City of Chicopee and the City of Springfield, with support of The Economic Development Council of Western Massachusetts (EDC) to engage in conversations with the Massachusetts Legislature for additional funding for the state FY20 budget cycle. We will present a targeted program with a funding request to the legislature for what will be the most impactful and successful initiatives to ensure benefits are felt within the City of Springfield, Chicopee and the region.

c) Please provide documentation (e.g. - invoices, proposals, estimates, etc.) adequate for the Commission to ensure that the funds will be used for the cost of planning to mitigate the impact from the construction or operation of a proposed gaming establishment.

We believe that the estimated cost is \$9,000 per month for a consultant for which we will seek formal proposals for a scope of services.

SCOPE OF SERVICE:

- Complete review and analyses of potential projects as outlined in "Reinvesting the Gaming Economic Development Fund, Mass Gaming Commission, January 2018", and the "Implementation Blueprint, An Economic Development Strategy for the Renaissance of a Great American Downtown: Springfield, MA, May 29, 2018".
- Develop a detailed and comprehensive program and financial request to the Massachusetts Legislature for program funding in FY20 Work with and manage community relations and interaction to begin implementing programs based on expectation of future funding. Meet with various community leaders, developers, investors and property owners to discuss economic development initiatives for Downtown Springfield.
- Meet with various community leaders, developers, investors and property owners to discuss market rate housing initiatives for Springfield.
- Work with the City of Chicopee and Westover Metropolitan Airport to initiate a development program for 24-hour operations to effectively compete with other airports in the region and attract commercial air service.
- Participate in meetings with various boards and officials as necessary to achieve approval of the various tasks for the proposed developments. Provide general and miscellaneous services to Western MA EDC at the executive level, to assist in project approvals and momentum.

In addition to the above the EDC will retain \$1,000 per month for contract management and administrative overhead. Based on an estimated 5 month contract.

d) Please describe how the planning request will address the specific impact indicated. Please attach additional sheets/supplemental materials if necessary.

See attached (A), Reinvesting the Gaming Economic Development Fund, Mass Gaming Commission, January 2018, and attachment (B) Implementation Blueprint, An Economic Development Strategy for the Renaissance of a Great American Downtown: Springfield, MA, May 29, 2018

e) Please describe how the planning request will address the specific impact indicated.

With the grant request award, we will be able to begin implementing some of the recommendations found in the attached documents by putting forth a strategic funding request for the Mass. Legislature in FY20 pursuant to Chapter 29, Section 2Dddd.

In addition, it is our intent to focus on opportunities for the City of Chicopee and its Westover Metropolitan Airport to encourage commercial air service. We will focus our efforts on market rate housing and economic development in Springfield, educational programs throughout the region and commercial development adjacent to MGM Springfield and other sites throughout Springfield's Downtown area.

f) For joint grant requests, please state the amount requested for the joint request. Please also state the amount of any Regional Planning Incentive Award requested and provide separate detail on the use of these additional funds.

\$50,000.00

- CONNECTION TO GAMING FACILITY

Please provide specificity/evidence that the requested funds will be used to address issues or impacts directly related to the gaming facility.

As the economic development leadership entity, The Economic Development Council of Western Massachusetts and its consultants will be focused on addressing short- and long-term issues directly related to the impact of MGM Springfield. They will engage community leaders for input and experience and will implement the opportunities as funding allows. Its focus will be on the most impactful programs such as economic development, tourism, housing and education.

- IMPACT CONTROLS/ADMINISTRATION OF IMPACT FUNDS

Please provide detail regarding the controls that will be used to ensure that funds will only be used in planning to address the specific impact. If non-governmental entities will receive any funds, please describe what reporting will be required and how the applicant will remedy any misuse of funds.

The Western Massachusetts Economic Development Council (EDC) will hold all funds receives in a dedicated line item within the EDC budget. The funds will not be comingled with any other EDC funds. Receipts and disbursements are accounted for on a cash basis and reported to the full EDC Board at every meeting. The EDC shall provide a monthly accounting to each participating municipality. The EDC is audited by an outside, independent professional every year. The procedure will be identical to the accounting procedures used by the EDC in relation to its receipt of funds from the Boston Federal Reserve Bank as part of the Working Cities Challenge Grant.

- CONSULTATION WITH REGIONAL PLANNING AGENCY (RPA)/NEARBY COMMUNITIES

Please provide details about the Applicant's consultation with the Regional Planning Agency serving the community and nearby communities to determine the potential for cooperative regional efforts regarding planning activities.

The Implementation Blueprint utilized the Pioneer Valley Planning Commission during its development and Western MA EDC will continue this relationship as a way to ensure the needs of the region is met.

- MATCHING FUNDS FROM GOVERNMENTAL OR OTHER ENTITY

Please demonstrate that the governmental or other entity will provide significant funding to match or partially match the assistance required from the Community Mitigation Fund. Please provide detail on what your community will contribute to the planning projects such as in-kind services or planning funds.

The City of Springfield and MGM Springfield evenly split the cost of developing the Attached Blueprint. Total cost was \$100,000. The Westover proposal was developed in-house by Michael W. Bolton, President/CEO Westover Metropolitan Airport.

- RELEVANT EXCERPTS FROM HOST OR SURROUNDING COMMUNITY AGREEMENTS AND MASSACHUSETTS ENVIRONMENTAL POLICY ACT (MEPA") DECISION

a) Please describe and include excerpts regarding the impact and potential mitigation from any relevant sections of the community's Host or Surrounding Community Agreement.

The following language is contained in the Springfield/MGM Host Community Agreement at paragraph 4.10 on page 24.

4.10 Land Use Developer and the City agrees to (i) cooperate with each other to rezone the Project Site to take into account all elements of the Project; and (ii) participate in a district redevelopment strategic plan to provide an implementation blueprint to stimulate and direct the broader economic development associated with the Project

b) Where applicable, please also briefly summarize and/or provide page references to the most relevant language included in the most relevant MEPA certificate(s) or comment(s) submitted by the community to MEPA.

N/A

c) Please explain how this impact was either anticipated or not anticipated in that Agreement or such MEPA decision.

N/A

d) If planning funds are sought for mitigation not required under MEPA, please provide justification why funding should be utilized to plan for such mitigation. For example, a community could provide information on the significance of potential impacts if the impact exceeds projected estimates.

N/A

**NO COMMUNITY IS ELIGIBLE FOR MORE THAN ONE
NON-TRANSPORTATION REGIONAL PLANNING INCENTIVE AWARD.**

CERTIFICATION BY MUNICIPALITY/GOVERNMENTAL ENTITY

On behalf of the aforementioned municipality/governmental entity I hereby certify that the funds that are requested in this application will be used solely for the purposes articulated in this Application.



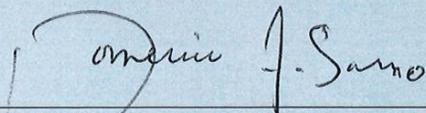
1-31-19

Signature(s) of Responsible Municipal Official(s)/
Governmental Entity(ies)

Date:

CERTIFICATION BY MUNICIPALITY/GOVERNMENTAL ENTITY

On behalf of the aforementioned municipality/governmental entity I hereby certify that the funds that are requested in this application will be used solely for the purposes articulated in this Application.



Jan. 31, 2019 JS

Signature(s) of Responsible Municipal Official(s)/
Governmental Entity(ies)

Date:

THE COMMONWEALTH OF MASSACHUSETTS



Reinvesting the Gaming Economic Development Fund

MASSACHUSETTS GAMING COMMISSION

January 2018

MESSAGE FROM THE MASSACHUSETTS GAMING COMMISSION

The Expanded Gaming Act of 2011 was intended to be an economic development bill that would also recapture gaming dollars being spent outside the Commonwealth. It prioritized job opportunities for Massachusetts residents and its diverse populations, business opportunities for local business and construction work for the building industry.

The Massachusetts Gaming Commission (MGC) is pleased to share this “white paper” with the leadership of the Massachusetts legislature and members of the administration of Governor Charlie Baker. This “white paper” contains proposed strategies for reinvesting a portion of the new tax revenue that is directed into the new “Gaming Economic Development Fund” created under the Gaming Act. This fund is subject to appropriation and is scheduled to become capitalized during Fiscal Year 2019. In this “white paper,” we hope to provide critical information about the source of monies for this fund, expected balances in FY 2019 and succeeding years, practices of other gaming jurisdictions and how they direct tax revenues. We will revisit the priorities of the fund and how we engaged local municipalities and stakeholder organizations to create possible spending strategies and provide recommendations and proposed follow-up and monitoring efforts that we believe will strengthen the future sources of the fund.

We think that through this fund, Massachusetts has a unique and forward-looking opportunity to expand the economic impact of expanded gaming, maintain the new revenue sources we are creating and increase employment opportunities for those who are still seeking work and find entry positions difficult to obtain. This “white paper” is intended to be updated in subsequent fiscal years when the fund is fully capitalized. From our experience and work with the industry, we realize there is a three year period after a casino opening before business begins to stabilize. Reinvesting monies from the Gaming Economic Development Fund in strategies we have identified will also allow the Commonwealth to support this new industry at a time when there is aggressive competition in the Northeast region.

We urge your consideration and support for these strategies and invite you to contact us with your questions or comments.

The Massachusetts Gaming Commission

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EXECUTIVE SUMMARY

MGM Springfield will open their resort facility in September 2018. Upon their opening, taxes on their Gross Gaming Revenue (GGR) will flow into several new funds created through the Expanded Gaming Act passed in 2011. One of these funds is the Gaming Economic Development Fund.

This new fund will be capitalized with 9.5% of the taxes collected from our Category 1 (MGM Springfield and Wynn Boston Harbor) licensees beginning in FY 2019 and continuing in succeeding years. The legislature established critical priorities for this fund's use including:

- workforce training (including transfers to the Workforce Competitiveness Trust Fund);
- tourism promotion, including regional tourism promotion agencies and cultural and recreational attraction promotion;
- summer jobs;
- the Massachusetts marketing partnership;
- higher education scholarships;
- regional economic development initiatives;
- support for small businesses, including small business lending;
- green jobs promotion;
- science, technology, engineering and mathematics career pipeline initiatives; and
- agricultural development programs, including youth agricultural education.

Several of these priorities align with the goals of the gaming statute. The MGC is convinced that strategic investments from the fund could expand the economic impact of casinos. Regional agencies, community colleges and stakeholders were asked to create strategies for funding that would align with the fund's purposes. Those strategies were received and presented to the commission. The commission also reviewed taxes other gaming jurisdictions receive and where those funds are directed.

With public input, the commission reviewed and weighed the potential benefits of these strategies. In this "white paper", the commission is providing recommendations for funding based on our experience working with the industry, interactions with other state agencies, quasi-governmental agencies and key stakeholders. The commission understands that monies from the fund should also be used regions of the state other than those directly impacted by gaming licensees and to support popular economic development programs managed by agencies of the Commonwealth. Where this is only the beginning of the utilization of this fund, the spending we recommend does not utilize the full amount projected for the first year.

Our recommended strategies in this report represent five priorities prescribed for the fund – Workforce Development, Tourism, Cultural Promotion, Support for Small Business and Regional Economic Development Initiatives. The recommendations include:

- **Workforce Development** – Workforce development efforts will be critical to fill our licensees’ pipeline for new workers and create opportunities for Massachusetts residents to backfill positions that become available. Our recommendation is to transfer **\$1,000,000** to the Workforce Competitive Trust Fund managed by Commonwealth Corporation for Adult Basic Education / English Second Language (ESL) programs, ESL contextualized for culinary, hospitality and gaming casino jobs, Workforce Readiness Certificate programs, scholarships for certificate training programs that are not eligible for traditional financial aid programs and connecting activities for unemployed workers and those seeking to obtain basic educational certifications. From that amount we recommend that **\$250,000** of the trust fund be specifically set aside for the TWO Program, Bristol Community College, and MCCTI (Bunker Hill/North Shore/Roxbury), regional employment boards and other experienced workforce providers for critical training programs to help meet the demand in occupations being created by the introduction of gaming. An additional **\$150,000** is recommended for Springfield to leverage their Federal Reserve Bank of Boston Working Cities grant for workforce development.
- **Tourism** – The Category 1 casinos were envisioned as resort destinations that required significant capital expenditure and amenities designed to attract visitors to Massachusetts. Convention and visitor bureaus working with both Category 1 casinos and our Category 2 licensee (Plainridge Park Casino) have differing strategies to draw visitors to their respective regions and help target a casino patron to visit other attractions. The commission recommends that their strategies be funded at **\$650,000**. We also support monies be allocated to the Massachusetts Marketing Partnership to assist with international marketing.
- **Small Business Technical Assistance** – Technical assistance is critical for small businesses to plan for their growth and to position themselves to find commercial lenders to finance their operations. While our licensees prioritize their spending with Massachusetts companies, we know that some will need experienced advice to grow their business. We know that support for these technical assistance programs is in demand across the Commonwealth. We recommend allocating **\$600,000** for Massachusetts Growth Capital Corporation to provide grants and specifically that **\$150,000** is set aside to work with small businesses that have a contract with a casino or are in the process of pursuing a business relationship.
- **Massachusetts Cultural Council** – Connecting the casino patron with the cultural assets of Massachusetts was another priority of the gaming statute. The council has already designated a cultural district in Springfield adjacent to the MGM Springfield site. The commission believes that the MCC could engage and partner with our licensees. An allocation of **\$50,000** to assist with planning efforts could benefit the immediate regions of the casino and the entire Commonwealth.

- **Regional Economic Development Initiatives** – Three other strategies we recommend should also be considered for funding or require additional review. A study (\$410,000) to pursue commercial air service to Chicopee Westover’s Air Reserve Base close to MGM could leverage over \$6 million in additional funding. The commission also recommends support for funding economic development programs managed by Mass Development as a priority. The third strategy involves funding support to expand service hours for the Pioneer Valley Transit Authority (PVTA) to help potential MGM Springfield employees access transportation to work during late night hours. The commission believes additional review of this strategy is required in conjunction with MGM Springfield, the PVTA and city of Springfield.

Of the \$5.7M to \$6.8M projected for the Gaming Economic Development Fund in FY 2019, we recommend that **\$1,650,000** be allocated to support strategies specifically targeted to the areas around our new gaming casinos leaving approximately \$4.2M to \$5.3M to fund the other initiatives or state programs that support economic development across the Commonwealth. The opportunity to expand the impact of gaming can also be achieved through strategic use of these funds across the Commonwealth. We encourage use of the funds for initiatives in Southeastern Massachusetts, which had hoped to benefit from a commercial or tribal casino but the development progress has stalled and remains unclear at this time.

The commission has the resources to monitor the success of each strategy and create regional working teams with our gaming licensees to identify future opportunities for expanding the economic impact of the new gaming facilities. We intend to form regional working teams that will include host and surrounding communities, legislative representation, workforce agencies, tourism boards, regional planning organizations and valued stakeholders.

EXPANDED GAMING ACT OF 2011 / GAMING ECONOMIC DEVELOPMENT FUND / REVENUE

Revenue Distribution

Under the Expanded Gaming Act of 2011 signed into law by former Governor Deval Patrick, new revenues provided by Category 1 licensees and the sole Category 2 licensee were specifically identified and directed toward existing or new state government accounts. The law created a 25% tax on gross gaming revenue (GGR) for Category 1 (The defined resort casinos with a minimum investment of \$500 million/15 year license) and a combined 49% tax rate on GGR for the sole Category 2 licensee (a slots-only gaming facility with a required minimum investment of \$125 million/5 year license).

For Category 1 licensees, as of this date, awarded to Wynn Boston Harbor/Region A and MGM Springfield/Region B), the taxes collected on GGR shall be allocated in the following manner prescribed under section 59:

(2) 100 percent of the revenue received from a category 1 licensee shall be transferred as follows:

(a) 2 percent of revenues to the Massachusetts Cultural Council of which one-quarter of the revenues received shall be dedicated to the organization support program of the Massachusetts Cultural Council and three-quarters of revenues shall be dedicated to supporting not-for-profit and municipally-owned performing arts centers impacted as a result of the operation of gaming facilities; provided, however, that funds dedicated to such performing arts centers shall be to subsidize fees paid to touring shows or artists; and provided further, that funding shall be appropriated through a competitive grant process to be developed and administered by the Massachusetts cultural council;

(b) 1 percent to the Massachusetts Tourism Trust Fund to fund tourist promotion agencies under subsection (b) of section 13T of chapter 23A;

(c) 6.5 percent to the Community Mitigation Fund established in section 61;

(d) 4.5 percent to the Local Capital Projects Fund, established in section 2EEEE of chapter 29;

(e) 20 percent to the Gaming Local Aid Fund, established in section 63;

(f) 10 percent to the Commonwealth Stabilization Fund established in section 2H of chapter 29; provided, however, that in any fiscal year in which the amount appropriated in line-item 7061-0008 of the general appropriation act, paid from the General Fund, or the amount of unrestricted general government aid paid from the General Fund, including lottery aid distribution to cities and towns as paid from the General Fund under clause (c) of the second

paragraph of section 35 of said chapter 10 and the amount of additional funds distributed to cities and towns as additional assistance paid from the General Fund, is less than that of the previous fiscal year, up to 1/2 of the funds otherwise directed to the Commonwealth Stabilization Fund under this section, up to an amount equal to the deficiency between said appropriations for the current and previous fiscal years, shall be transferred to the Gaming Local Aid Fund in addition to the 20 per cent under subclause (e);

(g) 14 percent to the Education Fund established in section 64;

(h) 9.5 percent to the Gaming Economic Development Fund established in section 2DDDD of said chapter 29;

(i) 10 percent shall be used for debt reduction through a program of debt defeasance and accelerated debt payments; provided, however, that this program shall be developed jointly by the state treasurer and the secretary of administration and finance and shall be implemented in compliance with state finance law; provided further, that this program shall prioritize the reduction of risk in the commonwealth's debt portfolio, but may also include payments to decrease the unfunded pension liability of the Pension Reserves Investment Trust Fund; and provided further, that the secretary of administration and finance and the state treasurer shall provide a written description of the program to the finance advisory board established in section 97 of chapter 6 for the board's review and comment before the program is implemented and shall file a copy of that description with the house and senate committees on ways and means and the house and senate committees on bonding, capital expenditures and state assets when it is submitted to the finance advisory board;

(j) 15 percent to the Transportation Infrastructure and Development Fund established in section 62;

(k) 5 percent to the Public Health Trust Fund established in section 58; and

(l) 2.5 percent to the Race Horse Development Fund established in section 60.

Gaming Economic Development Fund Priorities

The newly created Gaming Economic Development Fund was further described in Chapter 194, SECTION 18 with Chapter 29 of the General Laws:

Section 2DDDD. There shall be established and set up on the books of the commonwealth a separate fund to be known as the Gaming Economic Development Fund. The fund shall be credited with revenues transferred to it from the Gaming Revenue Fund established in section 59 of chapter 23K. Amounts credited to the fund shall be expended, subject to appropriation, to support economic development and job growth including, but not limited to:

- (1) workforce training, including transfers to the Workforce Competitiveness Trust Fund established in section 2WWW of chapter 29;
- (2) tourism promotion, including regional tourism promotion agencies and cultural and recreational attraction promotion;
- (3) summer jobs;
- (4) the Massachusetts marketing partnership established in section 13A of chapter 23A; (5) higher education scholarships;
- (6) regional economic development initiatives;
- (7) support for small businesses, including small business lending;
- (8) green jobs promotion;
- (9) science, technology, engineering and mathematics career pipeline initiatives; and (10) agricultural development programs, including youth agricultural education.

Category I Licensee Tax Revenue Projections

According to the Massachusetts Gaming Commission, aggregate state tax revenues from gaming licenses are expected to total approximately \$300 million per year once the facilities are operational. If the combined tax revenue from both the category 1 and 2 casinos is between \$250M and \$300M annually from GGR when both the category 1 and category 2 casinos are operational, it is feasible that in FY19, prior to the full operation of both of the category 1 and 2 casinos, the state could see between approximately \$115M and \$135M in taxes with the Mass Cultural Council getting approximately \$1.2M to \$1.4M, the Tourism Fund getting approximately \$600K to \$700K and the Gaming Economic Development Fund getting approximately \$5.7M to \$6.8M. In FY20, when both the category 1 and category 2 casinos are fully operational taxes could range between approximately \$250M and \$300M with Mass Cultural Council getting approximately \$4.3M to \$5.16M, the Tourism Fund getting approximately \$2.15M to \$2.58M and the Gaming Economic Development Fund getting approximately \$20.4M to \$24.5M.

USE OF TAXES ON COMMERCIAL GAMING OPERATIONS IN OTHER GAMING JURISDICTIONS

Commercial and/or tribal gaming currently exists in 40 of the 50 states. Each jurisdiction has allocated tax revenues in different ways to support different departments and functions of state government. We are providing some specific focus on recent gaming jurisdictions that we closely monitor for their developments and complementary policies and regulations.

State Information:

Connecticut – Revenue derived from the two tribal gaming casinos in Connecticut goes directly into the state’s general fund.

Maryland – The state’s six casinos including the newest – MGM National Harbor – provide gaming tax revenue to the state’s Education Trust Fund.

New Jersey - Gaming tax revenue flows to the state’s general fund for social programs serving the state’s senior citizen population and education. Additional revenue streams (parking, etc) are directed to Atlantic City through the Casino Reinvestment Development Authority.

Ohio – Similar to Massachusetts, gaming tax revenue from Ohio’s casinos and racinos flows into several prescribed funds including the Host City Fund, Student Fund, County Fund, Casino Control Commission Fund, Ohio State Racing Commission Fund, Law Enforcement Training Fund, and the Problem Gambling & Addictions Fund.

Pennsylvania – Pennsylvania currently has 9 casinos/racetracks with a 10th planned for the downtown Philadelphia area. Slot machine tax revenue is primarily targeted to the state’s General Fund. Table game tax revenue is split with property tax relief, the racing industry, local and county government and a tourism and economic development fund. There is one economic development fund that is targeted to Allegheny County and can only be expended by the County Redevelopment Authority.

Rhode Island – Two casinos operate in nearby Rhode Island. One in Newport, Rhode Island is in the process of being replaced by a brand new casino in Tiverton, which directly abuts the Massachusetts state line. Gaming and lottery revenues all flow into the general fund.

We acknowledge the assistance of Professor Paul DeBole and the Political Sciences program at Lasell College who researched and collected the information enclosed as Appendix A.

STRATEGY DEVELOPMENT PROCESS

To cultivate potential strategies for using the Gaming Economic Development Fund, the MGC reached out to critical stakeholders within the regions of the three gaming licensees. These stakeholders included: regional planning commissions, regional economic development organizations, regional convention and visitor bureaus, workforce development boards/private industry councils and community colleges, who have been a partner of the MGC for several years, to make sure Massachusetts residents were adequately trained for the careers being provided by this new industry.

We made sure that all elected officials and municipal officials from all the host and surrounding communities and state legislative leaders who represent those cities and towns were copied on the strategy invitation letter.

The commission organized preliminary conference calls with all local organizations to explain our goals, the legislative language, a timeline for developing these strategies and our proposed timeline for creating a submission for the administration and the legislature. Organizations considering strategy submissions were encouraged to collaborate with other partners, communities or organizations participating in the conference calls. We also asked stakeholders to consider what additional resources could be leveraged to support their strategies.

Strategies were submitted to the MGC by September 15th, 2017 and discussed publicly with proponents at public meetings on September 28th and October 12th. Commissioners were asked questions about proposed strategies at these public meetings and staff also sent additional follow-up questions to proponents after the meeting. The original strategies are provided as Attachment B to this “white paper.” The MGC thanks the following stakeholders, who submitted strategies, for their time and effort in this unique effort:

Bristol Community College
Chicopee and Westover Metropolitan Airport
Greater Boston Convention and Visitors Bureau
Greater Springfield Convention and Visitors Bureau
Holyoke Community College and Springfield Technical Community College
Mass Cultural Council
Massachusetts Casino Careers Training Institute
Metro North Regional Employment Board
Metropolitan Area Planning Council
MGM Springfield
Nashoba Valley Town Administrators Collaborative
Pioneer Valley Planning Commission
Pioneer Valley Transit Authority of Western Massachusetts
Regional Employment Board of Hampden County
Springfield Regional Chamber

Town of Foxborough
Western Mass Economic Development Council

Additionally, strategies were posted for public comment through the MGC website and key state agencies and organizations were invited to also review and offer their feedback.

An internal team at the MGC has worked together to review these individual strategies and this paper. That team included Janice Reilly – Chief of Staff, Derek Lennon – Chief Financial and Administration Officer, John Ziembra – Ombudsman, Jill Griffin – Director of Workforce, Supplier and Diversity Development, Mark Vander Linden – Director of Responsible Gaming and Research, Elaine Driscoll – Director of Communications and Justin Stempeck – Associate Counsel.

Additionally, the MGC would like to acknowledge Massachusetts Growth Capital Corporation, Massachusetts Office of Travel and Tourism, Commonwealth Corporation, City of New Bedford and MassDevelopment for providing background information initiated at our request.

OVERALL REVIEW OF STRATEGIES AND KEY RECOMMENDATIONS

The MGC was pleased with both the level of interest this effort garnered from local and regional stakeholders and the breadth of strategies proposed. Though the Gaming Economic Development Fund outlines support for a wide number of economic development priorities, we feel it is important to address those that focus on an impact and opportunity from the presence of the casinos. We feel it important to focus on strategies that have the potential to reinforce and strengthen the revenue stream to the funds as well as well as optimize the opportunities created by casino careers for the unemployed, underemployed and focused hiring of minorities, women and veterans. We were also encouraged by those strategies that could leverage additional funding and resources. When multiple stakeholders have a vested interest in a project, chances of success are improved.

Some strategies and concepts were received from Pioneer Valley Planning Commission, Bristol Community College and Nashoba Valley Town Administrators Collaborative and we appreciate the time and effort put forward but the MGC did not comment on areas outside of our areas of expertise. The priority the fund gives to “regional initiatives” may allow budget makers flexibility to determine funding for other projects. As part of this report, we are providing copies of all the strategies we received.

Workforce Development

Under Chapter 23K Section One:

(5) the commonwealth must provide for new employment opportunities in all sectors of the economy, particularly opportunities for the unemployed, and shall preserve jobs in existing industries in the commonwealth; this chapter sets forth a robust licensing process whereby an applicant for a gaming license shall submit a comprehensive plan for operating a gaming establishment which includes how the applicant will foster and encourage new construction through capital investment and provide permanent employment opportunities to residents of the commonwealth

According to Oxford Economic’s report titled, “Gaming Careers: Gateway to the Middle Category,” released by the American Gaming Association in 2015, the gaming industry is on track to add more than 62,000 well-paying jobs in the next decade according to projections. Additionally, few industries employ as diverse a workforce as gaming. Forty-five percent of gaming’s workforce is comprised of minorities and nearly half (48%) are women – both far higher than the national average. Gaming provides hundreds of thousands of high-quality jobs to workers from diverse backgrounds with wide-ranging levels of job experience and areas of expertise.

Aligned with the goals of the statute and the interests of the legislature, the Massachusetts Gaming Commission believes that the Expanded Gaming statute was intended to be a “jobs” bill

and create new employment opportunities for Massachusetts residents and our diverse population with a focus on those underemployed or unemployed.

Together, our three licensees will directly employ almost 7500 workers. Each licensee was required to create and implement a workforce development plan that “serves the unemployed and methods for accessing employment at the gaming establishment.” All three will have laid out strategies to successfully recruit local Massachusetts residents to these full and part-time positions. These positions will provide living wages and benefits in addition to pathways for career growth within the company and industry. Each casino demonstrated these transparent career paths with measurable criteria within the gaming establishment that lead to increased responsibility and higher pay grades. Casino licensees also provide employee access to additional resources, such as tuition reimbursement or stipend policies, to enable employees to acquire the education or job training needed to advance career paths based on increased responsibility and pay grades.

Under Section 18 (4), which outlines the necessary components of an application, the statute asked that our licensees demonstrate “implementing a workforce development plan that utilizes the existing labor force, including the estimated number of construction jobs a proposed gaming establishment will generate, the development of workforce training programs that serve the unemployed and methods for accessing employment at the gaming establishment...”

The MGC has not only required applicants to provide that information during the RFA-2 application phase, but we have monitored their construction diversity goals through an Access and Opportunity Committee which meets monthly. We have also requested critical workforce development plans required and approved by the commission. In reviewing these strategies, we have always invited comment and feedback from the public and the agencies making up the Governor’s Skills Cabinet – Executive Office of Labor and Workforce Development, Executive Office of Education and Executive Office of Housing and Economic Development.

The commission also partnered early on and signed a Memorandum of Understanding with the community colleges across Massachusetts through their partnership called the Massachusetts Casino Careers Training Institute (MCCTI). MCCTI brought together all 12 community colleges to prioritize training needs of our licensees. Lead institutions would be determined by their proximity to a licensed gaming location. Our community colleges have launched a new gaming school in Springfield and an MGM and state-supported culinary center in Holyoke. Gaming license applicants also provided evidence of their partnership with the state’s community colleges as part of their RFA-2 applications. The MGC has enjoyed working in partnership with the community colleges and our partners have created programs focusing on needed skills in a gaming facility including game dealing, culinary and hospitality.

The commission is encouraged that many positions offered in the gaming industry and those of a resort destination casino allow entry level opportunities for underemployed or unemployed individuals. According to the work of MCCTI, out of the 133 gaming job classifications, forty-

nine require a High School (HS), High School Equivalent (HSE) or Graduate Equivalent Degree (GED). Thirty-nine positions require those educational attainments and some specialized training. The Commonwealth has a unique opportunity to provide employment options for Massachusetts residents who have not obtained college degrees at this time.

The Gaming Economic Development Fund allows funding workforce training, including transfers to the Workforce Competitiveness Trust Fund (WCTF) managed by Commonwealth Corporation. The Massachusetts Legislature established the WCTF with two goals in mind: (1) to improve the competitive stature of Massachusetts businesses by improving the skills of current and future workers, and (2) to improve access to well-paying jobs and long-term career success for all residents of Massachusetts, especially those who experience structural, social, and educational barriers to employment success.

The goals of the WCTF align very well with the critical strategies provided to us by the Metro North Regional Employment Board, Hampden County Regional Employment Board, TWO Program (Springfield Technical Community College and Holyoke Community College), MCCTI (Bunker Hill Community College/Roxbury Community College/North Shore Community College), Bristol Community College and the Economic Development Council of Western Massachusetts. All strategies stressed similar workforce development priorities including:

- Adult Basic Education / English Second Language (ESL) programs
- ESL contextualized for culinary, hospitality and gaming casino jobs
- Workforce Readiness Certificate programs
- Scholarships for certificate training programs that are not eligible for traditional higher educational financial aid programs
- Connecting activities for unemployed workers and those seeking to obtain basic educational certifications

The MGC is aware of the need for these programs considering our work with the Governor's Skills Cabinet over the last three years. Our engagement with career centers, regional employment boards and other workforce development professionals and the gaming industry has revealed critical expectations for us to consider. There are three realistic expectations to be realized upon the opening of our resort casinos.

- First, local employers will likely lose their existing workforce to positions with our gaming licensees. We have heard these concerns voiced through meetings hosted by Regional Employment Boards. Positions in culinary, hospitality and banking are likely to attract existing workers to our licensees from a variety of local businesses. Fortunately, this situation does create opportunities for job seekers to backfill the resulting job openings.
- Secondly, there exists vacancies and openings in culinary and hospitality professions already in the three regions surrounding our gaming licensees. We applaud the investments the Commonwealth has made into funding programs and capital projects that support expansion of culinary programs.

- Finally, gaming operators experience turnover of almost 30% in the first year as employees realize the nature of the work and the 24 hour operations. As it has been explained to us, “once we open we do not close” and that work schedule can ultimately be challenging. Despite solid on-boarding programs to acquaint new employees with the work and hours, still many employees turn over in their first and second year and it creates opportunities for new entries into the workforce. For a potential job candidate without a GED or high school degree thinking about working in a gaming resort, they will still have career opportunities available even for the first couple of years after the opening of our gaming casinos. We have a unique opportunity to help strengthen and support a pipeline of new gaming and hospitality workers who may not be prepared today.

Our recommendation from reviewing these strategies is to suggest **\$1,000,000** be set aside in a trust fund of Commonwealth Corporation to provide community colleges and qualified training partners the opportunity to provide these programs highlighted above. We would also encourage that **\$250,000** of the trust fund be specifically set aside for the TWO Program, Bristol Community College, and MCCTI (Bunker Hill/North Shore/Roxbury), regional employment boards and other experienced workforce providers for critical training programs to help meet the demand in occupations being created by the introduction of gaming. It is important to find quality and experienced training providers who can provide scalability to the program and have the ability and experience to create partnerships and track results.

To ensure successful follow-up and contracting of these awards, it should also consider additional monies to be leveraged, a suitable Request For Proposal (RFP) process managed by the Commonwealth Corporation, and alignment with the critical regional workforce development plans being led by the Governor’s Skills Cabinet. Additionally, the MGC will work closely with these organizations to track and monitor the success of these workforce strategies.

Additionally, we encourage funding for a culinary facility at Bristol Community College and Bunker Hill Community College to match a program being offered in Holyoke. Additionally, we recommend the strategy from the Economic Development Council of Western Massachusetts, which indicated the need for **\$150,000** to continue their workforce development work with the Federal Reserve Bank of Boston’s Working Cities Challenge, be granted as long as an equal amount of funding can be leveraged from other partners.

Tourism

“(6) promoting local small businesses and the tourism industry, including the development of new and existing small business and tourism amenities such as lodging, dining, retail and cultural and social facilities, is fundamental to the policy objectives of this chapter;”

CHAPTER 23K.Section 1

“It is often the economic dimension that has been the driving impetus behind permitting most forms of gambling, especially casinos. However, the desired outcomes of economic development and tourism stimulation have not been universal. In order for significant economic stimulation to occur, a large proportion of customers must come from outside the region where the casinos are located. Alternatively, casino facilities that cater primarily to locals will not have a substantial impact on growth unless they heavily draw business from local residents who would otherwise leave the region in order to gamble.”

THE SPREAD OF CASINOS AND THEIR ROLE IN TOURISM DEVELOPMENT By William R. Eadington Professor of Economics Director, Institute for the Study of Gambling and Commercial Gaming University of Nevada, Reno 2001

The Expanded Gaming Act of 2011 was passed with two critical intentions with respect to the tourism industry – first the Act was intended to recapture gaming and hospitality dollars that were currently being spent out of state and second, the Act would create casinos that would become true destinations for travelers and not simply regional gaming facilities. Critically, the minimal investment established by the statute for any applicant to develop a casino was \$500 million. The act also required that the commission require in its license application an explanation of how a prospective licensee would “build a gaming establishment of high caliber with a variety of quality amenities to be included as part of the gaming establishment and operated in partnership with local hotels and dining, retail and entertainment facilities so that patrons experience the diversified regional tourism industry.”

1 “The commission shall set the minimum capital investment for a category 1 license; provided, however, that a gaming licensee shall make a capital investment of not less than \$500,000,000 into the gaming establishment which shall include, but not be limited to, a gaming area, at least 1 hotel and other amenities as proposed in the application for a category 1 license.” G.L. c. 23K, § 10(a).

When Wynn Boston Harbor and MGM Springfield complete their construction, they will represent the two largest private development construction projects in the history of the Commonwealth. Combined, the two projects will total just below \$3 billion in development costs. These two projects were specifically designed to draw visitors to Massachusetts to game, stay, and spend leisure dollars as envisioned by the statute. Tourism and hospitality remains the third largest industry in the Commonwealth and we received strategies from local regional convention and visitor bureaus for the communities including and surrounding our three gaming licensees.

Everett – The Boston area is certainly an established major visitor destination. In part because of its' historical landmarks, culture, performing arts, museums, sports venues and higher education facilities, the Boston area attracts millions of visitors each year. Predominantly, neighboring Canada represents the largest market segment of visitors to Boston. However, enhanced air traffic service to Boston's Logan Airport from overseas markets is allowing the international overseas visitor to become even more valuable to the Boston area economy. The overseas visitor comes for a longer stay and experiences more of the state's tourism amenities

Driving most of the overseas visitor growth to the United States and Boston are the markets of The People's Republic of China, South Korea and Japan. The increase in Chinese travelers alone to the United States is certainly well documented. According to US Department of Commerce data, Chinese visits to the US are forecasted to increase at an annual average rate of 14.4% over the next five years (2017-2021), outpacing visitors from all other countries except Canada, Mexico, United Kingdom and Japan. Chinese visitation is expected to increase to more than 5.7 million by 2021 making China the third largest generator of foreign travel behind only Canada and Mexico. Chinese tourism to the United States has grown by over 600 percent since 2007 (Source: Data from U.S. Department of Commerce International Trade Administration).

In recent years, China has outpaced and surpassed the UK in the number of overseas visitors to Boston. In 2016, 242,000 Chinese visitors arrived in Boston as compared to 196,000 from the UK but Chinese visitors accounted for almost four times the amount spent as compared to visitors from the UK. Chinese visitors to Boston grew by 130% between 2013– 2016 (Source: Travel Market Insights based on US Dept. of Commerce data). In recent years, Massport has already proven extraordinary successful in developing non-stop service from Beijing, Shanghai and Hong Kong and the number of flights is expected to increase.

The Greater Boston Convention and Visitor Bureau (GBCVB) is focused on tapping the international visitor to Boston from China and other Asian countries. Their plan is to create a "China Friendly" and "China Ready" hospitality and marketing campaign. As part of the GBCVB Expanded China Marketing Initiative, the Bureau will collaborate with restaurant, retail and hotel member companies to create a set of marketing, sales, services, and workforce training modules to help GBCVB members and other businesses meet the needs of Chinese visitors. The need for this strategy is evident by the increase in visitation to the United States by Chinese travelers and academic research demonstrating the need to understand the visitor's culture and values.

In the Fall 2012 UNLV Theses, Dissertations, Professional Papers, and Capstones, Wilson Wan of the University of Nevada, Las Vegas published “Capturing the Chinese Outbound Tourism Market: Lessons for Las Vegas Casino Operators” stating :

“Given the rising economic power China, there is obviously a great interest in appealing to Chinese consumers. Because consumer preferences are determined by values, the first step to understanding how to appeal to the Chinese is to understand the key differences between Chinese and Western cultural values.”

The GBCVB is also working with East/West Marketing to launch a WeChat account. With over 900 million active users, WeChat is the most prolific social media network in China. Social media marketing is the most important channel to reach prospective Chinese visitors – Destination imagery and referrals shared on WeChat are particularly effective means of luring Chinese tourism.

Wynn Boston Harbor is also focused on tapping into the Asian market for guests and players. Wynn already has direct marketing offices or an affiliate in Shanghai and Hong Kong. Wynn Boston Harbor is already a member of the GBCVB and a member of the China Ready Marketing Committee. These intersecting interests create an opportunity for the Commonwealth to leverage the marketing efforts expected of Wynn Boston Harbor for their June 2019 opening with the work being proposed by GBCVB.

The MGC recommends that **\$300,000** of the FY 2019 Gaming Economic Development Fund be appropriated for use by the GBCVB for year one and that a requirement for funding be close coordination among the GBCVB, Wynn Boston Harbor, the Massachusetts Office of Travel and Tourism, the Massachusetts Marketing Partnership and MassPort to coordinate expenses, leverage available resources, provide complementary marketing messages and to track and monitor results. We would also suggest that the GBCVB work cooperatively with the Governor’s Skills Cabinet and public community colleges, who are members of the Massachusetts Casino Career Training Institute, to create detailed training plans and identify potential funding resources for the appropriate hospitality training to provide a stronger travel experience for the Chinese visitor.

Springfield – The Greater Springfield Convention and Visitor Bureau (GSCVB) submitted a strategy seeking monies from the Gaming Economic Development Fund to enhance their marketing and promotional efforts of the region. The immediate Springfield region contains a number of local, regional and national destinations (Naismith Memorial Basketball Hall of Fame, Six Flags, the Big E, etc.) that draw visitors from beyond the prescribed 50-mile radius that typically defines a “visitor”. Many of these destinations were highlighted in MGM Springfield’s Phase 2 application. The company has also agreed to a plan to support a trolley to carry MGM guests to various destinations within downtown Springfield including the Basketball Hall of Fame and the Springfield Library and Museums/Quadrangle.

In reviewing this strategy, we considered how much support the GSCVB marketing effort could leverage. It is obvious that MGM Springfield will be investing in a marketing campaign leading up to the opening and immediate future to support its facility. Though it is confidential business information, it can be assured that the funds will be a significant multiplier beyond the amount being requested by the GSCVB. According to MGM Springfield and the GSCVB, the company has also agreed to become a dues paying member of the GSCVB. MGM has been a basic level member for a number of years and recently increased their investment to the highest level per the terms of our Marketing Partnership Agreement signed with the GSCVB. Funds for marketing support are critical and the GSCVB has agreed to work with its fellow Western Massachusetts regional tourism councils to help promote the entire region.

To ensure that funding for the marketing and promotion effort is successful, we would seek assurance that MGM Springfield remains a GSCVB member and that both the licensee and GSCVB provide plans to the Massachusetts Office of Travel and Tourism (MOTT) and MGC to show their cooperative efforts to market toward the overnight visitor coming from more than 50 miles away. We would encourage MGM Springfield, GSCVB and MOTT to collaborate on strategies and determine that state funds are being leveraged sufficiently. For the first year, we recommend that **\$300,000** be designated for the GSCVB's initiative.

Foxborough/Wrentham/Plainville - These three communities stepped forward with an innovative partnership to promote several key destinations including Patriot Place, Wrentham Outlets, TPC and Xfinity Center and Plainridge Park. Additionally, the communities want to increase use of the Commuter Rail and the Patriot Place station. They believe they can find reverse commuter opportunities for job seekers who may be candidates for retail and hospitality jobs open in the immediate vicinity.

The three communities reached out to key executives for these five attractions and sought their support. At this time three of the five major partners have agreed to work with the participating towns.

The proposed strategy also calls for Foxborough, Wrentham, and Plainville to work collaboratively with the GSCVB. We encourage these three communities to work with an existing CVB for their proposal. The strategy at this time needs additional detail and the creation of important action steps.

We realize that Plainridge Park is located in close proximity to casinos in Rhode Island and Connecticut and should look for every opportunity to remain competitive in that market. We would recommend **\$50,000** to be used this fiscal year and encourage the three communities to create a working agreement with the GSCVB to establish a marketing and operational plan and budget. The Plymouth CVB should also be consulted. Additional funding could be provided through the Gaming Economic Development Fund once a more detailed strategy is created. Funding from Gaming Economic Development Fund should rely upon leveraged support and resources from the identified destinations and other new commercial partners.

Massachusetts Marketing Partnership – Massachusetts Marketing Partnership (MMP) was created by the state legislature in 2010 to coordinate marketing efforts on behalf of the Commonwealth. The international marketing efforts by the Massachusetts Marketing Partnership (MMP) are prioritized in the Gaming Economic Development Fund’s priorities. We would recommend that available funds be allotted for MMP’s international marketing efforts as long as there is collaboration and alignment with the marketing plans of our gaming licensees.

Small Business Technical Assistance

“(6) promoting local small businesses and the tourism industry, including the development of new and existing small business and tourism amenities such as lodging, dining, retail and cultural and social facilities, is fundamental to the policy objectives of this chapter;” CHAPTER 23K. Section 1

The Gaming Economic Development Fund statute language provides for funds to be used for “small business lending.” Through the commission’s work with many state quasi-organizations and federal agencies such as the Small Business Administration, there is considerable consensus that there are sufficient financial tools and resources available to small businesses. Some local small business lending programs, such as Common Capital based in Western Massachusetts, require technical assistance support for their loan applicants. Technical assistance can also prepare businesses to develop the appropriate financial projections and analysis to obtain financing from commercial lenders.

According to an April 2017 study published by the American Gaming Association, the casino gaming industry drives small business growth across the country by supporting 350,000 small business jobs and generates \$52 billion in annual revenues for American small businesses. The three gaming licensees have placed a strong focus on procuring goods and services from local companies. In their 3rd quarter report to the commission, Plainridge Park Casino reported that they spent \$1.2 million with Massachusetts based companies and \$110,000 within the five neighboring communities. Through their Request For Applications (RFA) Phase 2 submittals and interactions, MGM Springfield and Wynn Boston Harbor are expected to spend over \$150 million with Massachusetts and local businesses. Wynn Boston Harbor spelled out specific commitments to spend over \$30 million with local vendors in its Host and Surrounding Communities including the purchase of over \$100,000 in gift cards and certificates to be shared with key patrons. Our shared goal is that these small businesses can be afforded the opportunity to manage their growth and expand their capacity and not risk the possibility of losing critical business with such an impact buyer.

Additionally, the Expanded Gaming Act of 2011 called upon our licensees to prioritize spending with Minority, Women and Veteran-Owned firms across the state. Many of these are smaller companies that if offered an opportunity to become a business partner with a Fortune 500 company like Wynn or MGM Resorts may need critical business assistance to accommodate and manage this unique business opportunity. We also understand that our licensees not only purchase goods and services locally but also from vendors throughout the state.

Information shared with us indicates that financial resources for such programs have been restricted over the past few years. In this first fiscal year, we recommend funding **\$600,000** for technical assistance programs across the Commonwealth. Massachusetts Growth Capital Corporation has the operational capacity to help release needed funds. We ask that of that amount, **\$150,000** is granted out to organizations that can also specifically target small and Minority, Women and Veteran-Owned businesses, which have the opportunity or are working with Massachusetts gaming licensees. The MGC agrees to work with cooperating organizations to help target those companies in need of such services and require record keeping efforts of the program to track their success and impact. There is a strong likelihood that as our licensees settle on existing vendors or seek out new ones as demand and product needs shift that technical assistance programs could be needed for two or more years after opening.

Massachusetts Cultural Council Partnership / “Cultural Districts”

“(7) recognizing the importance of the commonwealth’s unique cultural and social resources and integrating them into new development opportunities shall be a key component of a decision to the award of any gaming license under this chapter;” G.L. c. 23K. Section 1

With this legislative language, the legislature specifically highlighted the importance of connecting our gaming licensees with the cultural and arts assets of the Commonwealth. It also furthered endorsed the linkage with gaming tax revenues to be specifically set aside for the Massachusetts Cultural Council. Under c. 23K, Section 59 it allows:

(a) 2 per cent of revenues to the Massachusetts cultural council of which one-quarter of the revenues received shall be dedicated to the organization support program of the Massachusetts cultural council and three-quarters of revenues shall be dedicated to support not-for-profit and municipally-owned performing arts centers impacted as a result of the operation of gaming facilities

The MGC in its formal RFA-2 application specifically asks our licensees about their plan to integrate public art and other attractions into their facility.

3-28-01 – Other Amenities - Provide plans for planned attractions and amenities beyond hotel, gaming, restaurants and in-house entertainment to draw customers.

4-20-0114 – ART - Describe any public art, sculpture, paintings or other patron attractions that will be located at the gaming establishment complex.

Our applicants' responses are as follows:

Wynn Boston Harbor / Everett

Wynn Boston Harbor also announced its support for engaging the arts community in their RFA-2 application. Wynn Resorts is renowned for its collection of fine art displayed throughout its properties in Las Vegas and Macau. It plans to provide a similar art program in Everett.

According to "Art for Art's Sake" published in Casino Style (November 2014), "After Wynn's fine art gallery experiment, he changed his approach, and now scatters artworks from his private collection throughout his properties. Wynn is known for attracting well-heeled casino visitors. His on-property artworks feed that strategy."

MGM Springfield / Springfield

The Massachusetts Cultural Council approved a cultural district for downtown Springfield that is immediately adjacent to the MGM Springfield site. The district includes many of the destinations that MGM Springfield plans to connect visitors with through the operation of a tourist trolley. It also includes performance venues that have executed Impacted Live Entertainment Venues (ILEV) agreements with MGM Springfield.

MGM Springfield will establish a Massachusetts Public Art Program. The program display original works of art created by high school and college students of Massachusetts and other local and regional artists. MGM's license application indicated its intent to loan to MGM Springfield for public display art work from its world-class Las Vegas-based art collection. Also, MGM Springfield will leverage its Outdoor Plaza to host community events that promote regional businesses including vendor showcases, farmers' markets, food/beer/wine festivals, arts and crafts fairs and live music from local artists. All of these activities connect well with the goals of the Massachusetts Cultural Council.

Plainridge Park Casino

The casino will use art as one of many components of the interior design program. Artwork, sculptures and similar attractions will be integrated into the design to promote the excitement of a gaming and racing facility and to illustrate the overall culture of the local and regional area.

The Massachusetts Cultural Council (MCC) provided an overview of the organization's mission and the activities of the organization. It also highlighted the impact of the cultural and arts industry sector. Nonprofit arts and cultural organizations provide more than 62,000 jobs, pump \$2.1 billion annually into the state economy, and generate another \$2.5 billion of economic activity. In 2015 alone, these organizations generated \$104 million dollars in taxes and fees for the Commonwealth.

The MCC's Communities Initiative includes Cultural Districts, Local Cultural Councils, Festivals, and Cultural Compact Communities. The cultural district program was established by statute in 2012 and designed to help local arts, humanities, and science organizations improve the quality and range of their public programs so that more local families can benefit from them. The districts were planned to enhance the experience for visitors and thus attract more tourist dollars and tax revenue. "The districts are planned to and designed to attract artists, cultural organizations, and entrepreneurs of all kinds - enhancing property values and making communities more attractive."

We know that Las Vegas and other jurisdictions focus on cultural assets to strengthen the appeal of a visit to their casinos and offer additional entertainment options for their guests. For example, the Las Vegas Review has a regular arts and culture section to focus on entertainment and arts offerings in the Las Vegas area. Category 1 licensees also signed compacts with the Massachusetts Performing Arts Coalition to mitigate any conflicts resulting from entertainment acts but they also expressed an interest in looking for marketing opportunities as well.

There are considerable opportunities to connect the resources and efforts of the Massachusetts Cultural Council with our licensees as highlighted in their responses to our RFA-2 application related questions. At this time there has been preliminary outreach by MCC to our licensees and a detailed planning process is required. We would recommend **\$50,000** be appropriated for the council's use to undertake this planning process and connect strategies with their existing programs and perhaps leverage some of the operating monies that the council will receive from gaming tax revenue (prescribed under Sec. 59) for programs like Communities Initiative. For future fiscal years, the MGC will certainly offer recommendations about funding for strategies developed out of this planning process.

ADDITIONAL STRATEGIES

Chicopee – Westover Air Reserve Base

This strategy was recommended to the MGC by the city of Chicopee and the Westover Metropolitan Development Corporation (WMDC is the managing entity of Westover Metropolitan Airport). Westover Airport has the third longest military runway on the East Coast - 11,597 feet and at 2100+ acres, it is the largest reserve base in the country.

The goal of this proposal is to fund a 24-hour operations study and commercial air service development program for Westover Metropolitan Airport. This request will deploy a study to examine the upgrades necessary to provide 24-hour operations at Westover Metropolitan Airport including aircraft maintenance, repair, and overhaul facilities upgrades- to launch new commercial air carrier services. The accommodation of commercial air services will require the airport to offer 24-hour operations to effectively compete with other airports in the region to attract both airlines and passengers.

MGM Springfield expressed support for this strategy as it becomes another transportation option for visitors to the region and potential patrons of MGM. MGM regularly helps key customers visit their other properties around the country and the possibility of local charter or commercial flights could be a boon to MGM Springfield's marketing efforts.

Also, gaming junket or tour services are still a strong business component to the gaming industry. Junket operators function in different structures, but their goal remains to offer key players the opportunity to play at different destinations. Massachusetts will soon begin drafting needed regulations to monitor and license junket operators. Currently Massachusetts has three operators that manage casino travel opportunities for their gaming customers to gaming destinations domestically and internationally.

The proposal was also highlighted because the additional resources that could be leveraged to complete the needed improvements of the facility. With a request of \$410,000, the project could leverage \$6.3 million in additional financial and in-kind resources. In addition to resources, the project involves several regional economic development stakeholders to complete the project.

SITE REDEVELOPMENT

The MGC had the opportunity to work with and visit a number of municipalities in Massachusetts through the licensing and hearing process it conducted. Though some communities were not selected as the home project for a licensee, there were valuable lessons learned from our interactions. The MGC was often presented with a project designed for a large commercial real estate space that was being underutilized but had strong market potential. Some of these sites included Suffolk Downs (Boston/Revere), Brockton Fairgrounds (Brockton), the former Raynham Dog Track, the former power plant site on Cannon Street (New Bedford) and industrial land in Leominster. Additionally, all three sites selected for gaming license projects were also difficult to develop or underutilized including the former Monsanto property (Everett-Wynn Boston Harbor), a tornado impacted neighborhood (Springfield – MGM Springfield) and harness racing only property adjacent to I-495 (Plainville – Plainridge Park Casino).

In a strategy letter provided by MGM Springfield, the company acknowledged the success and proximity of Springfield's Transformative Development Initiative (TDI) District project, which is managed and supported by MassDevelopment. The TDI district, which has experienced fluctuating periods of economic success over the years, is situated between MGM Springfield and the newly refurbished Union Station transportation center in downtown. The district is being redeveloped for entertainment, business development and culinary uses.

The TDI and other economic development programs managed by MassDevelopment are being offered in Springfield and other communities across the state. In addition to TDI, these include the new Site Readiness and Collaborative Workspaces programs, the Commonwealth Places placemaking initiative, the Real Estate Services technical assistance program, and the

Brownfields Redevelopment program. The MGC believes that the ancillary development in Springfield can draw MGM customers to patronize businesses outside of the gaming resort. Support for these programs would allow MassDevelopment to expand these programs across the Commonwealth including those already mentioned above. The MGC would welcome the opportunity for MassDevelopment to strategize with Everett and its surrounding communities and Plainville and its surrounding communities about how the program could benefit the immediate vicinity of Wynn Boston Harbor and Plainridge Park Casino. We would also hope that MassDevelopment could expand their assistance to communities of East Boston/Revere, Brockton, Raynham New Bedford, Leominster in addition to the other municipalities they assist. Spending for these efforts would meet the fund's priority for "regional economic development initiatives." We would recommend suitable funding from this fiscal year and support opportunities for additional support in the following two fiscal years.

PVTA LATE NITE/EARLY MORNING SERVICE FOR MGM EMPLOYEES

Access to adequate transportation was a strategy raised by the Pioneer Valley Planning Commission and the Pioneer Valley Transit Authority. Understanding the 24-hour operation of the gaming casino and limited availability of public transportation in the Springfield area, there is a general concern about MGM Springfield employees will get to work on weekends and late nights. With MGM Springfield's commitment to hire 35 percent of their workforce from Springfield, we recognize that this is a legitimate concern. The MGC plans to work with MGM Springfield, PVPC and the PVTA to assess proposed plans and resident needs.

FOLLOW-UP REVIEW AND MONITORING / WORKING GROUPS

Successful implementation of any new initiative requires thoughtful planning and oversight. The MGC firmly believes that planning and appropriate monitoring of results is critical to the review of these initiatives and their overall success to the Commonwealth.

Since the award of our gaming licenses, the MGC has created a framework to monitor and track commitments made by our licensees and their progress during the construction and operational phases. For example, the MGC created an Access and Opportunity Committee consisting of our licensees, their general contractors, building trade representatives, community officials and community-based organizations, to monthly track the success of the construction projects to engage minority, women and veteran owned business as well as construction jobs for minorities, women and veterans.

Additionally, the MGC has an ongoing relationship with the Donahue Institute of UMass Amherst, which has conducted several baseline areas of study including gaming patron spending impact, impact on the Massachusetts Lottery, real estate property value changes, employment impact and construction impacts among other topics. The research component to the commission's work was called for in the Expanded Gaming statute (Sec. 71). The MGC would seek to extend its work with the Donahue Institute and our strategy stakeholders to

monitor and review the success of these initiatives over this initial three year period and share any findings with the legislature.

The MGC also believes we have an opportunity to create working groups (including legislative staff) around some of these priority strategies (tourism, workforce development, and regional economic development) and work with our licensees to “think outside the box” and consider new initiatives. The regional working groups would also help identify funding resources and make other innovative efforts to support this new industry in Massachusetts and expand gaming’s economic impact across the Commonwealth.

These new initiatives could set Massachusetts apart from other gaming jurisdictions, as it gives us the unique opportunity to work together with our licensees and stakeholder partners to leverage additional resources, monitor results and make program adjustments as needed to the strategies funded by this Gaming Economic Development Fund.

Summary of Data Collected on Uses of Gaming Taxes from Other Jurisdictions

Research Conducted by Lasell College on Behalf of the Massachusetts Gaming Commission

Data Collected as of September 29, 2017

State	Response	Link	Comments from NCSL
Alabama	Native American gaming does not fall under state jurisdiction so no state tax is paid. State law says gaming is illegal		
Alaska	Contacted, no response	http://www.tax.alaska.gov/programs/programs/index.aspx?54160	
Arizona	All money collected from tribes go into the Arizona Benefits Fund. More information on how that is spread in the link below	http://www.azindiangaming.org/resources/arizona-benefits-fund/	
Arkansas	Contacted, no response	http://www.dfa.arkansas.gov/contactUs/Pages/default.aspx	
California		http://www.ebudget.ca.gov/2016-17/StateAgencyBudgets/0010/0855/department.html	
Colorado	Contacted, no response	https://www.colorado.gov/pacific/enforcement/contact-us-gaming	<p>Taxes in the state are distributed in the following manner: (a) 28% to the State Historical Society; (b) 12% to Gilpin and Teller counties; (c) 10% to Blackhawk, Central City and Cripple Creek; and (d) 50% to the State General Fund.</p> <p>Out of the State General Fund, the following appropriations must be made: (1) \$15M to the Colorado Travel and Tourism Promotion Fund; (2) \$5.5M to the Advance Industries Acceleration Cash Fund; (3) \$5.5M to the Bioscience Discovery Evolution Grant; (4) \$5M to the Local Government Limited Gaming Impact Fund; (5) \$2.1M to the Innovative Higher Education Research Fund; (6) \$2M to the Creative Industries Cash Fund; and (7) \$500,000 to the Office of Film, TV, and Media Fund.</p>

Connecticut	All the money made from gaming that is given to the state of Connecticut goes straight into the General Fund	https://l.facebook.com/l.php?u=http%3A%2F%2Fopenbudget.ct.gov%2F%23!%2Fyear%2F2018%2Frevenue%2F0%2Ffundtype%2FGeneral%2F0%2Frevenue_category%2FIndian%2BGaming%2BPayments%2F1%2Faccount_descr%3Fvis%3DpercentageChart&h=ATOh8VY8jFYiJK4D5DFT5tA-OuVHdUBnrUxrCdAAafnQBJ6oJpgheFhDTdWe59RGIjbn50lk53On34bLBEajsniMkyeXEfEbV1eQ3qvEISDigiU8LNxWwxguzudo1DyjiRh2BI644_48A86-T	
Delaware	Contacted, no response	http://revenue.delaware.gov/contact.shtml	<p>VLT Revenues: (a) Approximately 42% of the revenue is paid to the three tracks as commissions for operating the games; (b) Approximately 40% is contributed to the State General Fund to help pay for state services; (c) Approximately 10% goes toward increasing the size of the horse race purses; and (d) Approximately 7% goes toward leasing, servicing and upgrading the games, and for monitoring the games with the lottery's computer system.</p> <p>Sports-betting Revenues: (1) 50% to the state's general fund, where funds must be allocated to State Services; (2) 40% directed back to the operating racetracks for operating the games; and (3) 10% goes toward increasing the size of racing purses.</p>
Florida	Contacted, no response	http://floridarevenue.com/Pages/contact.aspx	The slot machine revenue tax shall be paid to the division for deposit into the Pari-mutuel Wagering Trust Fund for immediate transfer by the chief financial officer for deposit into the Educational Enhancement Trust Fund of the Department of Education. Any interest earnings on the tax revenues shall also be transferred to the Educational Enhancement Trust Fund.
Georgia	Could not find much info on this but it seems the state lottery funds go towards pre-k programs and scholarships for higher education	https://gbpi.org/2016/georgia-state-budget-overview-for-fiscal-year-2017/	
Idaho	Contacted, no response	https://tax.idaho.gov/i-1015.cfm	

Illinois	State government takes the revenue created from video and riverboat gambling and distributes it to local governments throughout the state	https://www.igb.illinois.gov/FilesAnnualReport/2016IGBAnnualReport.pdf	<p>Admissions tax: \$1 to host community, remainder to state. Taxes are distributed in the following manner from State Gaming Fund (a) Hosting Local Government - 5% of AGR; (b) Horse Racing Equity Fund - 15% of AGR from Rivers Casino; (c) Home Rule County with < 3m population for Criminal Justice - 2% of AGR from Rivers Casino; (d) Chicago State University Education Improvement Fund - \$1.6M; (e) Education Gaming Fund - \$158.36M annually (\$92M one time transfer plus \$5.53m per month); (f) Horse Racing Equity Fund - \$23M; (g) Operation and Enforcement of Gaming, including Problem Gaming – Unspecified (Appropriations by General Assembly); and (h) Education Improvement Fund - Remaining Funds.</p>
Indiana	Contacted, no response	https://www.in.gov/igc/	<p>Riverboat Casino - State Gaming Fund Disbursement: (a) Revenue Sharing- First \$33M; (b) City or County of Home Dock - Remaining 25%; and (c) State General Fund- Remaining 75%. Historical Hotel Riverboat Casino - State Gaming Fund Disbursement: 9a) 37.5% to the State General Fund; (b) 19% to West Baden Springs Historical Preservation and Maintenance Funds; (c) 8% to Orange County Development Commission; (d) 16% goes to equal amounts disbursed to each town in dock county with a Historical Hotel; (e) 9% to county treasurer for disbursement; (f) 5% to a town with a population greater than 3,500 in a county with a population greater than 19,500 and less than 20,000; (g) 5% to a town with a population greater than 2,000 and less than 3,500 in a county with a population greater than 19,500 and less than 20,000; and (h) 0.5% to Indiana Economic Development Corporation.</p>
Iowa	See link for budget allocations.	http://www.buyiowafirst.org/	<p>The wagering tax shall be distributed as follows: (a) 0.5% of the AGR shall be remitted to the treasurer of the city in which the dock is located; (b) 0.5% of the AGR shall be remitted to the treasurer of the county in which the dock is located; (c) 0.8% of the AGR shall be deposited in the county endowment fund; (d) 0.2% of the AGR shall be deposited in a state miscellaneous fund; and (e) The remaining amount of the AGR tax shall be credited to the general fund of the state.</p>

Kansas	The Racing and Gaming Commission operating funds are paid directly by the four state-owned casinos operating in Kansas. Gaming tax revenues are separate monies that are handled/monitored by another state agency: the Kansas Lottery Commission.	http://www.krgc.ks.gov/	
Kentucky	Self supported agency, budget covers salaries, office supplies, etc.	http://dcg.ky.gov/Pages/annualreports.aspx	
Louisiana	The LA Gaming Control Board does not receive a specific percentage of gaming taxes.	http://lgcb.dps.louisiana.gov/revenue_reports_video.html	Gaming taxes are allocated to: (a) State's general fund; (b) City of New Orleans; (c) public retirement systems; (d) state capital improvements; and (e) rainy day fund.
Maine			Education, health care, agriculture, gambling control board administration, city of Bangor, among other things. Complete breakdown here: http://www.maine.gov/dps/GambBoard/Financial.html
Maryland	All gaming tax revenues go into the states education Trust fund	http://gaming.mdlottery.com/financial-reporting/	Maryland Education Trust Fund, Horse Racing Purse Dedication Account, Local Impact Grants \$52,514,508.52 Racetracks Facility Renewal Accounts \$19,876,061.22 Maryland Lottery \$20,189,561.61 Small, Minority, and Women-Owned Business \$14,323,111.39 - See more at: http://gaming.mdlottery.com/#sthash.BJCs72CH.dpuf
Michigan	Contacted, no response	http://www.michigan.gov/mgcb/0,4620,7-120-55435---,00.html	Michigan has two wagering taxes. The first is 18% of AGR, with 8.1% going to the state school aid fund and 9.9% going to the city where the casino is located (in this case, Detroit). An additional 6% tax was levied in 2004, with the following breakdown: 1/3 to the city in which the licensee's casino is located (for uses enumerated in statute), 7/12 to the general fund, and 1/12 to the Michigan agriculture equine industry development fund.

Minnesota	The gaming taxes are split between expenses for the gaming control board, charitable contributions, and state's general fund.	http://mn.gov/gcb/assets/fy2016-annual-report.pdf	
Mississippi	See link for budget allocations.	http://www.msgamingcommission.com/images/uploads/FY2018_Budget_Request_(MGC_182-00)_9-15-16.pdf	Housing, education, transportation, health care services, youth counseling programs, local public safety programs.
Missouri	Gaming taxes are split between education and local government. See link for funds distribution.	http://www.mgc.dps.mo.gov/Casino_Gaming/rb_financials/FY18_FinReport/Summary0817.pdf	Education, local public safety programs, compulsive gambling treatment, veterans' programs, early childhood programs
Montana	Gaming taxes are split between local government, the gambling control board, and the state's general fund.	https://media.dojmt.gov/wp-content/uploads/FY15-FY16-Biennial-Report-final-draft-2.pdf	
Nebraska	All gaming taxes go into state's general fund.	http://www.revenue.nebraska.gov/research/Revenue_Sources_2017.pdf	
Nevada	All gaming taxes go into general fund and to certain dedicated funds (schools, counties)	http://gaming.nv.gov/modules/showdocument.aspx?documentid=12298	Education, local governments, general fund, problem gambling programs.
New Hampshire	Only charitable gaming is allowed. All taxes from charitable gaming go into the state's trust fund.	https://www.racing.nh.gov/forms-pubs/documents/annual-report-2015.pdf	
New Jersey	All gaming taxes go into a special fund that funds: home delivered meals program, transportation, safe housing, adult protective services, state congregate housing program, state respite care program, and adult day care services.	http://www.nj.gov/casino/revenue/reports/crfacannrpt2015.pdf	Senior citizens, disabled, economic revitalization programs.
New Mexico	All gaming taxes go into the state's general fund.	http://www.nmgcb.org/uploads/FileLinks/3445fc4bd0244654b086c5b7a7fa3c34/2016_qtr4.pdf	General fund, problem gambling treatment
New York	All gaming taxes go into the state's education fund.	https://www.gaming.ny.gov/about/index.php?ID=3	Education, agent commission, gaming administration, marketing allowance

North Carolina	All gaming taxes from tribal casinos goes to Tribal General Fund, Endowment and Investment Funds, Debt Service Sinking Fund, Housing Fund, Higher Education Fund, Capital Improvement Program, Cherokee Central Schools Assistance Fund, Health Program Supplement Fund, Cherokee Indian Hospital Authority, Police and Corrections Fund, and Kituwah Language Immersion Program.	http://docs.wixstatic.com/ugd/d1e310_9197a7d81dec4a409b6a990180381d80.pdf	
North Dakota	All gaming taxes go to charitable uses and general fund.	https://attorneygeneral.nd.gov/licensing-and-gaming/gaming	
Ohio	All gaming tax goes to Host City Fund, Student Fund, County Fund, Casino Control Commission Fund, Ohio State Racing Commission Fund, Law Enforcement Training Fund, and the Problem Gambling & Addictions Fund.	http://www.tax.ohio.gov/Portals/0/government/newdocs/Casino%20Docs/July%202017%20casino%20tax%20deposits%20by%20fund.pdf	Local governments, education, casino control commission, racing commission, law enforcement training, problem gambling and addictions
Oklahoma	All gaming taxes collected from tribal casinos goes to Education Reform Revolving Fund, the General Revenue Fund and the Department of Mental Health and Substance Abuse Services.	https://ok.gov/OSF/documents/GameCompAnnReport2016.pdf	12% to the General Revenue Fund, 88% to the Education Reform Revolving Fund
Oregon	All gaming taxes go to public education fund, economic development/job creation fund, state park/natural resources fund, and problem gambling treatment fund.	https://www.oregonlottery.org/about/oregon-lottery-information/how-lottery-funds-are-allocated	
Pennsylvania	All gaming taxes go into the state's general fund.	http://www.media.pa.gov/Pages/Revenue-Details.aspx?newsid=215	Property tax relief, economic development, tourism, horse racing industry, host local government
Rhode Island	All gaming taxes go into the state's general fund.	http://www.rilot.com/financial.asp	General Fund, Lottery Commission, marketing programs
South Carolina			

South Dakota	All gaming taxes go to School Districts, SD Tourism, State general fund, State Historical Preservation, and counties.	http://dor.sd.gov/Publications/Annual_Reports/FY2016Annual%20Report.pdf	State gaming taxes allocated as follows: (a) 40% Dept. of Tourism; (b) 10% Lawrence County; and (c) Remaining 50% disbursed as follows: first \$100,000 to State Historical Preservation Grant and Loan Fund. Next \$6.8M to the City of Deadwood. Remaining funds go to the state general fund, Lawrence County municipalities, Lawrence County school districts, Deadwood historic restoration and preservation fund.
Texas	All gaming taxes go to the state's General Revenue Fund, Multicategorical Teaching Hospital Account, Tertiary Care Facility Account, HHSC Graduate Medical Program, Foundation School Fund, and Texas Veterans Commission.	https://www.txlottery.org/export/sites/lottery/Documents/financial/Monthly-Transfer-Document.pdf	
Vermont	Tribal or commercial gaming is not allowed.		
Virginia	Tribal or commercial gaming is not allowed.		
Washington	All gaming taxes go into the state's general and a special fund.	http://www.wsgc.wa.gov/docs/0204-tax-report.pdf	
West Virginia	Contacted, no response	http://www.budget.wv.gov/Pages/contact.aspx	Education, Racetrack Table Games Fund, Horse and Dog Racing Purses.
Wisconsin	Contacted, no response	https://www.revenue.wi.gov/DOR%20Publications/1104gaming.pdf	
Wyoming	Contacted, no response	http://revenue.wyo.gov/home/contact-information	

IMPLEMENTATION BLUEPRINT



An Economic Development Strategy for The Renaissance of a Great American Downtown: Springfield, MA

FINAL
May 29, 2018

*Prepared in consultation with The City of Springfield, MA & MGM Resorts
by The Chicago Consultants Studio, Inc.*

INTRODUCTION

With the introduction of gaming into downtown Springfield, the potential for collateral economic development to enliven the downtown, strengthen the urban fabric, stimulate mixed-use investment, attract business and leisure tourism, enhance nearby neighborhoods and reinvigorate the broader Western Mass region is a powerful urban development tool for the City, civic leaders, and key stakeholders.

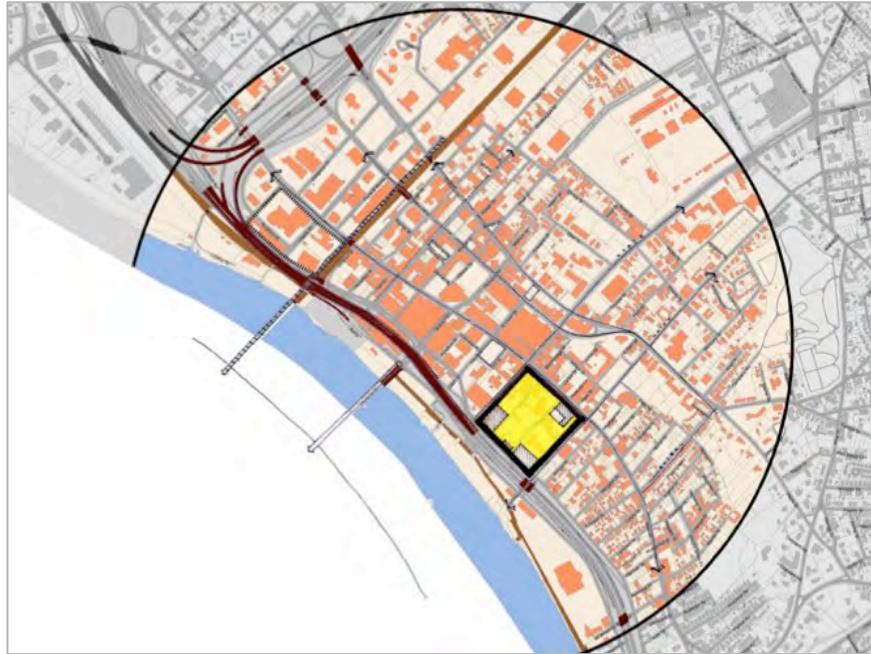
As a major urban investment, an anchor and destination draw, a gateway, a major employer, and a prominent architectural icon, the MGM Springfield casino mixed-use development should be a catalyst for positive additional investment and urban initiatives. It is located at the intersection of several districts and corridors, and proximate to several neighborhoods. From a strategic city planning and economic development perspective, this convergence affords the City the opportunity to leverage the \$950M private sector investment in the casino project to create proactive and positive “city building” initiatives, incentives, controls and regulations to foster deliberate and quality urban enhancements.

Building on the City’s Vision 2018 and “Springfield: Rising to New Heights” initiatives, this process seeks to stimulate further dialogue and interest, facilitate creative strategies, and establish a framework for both general and specific urban initiatives within the districts adjoining the casino to help the City, property owners, civic leaders, and private investors leverage this massive investment toward high quality collateral development. The Implementation Blueprint is intended as a living document to be updated and revised annually over the next five years to capture the collateral benefits for the city and region. As the initial step, the City/MGM have identified the following priority areas for immediate focus:

- 1. Key Strategic Collateral Development Opportunities**
- 2. Solidifying Springfield as the Center of the Region’s Convention, Meeting & Entertainment Business**
- 3. Creating a Market Rate Residential Downtown**
- 4. Attracting New Downtown Employers and Businesses**

The Initiatives Workbook represents the culmination of this targeted effort and provides the City, MGM, abutting property owners, neighborhood organizations, individuals, community leaders and the region with the essential “implementation blueprint” contemplated in the Host Community Agreement (HCA).

INITIATIVES OVERVIEW



Maximizing Collateral Impact

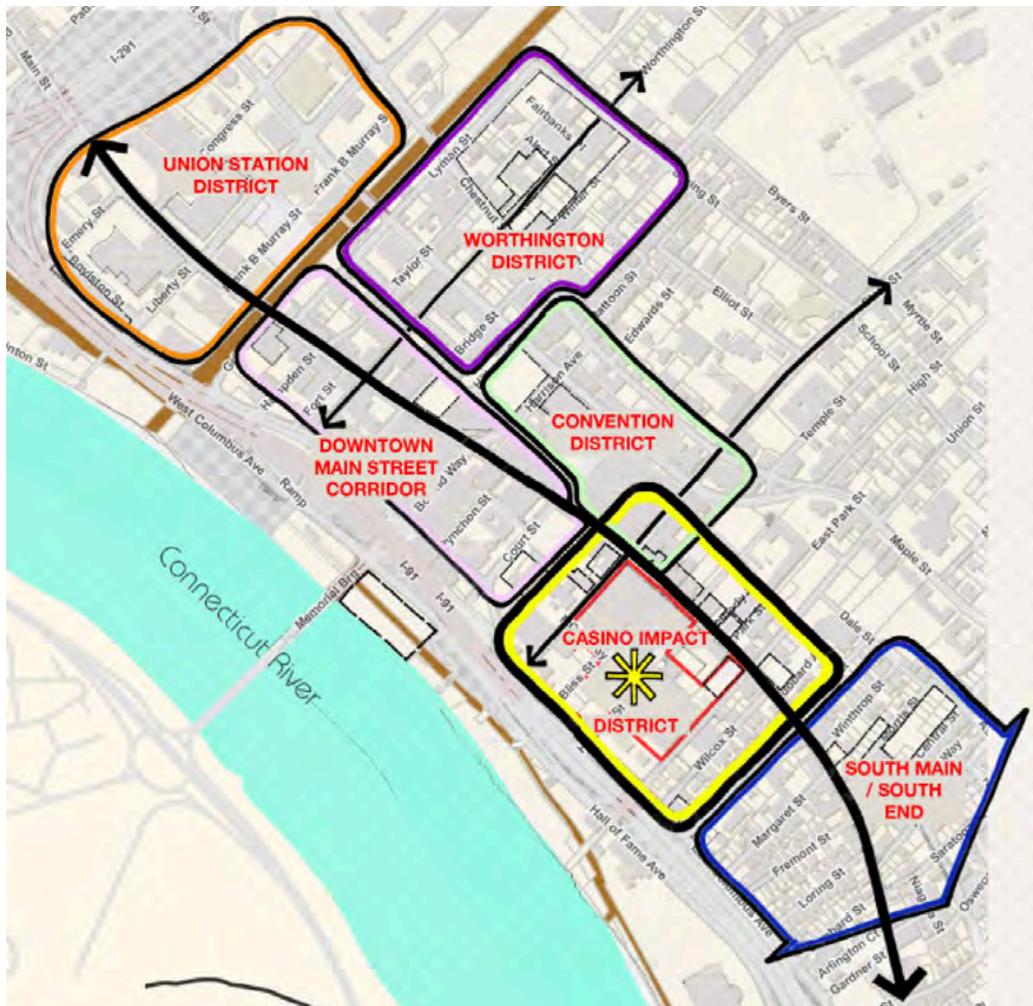
- 1 KEY STRATEGIC COLLATERAL DEVELOPMENT OPPORTUNITIES**
 -
 - 2 SOLIDIFYING SPRINGFIELD AS THE CENTER OF THE REGION'S CONVENTION, MEETING, & ENTERTAINMENT BUSINESS**
 -
 - 3 CREATING A MARKET RATE RESIDENTIAL DOWNTOWN**
 -
 - 4 ATTRACTING NEW DOWNTOWN EMPLOYERS / BUSINESSES**
 -
- SUPPORTING AGENCIES, INITIATIVES AND INCENTIVES

1

KEY STRATEGIC COLLATERAL DEVELOPMENT OPPORTUNITIES

With great potential to leverage MGM Springfield's \$950M investment, downtown Springfield's redevelopment sites provide prime opportunities for important and significant collateral investment. Together with MGM Springfield, strategic redevelopment of these key sites will further enable the renaissance of downtown into an active and vibrant urban environment that will attract new visitors, families, businesses and employees for years to come.

Key strategic planning, expanded incentives and grants, regulatory controls/enhancements and other related assistance should be explored to encourage and facilitate critical redevelopment of priority sites in proximity to the MGM Springfield anchor on Springfield's Main Street.



Downtown Development Areas

OPPORTUNITY

Attractive, lively, and inviting storefronts with complementary goods and services are an essential ingredient to successful downtown streets and environments. With MGM Springfield soon as a dynamic destination anchor along Main Street attracting much expanded tourism and business markets, adjacent downtown sites and properties will play an essential role for necessary collateral development while enhancing the downtown vitality. Key sites within the core downtown area and adjoining districts are prime development opportunities for new complementary restaurants, retail, lodging, businesses, and residential to meet and expand new demand and further activate the urban experience.

This strategic plan will help the City, MGM and stakeholders to identify, assess, and conceptualize the priority opportunity while setting a clear implementation path to encourage and facilitate critical development. Additionally, exploration of various existing and new funding sources and the creation of redevelopment oversight structure/organization together will provide the necessary mechanism to further ensure implementation.

OBJECTIVES

To comprehensively assess the real estate opportunities in and adjacent to downtown so that Springfield can prepare proactive strategies to address potential vacant properties and promote new collateral development to maintain and enhance downtown vitality and environment

- Create an inventory and prioritization of sites/buildings/opportunities to guide critical redevelopment and collateral improvements
- Identify a range of development uses, concepts, and ideas to capture and satisfy the expanding Springfield market demand through new, complementary goods, services and products
- Explore a range of business and developer-friendly “tools” to facilitate development including potential new grants and incentives, City zoning assistance and development overlays, stakeholder assistance, potential partners, tax abatement, utilities, and related support
- Create a near term strategy for targeted outreach, engagement, and solicitation of property owners, developers, potential tenants, and/or other interim solutions to address immediate opportunities and concerns
- Identify broader downtown potentials for complementary, synergistic redevelopment of adjacent development zones to further extend and “radiate” the impact of MGM investment and address across other ongoing planning efforts by the City
- Form and/or re-establish governing organization and/or civic entities to provide oversight, accountability and execution to promote and facilitate development, assistance, incentives/grants deployment, and implementation mechanisms/agencies

STRATEGIC INITIATIVES

A. Immediate Priority Casino Impact District / Main Street Corridor

Along Springfield's primary "front door" address and immediately adjacent to the MGM anchor development, these core Main Street Corridor properties create the essential context and complementary / supporting uses to further attract, retain and engage patrons in the unique urban experience. With many of these properties still vacant or in transition, it is essential that the City, MGM, and related civic agencies collaborate to help initiate an engagement and assistance effort with key property owners, interested developers, and/or tenants to reposition and marketing the unique and timely development potential of each site. Key to this will be articulating a variety of grants, incentives, regulatory/zoning assistance, or other development support that the City, the Commonwealth, related agencies and/or interested area stakeholders can bring to these properties. The immediate effort will advance a series of targeted development strategies for priority parcels to be used to market and solicit business, developer and tenant interest, and further investment.

- Key Properties
 - MGM "Dave's Furniture Site"
 - A1 "Shean Block/31 Elm Street"
 - A2 "Bank/McCaffery's"
 - A3 "Lavene's"
 - A4 "Colonial" Block
 - A5 "Black Pearl"
 - A6 Proposed Hotel
 - A7 Union/Main Davenport
 - A8 Union/Wilcox

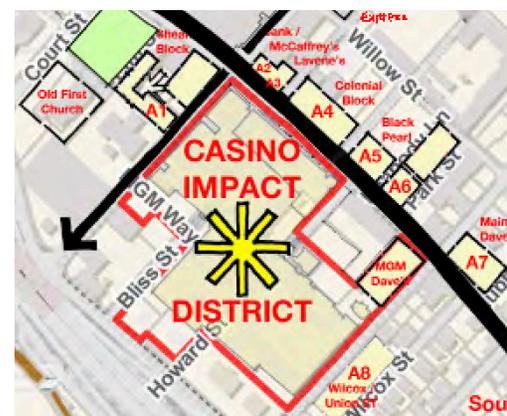
- Redevelopment Potentials and Needs
 - Situated immediately adjacent to the new MGM downtown anchor, these sites are ideal locations for additional off-site dining, retail, entertainment, or lodging to provide alternative options, and meet demand not fully accommodated by the MGM Springfield
 - Complementary program uses, tenants and/or desired redevelopment entities should be identified and strategically approached as part of a collaborative effort to help ensure adjacent sites add to and enhance the downtown environment and offerings
 - In collaboration with City and MGM, suggest initial outreach/engagement of stakeholders through City/Commonwealth agency(s) already tasked with downtown redevelopment



Main Street Corridor Priorities



Retail/Restaurant Opportunities



Key Proximate Sites

(such as EDC, DevelopSpringfield, MassDevelopment, Business Improvement District (BID))

Key Steps

As an immediate priority, commence with *Strategic Initiative A Casino Impact District* to ensure that interim physical improvements, attraction and leasing of new quality tenants, and/or redevelopment of key sites has begun in conjunction with the opening and creates a complementary retail, commercial environment commensurate with the adjacent MGM \$950M investment.

- **Assess and Enhance Incentives and Development Assistance**
A combination of incentives and related City assistance should be explored to attract developers, investors and/or tenants, facilitate the development process, and ensure viability through offsetting/augmented redevelopment costs if needed. In addition to a number of existing programs (storefront improvement grants, Lease it Local rent subsidy program, Downtown Dining District Fund), these incentives may also include: acquisition assistance, renovation grants/subsidies, historic tax credits, tax abatement, fee waivers, infrastructure/utility enhancements, zoning/regulatory assistance, or shared services (e.g. parking). Funding for additional incentives/grants should be pursued through civic leadership, key institutions, and stakeholders donations (much like the marketing/image campaign) and in conjunction with funding potentials through Federal or Commonwealth agencies and programs.
- **Pursue Regulatory Development Overlay Area**
A development overlay area should be pursued to further guide and encourage near term redevelopment in the key areas around the casino and be linked to the use of incentives in these areas. This should include: urban design criteria and guidelines to ensure contextually responsive urban development and architectural consistency in primary zones (e.g. Main Street); desired program uses to promote complementary, missing or needed enhancements to the downtown offerings, as well as prohibitions to avoid undesirable development (surface parking lots, noxious uses, etc.); geographically associated incentive zones, with potential higher value on immediate and proximate development; special signage allocations and/or enhancements to further embellish the district; parking requirement variances through potential shared usage elsewhere, and other related regulatory assistance. The development overlay should be considered temporal and sunset within five years after opening to encourage near term development. A full complement of available incentives should be made available through this overlay area.
- **Craft Near Term Outreach Strategy**
Outreach to key adjacent land/building owners and existing development entities should begin immediately to understand current plans and strategies for redevelopment, if any, as well as impediments to development. This outreach should be tailored specific to each site/owner and conducted by the most appropriate agency(s) involved in downtown development (such as the SRA, BID, DevelopSpringfield, MassDevelopment) in conjunction with the City and MGM. Upon this initial

outreach and baseline understanding, a more definitive strategy from the City, other agencies/entities, MGM or other interested stakeholders can then be tailored to meet the objectives, needs and directions of the implementation blueprint. Targeted outreach to developers, desired tenants or investors should also be pursued through collaboration of the City, MGM, civic agencies, and/or stakeholders and leverage local events/resources such as the Western MA Developers Conference in June 2018 as well as national events through professional organizations such as Urban Land Institute (ULI), RECon/ICSC The Global Retail Real Estate Convention, or the American Planning Association (APA).

- **Craft Development Brief for Marketing**

The Implementation Blueprint framework document, initiative briefs, and supporting graphic materials can be used to promote Springfield and market the various sites, zones and redevelopment opportunities throughout the City. These materials can be crafted into specific targeted presentations and / or “synopsis” briefs for use in developer and tenant outreach and overall marketing of Springfield. The brief should convey an overall assessment of the existing demand, development opportunities, implementation strategies, incentives, and comprehensive vision from this effort for the various sites and redevelopment areas. Additionally, these materials should be referenced and available via links on the City, Western Mass EDC and other regional/Springfield agency websites involved in promoting Springfield. These materials should be made available and accessible to the interested development community via a collateral development website.

- **Establish Oversight and Accountability Entity**

The ongoing monitoring, strategic direction, and implementation of each of these redevelopment sites will require the guidance from some form of oversight agency in collaboration with the City and MGM. Western Mass and the City have a number of existing agencies who are already established and could potentially serve in the role of both facilitating and/or executing the priority projects. Existing Springfield agencies including the Western Mass EDC, SRA, DevelopSpringfield, or Springfield BID, could be tasked with specific initiatives and projects based on their expertise and mission.

B. Additional Collateral Enhancement Sites For Consideration

Radiating out from MGM Springfield, adjacent sites and “districts” offer additional prime redevelopment potentials that can further enhance and diversify downtown as a high quality environment to live, work and play.

1. South Main Street / South End Infill

Just south of MGM Springfield, South Main Street serves as an important extension of this vibrant area, with a variety of infill and redevelopment



Springfield's Historic South End

opportunities along Main Street, Columbus, Central Street and abundant infill throughout the South End area neighborhood. The potential to rebuild this historic residential and commercial fabric along Main and knit back together the City still scarred from the 2011 tornado will create new impetus and momentum to carry into surrounding areas such as Six Corners / Maple Heights.

- Possible Properties
 - B1 Morris and Main
 - B2 Central Street Parcel Redevelopment
 - B3 S. Columbus/Wilcox Parcel
 - South End infill

- Redevelopment Potentials and Needs

- Requires leadership, incentives/grants, assistance, and controls to guide

complementary commercial and/or mixed use (with residential) development along Main Street compatible with City vision and MGM investment while preserving and enhancing the residential character inboard

- Central Street parcel offers proximate two acre vacant site for interim uses to support downtown and longer term redevelopment potential for residential townhouse/courtyard

development or similar

- Columbus, a primary approach corridor to downtown with direct highway access, and experiencing recent reinvestment (including Starbucks, gas station, and Hilton Hampton Suites hotel) and can continue to support additional commercial, lodging and related services development



Hotel Reinvestment On Columbus



New Retail Development In South End

2. Downtown Main Street Corridor

Preserving and enhancing the entire downtown Main Street corridor is essential to maintaining the “heart” of downtown Springfield, its urban identity and vitality, as well as the primary linkage/lifeline to other adjacent districts and destinations. Key infill sites along Main Street can help restore these connections and shorten the perceived distances by providing attractive development potential for retail, restaurants, entertainment, commercial and residential uses. Strategic redevelopment can help enliven and restore Springfield’s main downtown identity space, Court Square, provide continuity and urban edge along Tower Square Park, and recreate a significant destination anchor through a restored and active Paramount Theater that will further drive visitors into Springfield’s Dining District or Union Station/North End areas.

The Downtown Main Street sites play an important role in restoring connectivity, providing continuity, and reenergizing the entire stretch of Main

Street to ensure a comprehensive, cohesive and vibrant downtown experience. With redevelopment efforts already being considered and underway through the Transformative District Initiative (TDI) and the related Downtown Dining District Fund (DDDF), the City of Springfield and Commonwealth’s MassDevelopment have helped promote redevelopment interest and funding to this important area.

- Key Properties
 - C1 Old First Church
 - C2 Tower Square Park
 - C3 Paramount Theater
- Redevelopment Potentials and Needs
 - Court Square activation and revitalization through reuse and additional programming of Old First Church (together with 31 Elm Street residential)
 - Town Square Park, a temporary use and former Steiger’s Department store has great potential for new office or residential and ground floor retail and can serve as a key site to attract new businesses/employees to the heart of downtown
 - Renovation of the Paramount Theater as a live performance venue would add significantly to the cultural and entertainment offerings as well as provide a significant anchor on Main Street.



Proposed Paramount Theatre Redevelopment

3. Worthington District

Historically a dining and entertainment district, the area along Worthington and adjacent to Apremont Triangle would be an ideal location to once again provide Springfield with a range of new, complementary dining and entertainment offerings as an alternative to Main Street or MGM Springfield. With an existing concentration of restaurants and unique availability of abundant land resulting from the 2012 natural gas explosion, the Worthington District is prime to become a hip, offbeat destination zone that will attract office workers, residents and visitors alike. Additionally, bolstered by the resurgence and appeal of the Apremont Triangle and major investment north with the Union Station renovation, the Worthington District is also an ideal location for much needed new market rate residential offerings. Following trends in other comparable cities across the US, Springfield can attract the young professionals, empty nesters, and new families seeking to live in an urban, mixed-use, and vibrant downtown through targeted redevelopment in the Worthington District. This redevelopment area



Springfield Downtown Dining District



Worthington Street Study (Utile)

may be considered a key site for the Market Rate Residential Initiative.

- Key Properties
 - D1 Blast Site (multiple owners)
 - D2 Apremont
 - Other
- Redevelopment Potentials and Needs
 - The recent Willys Overland building renovation announcement is indicative of the residential market and mixed use potential in the area
 - With close proximity to Downtown, the Dining District and adjacency to the desirable Museum Quadrangle, the Worthington Blast site could attract urban mixed use redevelopment as envisioned in prior studies including the 2014 Worthington Street District Planning Study; revisit the recommendations of the 2014 study



Precedent Dining & Vibrant Streetscape (Boston)

4. Union Station Anchor Redevelopment

Springfield's reinvestment in Union Station and the North End serves as a clear indication of the importance of this City structure and its surrounding area, as well as the great potential now afforded Springfield to connect to and tap new markets in the region - from the business traveler, to the conventioneer, to students, and visitors/tourist. Equally important, Union Station

and the surrounding area serve as the northern anchor to the Main Street corridor which connects the key destinations and districts of the City. Springfield's Union Station area represents a unique opportunity to create a new "gateway" development that becomes a key portal to the City and arrival point to the Main Street corridor experience. The potential availability of sizable parcels for redevelopment proximate to transit can drive new businesses to the area, new institutions and education facilities, or even new destination attractions much like prior plans for the minor league baseball stadium.



Renovated Springfield Union Station as Catalyst



North End Potential

- Key Properties
 - General zone and sites around Union Station (TBD)
- Redevelopment Potentials and Needs

- Transit Oriented Development (TOD) opportunities adjacent to Union Station
- New anchor attraction, office/corporate, medical campus, residential potentials

KEY STEPS

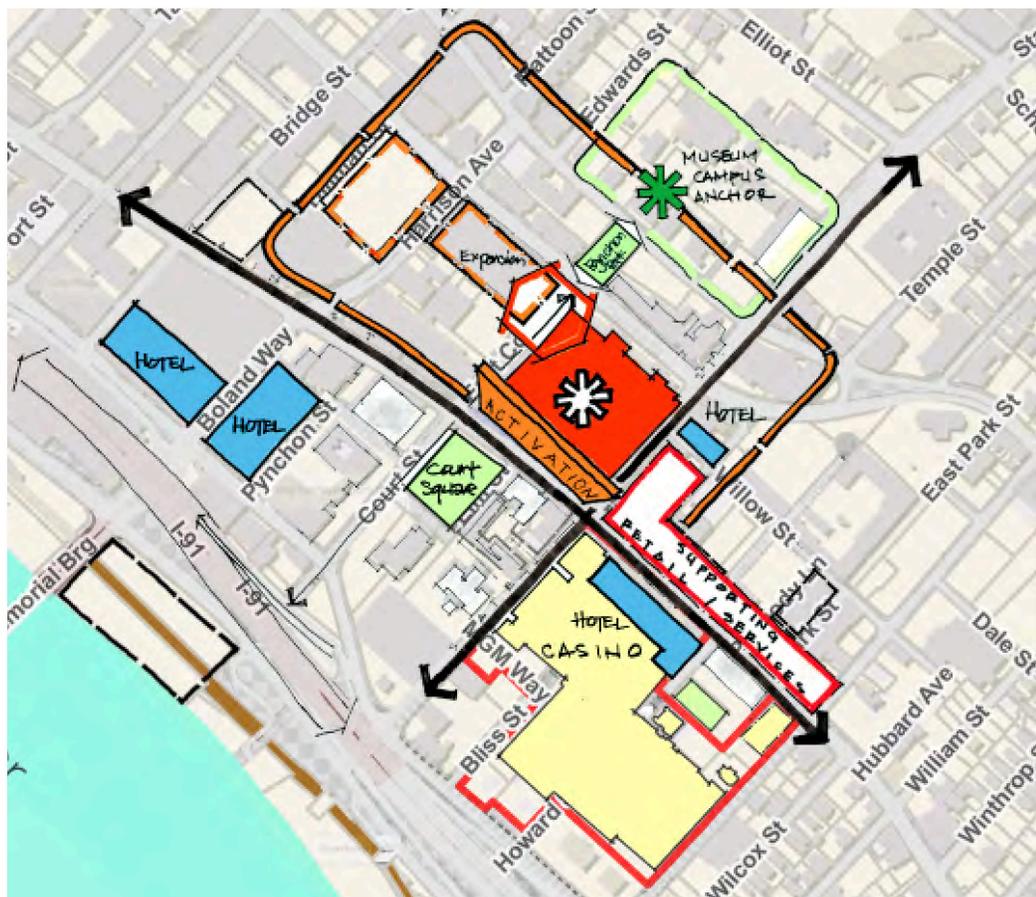
Advance overall strategy and baseline materials to articulate additional downtown redevelopment potentials in adjacent zones and highlight range of projects types, and complementary uses. Together with Initiative A priority sites, downtown Springfield is afforded a wide range of redevelopment potentials to respond to and solicit developer interest, and all building a more vibrant and attractive downtown

2

SOLIDIFYING SPRINGFIELD AS THE CENTER OF THE REGION'S CONVENTION, MEETING, & ENTERTAINMENT BUSINESS

With much expanded offerings, draw and exposure to Springfield through MGM's urban destination venue, there is unparalleled opportunity to reshape and expand Springfield's convention business to target and capture new markets in meeting and conference business. New investment in downtown commercial infrastructure including retail, dining and lodging, together with MGM's annual commitment to bring quality entertainment throughout Springfield's signature venues, can provide critical support and complementary attraction to seek to become the region's premier destination for meetings and conferences.

Targeted reinvestment in the convention facility, related infrastructure, complementary and supporting commercial uses and new expanded marketing can reshape Springfield into the premier convention and meeting venue in the region.



Convention Center Influences & Opportunities

OPPORTUNITY

MGM Springfield's physical investment, programmatic commitments, and industry relationships offer Springfield unparalleled opportunity to reshape and expand its convention business into the region's premier destination venue. As convention and meeting offerings bring new businesses, visitors and patrons to its city, Springfield can leverage the symbiotic relationship with MGM Springfield's investment to encourage extended stays, spousal/family attendance, broader tourism offerings and appeal, and overall increased spending in Springfield and the Western Mass region. MGM's five-year guarantee of premier entertainment to fill Springfield's MassMutual arena, Symphony Hall, and City Stage further provides a competitive advantage to attract and retain new convention and meeting business for years to come.

Through a proper assessment and understanding of the baseline business, convention competition and marketplace, existing facilities, enhancements, and new potentials enabled through MGM, Springfield can craft a targeted plan to reposition itself as the premier convention and entertainment destination in the region.

A critical aspect of the City/MGM partnership has been a unique collaboration throughout focused on realizing broader economic development. Rather than overwhelming the marketplace and attempting to capture and retain casino patrons solely within the casino development as other urban casino investments have done, this strategic partnership has resulted in a means to create an environment that will encourage collateral development/investment rather than siphon off business from existing hotels, restaurants and amenities. While the prime aspect of this has been the location of the casino right in the heart of the downtown, that decision now benefits the ability to leverage the area's convention/meeting industry, as well as the support businesses and retailers that accompany that.

OBJECTIVES

The economic engine of most successful and vibrant American cities is a robust convention, meeting, and exhibition sector. This is especially true in northern industrial cities which cannot directly compete with warmer climates on tourism, but whose regions possess unique and strategic amenities of density, headquarter facilities, transportation infrastructure, cultural offerings, historic fabric, etc.

- The positive economic ripple impact of convention and meeting business is exponential on both the host community as well as the broader region thus creating a true potential to stimulate a range of collateral impact and investment in the area. In addition to the obvious direct impacts on hotel and lodging occupancies, food and beverage expenditures, entertainment and the corresponding support service infrastructure (car rental, sundry

sales, etc.), the city's robust convention and meeting industry has the real potential to influence business and leisure visitor exposure to Springfield resulting in repeat visitation, increased spending, and even possible business relocation or investment in Springfield.

The introduction of the MGM Springfield casino represents a priority opportunity for the City to leverage its energy to finally achieve a long-eluded objective of making Springfield the region's convention and meeting center. Properly approached, this initiative could well produce long-term benefits for the city and the region well beyond those of the casino itself.

STRATEGIC INITIATIVES

A. Regional Refocus and Competitive Needs

Springfield has long recognized the value of attracting conventions, meetings and conferences by investing in high quality meeting facilities right in the heart of its downtown. However, it has long sought but not captured the core of the business and corporate convention market which is critical to establishing the foundation which in turn precipitates the spin-off and collateral impacts. Much of that market sector has been captured and maintained by venues like Hartford where the amenities are in place necessary to support such.

Springfield has, however, been successful in attracting a range of "retail" meeting and conference business which typically fills the weekends and off-seasons. If the city can now leverage the amenities which MGM Springfield is creating, and link them with other existing, but perhaps underutilized amenities, Springfield has the opportunity to dramatically enhance and increase its regional convention market share.

The key competitive aspects which Springfield needs to address to achieve success in this industry include:

- The creation of additional hotel rooms for the convention center directly adjacent and accessible to the Mass Mutual Center. The new MGM casino hotel will partially solve for some of this demand, as will the announced plans for a new Holiday Inn venue adjacent to the Center, though both lack the desired direct linkage to the convention center
- Enhanced meeting facilities, especially with regard to on-site breakout rooms and associated amenities which today limit the Center's ability to successfully compete for significant corporate business
- Improved and expanded on-site storage
- Addressing the Center's parking supply and demands for shows; the existing garage facility appears to be beyond its useful life and is more of a detriment than an asset; there does appear an opportunity to create a new, comprehensive parking strategy utilizing a variety of solutions and redeploy the existing garage site along with adjoining real estate to greatly enhance the overall Mass Mutual Center "invitation" to prospective users

- Infrastructure aspects including a underutilization of Westover Metropolitan Airport and lack of shuttles and connectivity necessary to link various downtown attractions as part of the Springfield convention center amenity package
- Last, with the density of insurance industry headquarters facilities in the region, the positioning of the Center needs to be addressed in order to not preclude the attraction of competitive corporate business under a Mass Mutual banner

To achieve the tremendous potential collateral economic impact possible in the convention/meeting arena for Springfield and the broader region, it appears imperative that:

- Springfield act quickly to develop strategies that leverage and take advantage of the casino development; the initial physical amenities that the casino will offer upon opening will provide a critical boost to Springfield's ability to market the city for new business
- Private, civic and corporate leadership of the city and of the region be engaged to understand the potential benefits, embrace the objectives and collaborate in lobbying for the resources to achieve the strategies
- The five-year commitment of MGM in the HCA to underwrite a minimum of twelve entertainment events per year is absolutely central to the success of these objectives and must be influenced and guided by the long-term concept of establishing Springfield as the region's convention/meeting center
- Springfield, MGM and the surrounding communities provide a compelling presentation of the immense economic development impacts of achieving this objective – and the huge payback to the Commonwealth of deploying potential grants and monies toward targeted and strategic marketing subsidies and incentives to help the strategy succeed early and produce results swiftly

Key Steps

Initially, the Implementation Blueprint process recommends that four parallel and simultaneous initiatives should be undertaken to facilitate implementation. These should not be addressed sequentially as each will have influence on the other and they need to all be part of a singular and focused approach. The fact that MGM has now stepped into the management and operation of the Mass Mutual Center is a very positive and timely initial step that will provide coordination and collaboration.

- **Develop a Coordinated and Aggressive Convention Strategy to Leverage MGM Impact**
 - Leveraging casino amenities and facilities as destination attractions and draw that further complement the downtown business and tourism offerings tied to the convention offerings
 - Deployment of the five-year entertainment commitment for up to twelve quality events in area entertainment venues; the City and MGM may at



Leverage Entertainment Events & New Market

times consider strategically orchestrating these as fewer but higher impact, “block-buster” events to attract major draw conventions with regional impact in place of the HCA required annual twelve one-off events

- Coordination (seasonal and menu offerings) of all of the city’s assets and venues

- **Create a Mass Mutual Facility Enhancement Master Plan**

- Competitive facility analysis and opportunities, especially in light of the new attractions and market in downtown
- Expansion and enhancement plans to solve for deficiencies in break out space, parking, storage and proximate lodging
- Redeployment of the existing parking facility and adjoining real estate for the benefit of the Convention center
- Additional convention support facility and complementary uses improvements plan – additional hotels/lodging, retail, dining, and infrastructure in and around the downtown area
- Improvements study/plan to increase accessibility to Convention Center through regional airport & charter business expansion
- Proposals to secure possible Federal, Commonwealth Legislative and/or related agencies funding allocations



Mass Mutual Convention Center Potentials

- **Craft a Five-Year Competitive Advantage Marketing Program to Capture Business**

- Create a targeted marketing plan to grow and embellish the current facility draw specifically tied to the full complement of business and tourism offerings, now enhanced by the casino development and entertainment commitments
- Establishment of potential incentives and subsidies to assist in attracting and retaining the conference and meetings convention market; these funds could be used to offset facility costs, lodging rates, shuttle/transportation services, or parking support to create a competitive and enticing package for future convention conferences/shows
- Participation of support facility improvements plan and marketing – hotels/lodging, dining, infrastructure, transportation/accessibility, and related potential incentives
- Proposals to secure possible Federal, Commonwealth Legislative and/or related agencies funding allocations



Convention Center Rebranding & Marketing



Broader Meeting & Conference Potentials

- **Enhance Structural/Organizational Aspects to Assist with and Realize Growth Objectives**
 - The success of convention/meeting strategies in other major cities suggests that while the convention and meeting planners are key to driving these initiatives, it is essential that the business, civic and political leadership understand the importance of their involvement and guidance in the overall process. Properly and enthusiastically led, this component of the Implementation Blueprint has the most far-reaching and most long-lasting benefits for the city and the region.

CONVENTION DISTRICT ENHANCEMENT SITES

As a driving force and synergist use to MGM Springfield, the Convention Center area warrants a careful assessment of both on-site space and adjacent properties to address the near and long term expansion, programmatic and redevelopment needs identified in the Convention Center Initiative. In conjunction with that effort, the current facility and adjacent sites should be evaluated to respond to expansion potential, parking and related infrastructure needs, overall facility beautification, activation, and rebranding, as well as critical connectivity to other area assets such as the Museum Campus or Worthington District.

- **Key Properties**
 - B1 Civic Center Garage
 - B2 Harrison Parking Lot
 - B3 Pyncheon Plaza
 - B4 Main Street Frontage
- **Redevelopment Potentials and Needs**
 - Redevelopment of existing Civic Center garage for expansion of Mass Mutual Center’s facilities including potential breakout meeting and conference space, ground floor related amenities and retail uses, and new parking structure; this site could also be considered to house a new convention center hotel on top of the new expansion development
 - Further explore additional downtown hotel, retail/commercial redevelopment proximate to convention center
 - Potential enhancements to existing center uses, programming and/or façade along Main Street to increase downtown vitality and encourage stronger connectivity along Main Street down to South End
 - Ongoing improvements to Pyncheon Park to enhance environs and strengthen connection to Museum Campus



Adjacent Sites/Opportunities to Convention Center



Enhance / Enliven Main Street Frontage

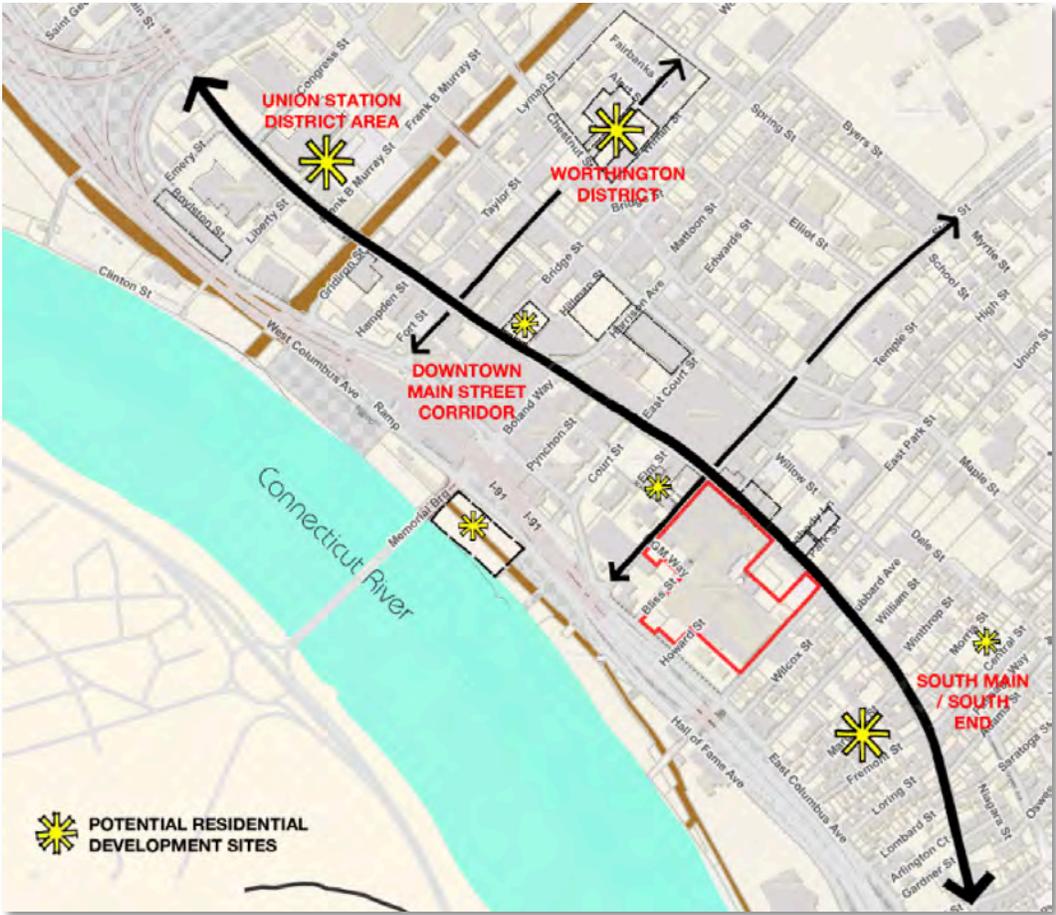


Pyncheon Plaza/Park Connections

3

CREATING A MARKET RATE RESIDENTIAL DOWNTOWN

The national resurgence and growing desire to both work and live in urban cities is timely for a downtown such as Springfield which is at the forefront of a renaissance. With abundant reinvestment in tourism, entertainment, and supporting uses, Springfield needs to bolster its resident population and expand its market rate residential offerings to provide ownership opportunities in the downtown community. This new targeted growth will bring further vibrancy, more diverse residential offerings and broader market potential, as well as a new “ownership” community long missing from the heart of downtown.



Residential Development Opportunities

OPPORTUNITY

The successful and competitive American downtown today offers a complete mix of land uses, including a range of market-rate residential offerings for each demographic sector. Over the last several decades, the urban resurgence has been fueled by the ability for attractive market-rate housing to thrive in the heart of the city bringing the energy and vitality of families, young professionals, empty-nesters and others.

The potential renaissance of downtown Springfield spurred by MGM's \$950M investment brings with it both renewed appeal and increased need for new market-rate residential offerings, further bolstered by MGM's commitment to underwrite an initial number of new, market-rate residential units in the downtown

OBJECTIVES

It is critical that the introduction of new market-rate residential units downtown provide a product type and urban environment that meets the Springfield marketplace. Unlike Boston, Chicago and other cities that have enjoyed a successful urban residential renaissance for several decades, Springfield will need to focus on carefully conceived residential initiatives and environments, locations and physical products that create the initial foundation for successful downtown living.

- Expand and diversify the residential product with more market-rate rental and ownership development
- Grow the residential population living in the core downtown area to further support and enhance the commercial vitality and viability in downtown
- Target key underutilized buildings, sites and districts for rehabilitation/reuse, and/or redevelopment in and around the downtown core
- Create residential environments that are perceived secure, and that offer a set of amenities (parking, open space, quality, uniqueness and value) that set them apart from and more attractive than existing residential offerings outside the downtown
- Promote and facilitate residential redevelopment through developer incentive programs, subsidies, grants, partnerships, or similar assistance
- Encourage and support residential purchasing and leasing through home ownership incentives, employer sponsored programs, mortgage/loan assistance, or other forms of aid
- Establish long term governance structures, organizations, or entities to implement, oversee, and manage redevelopment

STRATEGIC INITIATIVES

The proven success of downtown residential demonstrated by the many vibrant, active and energetic urban downtowns over the last 4 decades provides a good road map for Springfield on what works and what does not work in attracting a permanent resident population in the heart of a city. The three scenarios summarized below provide potential mechanisms for Springfield to explore and encourage through public/private sector collaboration and cooperation.

- Initiative B represents the most engaged and most successful approach and would be an extremely valuable opportunity for Springfield on several levels
- Initiative A represents a more singular and targeted effort which could produce first step results for Springfield
- Initiative C represents an opportunity to pursue regardless of other actions and is complementary and additive to both A and B

A. *Company/Key Institution Initiative*

A singular company or local institution with vested interest in area serves as catalyst and lead for redevelopment, providing initial impetus, organization, leadership/direction, and funding to launch. Typically the company or institution has a clear, vested interest in the success of such as a hands-on urban revitalization effort to improve its immediate environment and attract quality employees/patrons.

Precedent: “McRee Town/Botanical Heights”, St. Louis, MO

Approximate 14 residential blocks or 90 acres in deep decline and threat to neighboring communities immediately adjacent to the Missouri Botanical Garden (MBG), a major St. Louis institution and employer. MBG helped form, fund and direct the effort which led to the creation of the Garden District Commission (GDC) who established the McRee Town Redevelopment Corporation responsible for its development and implementation.

- Initial Sponsor: Missouri Botanical Garden
- Sources of Funding: MBG seed money (\$3M); City of St. Louis/Federal Community Development Block Grant (\$3M); HUD (\$5.85M), Danforth Foundation (\$3.8M); private contributions (\$2.5M)
- Incentives: Missouri Department of Economic Development (DED) through GDC offers Neighborhood Assistance Program (NAP) 50% state tax credits to qualifying business and individuals who make contributions to GDC to support revitalization in Botanical Heights Neighborhood
- Current Governance/Assimilation/Evolution: Garden District Commission (community based non-profit) and wholly owned affiliate McRee Town Redevelopment Corporation (MTRC) who has led efforts to assemble land, seek funds/grants, and procure residential developers and redevelopment agreements with MTRC

B. Civic Collaboration Initiative

A collaboration of civically minded corporations, stakeholders and institutions in the form of a to-be-formed, single purpose development corporation to serve as lead and implementation entity of redevelopment effort.

Precedent: South Loop/Dearborn Park neighborhood, Chicago, IL (50 acres; 800 units; mix of high-rise, mid-rise, townhome and single family units; included elderly). Situated at the south edge of the downtown on former rail yards, Dearborn Park began in the late 1970's as a plan to revitalize over 50 acres of a former rail yard into much needed new residential development.

- Initial Sponsor: The Dearborn Park Corporation (DPC), a special purpose, limited-dividend civic entity comprised of about 20 key downtown corporations and institutions including utility companies, banks, retailers, media corporations, developers and the Archdiocese.
- Sources of Funding: Each DPC member invested an initial capital contribution as seed monies to fund land acquisition, design, development and construction, with profits limited to 6%; DPC members provided professional services (design, construction, financing); public funds were limited to public infrastructure (roads and utilities)
- Incentives: DPC members (banks) secured extremely favorable, below-market 30 year mortgage financing for residents, and established a two year residency requirement to discourage speculation and ensure owner-occupant residents; DPC member corporations encouraged their employees through additional incentives, and key executives moved into the development to help prime the pump
- Current Governance/Assimilation/Evolution: Dearborn Park Corporation dissolved upon successful completion of both development phases and turned governance over to homeowner associations; DPC members received 100% return of their capital investment

C. Employer Encouragement/Subsidies Initiative

Led by the desire to attract and appeal to broader talent pool and potential target employees, an employer assistance sponsored program would provide non-site specific housing incentives and assistance to encourage and facilitate residential investment, home purchase, reuse/renovation, or rent assistance/abatement.

Precedent: Many downtown employers in many cities participate in such programs and have proven to be a boost both to the vitality of downtown and the employer's competitiveness in attracting and retaining quality talent; one example is the Loyola University Chicago Assisted Housing (UAH), an Employer-Assisted Housing (EAH) program; a similar, but slightly different example is the University of Chicago's threat property program which secured marginal residential properties and rehabbed them for University student, faculty and staff housing with subsidy incentives

- Target: Faculty and Staff to live near the university and local transit
- Funding: Loyola funds the loan program and homeownership counseling in exchange for tax credits from the state

- Incentives: Five-year forgivable loan for closing cost and down payment assistance; up to 25 loans per year; loans amounts are based on employee salary, AMI and proximity of housing to transit and university; loan-holders who remain employed by University, maintain property ownership, occupy the property and do not refinance in the 5-year period receive loan forgiveness

Key Steps

The successful stimulation and reintegration of market rate housing into downtown Springfield will require a combination of leadership, incentives and development strategies to target and entice both development interest, and the buyer/tenant interest. Borrowing from precedents in other cities this strategy should include

- Formation of a similar corporate/civic corporation to guide redevelopment of a new market rate residential core utilizing available land assemblage and opportunities throughout downtown (Worthington/Blast zone, Union Station district, South End / Central Street, etc.)
- Engagement of major downtown employers, institutions, or land-owners to help sponsor and/or facilitate distinct residential developments for employees with related employee residential programs
- Create a range of grants/incentives and/or City assistant to facilitate downtown development and help ensure viability for market rate residential redevelopment
- Establish grants/funds and related assistance for downtown buyers to entice purchase/rental in market rate housing (closing costs, loan assistance, fees/rebates, etc)
- Link incentives/assistance to priority areas/sites with particular attention on available parcels/sites along Main Street corridor, related major cross streets, and adjacent districts including Worthington/Dining District, South End, Union Station/North End.



31 Elm / Court Square Residential Potential

KEY SPRINGFIELD SITE OPPORTUNITIES

- Strategic Downtown Site: 31 Elm / Court Square
- Worthington (Blast Zone) / Apremont Triangle (Willys-Overland)
- South End Infill and Restoration
- Central Street Parcel
- Union Station District (TOD)
- Maple Heights/Six Corners Area



Willys-Overland Redevelopment

4

ATTRACTING NEW DOWNTOWN EMPLOYERS / BUSINESSES

The exposure afforded Springfield through the MGM investment has great potential to showcase downtown as not only a great city to visit, but one to live in, work in, and even relocate a business to. Fostering growth in new or expanded businesses downtown, can bring with it an exponentially expanded market through new employers and employees who will be encouraged to live, work, shop and recreate downtown given Springfield's "renaissance."



Springfield: A Downtown for Business

OPPORTUNITY

As the City of Firsts, Springfield has been home to many exclusive nationally renowned businesses, industry, and institutions that have served as the economic backbone to its success and longevity in Western Massachusetts. In combination with abundant assets and amenities, and a well educated workforce, the infusion of a new \$950M casino and entertainment complex affords Springfield yet another opportunity to leverage new industries and related business growth across many employment sectors. With this renewed interest, investment, and vitality, downtown Springfield will significantly enhance the quality of life that in turn can attract, retain and grow business, services, employers and employees aligned with Springfield's emerging industries and long-term goals.

OBJECTIVES

It is essential to attract, retain and expand new employers and businesses to Springfield to continue to enhance a broad and diverse economic base and expand the market potential through new employees and families who can work, live and recreate in the heart of downtown.

- Leverage the strong business foundation and legacy of industrial and business leaders past and present who shaped Springfield as the City of First and economic heart of the region
- Expose an expanded market generated by the casino, entertainment, and enhanced convention offerings to the renaissance in downtown Springfield as a premier vibrant city for business relocation and growth
- Assess the extensive local and regional businesses, industries and educational institutions to target corporations/companies aligned with the City's offerings and resulting high quality professionals
- Showcase and expand the abundant assets, cultural institutions, and amenities of Springfield to the broader marketplace
- Establish complementary and synergistic programs that attract and retain a new employee base of young professionals and families, including employee residential programs, educational partnerships, job training and related family amenities
- Promote and facilitate new business development through enhancement to incentive programs, start-up grants/subsidies, mentorship/partnership programs, educational training, and related business growth assistance
- Continue reinvestment and expansion of Springfield's critical infrastructure, utilities and technologies to remain competitive and attractive
- Re establish a civic business leadership group to provide direction, insight, oversight
- Governance structures, organizations, or entities to implement, oversee, and managed redevelopment

STRATEGIC INITIATIVES

As a longer-term strategy, business attraction and growth in the heart of downtown is a primary goal to expand the new market to work, live, shop, and recreate in downtown. Many of the fastest growing cities in the US share similarities with their economic development approach to business attraction, business retention and expansion, and business creation including: some form of economic development leadership entity, a variety of incentives and grants for relocation, expansion, build out, and job creation in targeted areas and specific industries, regulatory, zoning, and/or related city agency support, and focused marketing/branding efforts. Springfield can look to emulate a similar approach through new targeted approach, programs and expansion of existing services.

Strategic Initiative A should be the primary focus with the largest potential impact from funding. Strategic Initiative B seeks to leverage and potentially expand on existing Springfield business growth infrastructure and programs, though may require significant investment to be effective.

A. Downtown “Renaissance” Business Leadership Forum & Fund

Create a business leadership forum to monetize, leverage, and direct a new “renaissance/enterprise” fund to attract, retain and grow businesses, employers and employees, and encourage relocation from out-of-state into the West Mass/Pioneer Valley.

- Engage and vest the region’s founding employers and business leaders in creating true economic development by establishing a bonding mechanism to undertake a wide range of new business attraction efforts
- Provide funds from the private sector toward synergistic business attraction and relocation economic development initiatives
- As a regional impact initiative, the Renaissance Forum and Fund is intended as a longer-term priority as the enhancements and amenities of MGM Springfield’s investment in the area take hold
- Ensures the broader economic development process becomes a shared vision and priority with private sector accountability, administration and real results from these funds for the future health and vitality of the region
- Initiate a marketing campaign perhaps as part of the comprehensive Springfield rebranding, to highlight the key demographics, assets, attractions, and programs available to entice a range of businesses large and small, employers, employees, and families to relocated to downtown and the area

Sample Cities/Programs:

Austin, Texas Economic Development Department

- Established “Desired Development Zone” overlay across broad area of downtown Austin and “Imagine Austin” which further refines redevelopment opportunities and corridors
- EDC assists with Zoning Assistance and Relocation funds targeted to those zones

Raleigh, NC: Office of Economic Development

- Raleigh For You “R4U” Program with redevelopment “Target Areas” for funds, as defined in comprehensive plan; allows redevelopment outside target areas, but less incentives
- Building Investment Grant (BIG): is a discretionary incentive program providing cash grants to new and existing businesses that will provide economic benefits to the City of Raleigh, are competitive with other locations, and need the grant to carry out the project in the City. Grants are based on new job creation and new ad valorem taxable investment thresholds made by companies; min \$20M investment, 20 new jobs created; Grants are based upon 75% of new property tax revenue to city generated from the investment; require City Council approval; variety of other grants with varying terms include Headquarters Project grant for HQ relocation, Job Development Investment Grant (JDIG) \$/job created
- Building Up-Fit Grant (BUG): is a priority for the Raleigh community and its residents for attracting new business and expanding existing businesses in the city; encourages growth and development by assisting property owners and businesses with improvements, renovations, and/or additions to their interior spaces; up to \$25,000 with match from tenant

B. Promote Springfield Innovation Center and Synergies with Technology Park:

Support, enhance, and expand the current Springfield Innovation Center with additionally funding to help potentially expand staff, programs and outreach to continue to grow businesses. Springfield has a significant start with the opening of the new Springfield Innovation Center as well as the established Springfield Technology Park and Tech Community College. To capitalize on the substantial reinvestment and desirability of Springfield as a premier location to grow or relocate a business, Springfield should:

- Reengage major businesses, educational institutions, and key civic leaders to collaboratively support the Springfield Innovation Center through new potential funds
- Expand the potential of the Springfield Innovation Center and it’s programs focused on business growth



Springfield Innovation Center

SUPPORTING AGENCIES, INCENTIVES & INITIATIVES

POTENTIAL SUPPORTING AGENCIES

Western Mass and Springfield have a range of existing agencies and organizations who are currently working to promote and improve the downtown environment and vitality. These agencies could be used as a development and professional resource to the City and MGM as well as existing mechanisms and “facilitators” for implementation. There are clear benefits with respect to timing and efficiencies to using existing established agencies to assist with the immediate and ongoing priority projects of the implementation blueprint. These agencies can be augmented and expanded through potential new grants and/or economic development funds to allow for additional staffing and related organizational needs to address the increased role with of the Implementation Blueprint. Current agencies for consideration include:

- Economic Development Council of Western Mass*
- MassDevelopment*
- Springfield Redevelopment Authority*
- DevelopSpringfield*
- Springfield Business Improvement District*
- Springfield Regional Chamber*

POTENTIAL SUPPORTING INCENTIVES AND EFFORTS

Springfield has already established a number of programs and incentives specifically targeting redevelopment and enhancement to downtown Springfield. A number of these programs may be used in conjunction with the Implementation Blueprint. Additional grants and funds need to be secured through possible participation of area businesses and civic leaders, federal programs and assistance, and potential Commonwealth programs to help establish a range of incentives to respond to the Implementation Blueprint initiatives. Current programs and funds include:

- Urban Renewal Zone (federal funds)*
- Opportunity Zones (new 2018 Federal funds; Springfield is already approved designated area)*
- Transformative District Initiative (TDI)*
- Springfield Downtown Dining District Fund*
- Springfield Section 108 Loan Program*
- Springfield Small Business Loan Program*
- Springfield Small Business Storefront Grant Program*
- Economic Development Incentive Program (EDIP)*
- Housing Development Incentive Program (HDIP)*
- Property Assessed Clean Energy (PACE)*
- Research & Development Tax Credit*
- Springfield Innovation Center*
- Springfield Technology Park / Incubator*
- Valley Venture Mentors Program*

Additional targeted sources of funding should be sought to:

- *Augment and expand agency support to accommodate the additional management and execution of the implementation blueprint*
- *Create new targeted grants and funds to attract and grow convention business, critical priority redevelopment projects, residential and business incentives*
- *Serve as seed money to secure matching grants from corporate, institutional, philanthropic and civic leadership entities as part of a “Renaissance Fund”*

POTENTIAL SUPPORTING INITIATIVES

Additional complementary and/or supporting initiatives may be necessary to further enhance Springfield’s attractiveness across many sectors. Other study areas such as the Springfield image and “brand”, transit, public transportation, infrastructure, parking and education can all improve the overall image/identity for the City and urban experience for resident and visitors alike.

A. Springfield Rebranding / Image Campaign

- *Engage/coordinate with the pending “image” campaign to help focus effort around key initiatives of the implementation blueprint to re-establish competitive brand value of Springfield*
- *Assess and highlight key Springfield assets, amenities and competitive advantages, including the new MGM project:*
 - *Rich history and legacy*
 - *Proximity to other major urban cities*
 - *Highly accessible: air, rail, car Interstates, transit, rail*
 - *Highly educated population and educational institutions*
 - *High quality housing at low cost*
 - *Low cost of living*
 - *Access to education*
 - *Access to quality health care*
 - *Business friendly*
 - *Tech friendly*
 - *Abundant cultural institutions, attractions*
 - *Highly amenitized downtown with urban spaces, parks, and riverfront*
 - *New revitalized South End through MGM Springfield with high quality, new to market venues, attractions/programming and public offerings*
- *Highlight and promote the abundant development opportunities, new visitor market and increasing demand generated by MGM’s \$950M reinvestment and commitment to downtown Springfield.*

B. Other Possible Initiatives

- *Local Transit and Infrastructure; ongoing improvements to road infrastructure, transit and rail will only improve Springfield’s accessibility, connectivity and draw from the broader region. The highway/interstate system rebuild (I-91 Expressway) Union Station renovation and redevelopment, and new “Hartford” line expanding rail service to Springfield from New Haven and Hartford, greatly increase the attractiveness and draw to Springfield. Other supporting efforts m*

- *Parking: comprehensive and coordinated downtown parking strategies to meet current and projected demands including possible shared usage*
- *Public parks, museum, and other amenity enhancements to encourage downtown interest and vitality*
- *Educational system/facility improvements to complement and encourage new residential growth downtown, and/or target educational programming toward high growth industries/businesses*

“IMPLEMENTATION” OF THE IMPLEMENTATION BLUEPRINT

The Implementation Blueprint is intended as a living, evolving document rather than a master plan or report. The initiative and steps noted throughout are focused on responding to the immediate first year of impact from the MGM investment in downtown Springfield, as well as provide suggestions on potential future focal points and opportunities to leverage in subsequent years. The City and MGM are committed to monitor, support and influence the strategies contained herein – and most importantly, to annually update and enhance the Implementation Blueprint to keep it a fresh, relevant and potent economic development tool.

However, the Implementation Blueprint will only be successful and achieve its potential if there is someone in the City or similar agency accountable to and actively engaged in the daily coordination and facilitation of these collateral opportunities. While various City agencies will necessarily be engaged in each and every aspect of leveraging the Implementation Blueprint, it is essential that a singular “facilitator” be identified with this task – not to undertake the initiatives themselves but rather to make certain all of the various and appropriate agencies, civic entities and MGM are coordinated in their execution of these initiatives. For example:

- The MGM commitment to underwrite 12 entertainment events per year for five years is an extremely critical aspect of realizing the benefits of Initiative #2 regarding the regional convention, meeting and entertainment business; it is essential that someone make certain these underwritten events are strategically coordinated to support this focus area, and to rally the appropriate agencies to make certain they assist in attracting (and retaining) new convention and meeting business during these critical five years of operation; without such coordination and oversight, the City may well miss the ability to fully leverage a valuable economic development opportunity*
- This same individual/entity is critical to make certain the City Team and MGM are continuously evaluating, prioritizing, seeking and deploying the potential funding resources available from the Federal, Commonwealth or other agencies via the distribution of monies for specific economic assistance and development*
- Assisting the various City departments and civic agencies identified herein to ensure their individual efforts are fully coordinated, supportive of the Implementation Blueprint objectives and targeting tangible, quantifiable results in these critical first years*
- Making certain that the City Team and MGM coordinate regularly as well as refocus annually on necessary adjustments, updates and enhancements to the Implementation Blueprint, evaluating its progress and success and reassessing its initiatives to respond to new opportunities, needs, and/or funding.*

In short, while the professional consultant team that prepared the Implementation Blueprint can certainly be an ongoing resource to assist the City and MGM with updates and insights as needed, the process requires a single individual at the City or similar agency to be tasked with the role of “owning” the Implementation Blueprint on a daily basis during this critical (and valuable) first five-year time period.