

1. City of Springfield/Springfield Parking Authority
NAME OF MUNICIPALITY/GOVERNMENT ENTITY/DISTRICT

2. Revenue Recovery to conduct updated parking demand and feasibility studies
PROJECT NAME (LIMIT 10 WORDS)

3. Using recovered parking revenue to conduct updated parking demand and feasibility studies downtown, in furtherance of solutions that reestablish sources of revenue for the Parking Authority, and more effectively locate shared, convenient and proximate parking in areas of high demand, while freeing up current abundant open land for critical redevelopment.

BRIEF PROJECT DESCRIPTION (LIMIT 50 WORDS)

4. Thomas D. Moore, Esq.; Interim Executive Director, Springfield Parking Authority
NAME AND TITLE OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS ON BEHALF OF MUNICIPALITY/GOVERNMENTAL ENTITY

5. 150 Bridge Street, Springfield, Massachusetts 01103
ADDRESS OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS ON BEHALF OF MUNICIPALITY/GOVERNMENTAL ENTITY

6. 413-348-0045; tmoore@springfieldcityhall.com
PHONE # AND EMAIL ADDRESS OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS ON BEHALF OF MUNICIPALITY/GOVERNMENTAL ENTITY

7. Bokul Bhuiya, Comptroller, Springfield Parking Authority
NAME AND TITLE OF CONTRACT MANAGER RESPONSIBLE FOR HANDLING OF FUNDS ON BEHALF OF MUNICIPALITY/GOVERNMENTAL ENTITY

8. 150 Bridge Street, Springfield, Massachusetts 01103
ADDRESS OF CONTRACT MANAGER RESPONSIBLE FOR HANDLING OF FUNDS ON BEHALF OF MUNICIPALITY/GOVERNMENTAL ENTITY

9. 413-273-8440; bbhuiya@SpringfieldParkingAuthority.com
PHONE # AND EMAIL ADDRESS OF CONTRACT MANAGER ON BEHALF OF MUNICIPALITY/GOVERNMENTAL ENTITY

10. MGM Springfield
NAME OF GAMING LICENSEE

Exhibit A

1. IMPACT DESCRIPTION

The purpose of this application is to seek funds to recover some of the lost parking revenue incurred by the Springfield Parking Authority, ("SPA"; a public entity created by the Legislature at the request of the City of Springfield), at the Civic Center Garage and I-91 South Garage facilities, as a direct result of the opening and continued operation of the MGM Springfield Parking Garage since August of 2018, and to utilize said recovered funds to conduct due diligence actions to revisit and reassess parking in the downtown and South End, particularly related to the impact the casino has had on existing garages, lots, overall usage, and revenues as well as new demand created by the loss of available downtown parking within the casino complex area. The SPA strongly desires to use the grant funds in furtherance of solutions that will reestablish sources of revenue for the Parking Authority, and more effectively locate shared, convenient and proximate parking in areas of high demand, while freeing up current abundant open land for critical redevelopment.

The SPA is a public agency, an independent body politic, and a subdivision of the Commonwealth, whose purpose is to support and foster economic development in Springfield, through providing affordable public parking in the Central Business District of the City. The SPA was incorporated in 1981, and currently operates 6 parking garage facilities and 3 surface parking lots in Springfield.

As is described in more detail below, the SPA has seen a significant drop in parking revenue from monthly, transient and event parkers at the Civic Center and I-91 South Garage facilities, which can be attributed to the opening of MGM Springfield's Parking facility approximately three blocks away. The MGM Garage is state-of-the-art, contains 3,500 parking spaces, and is completely free of charge to the public, regardless of whether parkers enter the MGM Casino building itself. The direct impact of the MGM Springfield parking facility on the SPA is perhaps best illustrated by examining the SPA's gross revenue numbers during the years before and after the MGM Garage went online.

In FY2016, the SPA recorded gross revenues at the Civic Center Garage and I-91 South Garage in the amount of \$2,088,362.25. In FY2017, the SPA recorded gross revenues at the two facilities in question in the amount of \$2,145,338.75. In FY2018, the SPA recorded gross revenues at the two facilities in question in the amount of \$2,294,307.93. In FY2019, during the first year of the MGM Springfield's operation, said gross revenues were recorded in the amount of \$2,049,739.44. Projected gross revenues for said facilities in FY2020 are forecast in the amount of \$1,583,072.96. As the data demonstrates, the opening of the MGM Springfield Parking Garage in August of 2018 coincides directly with a sharp decline in parking revenues at the two facilities that are closest to said MGM Garage. Please also see the attached Schedule A, which breaks down the historic revenues at the two garages in question from FY16-projected completion of FY20.

This negative impact on revenues has harmed the SPA's bonding capacity, and has consequently forced the SPA to alter its plan for ongoing capital improvements to its existing facilities. To finance needed improvements over the last decade, the SPA issued revenue bonds in 2013 and again in 2017, and anticipates bonding for more needed capital improvements to its facilities going forward; however, the impact of the free MGM Parking Garage has reduced incoming SPA revenues such that the Agency's bonding capacity has also decreased.

Further, the SPA's most profitable asset (the Civic Center Garage) has been devalued, and rendered essentially non-competitive. As the main parking facility for the MassMutual Center, and the closest to MGM Springfield's Garage, revenues from the Civic Center Parking facility have been significantly impacted. The free parking model run by MGM Springfield is in stark contrast to the \$95 monthly parking and \$2.00 per hour transient parking rates currently in place at the Civic Center Garage, and has resulted in the SPA's facility not being able to effectively compete. This is evidenced by the number of monthly parkers that have left the Civic Garage over the last 18 months, the steep drop off in validation parking (where businesses are having their clients park at MGM's garage instead of validating at the Civic Garage, as has been done historically), and the decline in event revenues. The same issues now also plague the I-91 South Garage, with sizable drop offs in transient, event, and validation revenues clearly evident over the last 18 months.

With MGM Springfield open nearly one and a half years, the both the SPA and the City of Springfield believe there is a need to revisit and reassess parking in the downtown and the South End, particularly related to the impact the casino has had on existing garages, lots, overall usage, and revenues as well as new demand created by the loss of available downtown and South End parking within the casino complex area. As stated herein, the Springfield Parking Authority has experienced negative impacts and loss of revenue due to the current "free" status of the MGM garage.

Additionally, while the MGM parking structure serves its patrons and is also currently free to other users, this parking is not always convenient, nor proximate for many downtown employees, visitors, residents who desire alternatives and more proximity parking to their areas of business and/or visits. The SPA proposes to study the current usage at MGM as well as surrounding downtown area lots/garages, to better assess current supply and demand. Additionally, the SPA, working in conjunction with the City of Springfield seeks strategic planning alternatives to more comprehensively address parking, potentially through centralized shared lots/structures/usage, and enable a higher utilization of prime land currently encumbered by individual parking lots in the South End of Springfield. The SPA and City desire solutions that will reestablish sources of revenue for the Springfield Parking Authority as well as more effectively locate shared, convenient and proximate parking in areas of high demand while freeing up current abundant open land for critical redevelopment.

2. PROPOSED USE OF SPECIFIC IMPACT MITIGATION FUNDS

a.) Please Identify the amount of funding requested.

The amount of funding requested through this grant application is one hundred thousand (\$100,000.00) Dollars.

b.) Please Identify below the manner in which the funds are proposed to be used. Please provide detailed scope, budget and timetable for the use of funds.

Funds will be used by the Springfield Parking Authority (in collaboration with the City of Springfield's Office of Planning and Economic Development) to hire a professional team to:

- 1) Commence a downtown Parking Study/Assessment Update through a traffic/parking consultant to:
 - a. assess current/actual usage of downtown area lots/garages;

- b. evaluate existing supply and demand and potential increased demand from anticipated redevelopment;
 - c. determine unmet needs/deficiencies;
 - d. assess revenue impacts on the Springfield Parking Authority; and
 - e. propose alternative parking recommendations to address needs;
- 2) Undertake a strategic planning and feasibility assessment through a planning consultant of:
- a. current parking distribution, configurations, structures, and land utilization/underutilization within the immediate casino area;
 - b. conceptual alternatives to comprehensively and strategically solve for parking, looking at shared lots/structures and focused on higher utilization of prime land encumbered by individual parking lots;
- 3) Detail the associated costs and revenue implications.

The SPA will also revisit prior parking studies including MGM's 2012 Traffic/Parking study, and coordinate on current efforts, including the Civic Center Garage redevelopment.

Funds will be allocated equally across each of the two teams/efforts and include some interface and overlap between the two.

The SPA anticipates an approximate five-month timeframe for completion, beginning with the parking assessment (± 2 months), followed by the planning and feasibility assessment (2 months) and culminating with joint strategic recommendations report (1 month).

- 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 mitigating the impact from operation of a proposed gaming establishment.**

The request for this \$100,000 grant is based on the projected fee for professional services outlined in the estimated scope of work set forth above. A final scope will be completed with individual consultants and will be shared with the Commission. Any grant money awarded will be used solely for the engagement of the professional team necessary to adequately complete the critical assessment, update and recommendations to mitigate the impacts on downtown parking from the MGM Springfield project.

- d.) Please describe how the mitigation request will address the impact identified.**

The mitigation request will address the impact identified by allowing the SPA and the City to revisit and reassess parking in downtown and South End, particularly related to the impact the casino has had on existing garages, lots, overall usage, and revenues as well as new demand created by the loss of available downtown and South End parking within the casino complex area. The request will allow the SPA and City to study the current usage at MGM's Garage as well as surrounding downtown area lots/garages, to better assess current supply and demand, and to seek strategic planning alternatives to more comprehensively address parking and the SPA's loss of revenues, potentially through centralized shared lots/structures/usage, and enable a higher utilization of prime land currently encumbered by individual parking lots.

3. CONNECTION TO GAMING FACILITY

In addition to the loss of off-street and on-street parking spaces within the downtown and South End of Springfield as a result of the MGM Casino development, the SPA has seen a significant drop in parking revenue from its Civic Center and I-91 South Garage facilities, which can be directly attributed to the opening of MGM Springfield's Parking facility approximately three blocks away. The MGM Garage is state-of-the-art, contains 3,500 parking spaces, and is completely free of charge to the public, regardless of whether parkers enter the MGM Casino building itself. The direct impact of the MGM Springfield Casino Garage is perhaps best illustrated by examining the SPA's gross revenue numbers during the years before and after the MGM facility went online. When examining this data, there is a clear and direct connection between the SPA's loss of revenues and the operation of the MGM Springfield Parking Garage.

4. INTERNAL CONTROLS/ADMINISTRATION OF FUNDS

The Springfield Parking Authority has internal controls for monitoring, reporting and management in place and reviewed on an annual basis. Due to the nature of the Parking Authority's primary day-to-day business operations (off street and on street parking revenue and ticket collections) the Agency has strict requirements for safeguarding the public funds it oversees. The Parking Authority has an Internal Control Guide to insure that the funds and assets of the Agency are properly managed and protected in order to meet the objectives of the office, while following the rules and regulations of the Commonwealth and other oversight entities. The Internal Control Plan has been developed pursuant to Chapter 647 of the Acts of 1989 and in accordance with internal control guidelines established by the Office of the Comptroller.

The Internal Controls are made available to both the staff and management to assess the integrity of the control structure and its overall operations. The control system is evaluated at least annually so that controls are in place to address identified new risks and design controls associated with any new (OSC or DOR) regulations and guidelines.

Cash Disbursements / AP

Financial analyst processes AP invoices as received, and checks processed weekly or as needed basis. All mail is distributed to appropriate authorities by the On -Street Manager as received daily. AP invoices are approved by the Executive Director prior to processing by the Financial Analyst. When mail is received date stamp is placed on the invoices (control). The invoice is entered into QuickBooks (AP). The invoice is dated with the date the invoice was entered (control). The invoice are scanned and attached to the invoice in QuickBooks then set aside until paid, and filed in appropriate AP folders once checks are mailed.

Check runs are done weekly depending on volume. Checks are sequential and kept in a locked safe to which only Comptroller, Financial Analyst & Executive Director have access. When check stocks are removed from the safe, a check log sheet is updated indicating how many checks have been processed. Also, voided checks are logged with checks and dated voided. The financial analyst will print the checks and attach to each check to a copy of the corresponding invoice. The financial analyst also enters the checks into an Excel tracking spreadsheet which serves as a live bank account

register, which Comptroller checks daily to monitor cash balances and outstanding checks. Spreadsheet is reviewed by Comptroller.

All checks are required to have two signatures, typically Comptroller and executive director. There are four people who have check signing authority, Comptroller – Bokul Bhuiya, Interim Executive director - Thomas D. Moore, Freda Malone and Thomas Lott (board members). There are no signature stamps. All check run reports are reviewed, approved, and signed off on by comptroller and executive director. Once all disbursements are reviewed, approved and signed by both signatories, Comptroller will go to the appropriate bank secured site and individually authorize each check for payment on a Bank authorization program called Positive Pay. This is a control against forgery and misplaced check stocks, since only the comptroller has password access.

SPA has implemented a purchase order (PO) system through QuickBooks for capital purchases and when requested from vendors. With small staff, facility manager or executive director usually will place an order directly with vendors. Other than the utility companies, there is no approved vendor list. For work exceeding \$10k, SPA obtains at least three vendor quotes (above \$35k must make public request for bids). ED signs off any quotes greater than \$2,500. For purchasing and requisitions, Facilities Manager will walk through the different garages and parking areas in order to determine repairs, additions, changes, etc. He forwards his purchase needs to the executive director for approval. He also determines whether the item or area in need of repair is the financial responsibility of the Authority or the responsibility of the operations vendor for the Authority, Executive Parking Inc.

All mail is received and opened (except bank statements) by On-Street Manager. He sorts through and determines appropriate distribution of mail. On-Street Manager will deliver the unopened bank statements to the interim executive director for first review of all transactions. Once reviewed and satisfied, the interim executive director will pass them to financial analyst. The financial analyst performs all monthly bank accounts reconciliations against the general ledger accounts. The Comptroller reviews all reconciliations once completed by the financial analyst.

Payroll

Payroll is processed using Checkwriters, Inc., and paid weekly (pay-week runs from Wednesday through Tuesday; payroll is processed as weekends on Tuesdays and employees are paid on Thursdays for the previous week). Financial analyst (usually) inputs the weekly payroll data into Checkwriters' online site and submits for processing (5 salary employees) on Tuesdays. Once payroll information is entered online, financial analyst verifies all hours worked, total payroll, and benefits. Sometimes emails are sent requesting time off of via "personal action form". Any changes are approved by the ED. Payroll changes must be approved by the board. There are no automatic cost of living or pay adjustments. Checkwriters delivers all payroll reports directly to comptroller at SPA via courier service on Wednesdays. Comptroller reviews final payroll hours, rates, ACH amounts from SPA bank account, and distributes the check stubs (all employees use direct deposit). He will hand the Payroll Registers to the financial analyst for her weekly entries into the QuickBooks general ledger. This process is performed on Thursdays. Previous fiscal years hardcopies are filed in payroll binders in office shelf (All staff have access). Payroll documents for fiscal year 2017 are now being stored in a locked draw at the Comptrollers workstation (comptroller and financial analyst have access). All payroll taxes are filed quarterly and paid by Checkwriters Payroll. Checkwriters is authorized to withdraw via ACH transaction appropriate payroll amounts weekly. Employee net

payroll is direct deposited to individual's bank accounts, appropriate payroll tax amounts are held in escrow account until paid quarterly with quarterly filings.

When new employees are hired, they complete all appropriate paperwork including withholding forms and authorizations for payroll deductions. Forms are maintained in personnel files. All information is entered by the financial analyst. A report is generated from the service provider of any changes.

The board, ED, and Comptroller (on occasion some other staff) review monthly financial statements and compare payroll and benefit expense accounts to budgeted amounts. Any deviations are investigated and explained. Comptroller receives quarterly reports, reviews, and gives financial analyst for entry. GL is reviewed annually. Any adjustments needed, the ED must approve prior to posting.

5. RELEVANT EXCERPTS FROM HOST AGREEMENT OR SURROUNDING COMMUNITY AGREEMENTS

The impacts of the MGM Springfield Casino on the Springfield Parking Authority's Civic Center and I-91 South Garage parking revenues have not been addressed in the Host Community Agreement, as the said HCA does not account for the impact that the continued operation of a free MGM Parking facility would have on the Springfield Parking Authority's revenues and bonding capacity, nor does the HCA account for updated parking demand and feasibility studies that are now needed in the downtown and South End.

Schedule A

[Attached as a Separate Document]

Springfield Parking Authority
Historic Revenues and Analysis

| Facility | Revenue Categories | Fiscal Year | | | | | | | 2020 Est. Annualized | Variance 2020 Vs. 2019 |
|------------------------|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------------|------------------------|---------------------|-------------------------|---------------------------|
| | | 2016 | 2017 | 2018 | 2019 | Variance 2019 Vs. 2018 | 2020 July - Dec '19 | 2020 | | |
| Civic Center Garage | Monthly Parking | 939,648.00 | 1,023,209.25 | 1,111,039.03 | 903,455.00 | (207,584.03) | 352,924.00 | 705,848.00 | (197,607.00) | |
| | Transient Parking | 96,465.00 | 120,995.50 | 124,332.75 | 97,933.50 | (26,399.25) | 35,320.50 | 70,641.00 | (27,292.50) | |
| | Events Parking | 349,316.50 | 252,824.50 | 300,833.00 | 283,763.00 | (17,070.00) | 69,370.00 | 138,740.00 | (145,023.00) | |
| | Validations Parking | 53,631.25 | 99,904.75 | 110,064.00 | 93,396.50 | (16,667.50) | 27,707.43 | 55,414.86 | (37,981.64) | |
| | Tracer Coupon Sales | | 144.00 | 274.00 | 1,231.00 | 957.00 | 489.50 | 979.00 | (252.00) | |
| | Parking Violations | | | | | | | | | |
| | LAC Parking | 1,119.00 | 1,680.75 | 2,310.75 | 1,059.00 | (1,251.75) | 1,032.55 | 2,065.10 | 1,006.10 | |
| | Rental Income | | | | | | | | | |
| | Other Income | | | | | | | | | |
| | Total Income: | | 1,440,179.75 | 1,498,758.75 | 1,648,853.53 | 1,380,838.00 | (268,015.53) | 486,843.98 | 973,687.96 | (407,150.04) |
| I-91 South Garage | Monthly Parking | 250,537.50 | 224,625.00 | 218,145.00 | 285,893.94 | 67,748.94 | 154,085.50 | 308,171.00 | 22,277.06 | |
| | Transient Parking | 234,596.50 | 274,732.75 | 279,384.45 | 216,530.50 | (62,853.95) | 89,525.50 | 179,051.00 | (37,479.50) | |
| | Events Parking | 32,525.75 | 26,479.00 | 32,775.50 | 30,795.00 | (1,980.50) | 14,605.50 | 29,211.00 | (1,584.00) | |
| | Validations Parking | 130,092.00 | 120,406.75 | 114,812.50 | 135,384.00 | 20,571.50 | 46,426.50 | 92,853.00 | (42,531.00) | |
| | Tracer Coupon Sales | | 24.00 | 100.00 | | (100.00) | | | | |
| | Parking Violations | | | | | | | | | |
| | LAC Parking | 430.75 | 312.50 | 236.95 | 298.00 | 61.05 | 49.50 | 99.00 | (199.00) | |
| | Rental Income | | | | | | | | | |
| | Other Income | | | | | | | | | |
| | Total Income: | | 648,182.50 | 646,580.00 | 645,454.40 | 668,901.44 | 23,447.04 | 304,692.50 | 609,385.00 | (59,516.44) |
| All Facilities | Monthly Parking | 2,654,052.44 | 2,709,155.73 | 2,970,494.62 | 2,786,010.30 | (184,484.32) | 1,278,127.00 | 2,556,254.00 | (229,756.30) | |
| | Transient Parking | 440,503.21 | 490,623.63 | 528,584.80 | 446,136.75 | (82,448.05) | 181,429.50 | 362,859.00 | (83,277.75) | |
| | Events Parking | 492,396.25 | 382,051.50 | 460,374.50 | 421,653.00 | (38,721.50) | 136,831.50 | 273,663.00 | (147,990.00) | |
| | Validations Parking | 288,309.75 | 369,907.75 | 321,901.07 | 277,343.50 | (44,557.57) | 99,593.43 | 199,186.86 | (78,156.64) | |
| | Tracer Coupon Sales | 2,657.75 | 496.00 | 5,547.50 | 2,017.50 | (3,530.00) | 509.50 | 1,019.00 | (998.50) | |
| | Parking Violations | 31,453.36 | 29,387.65 | 32,233.75 | 30,391.40 | (1,842.35) | 15,012.89 | 30,025.78 | (365.62) | |
| | LAC Parking | 2,311.25 | 3,129.25 | 2,716.70 | 2,327.50 | (389.20) | 1,095.55 | 2,191.10 | (136.40) | |
| | Rental Income | 42,104.77 | 42,000.00 | 42,000.00 | 18,000.00 | (24,000.00) | 10,800.00 | 21,600.00 | 3,600.00 | |
| | Other Income | 22,994.80 | 11,471.63 | 44,869.03 | 16,983.80 | (27,885.23) | 6,495.01 | 12,990.02 | (3,993.78) | |
| | On-Street Management Fees | 198,786.43 | 196,605.37 | 182,911.73 | 186,881.82 | 3,970.09 | 81,641.95 | 163,283.90 | (23,597.92) | |
| Towing Management Fees | 158,479.87 | 184,943.02 | 222,726.59 | 251,407.65 | 28,681.06 | 146,597.63 | 293,195.26 | 41,787.61 | | |
| Total Income: | 4,334,049.88 | 4,419,771.53 | 4,814,360.29 | 4,439,153.22 | (375,207.07) | 1,958,133.96 | 3,916,267.92 | (522,885.30) | | |

Notes/Comments/Assumptions:

The numbers above are separated by facility (Civic & I-91 South Garage), and combined total is at the bottom.

Revenues are by Fiscal Year (from 2016 thru 2020)

We only have actual numbers thru December of 2019, so we have annualized the year for comparison purposes

Since the MGM Casino opened its' free parking garage in August of 2018, we have lost from the Civic Center & I-91 South Garage:

| | |
|---------------------|---|
| (268,015.53) | Civic Center: Compared to the previous year (FY 2018) - July 2018 thru June 2018) |
| (407,150.04) | Civic Center: Compared to the previous year (FY 2019) - July 2018 thru June 2019) |
| (59,516.44) | I-91 South: Compared to the previous year (FY 2019) - July 2018 thru June 2019) |
| (734,682.01) | Total loss since MGM Free-Parking Garage opening |

