



**MASSACHUSETTS GAMING COMMISSION  
PUBLIC MEETING #233**

January 18, 2018  
10:00 a.m.

**Massachusetts Gaming Commission**  
101 Federal Street, 12<sup>th</sup> Floor  
Boston, MA



Massachusetts Gaming Commission



**U P D A T E D**

**NOTICE OF MEETING and AGENDA  
January 18, 2018**

Pursuant to the Massachusetts Open Meeting Law, G.L. c. 30A, §§ 18-25, notice is hereby given of a meeting of the Massachusetts Gaming Commission. The meeting will take place:

**Thursday, January 18, 2018  
10:00 a.m.  
Massachusetts Gaming Commission  
101 Federal Street, 12<sup>th</sup> Floor  
Boston, MA**

**PUBLIC MEETING - #233**

1. Call to order
2. Approval of Minutes
  - a. January 10, 2018 – VOTE
3. Administrative Update – Ed Bedrosian, Executive Director
  - a. General Update
  - b. Massachusetts Gaming Commission Enhanced Code of Ethics – C. Blue, General Counsel – VOTE
  - c. MGM - Opening Preparations
4. Research and Responsible Gaming – Mark Vander Linden, Director
  - a. Recommendation on PlayMyWay for Category 1 Casinos – VOTE
5. Workforce, Supplier and Diversity Development – Jill Griffin, Director
  - a. Workforce and Diversity Update
6. Investigations and Enforcement Bureau – Karen Wells, Director
  - a. MGM Qualifier – VOTE
  - b. Preliminary Service Employee Registration Discussion – P. Connelly, Director of Licensing
7. Ombudsman – John Ziemba
  - a. Mitigation Fund Reserve Request – Saugus



**Massachusetts Gaming Commission**

101 Federal Street, 12<sup>th</sup> Floor, Boston, Massachusetts 02110 | TEL 617.979.8400 | FAX 617.725.0258 | [www.massgaming.com](http://www.massgaming.com)

8. Legal Division – Catherine Blue, General Counsel
  - a. 205 CMR 140 – Usage of Vigorish Amendments Discussion
  - b. 205 CMR 152 – Excluded Persons Amendments - Request for authority to begin the promulgation process - **VOTE**
  - c. 205 CMR 134.03 – Service Employee Registration Exemption Amendments - Request to file on an emergency basis and begin the regular promulgation process – **VOTE**
9. Commissioner’s Updates
  - a. Economic Development Fund White Paper – Commissioner Stebbins – **VOTE**
10. Other business – reserved for matters the Chair did not reasonably anticipate at the time of posting.

I certify that on this date, this Notice was posted as “Massachusetts Gaming Commission Meeting” at [www.massgaming.com](http://www.massgaming.com) and emailed to: [regs@sec.state.ma.us](mailto:regs@sec.state.ma.us), [melissa.andrade@state.ma.us](mailto:melissa.andrade@state.ma.us).

1/17/18  
DATE

  
Lloyd Macdonald, Commissioner

**Date Posted to Website:** January 17, 2018 at 10:00 am



Massachusetts Gaming Commission

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## Massachusetts Gaming Commission Meeting Minutes

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**Date/Time:** January 10, 2018 – 9:30 a.m.

**Place:** Massachusetts Gaming Commission  
101 Federal Street, 12<sup>th</sup> Floor  
Boston, MA

**Present:** Chairman Stephen P. Crosby  
Commissioner Lloyd Macdonald  
Commissioner Bruce Stebbins  
Commissioner Enrique Zuniga

**Absent:** Commissioner Gayle Cameron

**Time entries are linked to  
corresponding section in  
Commission meeting video**

### **Call to Order** **(no transcript available)**

[9:30 a.m.](#) Chairman Crosby called to order the 232<sup>nd</sup> Commission meeting.

### **Approval of Minutes** See transcript pages

[9:31 a.m.](#) *Commissioner Macdonald moved to approve the minutes of the meeting of December 21<sup>st</sup> subject to any corrections, typographical errors, or other nonmaterial matters. Commissioner Stebbins seconded. Chairman Crosby noted that he would like his comments edited to reflect that he was in favor of reading the Excluded Persons List as a narrow list, but was agreeing that in the case of an extremely egregious act, he would be inclined to broaden the list. He also requested that language be added in the Junkets discussion to reflect whether or not it was appropriate to obtain all the names and background information of the customers of the junkets. Commissioner Stebbins requested that language be added in the IEB section regarding his introduction of the idea that not only kids left in cars, but seniors left in cars are to be considered as well. Motion passed 4 – 0.*

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## **Administrative Update**

See transcript pages

### 9:33 a.m.     **General Update:**

Executive Director Ed Bedrosian, Jr. introduced two new employees: Katrina Jagroop-Gomes - Chief Information Officer, and Crystal Howard - Program Coordinator for the Workforce, Supplier & Diversity Development Division.

Executive Director Bedrosian reported that he and General Counsel Seth Stratton of MGM toured the new MGM Springfield corporate offices at 95 State Street in Springfield. He stated that some staff members were now taking “Construction Training” which would enable them, with the appropriate training and safety gear, to be unescorted on property to monitor the setting up of the gaming floor and other aspects of the property. Director Bedrosian expects a minimum level of occupancy in the executive offices within the next 30 days. Gaming Agents are slated to be hired and trained in the spring.

## **Research and Responsible Gaming – Mark Vander Linden**

See transcript pages

9:45 a.m.     Dr. Rachel Volberg, Social and Economic Impact of Gambling in Massachusetts (SEIGMA) Lead Researcher, UMass Amherst School of Public Health and Health Services presented on the Massachusetts Gambling Impact Cohort Study (MAGIC – Wave 2: Incidence and Transitions.

Dr. Volberg reported that to her knowledge, Massachusetts is the only jurisdiction/government anywhere in the world that has made the decision to move ahead with this particular type of study before an expansion of gambling has actually occurred.

Dr. Volberg stated that once a number of waves of data are obtained in this study, they will develop an etiological model of problem gambling, which will serve as a guide in developing problem gambling services in Massachusetts, and hopefully elsewhere in the United States and internationally.

10:40 a.m.     The study suggests so far that the incidence rate of problem gamblers may be higher in Massachusetts. In response to this potential finding, Dr. Volberg stated that substantial prevention resources may be needed well ahead of casinos opening to reduce the rate of “new” problem gamblers.

11:03 a.m.     The Commission took a brief recess.

11:09 a.m.     The meeting reconvened.

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## Legal Division – Catherine Blue, General Counsel

See transcript pages

11:09 a.m. Deputy General Counsel Todd Grossman presented the draft of the MGM Non-Disclosure Agreement (NDA), requested approval of NDA and that the Commission authorize the Executive Director Ed Bedrosian to sign the NDA on behalf of the Commission..

Counsel Grossman explained that the language in this NDA reflected the discussion in the previous Commission meeting where a request from MGM to protect certain information and categories of information were reviewed. Based on that discussion the NDA presented was, in form, the same or similar language used as in the case of the Plainridge Park Casino NDA, except in those cases where MGM, as a category 1 casino has different types of information.

Commissioner Stebbins asked that the Legal Division create templates that will provide efficiencies enabling all licensees to submit the same information into the same form. Counsel Grossman stated that they have started to discuss this and will work to implement this.

11:20 a.m. *Commissioner Stebbins moved that the Commission approve the Non-Disclosure Agreement as included in the packet between the Commission and Blue Tarp. Commissioner Macdonald seconded. Motion was approved 4 – 0.*

Counsel Grossman presented an updated version of the Enhanced Code of Ethics that incorporated a number of proposed amendments.

Counsel Grossman explained the deletion of almost all references to consultants in the Code. He stated that it was appropriate to leave the definition of “consultant” in the Code in order to draw a distinction between consultants and employees for purposes of understanding who the Code does apply to. Counsel Grossman stated that this change still allows the Commission to make the Code applicable to consultants by contract depending upon the nature of the work they would be doing.

Executive Director Bedrosian explained that when the Commission initially drafted the Enhanced Code of Ethics, consultants were performing a large amount of substantive work by performing investigations, etc. and were appropriately subject to the Code at that time. He added that the Commission, being a much more mature organization now, is hiring far fewer consultants and that the Commission will still retain the authority to require by contract that a consultant be covered by the Enhanced Code of Ethics. Chairman Crosby suggested that the Legal Division revise the Enhanced Code of Ethics to articulate a clear process when seeking advice from the Office of the General Counsel or their immediate supervisor when they have any questions regarding past, present or future conduct or the conduct of any other Commissioner or employee, or if they have any question regarding the applicability or meaning of any provision of the Code or any other restriction.

# DRAFT

Chairman Crosby asked if the Commission was eliminating the issue of Commissioners being unable to solicit funds for non-profits. Counsel Grossman replied that he did strike that from the section in the draft to show what it would look like, but it was not an indication of a decision at this point in time. Counsel Grossman stated that it is an issue that the Commission should address, as the level of concern on this has lessened over time

Executive Director Ed Bedrosian suggested that the Legal Division take one more pass at refining the Code to address issues raised by the Commissioners, and present the items to the Commission when Commissioner Cameron returns, and the Commission can vote on a final product then.

Commissioner Macdonald expressed that he would like to maintain section 15B, which is the section of the Code that states that a Commissioner may not solicit funds for any educational, religious, charitable, fraternal or civic organizations and not eliminate it, as suggested in the draft. Commissioner Macdonald stated that as the Commission is still at an early point in the enterprise of introducing gaming laws and regulations, there is a very high level of concern throughout the commonwealth about maintaining integrity. He asserted that this super-standard was an appropriate one that would distinguish and the obligation of the Commissioners.

Chairman Crosby stated that he felt that 15B was too broad, and said that to have a blanket prohibition on raising money for non-profits that the Commissioners all serve on in a way that is emphatically not a conflict, does not seem appropriate. Chairman Crosby suggested editing this piece.

Executive Director Ed Bedrosian suggested more specifically that the Legal Division would clarify section 9C, and give options on section 15B and bring the Enhanced Code back for the Commission's consideration.

Commissioner Stebbins asked for the Legal Division to clarify in section 15B the guidelines surrounding acting as a speaker at an event that does not necessarily fall into a fundraising event category.

## **Commissioners' Updates**

See transcript pages

[11:46 a.m.](#) Commissioner Stebbins attended the Access and Opportunity Committee meeting, where licensees continue to focus on meeting their diversity goals. There is a great partnership that has evolved in these meetings in thinking about what will be done when the work at MGM comes to an end, and how their work will carry on afterward.

Chairman Crosby asked if there is a way for the Commission to do create some kind of a recommendation report, or case study where the origin of the diversity effort is discussed, what was accomplished, etc. and urge other state agencies and

# DRAFT

other building sites, private and public, to learn from this experience and perhaps adopt this model. Commissioner Stebbins stated that stakeholders were looking for opportunities to keep the legacy of the success of this moving forward in the process. Chairman Crosby suggested that the Commissioners work to publicize this case study.

Commissioner Stebbins stated that he attended another event at MGM Springfield: MGM Springfield has engaged a number of hospitality stakeholders in western Massachusetts, and has partnered with Cambridge College as well as Labor and Workforce Development who signed off on a Hospitality Apprenticeship program that kicked off that day.

11:52 a.m. *Having no further business, a motion to adjourn was made by Commissioner Macdonald. Motion seconded by Commissioner Zuniga. Motion passed unanimously.*

## **List of Documents and Other Items Used**

1. Notice of Meeting and Agenda, dated January 10, 2018
2. Massachusetts Gaming Commission Meeting Minutes draft, dated December 21, 2017
3. Massachusetts Gaming Commission Enhanced Code of Ethics draft
4. Massachusetts Gambling Impact Cohort (MAGIC) Study presentation Wave 2
5. Massachusetts Gambling Impact Cohort (MAGIC) Analysis Report
6. MGM Non-Disclosure Agreement for First Request dated December 17, 2018

/s/ Catherine Blue  
Assistant Secretary



# ENHANCED CODE OF ETHICS

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MASSACHUSETTS GAMING COMMISSION

SECOND EDITION

1/18/2018



### 1. Scope and Purpose

The purpose of this Enhanced Code of Ethics (hereinafter, “Code”) is to help ensure the highest level of public confidence in the integrity of the regulation of all gaming activities in the Commonwealth. To that end, in accordance with G.L. c.23K, §3(m), this Code establishes ethics rules for Commissioners, employees and consultants of the Massachusetts Gaming Commission (hereinafter, “Commission”) that are more restrictive than those already applicable to all state employees under G.L. c.268A and c.268B.

### 2. Continuing Obligation

It is the continuing obligation of each Commissioner, ~~and~~ employee, ~~and consultant~~ to review and assess their conduct in light of this Code. Commissioners, ~~and~~ employees, ~~and consultants~~ have an affirmative obligation to request advice from the Office of the General Counsel or their immediate supervisor when they have any reasonable doubt regarding the propriety of their past, present or future conduct or the conduct of any other Commissioner or employee, or if they have any question regarding the applicability or meaning of any provision of this Code or any other restriction.

### 3. Applicability

This Code shall apply to all Commissioners, ~~and~~ employees of the Commission, ~~and where applicable, consultants.~~

### 4. Use of this Code

This Code is intended as a supplement to G.L. c.23K, G.L. c.268A (Conduct of Public Officials and Employees), G.L. c.268B (Financial Disclosure by Certain Public Officials and Employees), and 930 CMR (regulations of the State Ethics Commission). To the extent that any provisions of any of the above referenced authorities conflict with any provision of G.L. c.23K, the applicable provision in G.L. c.23K shall govern. In the event that a provision of this Code addresses a matter covered by G.L. c.268A, G.L. c.268B, or 930 CMR, the provision found in this Code shall control to the extent that it is more restrictive. The provisions of G.L. c.268A, G.L. c.268B, and 930 CMR shall otherwise remain fully applicable to all state employees, as that term is defined by G.L. c.268A, §1.

## 5. Ethics Training

Although this Code is intended only to enhance and supplement the existing provisions of G.L. c.23K, G.L. c.268A, G.L. c.268B, and 930 CMR, Commissioners and employees must be fairly and fully apprised of all ethical obligations incumbent upon them. To that end, the Commission shall provide ethics training to all Commissioners and employees. The training program shall be as follows:

- A. Each Commissioner and employee of the Commission shall be provided with a copy of this Code, a copy of G.L. c.23K, G.L. c.268A, G.L. c.268B, 930 CMR, *Advisory 86-02: Nepotism* issued by the State Ethics Commission, and the *Campaign Finance Guide* published by the Office of Campaign and Political Finance within 14 days of appointment or employment.
- B. Within 30 days of appointment or employment each Commissioner and employee shall undergo a program of ethics training administered by the Office of the General Counsel. The program shall cover the provisions of this Code, and the applicable provisions of G.L. c.23K, G.L. c.268A, G.L. c.268B, 930 CMR, G.L. c.55, and the *Conflict of Interest Law Online Training* program prepared by the State Ethics Commission. The program shall be reviewed and approved by the Executive Director.
- C. At the completion of the training program each Commissioner and employee shall sign a form acknowledging receipt of the materials identified in Paragraph 5A (for new employees), completion of the *Conflict of Interest Law Online Training* program (every 2 years), and completion of the Commission's ethics training program. The form shall be signed by the trainer upon completion.
- D. Each Commissioner and employee shall complete the process outlined in this section on an annual basis (except that the *Conflict of Interest Law Online Training* program prepared by the State Ethics Commission shall be completed every 2 years).

## 6. Annual filing

On an annual basis, each Commissioner and employee shall file the following with the ~~Executive Director~~ **Human Resources department**:

- A. A copy of the Ethics Training form required under section 5(C) of this Code.
- B. ~~If they are required to file a Statement of Financial Interest with the State Ethics Commission in accordance with G.L. c.268B, §5, a receipt showing that they have done so.~~
- C. **B.** A disclosure statement required under section 8 of this Code.

## 7. Definitions

All words and terms in this Code shall be assigned their ordinary meaning as the context requires unless specifically defined by G.L. c.23K, §2 or as follows:

Consultant means a person with whom the Commission has entered into a contract, either directly or through a consulting firm or entity, to provide specifically described advisory services relative to gaming, racing, or regulatory issues within the Commission's jurisdiction. With respect to service contracts with firms or entities, the Commission ~~shall~~ **may** determine which persons within that firm or entity ~~are~~ **will be considered** consultants for ~~purposes~~ **whom some or all of the provisions** of this Code **shall be made applicable**.

Direct or indirect interest means an ownership, stock ownership, loan, property, leasehold or other beneficial interest or holding office as director, officer or trustee in an entity. The term does not include an individual's interests in less than one percent of publicly traded companies, nor mutual or common investment funds such as employee pension plans and publicly traded mutual funds, unless the individual is involved in the management or investment decisions of such fund or plan or the fund or plan specializes in gaming related issues.

Employee means:

- (1) a person who is hired by the Commission to perform services ~~whether serving with or without~~ **for** compensation, on a full, regular, part-time, or intermittent basis, but shall not include consultants; or
- (2) an employee of the Alcoholic Beverages Control Commission who is assigned to the Investigations and Enforcement Bureau under G.L. c.10, §72A; or
- (3) an employee or officer of the Department of the State Police assigned to the Massachusetts State Police gaming enforcement unit under G.L. c. 22C, §70.

Provided, in addition to its use in this Code, this definition shall apply to use of the term *employee* in G.L. c.23K.

Financial Interest means an ownership, stock ownership, loan, property, leasehold or other beneficial interest in an entity, or an interest in one's salary, gratuity, or other compensation or remuneration.

Gift means anything of value that is given without something of equivalent fair market value being given in return.

Immediate family means the spouse, parent, child, brother or sister of an individual.

License means a license issued under G.L. c. 23K, G.L. c.128A, and/or G.L. c.128C.

Licensee means a person or entity granted a license under G.L. c. 23K, G.L. c.128A, and/or G.L. c.128C.

Relative within the third degree of consanguinity means, the parents, grandparents, great grandparents, children, grandchildren, great grandchildren, brothers, sisters, nephews, nieces, uncles, aunts of a person by blood or adoption.

Secretarial and clerical employee means a person whose duties consist primarily of administrative tasks such as scheduling, record keeping, document handling, word processing and typing, and similar tasks.

Significant relationship means:

- (1) a spouse, domestic partner, or life partner;
- (2) a relative within the third degree of consanguinity of a person's spouse, domestic partner, or life partner, i.e., affinity;
- (3) a former spouse, domestic partner, or life partner; or
- (4) anyone with whom a person shared an influential or intimate relationship that could reasonably be characterized as important.

#### 8. Disclosure prior to employment

- A. In addition to the disclosure required by G.L. c.23K, §3(n), a prospective employee, prior to commencing employment, shall disclose to the Commission whether they were employed by, presently hold, or previously held any direct or indirect interest in any licensee or current applicant within the period commencing 3 years prior to the date of the employment application. Prior to employment, each candidate shall be provided with a list of the names of all pending applicants for licensure. In the event of an affirmative disclosure relative to a current applicant, the prospective employee may not be employed until such time as the applicant's status is resolved.
- B. In addition to the disclosure required by section 8(A), candidates for major policymaking positions as defined in G.L. c.23K, §1, shall, prior to employment, disclose to the Commission whether any immediate family members own, are in the employ of, or own stock in, any business which is a current applicant or holds a license. The Commission shall not employ an individual for a major policymaking position who has immediate family members that own, are in the employ of, or own stock in, any business which is a current applicant or holds a license.

9. Conflicts of Interest

- A. No Commissioner; ~~or employee, or consultant~~ may participate in a particular matter, as defined by G.L. c.268A, §1, pending before the Commission that may affect the financial interest of a relative within the third degree of consanguinity or a person with whom they have a significant relationship.
- B. No Commissioner; ~~or employee, or consultant~~ may hold an occupational license as an owner, lessor, lessee, or trainer of a horse that is entered in a race in this jurisdiction. Nor may any Commissioner; ~~or employee, or consultant~~ accept or be entitled to a part of the purse or purse supplement to be paid on a contestant in a race held in this jurisdiction.
- C. Commissioners must recuse themselves from any licensing decision in which a potential conflict of interest exists.
- D. Commissioners, ~~and employees, and consultants~~ must disqualify and recuse themselves, and abstain from participating or voting in any proceeding in which their impartiality may reasonably be questioned, and shall disclose to the Executive Director or, in the case of the Executive Director or a Commissioner, to the Chair of the Commission the nature of their disqualifying interest, including but not limited to instances where they have a personal bias or prejudice concerning a party or personal knowledge of disputed evidentiary facts concerning the proceeding. ~~One's impartiality may not be considered reasonably questioned if the individual files a "Disclosure Of Appearance Of Conflict Of Interest As Required By G. L. C. 268a, § 23(B)(3)" form with the Executive Director, or in the case of the Executive Director with the Chair, and the Executive Director, or the Chair as applicable, finds that the person can be fair and objective.~~

10. Outside Employment by a Consultant (RESERVED)

~~A consultant may hold other employment which does not involve employment or a contract with a licensee or current applicant for a license, or a holding company, intermediary company, or other affiliate or close associate of a licensee or current applicant for a license and that is otherwise in accordance with G.L. c.268A and G.L. c.268B.~~

## 11. Gifts

- A. Except where permitted by section 11B, no Commissioner; ~~or employee, or consultant~~ may solicit or directly or indirectly receive any complimentary service, commission, bonus, discount, gift or reward from an entity regulated by, or ~~then~~ subject to the regulation of, the Commission, or any close associate, holding company, intermediary company or other affiliate thereof. A Commissioner; ~~or employee, or consultant~~ who is offered any such complimentary service, commission, bonus, discount, gift or reward shall disclose such offer to their immediate supervisor, who shall make a record of the disclosure, as soon as reasonably possible.
- B. Exceptions to section 11A. A Commissioner; ~~or employee, or consultant~~ may accept the following **which shall not be considered gifts**:
1. Food or refreshment of nominal value (**i.e.- approximately \$10 or less**) where a Commissioner; ~~or employee, or consultant~~ attends a function as an invitee, in their official capacity, that is hosted, sponsored, or subsidized by a current applicant, licensee, permittee, holder of a certification or registration or licensed entity representative thereof ~~and is available to all members of the general public~~ (e.g., opening ceremonies for licensed slot operator facilities, industry showcases and expositions, symposia, seminars, association meetings, and continuing education programs).
  2. Unsolicited advertising or promotional materials of nominal value.
- C. Travel expenses. **Travel expenses of a Commissioner or employee paid for by a third party that are pre-approved by the Executive Director, or in the case of the Executive Director the Chair, upon a finding that the travel meets a legitimate public purpose shall not be considered a gift.**

## 12. Unwarranted privileges

No Commissioner, employee, or consultant shall use or attempt to use their official position to secure for themselves or others unwarranted privileges or exemptions which are not available to members of the general public. Any action taken in accordance with section 15(A) of this Code shall not be considered an unwarranted privilege.

### 13. Use of Licensee Facilities

No Commissioner, ~~or employee, or consultant~~ shall stay overnight in a guest room at any hotel, ~~in Massachusetts~~, owned or operated by a person or entity licensed by the Commission or an Indian tribe with a gaming establishment in Massachusetts, except in the course of their official duties and with the prior approval of the Commission or the Executive Director.

**Provided, in the event of a weather emergency, an employee working at a gaming establishment may stay overnight in a guest room with the approval of the Executive Director or Director of the IEB.** Complimentary provision of such rooms to any Commissioner, ~~or employee, or consultant~~ is prohibited and any approved use shall be at established governmental rates pre-approved by the Commission. The Executive Director shall maintain and make accessible a list of all such prohibited facilities.

### 14. Wagers and Other Gaming Activity

No Commissioner, ~~or employee, or consultant~~ shall place any wager, including pari-mutuel wager, or receive any prize from a wager in a gaming establishment or at any pari-mutuel facility or through any pari-mutuel system, either within the boundary of Massachusetts or without, owned or operated by a person licensed by the Commission, or owned or operated by an Indian tribe with a gaming establishment in Massachusetts, except in the performance of their official duties and with the prior approval of the Commission, the Executive Director, or the Director of Investigations and Enforcement. The Executive Director shall maintain and make accessible a list of all such prohibited facilities. The Commission shall not discipline a person placing a wager or receiving a prize from a facility not on the prohibited list if the Commission later determines that the facility should have been on the prohibited list.

### 15. Charitable and other outside activities

- A. A Commissioner, ~~or employee, or consultant~~ may not attend any convention, meeting, show, exhibition or other event, eat any meal, drink any beverage, or purchase any thing or service in any Massachusetts gaming establishment or racetrack, commercial or tribal, except in the course of the performance of their official duties. **An employee working at a gaming establishment may purchase food or drink at posted menu prices provided they remain mindful of the appearance of unwarranted privileges that may arise.**

Notwithstanding the foregoing, a Commissioner or employee may attend a family or similar social gathering, or a civic, charitable or professional association function in a Massachusetts gaming establishment or racetrack, provided that:

1. They do not permit payment for any such attendance by any person, other than themselves or the host or sponsoring organization;



2. They do not, directly or indirectly, sponsor or contract for such gathering or function;
  3. Prior to the event, they file a statement with the Executive Director identifying the location and circumstances of the event; the cost and manner of payment thereof, if known, and the payor therefor. Such statements shall be maintained by the Executive Director and made available for public inspection;
  4. They receive prior approval of the Executive Director or designee; and
  5. They check-in at the office of the designated State Police unit at the subject establishment.
- B. ~~A Commissioner may not solicit funds for any educational, religious, charitable, fraternal or civic organization, or use or permit the use of their office for that purpose; be listed as an officer, director or trustee of such an organization in any letter or other document used in such solicitation; be a speaker or guest of honor at an organization's fundraising events, but may attend such events and contribute to such organizations; or give investment advice involving gaming related interests to such an organization.~~ **A Commissioner may not be involved as an officer, director, or significant contributor with any educational, religious, charitable, fraternal or civic organization that receives any funding from any gaming licensee. Further, a Commissioner may not utilize their title in any way so as to bestow an unwarranted privilege on such organization.**
- C. A Commissioner or employee may speak, write, lecture or participate in other activities concerning the gaming industry, if in so doing the Commissioner or employee does not cast doubt on his or her ability to decide impartially any matter which may come before the Commission, and provided that the Commissioner or employee does not accept compensation or honoraria for any such activity **except in accordance with Section 8C.**
- D. No Commissioner; **or** ~~employee, or consultant~~ may accept compensation from any person or entity other than the Commission for published works created as part of their official duties.
- E. A Commissioner or employee may participate in any civic or charitable activities, **subject to section 15B, and** not including bazaars governed by G.L. c.271, §7A, that do not interfere with his or her independence of judgment.

## 16. Nepotism

No Commissioner or employee in a major policymaking position may solicit, request, suggest or recommend the employment by the Commission or by any person regulated by the Commission of any of their relatives within the third degree of consanguinity or a person with whom they have a significant relationship.

17. Unlawful Conduct

It is the duty of each Commissioner and employee who has been charged with any felony or misdemeanor, ~~or cited for possession of marijuana~~, whether within Massachusetts or elsewhere, to promptly report such incident to the Executive Director in writing.

18. Conduct Unbecoming

Commissioners and employees shall conduct themselves at all times in such a manner as to reflect most favorably upon themselves and the Commission. Conduct unbecoming shall include that which brings the Commission into disrepute or reflects discredit upon the person as a member or employee of the Commission, or that which impairs the operation, efficiency, or effectiveness of the Commission or the person.

Employees and Commissioners shall not associate with individuals they know or should know are engaged in criminal activities unless in the performance of duty or upon official Commission business. Employees and Commissioners shall not frequent or remain at any place where they know or should know criminal activity is occurring unless in the performance of their duty or upon official Commission business.

19. Duty to Cooperate

A. In all matters related to their duties with the Commission, all Commissioners; ~~and employees, and consultants~~ shall cooperate with law enforcement officers in the proper performance of the law enforcement officer's official duties.

B. In all matters related to their duties with the Commission, all Commissioners; ~~and employees, and consultants~~ shall cooperate with the Executive Director, General Counsel, Office of the Attorney General, or State Ethics Commission in all matters relating to the operation and enforcement of this Code or the ethics laws.

20. Duty to Report

It is the duty of all Commissioners; ~~and employees, and consultants~~ to report any conduct that they become aware of in the course of their official duties that a reasonable person

would believe to be a violation of the criminal laws or G.L. c.23K. The individual shall report the conduct to the State Police at the gaming establishment where the conduct occurred, the Executive Director, or the Director for Investigations and Enforcement. The identity of the reporting individual shall be withheld from disclosure in accordance with G. L. c. 4, §7(26)(c) and (f) and/or other applicable exemption to the Public Records Law.

21. Limits on Public Comments

Commissioners shall abstain from public comment about the merits of a pending adjudicatory proceeding, quasi-judicial proceeding, application or other similar proceeding pending before the Commission, except in a duly posted open meeting, or otherwise in the course of their official duties or in explaining for public information the procedures of the Commission.

22. Prohibited Communications

- A. Except during a hearing or meeting conducted in accordance with the Open Meeting Law, G.L. c. 30A, and/or 205 CMR, Commissioners may not engage in communications that a reasonable person would view as likely to affect the Commissioner's judgment regarding an application or other matter pending before it in an adjudicatory proceeding or reasonably likely to come before it in such a proceeding, except for consulting with another Commissioner, Commission employees, or consultants whose function it is to aid the Commission in carrying out its responsibilities, and shall take all reasonable actions necessary to avoid receiving such communications.
- B. Any Commissioner who receives any communication that a reasonable person would view as an improper attempt to influence that Commissioner's official action shall disclose the source and content of the communication to the Executive Director. The Executive Director may investigate or initiate an investigation of the matter to determine if the communication violates this Code. The disclosure under this paragraph and the investigation shall be withheld from disclosure in accordance with the personnel exemption (G. L. c. 4, §7(26)(b)), privacy exemption (G. L. c. 4, §7(26)(c)), investigatory exemption (G. L. c. 4, §7(26)(f)), and/or other applicable exemption to the Public Records Law. Following an investigation, the Executive Director shall advise the Commission of the results of the investigation and may recommend such action as the Executive Director considers appropriate.
- C. No Commissioner, ~~or employee, or consultant~~ may engage in any communication, in any

medium, that:

- (1) improperly discloses any confidential information, materials or data of or pertaining to the Commission's activities not legally available to the public, i.e., that reasonably fit within one or more of the exemptions to the definition of public records as defined by the Public Records Law and/or has been deemed *confidential information* in accordance with 205 CMR, and were acquired by an employee in the course of their official duties; or
- (2) is protected from disclosure by a legally recognized privilege.

Public records requests shall be processed in accordance with the Commission's Public Records Request Policy.

### 23. Character Witness

A Commissioner, ~~or employee or consultant,~~ may not voluntarily testify as a character witness in any matter before the Commission.

### 24. Violations

- A. If a Commissioner is (i) is guilty of malfeasance in office; (ii) substantially neglects the duties of a Commissioner; (iii) is unable to discharge the powers and duties of the commissioner's office; (iv) commits gross misconduct; (v) is convicted of a felony or (vi) is found to have committed a material violation of this Code, the remaining Commissioners shall refer the matter to the Governor for action pursuant to G.L. c. 23K, §3(c), which may ~~include~~ **result in** removal from office as provided by law.
- B. An employee ~~or consultant,~~ other than an employee assigned to the Investigations and Enforcement Bureau under G.L. c. 10, §72A or G.L. c. 22C, §70, who violates this Code or a provision of G.L. c.23K shall be subject to appropriate disciplinary action, ranging from reprimand to dismissal or, in the case of employees under contract ~~or a consultant,~~ the termination of said contract.
- C. An employee assigned to the Investigations and Enforcement Bureau under G.L. c. 10, §72A or G.L. c. 22C, §70 who violates this Code shall be subject to appropriate disciplinary action by the Alcoholic Beverages Control Commission or Colonel of the State Police, respectively. Provided, however, that their employment with the Commission may be terminated by the Commission.

25. Post-employment

In addition to the post-employment restrictions pursuant to G.L. c.23K, §3(p), (q), and (r), no Commissioner or employee shall be employed by a subsidiary of the parent of a gaming licensee for the applicable period of time.

A Commissioner, ~~or~~ employee, ~~or consultant~~, who has been removed, dismissed or terminated for a violation of this Code, or who violates the post-employment restrictions:

- A. shall be ineligible for future appointment, employment or contracts with the Commission or the Enforcement Unit, and
- B. may not be approved for a license or registration for a period of two years after the violation.

26. Enforcement Actions

The Commission or Executive Director may issue any order necessary to achieve compliance with this Code.

27. Variances

- A. A Commissioner, ~~or~~ employee, ~~or consultant~~ who believes that full compliance with a particular provision of this Code will be overly burdensome in a particular instance may apply to the Commission for a variance. The burden is on the petitioning Commissioner, employee, or consultant to demonstrate in writing to the Commission that the grant of a variance would not compromise the intent of this Code or undermine public confidence in the integrity of the regulatory process.
- B. No variance may be granted by the Commission from any provision of G.L. c.23K, G.L. c.268A, G.L. c.268B, 930 CMR, or G.L. c.55.
- C. No employee assigned to the Investigations and Enforcement Bureau under G.L. c. 22C, §70 shall apply for a variance, and the Commission shall not grant a variance, unless the employee first receives approval from the Colonel of the State Police or his/her designee.

28. Requests for Advice

Any Commissioner, ~~or~~ employee, ~~or consultant~~ may request a written opinion from the General Counsel relative to the applicability of any provision of this Code and may act in conformance with that opinion. An opinion rendered by the General Counsel, until and

unless amended or revoked, shall be a defense in any disciplinary action brought under this Code and shall be binding on the Commission in any proceedings concerning the person who requested the opinion and who acted in good faith, unless material facts were omitted or misstated by the person in the request for an opinion. Such requests shall be deemed confidential and exempt from disclosure under the personnel and /or privacy exemptions to the Public Records law (See G. L. c. 4, §§ 7(26)(b) and (c)); provided, however, that the Commission may publish such opinions, but the name of the requesting person and any other identifying information shall not be included in such publication unless the requesting person consents to such inclusion.

# ENHANCED CODE OF ETHICS

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MASSACHUSETTS GAMING COMMISSION

SECOND EDITION

1/18/2018



## 1. Scope and Purpose

The purpose of this Enhanced Code of Ethics (hereinafter, “Code”) is to help ensure the highest level of public confidence in the integrity of the regulation of all gaming activities in the Commonwealth. To that end, in accordance with G.L. c.23K, §3(m), this Code establishes ethics rules for Commissioners, employees and consultants of the Massachusetts Gaming Commission (hereinafter, “Commission”) that are more restrictive than those already applicable to all state employees under G.L. c.268A and c.268B.

## 2. Continuing Obligation

It is the continuing obligation of each Commissioner **and** employee to review and assess their conduct in light of this Code. Commissioners **and** employees have an affirmative obligation to request advice from the Office of the General Counsel or their immediate supervisor when they have any reasonable doubt regarding the propriety of their past, present or future conduct or the conduct of any other Commissioner or employee, or if they have any question regarding the applicability or meaning of any provision of this Code or any other restriction.

## 3. Applicability

This Code shall apply to all Commissioners **and** employees of the Commission.

## 4. Use of this Code

This Code is intended as a supplement to G.L. c.23K, G.L. c.268A (Conduct of Public Officials and Employees), G.L. c.268B (Financial Disclosure by Certain Public Officials and Employees), and 930 CMR (regulations of the State Ethics Commission). To the extent that any provisions of any of the above referenced authorities conflict with any provision of G.L. c.23K, the applicable provision in G.L. c.23K shall govern. In the event that a provision of this Code addresses a matter covered by G.L. c.268A, G.L. c.268B, or 930 CMR, the provision found in this Code shall control to the extent that it is more restrictive. The provisions of G.L. c.268A, G.L. c.268B, and 930 CMR shall otherwise remain fully applicable to all state employees, as that term is defined by G.L. c.268A, §1.

## 5. Ethics Training

Although this Code is intended only to enhance and supplement the existing provisions of G.L. c.23K, G.L. c.268A, G.L. c.268B, and 930 CMR, Commissioners and employees must be fairly



and fully apprised of all ethical obligations incumbent upon them. To that end, the Commission shall provide ethics training to all Commissioners and employees. The training program shall be as follows:

- A. Each Commissioner and employee of the Commission shall be provided with a copy of this Code, a copy of G.L. c.23K, G.L. c.268A, G.L. c.268B, 930 CMR, *Advisory 86-02: Nepotism* issued by the State Ethics Commission, and the *Campaign Finance Guide* published by the Office of Campaign and Political Finance within 14 days of appointment or employment.
- B. Within 30 days of appointment or employment each Commissioner and employee shall undergo a program of ethics training administered by the Office of the General Counsel. The program shall cover the provisions of this Code, and the applicable provisions of G.L. c.23K, G.L. c.268A, G.L. c.268B, 930 CMR, G.L. c.55, and the *Conflict of Interest Law Online Training* program prepared by the State Ethics Commission. The program shall be reviewed and approved by the Executive Director.
- C. At the completion of the training program each Commissioner and employee shall sign a form acknowledging receipt of the materials identified in Paragraph 5A (for new employees), completion of the *Conflict of Interest Law Online Training* program (every 2 years), and completion of the Commission's ethics training program. The form shall be signed by the trainer upon completion.
- D. Each Commissioner and employee shall complete the process outlined in this section on an annual basis (except that the *Conflict of Interest Law Online Training* program prepared by the State Ethics Commission shall be completed every 2 years).

#### 6. Annual filing

On an annual basis, each Commissioner and employee shall file the following with the **Human Resources department**:

- A. A copy of the Ethics Training form required under section 5(C) of this Code.
- B. A disclosure statement required under section 8 of this Code.

#### 7. Definitions

All words and terms in this Code shall be assigned their ordinary meaning as the context requires unless specifically defined by G.L. c.23K, §2 or as follows:

Consultant means a person with whom the Commission has entered into a contract, either directly or through a consulting firm or entity, to provide specifically described advisory services relative to gaming, racing, or regulatory issues within the Commission's jurisdiction. With respect to service contracts with firms or entities, the Commission **may** determine which persons within that firm or entity **will be considered** consultants for **whom some or all of the provisions** of this Code **shall be made applicable**.

Direct or indirect interest means an ownership, stock ownership, loan, property, leasehold or other beneficial interest or holding office as director, officer or trustee in an entity. The term does not include an individual's interests in less than one percent of publicly traded companies, nor mutual or common investment funds such as employee pension plans and publicly traded mutual funds, unless the individual is involved in the management or investment decisions of such fund or plan or the fund or plan specializes in gaming related issues.

Employee means:

- (1) a person who is hired by the Commission to perform services **for** compensation, on a full, regular, part-time, or intermittent basis, but shall not include consultants; or
- (2) an employee of the Alcoholic Beverages Control Commission who is assigned to the Investigations and Enforcement Bureau under G.L. c.10, §72A; or
- (3) an employee or officer of the Department of the State Police assigned to the Massachusetts State Police gaming enforcement unit under G.L. c. 22C, §70.

Provided, in addition to its use in this Code, this definition shall apply to use of the term *employee* in G.L. c.23K.

Financial Interest means an ownership, stock ownership, loan, property, leasehold or other beneficial interest in an entity, or an interest in one's salary, gratuity, or other compensation or remuneration.

Gift means anything of value that is given without something of equivalent fair market value being given in return.

Immediate family means the spouse, parent, child, brother or sister of an individual.

License means a license issued under G.L. c. 23K, G.L. c.128A, and/or G.L. c.128C.

Licensee means a person or entity granted a license under G.L. c. 23K, G.L. c.128A, and/or G.L. c.128C.

Relative within the third degree of consanguinity means, the parents, grandparents, great grandparents, children, grandchildren, great grandchildren, brothers, sisters, nephews, nieces, uncles, aunts of a person by blood or adoption.

Secretarial and clerical employee means a person whose duties consist primarily of administrative tasks such as scheduling, record keeping, document handling, word processing and typing, and similar tasks.

Significant relationship means:

- (1) a spouse, domestic partner, or life partner;
- (2) a relative within the third degree of consanguinity of a person's spouse, domestic partner, or life partner, i.e., affinity;
- (3) a former spouse, domestic partner, or life partner; or
- (4) anyone with whom a person shared an influential or intimate relationship that could reasonably be characterized as important.

#### 8. Disclosure prior to employment

- A. In addition to the disclosure required by G.L. c.23K, §3(n), a prospective employee, prior to commencing employment, shall disclose to the Commission whether they were employed by, presently hold, or previously held any direct or indirect interest in any licensee or current applicant within the period commencing 3 years prior to the date of the employment application. Prior to employment, each candidate shall be provided with a list of the names of all pending applicants for licensure. In the event of an affirmative disclosure relative to a current applicant, the prospective employee may not be employed until such time as the applicant's status is resolved.
- B. In addition to the disclosure required by section 8(A), candidates for major policymaking positions as defined in G.L. c.23K, §1, shall, prior to employment, disclose to the Commission whether any immediate family members own, are in the employ of, or own stock in, any business which is a current applicant or holds a license. The Commission shall not employ an individual for a major policymaking position who has immediate family members that own, are in the employ of, or own stock in, any business which is a current applicant or holds a license.

#### 9. Conflicts of Interest

- A. No Commissioner or employee may participate in a particular matter, as defined by G.L. c.268A, §1, pending before the Commission that may affect the financial interest

of a relative within the third degree of consanguinity or a person with whom they have a significant relationship.

- B. No Commissioner **or** employee may hold an occupational license as an owner, lessor, lessee, or trainer of a horse that is entered in a race in this jurisdiction. Nor may any Commissioner **or** employee accept or be entitled to a part of the purse or purse supplement to be paid on a contestant in a race held in this jurisdiction.
- C. Commissioners must recuse themselves from any licensing decision in which a potential conflict of interest exists.
- D. Commissioners **and** employees must disqualify and recuse themselves, and abstain from participating or voting in any proceeding in which their impartiality may reasonably be questioned, and shall disclose to the Executive Director or, in the case of the Executive Director or a Commissioner, to the Chair of the Commission the nature of their disqualifying interest, including but not limited to instances where they have a personal bias or prejudice concerning a party or personal knowledge of disputed evidentiary facts concerning the proceeding. **One's impartiality may not be considered reasonably questioned if the individual files a "Disclosure Of Appearance Of Conflict Of Interest As Required By G. L. C. 268a, § 23(B)(3)" form with the Executive Director, or in the case of the Executive Director with the Chair, and the Executive Director, or the Chair as applicable, finds that the person can be fair and objective.**

10. **(RESERVED)**

11. Gifts

- A. Except where permitted by section 11B, no Commissioner **or** employee may solicit or directly or indirectly receive any complimentary service, commission, bonus, discount, gift or reward from an entity regulated by, or **then** subject to the regulation of, the Commission, or any close associate, holding company, intermediary company or other affiliate thereof. A Commissioner **or** employee who is offered any such complimentary service, commission, bonus, discount, gift or reward shall disclose such offer to their immediate supervisor, who shall make a record of the disclosure, as soon as reasonably possible.

B. Exceptions to section 11A. A Commissioner, or employee may accept the following which shall not be considered gifts:

1. Food or refreshment of nominal value (i.e.- approximately \$10 or less) where a Commissioner, or employee attends a function as an invitee, in their official capacity, that is hosted, sponsored, or subsidized by a current applicant, licensee, permittee, holder of a certification or registration or licensed entity representative thereof (e.g., opening ceremonies for licensed slot operator facilities, industry showcases and expositions, symposia, seminars, association meetings, and continuing education programs).
2. Unsolicited advertising or promotional materials of nominal value.

C. Travel expenses. Travel expenses of a Commissioner or employee paid for by a third party that are pre-approved by the Executive Director, or in the case of the Executive Director the Chair, upon a finding that the travel meets a legitimate public purpose shall not be considered a gift.

#### 12. Unwarranted privileges

No Commissioner, employee, or consultant shall use or attempt to use their official position to secure for themselves or others unwarranted privileges or exemptions which are not available to members of the general public. Any action taken in accordance with section 15(A) of this Code shall not be considered an unwarranted privilege.

#### 13. Use of Licensee Facilities

No Commissioner or employee shall stay overnight in a guest room at any hotel owned or operated by a person or entity licensed by the Commission or an Indian tribe with a gaming establishment in Massachusetts, except in the course of their official duties and with the prior approval of the Commission or the Executive Director. **Provided, in the event of a weather emergency, an employee working at a gaming establishment may stay overnight in a guest room with the approval of the Executive Director or Director of the IEB.** Complimentary provision of such rooms to any Commissioner or employee is prohibited and any approved use shall be at established governmental rates pre-approved by the Commission. The Executive Director shall maintain and make accessible a list of all such prohibited facilities.

#### 14. Wagers and Other Gaming Activity

No Commissioner or employee shall place any wager, including pari-mutuel wager, or receive any prize from a wager in a gaming establishment or at any pari-mutuel facility or through any pari-mutuel system, either within the boundary of Massachusetts or without, owned or operated

by a person licensed by the Commission, or owned or operated by an Indian tribe with a gaming establishment in Massachusetts, except in the performance of their official duties and with the prior approval of the Commission, the Executive Director, or the Director of Investigations and Enforcement. The Executive Director shall maintain and make accessible a list of all such prohibited facilities. The Commission shall not discipline a person placing a wager or receiving a prize from a facility not on the prohibited list if the Commission later determines that the facility should have been on the prohibited list.

15. Charitable and other outside activities

- A. A Commissioner or employee may not attend any convention, meeting, show, exhibition or other event, eat any meal, drink any beverage, or purchase any thing or service in any Massachusetts gaming establishment or racetrack, commercial or tribal, except in the course of the performance of their official duties. **An employee working at a gaming establishment may purchase food or drink at posted menu prices provided they remain mindful of the appearance of unwarranted privileges that may arise.**

Notwithstanding the foregoing, a Commissioner or employee may attend a family or similar social gathering, or a civic, charitable or professional association function in a Massachusetts gaming establishment or racetrack, provided that:

1. They do not permit payment for any such attendance by any person, other than themselves or the host or sponsoring organization;
2. They do not, directly or indirectly, sponsor or contract for such gathering or function;
3. Prior to the event, they file a statement with the Executive Director identifying the location and circumstances of the event; the cost and manner of payment thereof, if known, and the payor therefor. Such statements shall be maintained by the Executive Director and made available for public inspection;
4. They receive prior approval of the Executive Director or designee; and
5. They check-in at the office of the designated State Police unit at the subject establishment.

- B. A Commissioner may not be involved as an officer, director, or significant contributor with any educational, religious, charitable, fraternal or civic organization that receives any funding from any gaming licensee. Further, a Commissioner may not utilize their title in any way so as to bestow an unwarranted privilege on such organization.**

- C. A Commissioner or employee may speak, write, lecture or participate in other activities concerning the gaming industry, if in so doing the Commissioner or

employee does not cast doubt on his or her ability to decide impartially any matter which may come before the Commission, and provided that the Commissioner or employee does not accept compensation or honoraria for any such activity **except in accordance with Section 8C.**

- D. No Commissioner **or** employee may accept compensation from any person or entity other than the Commission for published works created as part of their official duties.
- E. A Commissioner or employee may participate in any civic or charitable activities, **subject to section 15B, and** not including bazaars governed by G.L. c.271, §7A, that do not interfere with his or her independence of judgment.

16. Nepotism

No Commissioner or employee in a major policymaking position may solicit, request, suggest or recommend the employment by the Commission or by any person regulated by the Commission of any of their relatives within the third degree of consanguinity or a person with whom they have a significant relationship.

17. Unlawful Conduct

It is the duty of each Commissioner and employee who has been charged with any felony or misdemeanor, whether within Massachusetts or elsewhere, to promptly report such incident to the Executive Director in writing.

18. Conduct Unbecoming

Commissioners and employees shall conduct themselves at all times in such a manner as to reflect most favorably upon themselves and the Commission. Conduct unbecoming shall include that which brings the Commission into disrepute or reflects discredit upon the person as a member or employee of the Commission, or that which impairs the operation, efficiency, or effectiveness of the Commission or the person.

Employees and Commissioners shall not associate with individuals they know or should know are engaged in criminal activities unless in the performance of duty or upon official Commission business. Employees and Commissioners shall not frequent or remain at any place where they know or should know criminal activity is occurring unless in the performance of their duty or upon official Commission business.

19. Duty to Cooperate

- A. In all matters related to their duties with the Commission, all Commissioners and employees shall cooperate with law enforcement officers in the proper performance of the law enforcement officer's official duties.
- B. In all matters related to their duties with the Commission, all Commissioners and employees shall cooperate with the Executive Director, General Counsel, Office of the Attorney General, or State Ethics Commission in all matters relating to the operation and enforcement of this Code or the ethics laws.

20. Duty to Report

It is the duty of all Commissioners and employees to report any conduct that they become aware of in the course of their official duties that a reasonable person would believe to be a violation of the criminal laws or G.L. c.23K. The individual shall report the conduct to the State Police at the gaming establishment where the conduct occurred, the Executive Director, or the Director for Investigations and Enforcement. The identity of the reporting individual shall be withheld from disclosure in accordance with G. L. c. 4, §7(26)(c) and (f) and/or other applicable exemption to the Public Records Law.

21. Limits on Public Comments

Commissioners shall abstain from public comment about the merits of a pending adjudicatory proceeding, quasi-judicial proceeding, application or other similar proceeding pending before the Commission, except in a duly posted open meeting, or otherwise in the course of their official duties or in explaining for public information the procedures of the Commission.

22. Prohibited Communications

- A. Except during a hearing or meeting conducted in accordance with the Open Meeting Law, G.L. c. 30A, and/or 205 CMR, Commissioners may not engage in communications that a reasonable person would view as likely to affect the Commissioner's judgment regarding an application or other matter pending before it in an adjudicatory proceeding or reasonably likely to come before it in such a proceeding, except for consulting with another Commissioner, Commission employees, or consultants whose function it is to aid the Commission in carrying out its responsibilities, and shall take all reasonable actions necessary to avoid receiving such communications.



B. Any Commissioner who receives any communication that a reasonable person would view as an improper attempt to influence that Commissioner's official action shall disclose the source and content of the communication to the Executive Director. The Executive Director may investigate or initiate an investigation of the matter to determine if the communication violates this Code. The disclosure under this paragraph and the investigation shall be withheld from disclosure in accordance with the personnel exemption (G. L. c. 4, §7(26)(b)), privacy exemption (G. L. c. 4, §7(26)(c)), investigatory exemption (G. L. c. 4, §7(26)(f)), and/or other applicable exemption to the Public Records Law. Following an investigation, the Executive Director shall advise the Commission of the results of the investigation and may recommend such action as the Executive Director considers appropriate.

C. No Commissioner or employee may engage in any communication, in any medium, that:

- (1) improperly discloses any confidential information, materials or data of or pertaining to the Commission's activities not legally available to the public, i.e., that reasonably fit within one or more of the exemptions to the definition of public records as defined by the Public Records Law and/or has been deemed *confidential information* in accordance with 205 CMR, and were acquired by an employee in the course of their official duties; or
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Any Commissioner or employee may request a written opinion from the General Counsel relative to the applicability of any provision of this Code and may act in conformance with that opinion. An opinion rendered by the General Counsel, until and unless amended or revoked, shall be a defense in any disciplinary action brought under this Code and shall be binding on the Commission in any proceedings concerning the person who requested the opinion and who acted in good faith, unless material facts were omitted or misstated by the person in the request for an opinion. Such requests shall be deemed confidential and exempt from disclosure under the personnel and /or privacy exemptions to the Public Records law (See G. L. c. 4, §§ 7(26)(b) and (c)); provided, however, that the Commission may publish such opinions, but the name of the requesting person and any other identifying information shall not be included in such publication unless the requesting person consents to such inclusion.



# ACTIVITY TRACKING THROUGH JIRA

OPENING MGM SPRINGFIELD SEPTEMBER 2018

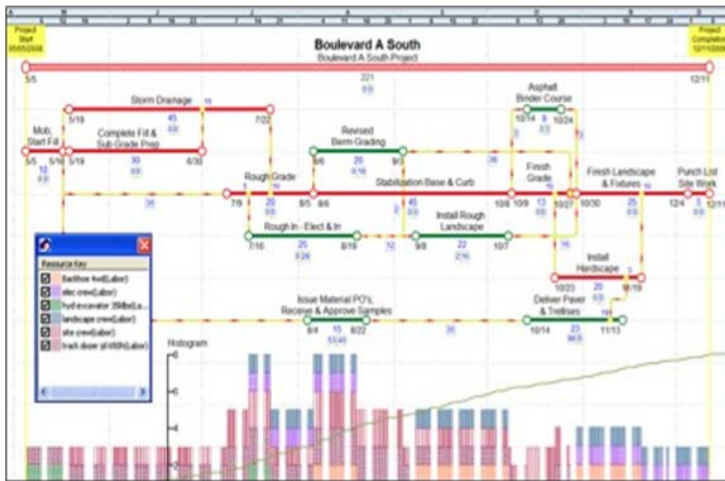
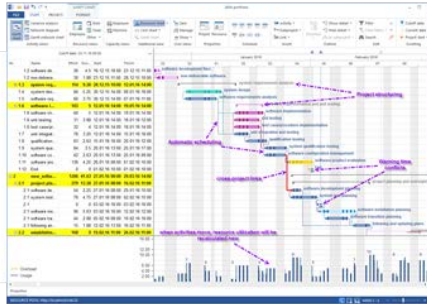
OPENING WYNN BOSTON HARBOR JUNE 2019

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THURSDAY, JANUARY 18, 2018

# TRACKING COMPLEX ACTIVITIES

## Tools



## Drawbacks



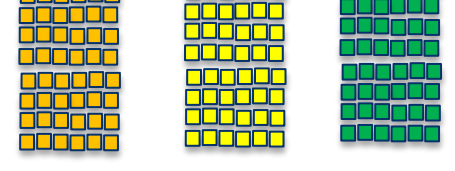
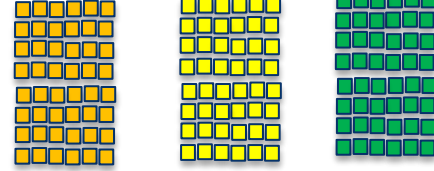
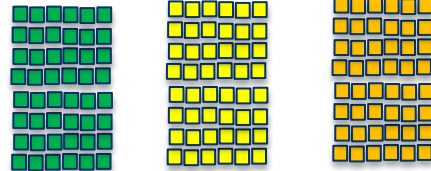
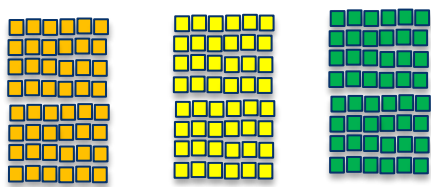
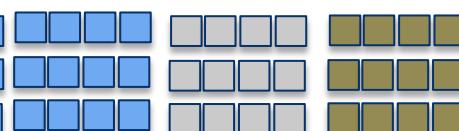
# JIRA WORKSPACE

Post Operations  
Certificate

License Conditions &  
Agreements

Regulatory Readiness

Communications



# WORKFLOW

## Kanban board

Board ▾



QUICK FILTERS: [Only My Issues](#) [Recently Updated](#)

8 To Do

4 In Progress

3 Done

[Release...](#)

Quick filters epic 2 issues

SKP-19

↓ As a user, I can find important items on the board by using quick filters



Quick filters epic

SKP-20

↓ As a user, I can show different data on report using a quick filter

Quick filters epic

Issues without epics 11 issues

SKP-1

⊘ Kanban cards represent work items



SKP-4

↓ Work items are ranked in priority order (from top to bottom) by dragging cards



SKP-3

↑ Add work items with "+ Create Issue" at the top right of the screen



SKP-2

⊘ Kanban boards are often divided into streams of work, aka Swimlanes. By default,



SKP-6

↑ Work In Progress (WIP) limits highlight delays. This column's limit is 1



SKP-7

↑ ... so 2 work items violate the limit and cause the column to be highlighted



SKP-8

↑ Filters at the top of the board allow you to quickly cut down the shown items



SKP-9

↑ As teams develop with Kanban they get better at reducing average resolution time (aka Cycle



SKP-10

↑ Instructions for deleting this sample board and project are in the description for this issue



Sample Kanban Project / SKP-19



As a user, I can find important items on the board by using quick filters



### Details



Status: **BACKLOG**



Component/s: *None*



Labels: *None*



Affects Version/s: *None*



Fix Version/s: *None*



Epic: **Quick filters epic**



### People



Reporter: Andrew Lui



Assignee: Lingbo Lu [Atlassian Technical Writer]



SENSITIVITY LEVEL: LOW – PUBLIC USE

# REPORTING

Massachusetts Gaming Commission Dashboards Projects Issues Boards Portfolio BigPicture BigGantt Create Search

This space can be used to make important announcements.

TYPE	KEY	SUMMARY	EPIC LINK	START BY	DUE DATE	STATUTORY/REGULATORY DEADLINE	January, 2018																							
		[None]	2				12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	01	02	03	04
		Post the Operational Certificate	16																											
		Communications	2																											
		MGC Operational Readiness	61																											
		MGM License Compliance	54																											

TYPE	KEY	SUMMARY	EPIC LINK	START BY	DUE DATE	STATUTORY/REGULATORY DEADLINE	January, 2018			
MC	MGM License Conditions - This set of MGM License Condi	MGM License Compliance	Mar/16/201	Jul/06/2018	Sep/07/2018					
MC	License Condition 1: Compliance with M.G.L. c. 23K, and 20	MGM License Compliance	Mar/16/201	Jul/06/2018	Sep/07/2018					
MC	License Condition 2: All Applicable Federal, State and Local	MGM License Compliance	Mar/16/201	Jul/06/2018	Sep/07/2018					
MC	License Condition 3: Compliance with Debt Equity Requirem	MGM License Compliance	Mar/16/201	Jul/06/2018	Sep/07/2018					
MC	License Condition 4: Payment of the Licensing Fee - Payme	MGM License Compliance	Mar/16/201	Jul/06/2018	Sep/07/2018					
MC	License Condition 5: Payment of Assessments - Payment of	MGM License Compliance	Mar/16/201	Jul/06/2018	Sep/07/2018					
MC	License Condition 6: Payment in the amount of \$4,967,000	MGM License Compliance	Mar/16/201	Jul/06/2018	Sep/07/2018					
MC	License Condition 7: Secure a Deposit Bond of \$51,579,200	MGM License Compliance	Mar/16/201	Jul/06/2018	Sep/07/2018					
MC	License Condition 8: Own or Acquire the Land Proposed - C	MGM License Compliance	Mar/16/201	Jul/06/2018	Sep/07/2018					
MC	License Condition 9: Terms a. through i. - a. the host comm	MGM License Compliance	Mar/16/201	Jul/06/2018	Sep/07/2018					
MC	License Condition 10: Provision of an Affirmative Marketing P	MGM License Compliance	Mar/16/201	Jul/06/2018	Sep/07/2018					
MC	License Condition 11: Provision of an Affirmative Marketing P	MGM License Compliance	Mar/16/201	Jul/06/2018	Sep/07/2018					
MC	License Condition 12: Provision of an Affirmative Marketing P	MGM License Compliance	Mar/16/201	Jul/06/2018	Sep/07/2018					
MC	License Condition 13: Compliance with the Construction Plan	MGM License Compliance	Mar/16/201	Jul/06/2018	Sep/07/2018					
MC	License Condition 14: Compliance with Application Informati	MGM License Compliance	Mar/16/201	Jul/06/2018	Sep/07/2018					
MC	License Condition 15: Provision of an Employment Opportun	MGM License Compliance	Mar/16/201	Jul/06/2018	Sep/07/2018					
MC	License Condition 16: Provision of a Regional Tourism Marke	MGM License Compliance	Mar/16/201	Jul/06/2018	Sep/07/2018					
MC	License Condition 17: Local Vendor Plan - In conjunction wi	MGM License Compliance	Mar/16/201	Jul/06/2018	Sep/07/2018					
MC	License Condition 18: Implement MGC-Compliant Credit anc	MGM License Compliance	Mar/16/201	Jul/06/2018	Sep/07/2018					
MC	License Condition 19: Comply with MGC Free Play Standar	MGM License Compliance	Mar/16/201	Jul/06/2018	Sep/07/2018					
MC	License Condition 20: Terms a. through r. - 20. Other specifi	MGM License Compliance	Mar/16/201	Jul/06/2018	Sep/07/2018					
MC	License Condition 21: Garage Cladding and Union Street Ex	MGM License Compliance	Mar/16/201	Jul/06/2018	Sep/07/2018					
MC	License Condition 22: Disruption Mitigation Plans - The Des	MGM License Compliance	Mar/16/201	Jul/06/2018	Sep/07/2018					





# VALUE

**TRANSPARENCY:** Information is accessible to all staff members

**TIMELINESS:** Information is up to date (near real-time)

**EFFICIENCY:** Managers focus on exceptions which impact milestones

**RESPONSIVENESS:** Anyone can detect smoke or confirm fire reports

**RE-USE:** Copy, modify, and continue for the next casino opening.



TO: Chairman Crosby, Commissioners Cameron, Macdonald, Stebbins, Zuniga

FROM: Mark Vander Linden, Director of Research and Responsible Gaming,  
Floyd Barroga, Gaming Technology Manager

DATE: December 7, 2017

RE: Play management recommendation

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## Background

A key educational objective of the Massachusetts Gaming Commission (Commission) Responsible Gaming Framework is to “provide accurate and balanced information to enable informed choices to be made about gaming activities”. To support this objective, Strategy 2 of the framework identifies measures to support players’ efforts to responsibly manage their gambling by including the development and implementation of play management tools. Such tools are incorporated into electronic gaming machines to enable players to more easily track their play, manage their gambling decisions, and obtain real time individualized play feedback.

In December, 2014 the Commission voted to adopt a play management system (PlayMyWay) in cooperation with Plainridge Park Casino (PPC). However, because the existing body of research supporting the effectiveness of these tools is limited and inconclusive, the Commission specified that implementation would be on a test basis and that determination of whether this program is continued and extended to Category 1 casinos would be informed, in part, by the findings of an evaluation. To advise on the development and evaluate the program the Commission contracted with the Cambridge Health Alliance, Division on Addiction (CHA).

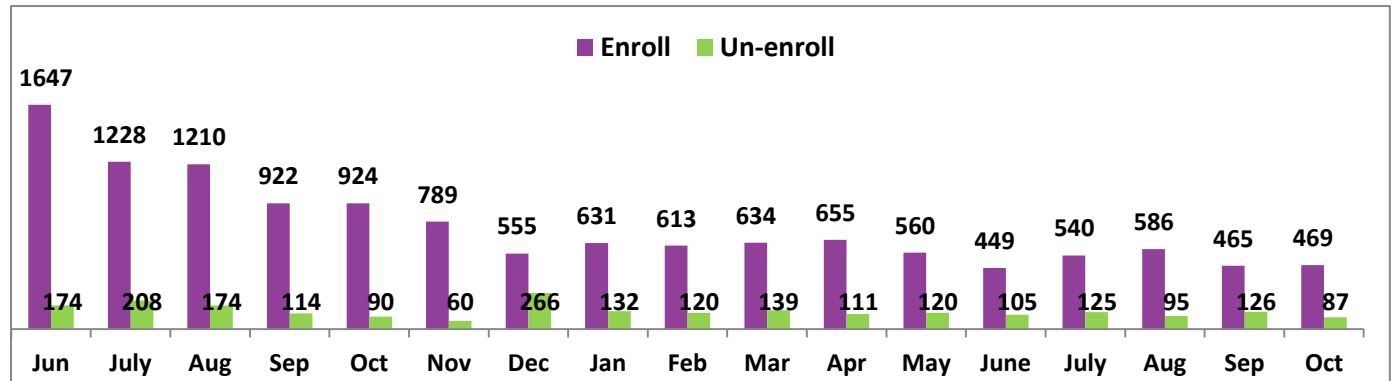
Following 18 months of development, on June 9, 2016, PlayMyWay (PMW) was launched at PPC as a benefit to their Marquee Reward® (player card) members. Patrons have the opportunity to enroll in the program at any slot machine, GameSense Kiosk or at the GameSense Info Center located inside the casino. PMW prompts cardholders to voluntarily set a daily, weekly, and/or monthly budget to track their spending at PPC. Once enrolled, patrons receive automatic notifications as they approach 50% and 75% of their spent budget. Players also receive a notification when they reach 100% of their budget, and if they continue to play, they will receive notifications at 25% intervals. This program is strictly voluntary and a player can un-enroll or adjust the budget(s) at any time. A player also can choose to stop at any point or keep playing.



Massachusetts Gaming Commission

## Player enrollment

Through October 31, 2017, 15,123 persons have enrolled in the program. The un-enrollment rate is 17% leaving 12,877 currently enrolled. This represents almost 9.7% of Marquee Rewards® cardholders who gambled at Plainridge Park Casino during the study period.



## Evaluation and Research

On November 21, 2017 CHA presented to the MGC the *Preliminary Study of Patrons' Use of the PlayMyWay Play Management System at Plainridge Park Casino: June 8, 2016 – January 31, 2017*. The preliminary study includes a de-identified, basic epidemiology of Marquee Rewards Card gambling records that provides sample characteristics, game characteristics, cash activity and gambling activity information. The PMW records provided CHA with information about players' budgets and notification activity. Key findings include:

- PMW users had significantly more cash activity than non-users on slot machines and electronic table games. For example, during the entire study period, PMW users inserted significantly more cash into slot machines than non-users (difference of means = \$620.50,  $p < 0.01$ ). They also withdrew more funds than non-users (difference of means = \$692.31,  $p < 0.01$ ).
- With respect to gambling activity, PMW users tended to wager less money as well as lose less money per day compared to non-users. Whereas the median PMW-user wagered \$347.80 and lost \$47.50 per day, their non-user counterparts wagered \$485.30 and lost \$62.90.
- Overall, slightly less than two-thirds of all PMW users (63.0%) never exceeded their budgets; just over one-third of all users (37.0%) exceeded their budgets at least once during the study period.
- The vast majority of PMW users were from Massachusetts (78.4%) and other New England states. The PMW users had an average age of 54 and were significantly younger than the non-users. PMW and non-users visited PPC an average of 6.5 and 6.8 times, respectively, during the study period.

As stated earlier, at the time the Commission adopted play management tools on a test basis the existing evidence of their effectiveness was inconclusive. Since that time, there have been a hand full of new studies that add to the body of research to support the topic. A few promising studies include the following.



Massachusetts Gaming Commission

- Wood, Richard and Wohl, Michael “Assessing the effectiveness of a responsible gambling behavioral feedback tool for reducing the gambling expenditure of at risk players”. *International Gambling Studies, Vol. 15 No.2. 2015. 1-16.*

This research examines the utility of a play management tool which was implemented online in Sweden. Findings suggest that the use of this type of tool which informs internet gamblers that their behavior is becoming risky is associated with a reduction in future player spending. Thus, informing at-risk players who have opted to receive feedback about their gambling appears to have a positive impact on subsequent expenditures.

- Wohl, Michael and Davis, Christopher and Hollingshead, Samantha “How Much Have You Won or Lost? Personalized Behavioral Feedback about Gambling Expenditures Regulates Play”. *Computers in Human Behavior Vol. 70 May 2017. 437-445.*

This study supports the theory that providing players with feedback on their behavior can help moderate their expenditures. Through this work, researchers found that players’ perception of their expenditures and overall recall of gambling behavior-particularly at EGMs-is typically inaccurate.

### **Options to advance PlayMyWay**

As the Commission considers next steps to advance play management, I’d like to outline four options with a list of advantages and disadvantages. This is a non-inclusive list as there are likely additional options and considerations.

- 1) Advance play management tools by promulgating a play management regulation and/or rules.

#### **Advantage**

- Assures consistent implementation and reporting across all MGC licensees.
- Responsibility of play management software development is placed on to the subject matter experts (System & Slot Machine manufacturers). Advances a key strategy of the MGC Responsible Gaming Framework.
- Assures the same rigorous testing through GLI and/or BMM and MGC testing lab as all other electronic gaming devices in Massachusetts.
- Minimizes the time and effort needed for on-floor testing in advance of deployment.
- Consistent player experience across operators.



Massachusetts Gaming Commission

#### Disadvantage

- Evaluation of PlayMyWay is ongoing. An additional study is anticipated in June, 2018. This report may provide findings the MGC should consider prior to the promulgation of regulation.
- Additional cost for vendor to release a product in Massachusetts.

### 2) Advance play management cooperatively with licensees through a non-regulatory path.

#### Advantage

- Allows for appropriate planning and development of play management in advance of further evaluation.
- Allows the MGC to withdraw support of PlayMyWay if further evaluation findings are unfavorable.
- Allows for potentially quicker changes to the system without updating regulation and test lab certification.
- Different versions would allow for comparison of products.

#### Disadvantage

- Provides the MGC less control over specific elements of the program.
- It's unclear who would bear the cost of development and implementation. Regardless, there is an additional cost to release a product in Massachusetts.
- Risk complicating the evaluation by potentially inconsistent requirements, testing and interpretation of system requirements.
- Less ability to control version changes consistently among licensees resulting in a potentially inconsistent player experience.

### 3) Maintain support of PlayMyWay at PPC but delay decision about advancing play management tools to Category 1 casinos.

#### Advantage

- Allows for further evaluation to guide the development of a play management system – both player experience and system reporting.
- Allows further refinement system requirements before rolling out to category 1 casinos.
- Allows the MGC to withdraw support of PlayMyWay if further evaluation finds harm or ineffectiveness.

#### Disadvantage

- Slows the development and deployment of PlayMyWay to Category 1 casinos.
- Different expectation between Category 1 and Category 2 casinos.



Massachusetts Gaming Commission

- Circumvents the MGC electronic gaming device certification process.
  - Increases maintenance and development geared toward supporting PlayMyWay updates.
- 4) Abandon support of PlayMyWay at PPC and further discussions about implementation of a play management tool at Category 1 casinos.

Advantage

- Advancements in play management systems may continue as an extension of operators responsible gaming plans regardless of MGC involvement.

Disadvantage

- There is a significant chance that development of PlayMyWay and play management tools, generally, will slow, stall or be abandoned.
- Significant investment (financial and workforce) to advance play management tools would be lost.

## Recommendation

There are several factors that should be weighed as the Commission considers advancing a play management tool.

- Enrollment into the program far exceeds expectations and appears to be greater than any jurisdiction that has done this previously. Consistent levels of unenrollment suggest program stability. From a programming perspective, these levels can be viewed as moderate.
- Preliminary evaluation findings appear very promising. We continue to work with our evaluation team at CHA to answer critical questions about reach and impact on specific types of gamblers.
- There has been a steady flow of new research on play management and similar types of tools. Findings from these studies generally conclude that they are effective at helping recreational and at-risk players manage the amount they spent on gaming. However, play management tools are still not considered a best practice and additional research in the area is needed.
- PMW hasn't created any major disruption to the gaming floor. Like any new technology, there have been a few challenges during implementation but they have been minimal.
- Anecdotally, feedback from patrons has been positive. They believe the tool is useful and appreciate the availability of this resource.

Based on the information outlined in this memo, I recommend the Commission create draft regulations that would require licensees to develop play management tools for their patrons. The regulation should remain flexible to respond to findings from on-going evaluation. Additionally, I recommend the Commission work closely with Category 1 licensees to develop a realistic timeline and plan for implementation.



Massachusetts Gaming Commission

January 12, 2018

Chairman Stephen Crosby  
Massachusetts Gaming Commission  
101 Federal Street  
Boston, MA 02110

**RE: Advancement of Play Management Tool in Massachusetts**

**Via email:** [mgccomments@state.ma.us](mailto:mgccomments@state.ma.us)

Dear Chairman Crosby:

Thank you for the opportunity to offer comments on the Massachusetts Gaming Commission's (MGC) efforts to advance play management in the state's gaming market.

As you're aware, responsible gaming is a key priority for the American Gaming Association (AGA) and our members. We updated our [Code of Conduct](#) last year, which now includes enhanced measures focused on consumer protection and the transparency of casino games' odds and payouts as well as heightened measures on transparency in advertising and marketing.<sup>1</sup> The industry also continues to make significant investments in peer-reviewed research focused on effective treatment and prevention methods through the National Center for Responsible Gaming.

With regard to the MGC's request, the AGA and our members support the second recommendation which calls for advancing play management cooperatively with all licensees through a non-regulatory path.<sup>2</sup>

A collaborative and cooperative approach between the MGC and licensees will provide the best prospect of success for play management systems in the Massachusetts gaming market. This approach will ensure the mutual goals of the MGC and industry licensees -- to foster effective responsible gaming programs that are beneficial to consumers -- are fulfilled. Further, we believe that a cooperative and collaborative approach is entirely consistent with the MGC's Mission Statement and Responsible Gaming Framework, as illustrated below.

As the future of play management is contemplated, we respectfully request that the MGC recognize the following principles:

**Elevate Efficacy**

The industry and the MGC are aligned in their commitment to ensuring that patrons have access to effective responsible gaming tools and resources. In order to ensure the effectiveness of such tools and resources, it is critical to foster an adaptable environment that will enable routine evaluation, assessment and potential modification. Determining efficacy will take time and require ongoing research, evaluation and analysis. Due to the early stage of implementation of play management in the Massachusetts market, we believe the creation of a formal regulatory framework at this point in time is premature. Ongoing evaluation and analysis of play management systems in advance of the creation of a regulatory

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<sup>1</sup> Please see, American Gaming Association Code of Conduct for Responsible Gaming (August 2017), [https://www.americangaming.org/sites/default/files/AGA%20Code%20of%20Conduct%20for%20Responsible%20Gaming\\_Final%207.27.17.pdf](https://www.americangaming.org/sites/default/files/AGA%20Code%20of%20Conduct%20for%20Responsible%20Gaming_Final%207.27.17.pdf).

<sup>2</sup> Please see, Massachusetts Gaming Commission, Request for Public Comment: Advancement of Play Management Tool in Massachusetts (December 2017), <https://massgaming.com/news-events/requests-for-public-comments/>.

framework will also allow for more informed cost benefit analysis for all stakeholders, in accordance with the MGC's Mission Statement which recognizes that the regulatory systems should, "...reduce to the maximum extent possible the potentially negative or unintended consequences of the new legislation, and allow an appropriate return on investment for gaming providers that assures the operation of casino-resorts of the highest quality."<sup>3</sup>

### **Rely on Peer Reviewed Research**

Peer-reviewed scientific research is the gold standard and essential in a complex field like responsible gaming and play management. It is widely recognized as a "quality control filter in all scientific fields."<sup>4</sup> In light of the MGC's commitment to the highest quality outcomes, coupled with the validity and credibility associated with peer reviewed research, it would seem consistent that the MGC would uphold this standard. Currently, peer reviewed research focused on the effectiveness of, and consumer experience with, play management systems is still in its infancy and evolving. As such, a flexible and cooperative framework will enable the industry and the MGC to respond to future peer reviewed research findings regarding play management, without requiring MGC to adjust its regulations via a formal rulemaking process. A prescriptive regulatory framework that has been crafted in the absence of conclusive, peer reviewed research would curtail the industry's and MGC's abilities to achieve the mutual goals and objectives of the play management systems. This approach is also aligned with the MGC's guiding values that serve as the foundation of the Responsible Gaming Framework, including the recognition and importance of an, "...evidence-based approach to responsible gaming measures."<sup>5</sup>

### **Encourage Innovation**

A non-regulatory path that encourages operators to be innovative in their approaches to play management will undoubtedly improve the programs going forward. A formal regulatory framework could hinder the adoption and implementation of more innovative technologies to enhance play management, or discourage operators from thinking creatively about how to incorporate play management into their marketing strategies. This approach is also consistent with the values embodied within the MGC's Responsible Gaming Framework, particularly with regard to the acknowledgement that, "...responsible gaming efforts in their entirety will retain flexibility to respond to emerging evidence, and the evolving technological and cultural environment."<sup>6</sup>

We thank you again for your consideration of our comments, and welcome the opportunity to further discuss this important issue with you and your staff.

Sincerely,



Geoff Freeman  
President and CEO

<sup>3</sup> Please see, Massachusetts Gaming Commission Mission Statement and Values, <https://massgaming.com/the-commission/mission-values/>.

<sup>4</sup> Please see, Responsible Gaming: A Review of the Research, National Center for Responsible Gaming (page 1), [http://www.ncrg.org/sites/default/files/uploads/responsible\\_gambling\\_research\\_white\\_paper\\_1.pdf](http://www.ncrg.org/sites/default/files/uploads/responsible_gambling_research_white_paper_1.pdf) (August 2017).

<sup>5</sup> Please see, Massachusetts Gaming Commission Responsible Gaming Framework: Guiding Values and Approach (page 4), <http://massgaming.com/wp-content/uploads/Responsible-Gaming-Framework-v1-10-31-14.pdf>.

<sup>6</sup> *Ibid.*





January 15, 2018

Massachusetts Gaming Commission  
101 Federal Street, 12th Floor  
Boston, MA 02110

***RE: MGM Springfield Comments on Play Management Implementation***

Dear Chairman Crosby and Members of the Commission:

MGM Springfield greatly appreciates the deliberative, qualitative and collaborative approach that the Massachusetts Gaming Commission (Commission) has taken in determining what role a play management system will have as part of the Commonwealth's Responsible Gaming Framework. We welcome Director Mark Vander Linden's invitation for feedback and comments to his December 7, 2017 presentation to the Commission recommending next steps for the further implementation of player management at the Category 1 Gaming Establishments.<sup>1</sup> One of the principle questions raised in that presentation is whether the Commission should compel its Licensees to provide a play management system through regulation, or whether the Commission should permit its operators to develop and implement the system voluntarily, as Penn was permitted and did do for its Plainridge Park facility (Plainridge). MGM believes that a voluntary operator driven approach to play management will achieve the Commission's and operators' shared goal of a best in class Responsible Gaming Framework.

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<sup>1</sup> Play Management Recommendation Memorandum, December 7, 2017, Mark Vander Linden, Director of Research and Responsible Gaming and Floyd Barroga, Gaming Technology Manager (December 2017 Staff Memo)

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One MGM Way  
Springfield, MA 01103  
413-273-5000

As further set forth below, MGM Springfield is ready and willing to collaborate with the MGC on instituting a play management system that will not only serve the gaming customers of Massachusetts but that will also serve as a template for operators in other jurisdictions. We believe that such a system is best developed by the operators based upon the collective belief of Penn, Wynn, and MGM that responsible gaming is not only the right thing to do, but also is good for business. Penn National demonstrated that commitment by volunteering to open Plainridge Park with Play My Way. MGM demonstrated a similar commitment last summer when we entered into, voluntarily, a landmark responsible gaming initiative to fully integrate GameSense into all of our properties in North America, the process of which is now complete.

As was the case with GameSense, and as we believe will be the case with Play My Way, MGM fully supports the implementation of responsible gaming products where the effectiveness is supported by empirical study. In considering whether the Commission should promulgate formal regulations requiring the implementation of play management at the Category 1 Gaming Establishments, the Commission should take stock of the clear and detailed direction that has been provided to date to the Category 1 Licensees regarding the functional expectations for play management; the proven track record of deploying play management through a collaborative process at Plainridge; and the need to retain flexibility to allow the Licensees to develop the best product to ultimately meet the Commission's policy goals and maximize the player experience.

Over the past several years, the Commission has provided ample and specific direction regarding the expectations for play management at Category 1 Gaming Establishments. First and foremost, the Commission has been clear that the Category 1 Licensees will be required to implement a play management system and that Category 1 Gaming Establishments should ensure that their information technology and electronic gaming equipment infrastructure are capable of supporting a play management system.<sup>2</sup>

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<sup>2</sup> Massachusetts Gaming Commission Public Hearing, December 7, 2017, at p. 184

Consistent with this mandate, MGM Springfield previously confirmed that all of the physical infrastructure is in place at MGM Springfield to allow for the future implementation of a play management system and will establish a specific timeline for developing and implementing the system if so directed by the Commission. MGM Springfield continues to work with Commission staff on a timeline for implementation after MGM Springfield's planned opening in the Fall of 2018. No further regulatory action is necessary to ensure that the Category 1 Gaming Establishments are being constructed to accommodate a play management system or to establish a reasonable timeline for implementation.

Next, the Commission has already established specific criteria and functionality for play management systems and these "principles", while subject to revision, have been deployed at Plainridge with success without formal regulations. In December 2014, staff and the Commission established detailed principles and minimum standards for a player management system for use in the Commonwealth. These principles, as set out in a December 4, 2014 memorandum from Director Vander Linden, were the subject of public comment and deliberation by the Commission.<sup>3</sup> The Commission deliberated and amended several of the staff recommendations and adopted a set of revised principles by unanimous vote.<sup>4</sup> These principles or minimum standards include establishing play management as a voluntary opt-in program that allows players to pre-commit to a budget per gaming session/day and or per month. The principles also include but are not limited to: (i) that the program be linked to a player award or loyalty card system; (ii) the method and location for enrolling; (iii) the type and frequency of notifications; (iv) limits on the effect of the notifications (no consequences or incentives) as well as the use of incentives for enrollment; and (v) a commitment for evaluation of the effectiveness of the program.

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<sup>3</sup> Play Management Memorandum, December 4, 2014, Mark Vander Linden, Director of Research and Responsible Gaming (December 2014 Staff Memo).

<sup>4</sup> Massachusetts Gaming Commission Public Hearing, December 4, 2014, at pp. 112-193.

As the Commission is aware, MGM Springfield is in discussion with International Game Technology (IGT) to develop a system that meets these principles with functionality similar to that of the system developed by Scientific Games for Plainridge. From the Licensee's perspective, there is no need for additional regulation regarding the functionality or specifics of a play management system at this time. Nor is the lack of formal regulations a barrier to testing laboratories establishing standards for a play management system as part of an electronic gaming device.

Moreover, implementation of regulations at this time may have a negative impact. First, formal regulations will constrain the flexibility recognized by the Commission as necessary to respond to the ongoing evaluation of the effectiveness of the play management system. For example, the Licensees and Commission staff, now believe that launching a play management system post-opening, as opposed to at opening, may drive higher levels of player participation. Notwithstanding, it is not difficult to imagine an early incarnation of a regulation requiring Licensees to launch Play My Way at opening. Central to the Commission's ongoing assessment of play management in Massachusetts is the flexibility to make changes to the system based on licensee and player feedback as well as the more formal evaluation by the Cambridge Health Alliance (CHA). As made clear in the October 25, 2017 Report and Presentation by CHA, while there are some key initial findings as a result of CHA's analysis, they have reached no conclusions or established any causal relationships between play management and key outcomes. Formalizing program regulations and specifications while there is still much to learn about the impact of play management on responsible gaming in general, and problem gamblers in particular, is premature and may constrain the ability to make adjustments to achieve the Commission's policy goals or operate these systems efficiently and effectively.

Additionally, formalizing regulations will chill, not encourage, innovation and creativity for the implementation of this system by the licensees at their respective properties. Formal regulations and specifications that seek to achieve a "one size fits all" player management system, may inadvertently limit a technology or integration plan that could otherwise have the potential to enhance the effectiveness of a player management system. When approving the original framework and principles for play

management, Commissioner Enrique Zuniga stressed that the Commission did not want to be in the business of telling or “stipulating” a play management system or its interface to the licensees.<sup>5</sup> The Commission should continue to adhere to this approach which will maximize flexibility and innovation and promote a licensee-tailored product that has the potential to best enhance awareness and education about responsible gaming and add to the overall player experience.

During the Commission’s December 7, 2017 discussion regarding whether to formally promulgate regulations regarding play management, Commissioner Zuniga attributed the success of player management at Plainridge to “working cooperatively” with Penn National Gaming to implement the system, which, at the time, was a first for the gaming industry in the continental United States.<sup>6</sup> The Commission need not reinvent the process it used for implementing player management at Penn’s Plainridge facility with respect to the Category 1 Gaming Establishments. This cooperative and collaborative approach, also presented by staff as an option in its December 7, 2017 Memorandum, has served the Commonwealth well and established a shared responsibility between the Commission and operator for the program implementation. Importantly, it has provided the ability to make adjustments to the system to address concerns without necessitating a regulation change.

Promulgating formal regulations for player management at this time is, at best, unnecessary and premature and, at worst, may hinder the successful rollout of player management at the Category 1 Gaming Establishments. Advancing play management without formal regulations does not in any way restrict the Commission from considering regulations in the future. MGM Springfield, therefore, recommends that the Commission adopt option 2 in Director Vander Linden’s December 17, 2017 memorandum, to “advance play management cooperatively with licensees through a non-regulatory path.”

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<sup>5</sup> Massachusetts Gaming Commission Public Hearing, December 4, 2014, at p. 184

<sup>6</sup> Massachusetts Gaming Commission Public Hearing, December 7, 2017, at p. 176.

MGM Springfield appreciates the opportunity to offer these comments on the implementation of player management at the Category 1 Gaming Establishments and we look forward to working further with Commission and staff on this important issue.

Sincerely,

A handwritten signature in cursive script that reads "Michael C. Mathis".

Michael C. Mathis  
President & COO

cc: Seth Stratton, Vice President and Legal Counsel  
Alan Feldman, Executive Vice President, Global Corporate Communications and  
Industry Affairs



January 12, 2018

Chairman Stephen Crosby  
Massachusetts Gaming Commission  
101 Federal Street, 12<sup>th</sup> Floor  
Boston, MA 02110

Dear Chairman Crosby:

The purpose of this letter is to respond to the Massachusetts Gaming Commission's request for comments on the advancement of the "Play Management Tool" in Massachusetts. For the reasons delineated in the attached letter dated January 12, 2018 from the AGA, we do not believe that a regulatory framework is necessary for the advancement of the "Play Management Tool."

We appreciate the opportunity to provide comments and look forward to further discussions regarding this important issue.

Sincerely,

A handwritten signature in black ink that reads "Jacqui Krum". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

Jacqui Krum  
Senior Vice President and General Counsel

January 12, 2018

Chairman Stephen Crosby  
Massachusetts Gaming Commission  
101 Federal Street  
Boston, MA 02110

**RE: Advancement of Play Management Tool in Massachusetts**

**Via email:** [mgccomments@state.ma.us](mailto:mgccomments@state.ma.us)

Dear Chairman Crosby:

Thank you for the opportunity to offer comments on the Massachusetts Gaming Commission's (MGC) efforts to advance play management in the state's gaming market.

As you're aware, responsible gaming is a key priority for the American Gaming Association (AGA) and our members. We updated our [Code of Conduct](#) last year, which now includes enhanced measures focused on consumer protection and the transparency of casino games' odds and payouts as well as heightened measures on transparency in advertising and marketing.<sup>1</sup> The industry also continues to make significant investments in peer-reviewed research focused on effective treatment and prevention methods through the National Center for Responsible Gaming.

With regard to the MGC's request, the AGA and our members support the second recommendation which calls for advancing play management cooperatively with all licensees through a non-regulatory path.<sup>2</sup>

A collaborative and cooperative approach between the MGC and licensees will provide the best prospect of success for play management systems in the Massachusetts gaming market. This approach will ensure the mutual goals of the MGC and industry licensees -- to foster effective responsible gaming programs that are beneficial to consumers -- are fulfilled. Further, we believe that a cooperative and collaborative approach is entirely consistent with the MGC's Mission Statement and Responsible Gaming Framework, as illustrated below.

As the future of play management is contemplated, we respectfully request that the MGC recognize the following principles:

**Elevate Efficacy**

The industry and the MGC are aligned in their commitment to ensuring that patrons have access to effective responsible gaming tools and resources. In order to ensure the effectiveness of such tools and resources, it is critical to foster an adaptable environment that will enable routine evaluation, assessment and potential modification. Determining efficacy will take time and require ongoing research, evaluation and analysis. Due to the early stage of implementation of play management in the Massachusetts market, we believe the creation of a formal regulatory framework at this point in time is premature. Ongoing evaluation and analysis of play management systems in advance of the creation of a regulatory

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<sup>1</sup> Please see, American Gaming Association Code of Conduct for Responsible Gaming (August 2017), [https://www.americangaming.org/sites/default/files/AGA%20Code%20of%20Conduct%20for%20Responsible%20Gaming\\_Final%207.27.17.pdf](https://www.americangaming.org/sites/default/files/AGA%20Code%20of%20Conduct%20for%20Responsible%20Gaming_Final%207.27.17.pdf).

<sup>2</sup> Please see, Massachusetts Gaming Commission, Request for Public Comment: Advancement of Play Management Tool in Massachusetts (December 2017), <https://massgaming.com/news-events/requests-for-public-comments/>.



framework will also allow for more informed cost benefit analysis for all stakeholders, in accordance with the MGC's Mission Statement which recognizes that the regulatory systems should, "...reduce to the maximum extent possible the potentially negative or unintended consequences of the new legislation, and allow an appropriate return on investment for gaming providers that assures the operation of casino-resorts of the highest quality."<sup>3</sup>

### **Rely on Peer Reviewed Research**

Peer-reviewed scientific research is the gold standard and essential in a complex field like responsible gaming and play management. It is widely recognized as a "quality control filter in all scientific fields."<sup>4</sup> In light of the MGC's commitment to the highest quality outcomes, coupled with the validity and credibility associated with peer reviewed research, it would seem consistent that the MGC would uphold this standard. Currently, peer reviewed research focused on the effectiveness of, and consumer experience with, play management systems is still in its infancy and evolving. As such, a flexible and cooperative framework will enable the industry and the MGC to respond to future peer reviewed research findings regarding play management, without requiring MGC to adjust its regulations via a formal rulemaking process. A prescriptive regulatory framework that has been crafted in the absence of conclusive, peer reviewed research would curtail the industry's and MGC's abilities to achieve the mutual goals and objectives of the play management systems. This approach is also aligned with the MGC's guiding values that serve as the foundation of the Responsible Gaming Framework, including the recognition and importance of an, "...evidence-based approach to responsible gaming measures."<sup>5</sup>

### **Encourage Innovation**

A non-regulatory path that encourages operators to be innovative in their approaches to play management will undoubtedly improve the programs going forward. A formal regulatory framework could hinder the adoption and implementation of more innovative technologies to enhance play management, or discourage operators from thinking creatively about how to incorporate play management into their marketing strategies. This approach is also consistent with the values embodied within the MGC's Responsible Gaming Framework, particularly with regard to the acknowledgement that, "...responsible gaming efforts in their entirety will retain flexibility to respond to emerging evidence, and the evolving technological and cultural environment."<sup>6</sup>

We thank you again for your consideration of our comments, and welcome the opportunity to further discuss this important issue with you and your staff.

Sincerely,



Geoff Freeman  
President and CEO

<sup>3</sup> Please see, Massachusetts Gaming Commission Mission Statement and Values, <https://massgaming.com/the-commission/mission-values/>.

<sup>4</sup> Please see, Responsible Gaming: A Review of the Research, National Center for Responsible Gaming (page 1), [http://www.ncrg.org/sites/default/files/uploads/responsible\\_gambling\\_research\\_white\\_paper\\_1.pdf](http://www.ncrg.org/sites/default/files/uploads/responsible_gambling_research_white_paper_1.pdf) (August 2017).

<sup>5</sup> Please see, Massachusetts Gaming Commission Responsible Gaming Framework: Guiding Values and Approach (page 4), <http://massgaming.com/wp-content/uploads/Responsible-Gaming-Framework-v1-10-31-14.pdf>.

<sup>6</sup> *Ibid.*



January 12, 2018

Chairman Stephen Crosby  
Massachusetts Gaming Commission  
101 Federal Street  
Boston, MA 02110

**RE: Advancement of Play Management Tool in Massachusetts**

Dear Chairman Crosby:

Thank you for the opportunity to offer comments on the Massachusetts Gaming Commission's (MGC) Play Management tool. The National Council on Problem Gambling (NCPG) is the national advocate for programs and services to assist problem gamblers and their families and does not take a position for or against legalized gambling. We were founded in 1972 and our 46-year history of independence and neutrality makes the National Council the most credible voice on gambling addiction issues.

NCPG strongly supports play management tools as a critical component of the Responsible Gaming Framework, which we believe is the most progressive and comprehensive RG strategy in the United States. The Framework itself supports the implementation of the expanded gaming law (chapter 194 of the Acts of 2011, M.G.L. chapter 23K, or "the Gaming Act") of the Commonwealth of Massachusetts. The legislation includes a number of key mandates to ensure the successful implementation of expanded gaming including protection for host and surrounding communities and mitigation of social impacts and costs. NCPG congratulates the Commission on your consistent focus and excellent results in responsible gaming. We have worked closely with the Commissioners and staff on these issues and are pleased to provide additional information below.

Specifically, NCPG supports Option 1, to "Advance play management tools by promulgating a play management regulation and/or rules" and does not oppose Option 2. NCPG opposes Options 3 and 4.

NCPG believes that play management tools are central to the mandate and responsibility of the Commission and are therefore critical to be adopted into regulation. Regulation is particularly appropriate when there is reasonable concern that gambling related harm may occur. Operators and vendors will benefit from a common standard and have ample opportunity to provide input through the Commission's open and transparent process. Indeed, these stakeholders provided extensive comment and feedback during the development and implementation of the initial Play My Way program and continue to do so.

Regulation also ensures consistent implementation and reporting across all MGC licensees as well as the same rigorous testing as all other electronic gaming devices in Massachusetts. It also avoids perception of favoritism or bias towards one company or another. But most importantly, regulation ensures that

players have consistent protections across operators. This remedies a significant defect in many other gaming jurisdictions—a balkanized, company by company approach to responsible gaming that leaves consumers with a bewildering variety of inconsistent messages and mechanisms. At-risk and problem gamblers in Massachusetts are the customers who need the easiest access to helping services.

Option 1 also best fits the harm reduction approach adopted by the Commission. As stated in the RG Framework “The precautionary approach rejects the notion that risks are acceptable until harm has been proven or that risks can continue unmitigated until such time as the effectiveness of a harm minimization measure is proven. While all responsible gaming measures will be evaluated and continually improved upon, measures driven by a precautionary approach will be subject to more rigorous evaluation.” Evaluation is important and is most appropriately overseen by the independent and objective Commission itself, not by the operators or vendors.

The success of Option 2 places a premium on cooperation among operators and vendors, who are often fierce competitors. Merger and acquisition activity in the gaming industry may result in quite different corporate governance and business relationships which can significantly affect even the best intentions of current licensees. While NCPG supports responsible gaming partnerships, we also believe they work best within a regulatory framework where core consumer protection functions are enshrined in regulation to ensure a common baseline.

Finally, NCPG opposes Options 3 and 4. It would be a terrible mistake to delay or discontinue PlayMyWay. The play management tools are an excellent concept, have been well executed and the initial evaluations are even better than expected. We expect the Commission will build on these strengths and look forward to working with you.

Please feel free to contact me with any questions. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'K Whyte', written in a cursive style.

Keith Whyte, Executive Director



## **Vendor Advisory Team Overview**

The Massachusetts Gaming Commission has organized a Vendor Advisory Team (VAT) composed of representatives of local organizations providing technical assistance, financing and outreach to small businesses in the Commonwealth of MA with the intent of maximizing vendor and supplier opportunities for Massachusetts businesses, including those certified or classified as minority business enterprises (MBE), women business enterprises (WBE) and veteran business enterprises (VBE), to serve MGM’s casino operations. The team is committed to ensuring supplier and vendor bases are fully inclusive of the diverse populations that make up the citizenry of Massachusetts. The VAT assists to support the goals of the Workforce, Supplier and Diversity Development team at The Massachusetts Gaming Commission, in compliance with the regulations stated in “Expanded Gaming Act of 2011.”

Driven by Director, Jill Griffin (MGC), the VAT establishes a co-operative relationship with local businesses and organizations, sharing resources to help casino applicants maximize their impact on the Commonwealth’s economy. The collaboration seeks to ensure local and diverse businesses do not miss the opportunity to provide product and services to MGM Springfield.

**Partnerships are divided into three support categories.**

**BUSINESS IDENTIFICATION** –identify those local and Massachusetts small business(s) providing goods or services needed by a casino operation.

**TECHNICAL ASSISTANCE** –assist small businesses with technical support and identifying programs to help a small business maximize their growth opportunities.

**FINANCING ASSISTANCE** –partner to review the financial needs of possible small business vendors; identify sources of financing to help Massachusetts small businesses position themselves to serve a large anchor business like a resort destination casino.

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**MGC/MGM Vendor Advisory Team**

Nader Acevedo	Hispanic-American Institute
Kathleen Anderson	Greater Holyoke Chamber of Commerce
Larry Andrews	MA Growth Capital Corporation
Deb Boronski	MA Office of Business Development
Chelan Brown	MGM Springfield
Paul Connelly	MA Gaming Commission
Julie Cowan	MassDevelopment
Nancy Creed	Springfield Regional Chamber
Jose Delgado	MGM Springfield
John Fitzpatrick	MA Supplier Diversity Officer
Keith Greenaway	Minority Business Development Agency Business Center
Jill Griffin	MA Gaming Commission
Karim Hill	SBANE
Samalid Hogan	MA Small Business Development Center University of Massachusetts
Crystal Howard	MA Gaming Commission
Mary Jordan	MA Division of Agricultural Markets
Mary Lee King	MA Department of Fish and Game
Brian LaFauci	Veterans Business Outreach Center of New England/ Center for Women in Enterprise
Kenyatta Lewis	MGM Resorts International
Katharine Meehan	MA Department of Agricultural Resources
Bob Nelson	Small Business Administration
Marie Oliva	MA Association of Chamber of Commerce Executives
Grace Otta	Procurement Technical Assistance Center University of Massachusetts
Georgianna Parkin	MA Small Business Development Center University of Massachusetts
John Perez	Latino Chamber
Nam Pham	Massachusetts Office of Business Development

Jessica Roncarati-Howe	Greater Chicopee Chamber of Commerce
Christopher Sikes	Common Capital
Bruce Stebbins	MA Gaming Commission
Jack Stone	MGM Resorts International
Seth Stratton	MGM Springfield
David Talley	MGM Resorts International
Stacy Taylor	MGM Resorts International
Joseph Truschelli	MA Dept. of Veteran Affairs
Oreste Varella	Small Business Administration
Juan Vega	Executive Office of Housing and Economic Development



**Vendor Advisory Team Meeting  
1.10.18  
(Conference Call)**

**AGENDA/DISCUSSION NOTES**

- Next Meeting (by phone) - February 14, 11:00 a.m.
- March 5- there will be an in-person meeting with MGM at 10:30a.m. in Springfield.  
Location TBD
- MGM provided a list of upcoming vendor needs providing opportunities for local and diverse participation<sup>1</sup>:

**UPCOMING OPPORTUNITIES w/ Local and Diverse Participation need**

- Arcade Games- Preventive maintenance
- Armored Car Services
- Bellman carts
- Boiler Maintenance
- Chiller Maintenance
- Fire Extinguishers
- Grease Filter/ Recycling
- Grease Trap Service
- Guest Room Appliances
- Guest Room Attendant carts
- Guest Room safes
- Hood Cleaning
- Laundry Services (guest room linens)
- Proteins – Beef, Chicken, Seafood (*require local*)
- Snow Removal
- Transportation supplies
- Warehouse Equipment
- Water dispensing units
- Water Management
- Water Testing
- Water Treatment
- Window Cleaning

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<sup>1</sup> See addendum for details regarding each category



- In general, MGM expressed a need for more certified WBE engagement overall, VAT member agreed to direct communications to women-owned businesses with this info. The focus will be local for the first pass, and expand to all MA business afterward.
- A question was asked as to whether the armored car services would need to have an existing relationship with the particular banks MGM will be utilizing. MGM will look further into that but noted that had not been an issue with properties in Nevada or National Harbor.
- MA Dept of Agriculture will be putting out some email marketing and communications regarding needs for proteins. Potential for an event surrounding this need?
- MGM stated that approximately 720 businesses with MA addresses are already registered as vendors on their web portal. For now they're building this list to make connections and grow their potential. Noted that some items won't go out to bid until the summer, so to ensure business owners not to be discouraged. A list will be sent out so everyone can see the vendors who are registered, their status and the description of services they think they would be able to provide MGM. They welcome feedback from the team.
- Minority Business Alliance meeting in Dec. was very successful, approximately 20 businesses came together. Showed attendees how to register via MGM web portal and how to figure out their NAICS code. Another event will be held in March.
- For future calls, MGM will provide update regarding any businesses that have formally been awarded contracts.

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## FUTURE AGENDAS

Format for future monthly Vendor Advisory agendas will include:

- Upcoming Opportunities
- Recent Vendor Awards
- Gaps in Services and Product Offerings
- New Business and Agenda Suggestions





ADDENDUM: Description and Details for Services and Needs List

**UPCOMING OPPORTUNITIES w/ Local and Diverse Participation need**

Arcade Games- Preventive maintenance

-Leasing opportunity, located within Tap Sports Bar area

Armored Car Services

-Pickup coin and paper for both gaming and retail operations

**\*Needed August/Sept**

Bellman carts

-Operations supply. Manufacturer as well as service/maintenance

Boiler Maintenance

Chiller Maintenance

Both require pumps, fans, water treatment, etc. Full range of maintenance services

Fire Extinguishers

-Either on site refill and inspection or pickup/replacement and maintenance. Must be to state standards

Grease Filter/ Recycling

-Used fryer shortenings cleaning, oil provider, as well as recycling of oil

Grease Trap Service

-Pump truck functionality as well as cleaning services

Guest Room Appliances

-small appliance provider such as hair dryers, irons

-small budget for this

Guest Room Attendant carts

-Must meet existing corporate standard

-Currently looking at potential distributor (Possibly Kittredge) but no award yet

Guest Room safes

-Both left and right swinging, built in

**\*These are an item looking for ASAP**

Hood Cleaning

-Kitchen vents and exhausts

**\*also looking for ASAP, before the ceilings are closed**



#### Laundry Services (guest room linens)

- provision of service for guest drycleaning
- cleaning of towels, washcloths, sheets
- also in search of services for heavily used kitchen items

#### Proteins – Beef, Chicken, Seafood (*require local*)

- not only local, but fresh
- currently have 60 suppliers but only 5 are WBE
- NOTE: This will not be needed until late Q2

#### Snow Removal

- Garage and Sidewalks
- The garage came with coverage of snow removal for the first year and has a heated ramp to assist with weather, but second season facility will need full service coverage
- Removal of snow from the garage and likely off property so contract will need to provide snow “storage” as well.

#### Transportation supplies

- for use to provide services to/from airport, brief facility tours
- will also need vehicle maintenance

#### Warehouse Equipment

- Currently working through Mayberry including racking plan
- Dollies
- Will also need electronics such as scanners/printers

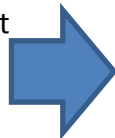
#### Water dispensing units

- For use BOH and admin areas
- Would prefer plumbed, reverse osmosis etc and not the 5 gallon plastics

#### Water Management

Water Testing

Water Treatment



Similar to boilers, chillers needs for the pools and spas.  
3<sup>rd</sup> party documentations, testing and tracking services

#### Window Cleaning

- exterior facility glass cleaning
- must be licensed, truck needed

## Workforce Opportunity Team - MGM Springfield

Monthly meetings hosted jointly by the MA Gaming Commission and the Hampden County Regional Employment Board with MGM's Workforce Development team seek to identify and respond to project challenges and keep area workforce stakeholders informed about recruiting timelines as MGM works toward meeting their local and diversity hiring goals.

### Goals

- Assist MGM in meeting labor participation goals in accordance with their Host Community Agreement: levels equal to or greater than: 35% Springfield City Residents, 50% Minority; 50% Women; and 2% Veterans; 90% from Springfield and surrounding region.
- Assist MGM in identifying and marketing employment opportunities to under- and un-employed residents of the Commonwealth identified in c.23k 21 (22) and in consultation with the Massachusetts Department of Labor and Workforce Development.
- Ensure Massachusetts residents benefit from the operational jobs created by casino development in the Commonwealth.

### Participants

<b>Bruce Stebbins</b>	<b>MGC</b>
<b>Jill Griffin</b>	<b>MGC</b>
<b>Marikate Murren</b>	<b>MGM Springfield</b>
<b>Wanda Gispert</b>	<b>MGM Springfield</b>
<b>Renata De Almeida</b>	<b>MGM Springfield</b>
<b>Denise Jordan</b>	<b>City of Springfield</b>
<b>Jennifer James</b>	<b>Workforce Skills Cabinet</b>
<b>Bob LePage</b>	<b>Executive Office of Education</b>
<b>Juan Vega</b>	<b>Ex. Office of H&amp;ED</b>
<b>Alice Sweeney</b>	<b>Division of Career Services</b>
<b>David M. Cruise</b>	<b>Regional Employment Board of Hampden County, Inc.</b>
<b>Jeff Hayden</b>	<b>Massachusetts Casino Careers Training Institute/ Holyoke Community College</b>
<b>Gerardo Zayas, Jr.</b>	<b>Springfield Technical Community College</b>
<b>Anne Kandilis</b>	<b>Springfield Works</b>
<b>Kevin Lynn</b>	<b>FutureWorks One Stop Career Center</b>
<b>David Gadaire</b>	<b>CareerPoint One Stop Career Center</b>
<b>Vanessa Otero</b>	<b>Partners for Community and Affiliates</b>
<b>Paul Bailey</b>	<b>Springfield Partners for Community Action</b>
<b>Patricia Crosby</b>	<b>Franklin Hampshire Regional Employment Board</b>
<b>Lydia Martinez</b>	<b>Springfield Public Schools</b>

## Gaming School Policies

### Attendance

Only one unexcused absence is permitted. In case of an absence, you are required to call 413-552-2086. Doors close 5 minutes after class starts.

### Attire

Black slacks, white button down shirt or blouse and comfortable black shoes

### You will be evaluated on:

- Attendance and Punctuality
- Attitude
- Ability to follow instructions/directions of the classroom instructor, case manager and program director
- Participation in classroom discussion and hands-on training
- Completion of homework assignments and the weekly tests
- Test scores

### Snow Days

In case of inclement weather, check the local news media. If classes are delayed or cancelled at Springfield Technical Community College, the gaming school will also be cancelled.

### Refunds

- By the Friday before the first class meeting, 100% of all fees less \$30.
- After the Friday before the 1<sup>st</sup> class meeting, but before the 3<sup>rd</sup> class meeting, 50% of course fee.
- No refund will be granted after the start of the third class meeting.
- If the school cancels a course, 100% of all fees are refunded.
- If a student has to be removed from a class for behavior, attendance, or other issues – no refund will be granted. A copy of the “Student Code of Conduct” can be obtained from MCCTI at HCC, Kittredge Center Attn: Sheila Kelly, 303 Homestead Ave, Holyoke, MA 01040.



To register for class, go to:

**www.mccti.org**

For more information, call:

**413-552-2086**

Mailing address for forms and other paperwork:  
MCCTI at HCC, Kittredge Center, 303 Homestead Ave.,  
Holyoke, MA 01040.

Classes to be held at 95 State Street in Springfield, MA.

## Summary of the Application Process for a Gaming Employee License

To ensure that employees of casinos in Massachusetts meet the requirements of good character, honesty, and integrity -- all employees have to be licensed by or registered with the Massachusetts Gaming Commission (MGC). Table game dealers -- for blackjack, roulette, craps, poker, carnival games, baccarat, etc. -- will need a Massachusetts Gaming Employee License. Other employees will need other licenses or a registration.

People who wish to be dealers will follow these steps:

1. Successfully complete the gaming school. (Experienced dealers who do not wish to enhance their skills may choose to skip this step.)
2. Audition with the casino.
3. Be offered a job by the casino.
4. After receiving a job offer, fill out the application for a Massachusetts Gaming Employee License. There will be a \$300 application fee, but the casino *may offer* payroll deductions.

Your application must be complete and truthful. It has to include a notarized authorization to release tax information, a certification that you have paid your taxes, valid identification, and fingerprinting for a criminal records check. You will be asked to provide information about: your citizenship, work status, residency, military history, offices and positions held, gaming license history if any, employment history, financial issues, lawsuits or judgments against you, etc.

### Reasons an Application Can Be Denied

The MGC shall deny a gaming employee license if the individual has been convicted of a felony or other crime involving embezzlement, theft, fraud or perjury; submitted an application that contains false or misleading information; committed prior acts which have not been prosecuted or in which the applicant was not convicted but form a pattern of misconduct that makes the applicant unsuitable.

In determining whether an applicant is suitable for a license, the MGC may evaluate and consider the overall reputation of the applicant including, without limitation: the integrity, honesty, good character, and reputation of the applicant; and whether the applicant has been convicted of a crime of moral turpitude.

For additional information, you can go to the MGC site:

<https://massgaming.com/licensing/employee-licensing-and-registration/>



# Massachusetts Casino Careers Training Institute

## Which classes should you take?

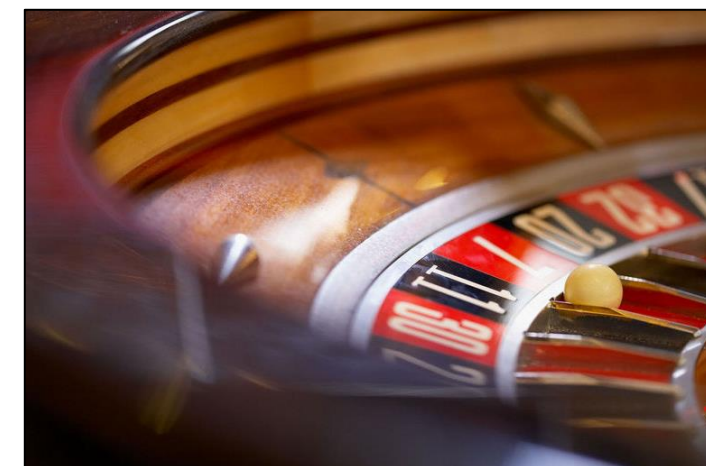
### FIRST, start with a Level-1 Class:

Blackjack-1  
Roulette-1  
Craps-1  
Poker-1

### SECOND, then take one or more Level-2 Classes:

Carnival Games-2  
Mini Baccarat/PGP-2  
Blackjack-2  
Roulette-2  
Craps-2

**Successfully completing classes for two or more games guarantees you an audition with MGM.**



Next, choose a start date and morning, afternoon or evening session:

## Class Schedule

### Starts Feb. 26

Blackjack-1 Morning, 8:00- 12:20, Ends April 6  
Afternoon, 1:00- 5:20  
Evening, 6:00- 10:20

Roulette-1 Morning, 8:00- 1:00, Ends April 6  
Afternoon, 1:00- 6:00  
Evening, 6:00- 11:00

Craps-1 Morning, 8:00- 12:00, Ends May 4  
Afternoon, 1:00- 5:00  
Evening, 6:00- 10:00

### Starts April 9

Carnival Games-2 Morning, 8:00- 12:00, Ends May 4  
Afternoon, 1:00- 5:00  
Evening, 6:00- 10:00

Mini Baccarat/PGP-2 Morning, 8:00- 12:00, Ends May 4  
Afternoon, 1:00- 5:00  
Evening, 6:00- 10:00

### Starts April 16

Poker-1 Afternoon, 2:00- 6:00, Ends June 22  
Evening, 7:00- 11:00

### Starts May 7

Blackjack-1 Morning, 8:00- 12:20, Ends June 15  
Afternoon, 1:00- 5:20  
Evening, 6:00- 10:20

## Classes to be held Monday to Friday at 95 State Street in Springfield.

To register, go to

**www.mccti.org**

For more information, call 413-552-2086

### Starts May 7 Continued

Roulette-1 Morning, 8:00-1:00, Ends June 15  
Afternoon, 1:00- 6:00  
Evening, 6:00- 11:00

Craps-1 Morning, 8:00- 12:00, Ends July 13  
Afternoon, 1:00- 5:00  
Evening, 6:00- 10:00

Blackjack-2 Morning, 8:00- 12:20, Ends June 15  
Afternoon, 1:00- 5:20  
Evening, 6:00- 10:20

Roulette-2 Morning, 8:00- 1:00, Ends June 15  
Afternoon, 1:00- 6:00  
Evening, 6:00- 11:00

Craps-2 Morning, 8:00- 12:00, Ends July 13  
Afternoon, 1:00- 5:00  
Evening, 6:00- 10:00

### Starts June 18

Carnival Games-2 Morning, 8:00- 12:00, Ends July 13  
Afternoon, 1:00- 5:00  
Evening, 6:00- 10:00

Mini Baccarat/PGP-2 Morning, 8:00- 12:00, Ends July 13  
Afternoon, 1:00- 5:00  
Evening, 6:00- 10:00

### Tuition

Blackjack-1	\$399	Carnival Games-2	\$199
Roulette-1	\$399	Mini Baccarat/PGP-2	\$199
Craps-1	\$599	Blackjack-2	\$249
Poker-1	\$459	Roulette-2	\$269
		Craps-2	\$399

## Course Descriptions

### Level-1 Classes

Take one of these first. Level-1 classes contain all the essential requirements.

#### Blackjack-1

A Level-1 class includes Introduction to Massachusetts Gaming for Licensees. Prepares students to be proficient blackjack dealers. Covers chip-handling; shuffling; wagering; payoffs; card dealing; table layout, opening, and closing; security; guest service, etc.



The first component of the course will concentrate on correct chip-handling techniques, identifying the value of each color chip, learning to read the total value of a bet, and proper pit procedures. Then, the course will teach the fundamentals of dealing Blackjack. Emphasis will be placed on card totaling, chip cutting and handling, card shuffling, and card placement. Special attention will be given to game and accounting procedures, accuracy and speed.

Intro to Mass. Gaming for Licensees covers: Mass. gaming legislation and regulations; job readiness; employee obligations; industry standards, practices, and procedures; customer service relations; guest service excellence and expectations; problem gaming; and CPR.

*Prerequisites:* Positive attitude, basic math skills, ability to pass a CORI background check and meet all licensing requirements, a signed student contract.

**Number of Training Hours:** 130

**Price:** \$399

#### Roulette-1

A Level-1 class includes Introduction to Massachusetts Gaming for Licensees. Prepares students to be proficient Croupiers. Covers table layout, chip handling, wagers, payouts, spinning the wheel and ball, dealer duties, rules, procedures, game protection and more.

Emphasis will be placed on accurate and quick mental multiplication, chip handling, memorization of table layout, and accuracy in clearing the table.

Intro. to Mass. Gaming for Licensees covers: Mass. gaming legislation and regulations; job readiness; employee obligations; industry standards, practices, and procedures; customer service relations; guest service excellence and expectations; problem gaming; and CPR.

*Prerequisites:* Positive attitude, basic math skills, ability to pass a CORI background check and meet all licensing requirements, a signed student contract.

**Number of Training Hours:** 150

**Price:** \$399

#### Craps-1

A Level-1 class includes Introduction to Massachusetts Gaming for Licensees. Prepares students to be proficient members of a craps crew. Covers the roles, rules, and procedures of the game; chip-handling; wagering and payoffs; security; guest service and more.

Covers the fundamentals of dealing Craps. Emphasis will be placed on the knowledge of the procedures on a variety of bets, accurate and quick mental multiplication, and chip handling. Special attention will be given to game and accounting procedures, accuracy and speed.

Intro. to Mass. Gaming for Licensees covers: Mass. gaming legislation and regulations; job readiness; employee obligations; industry standards, practices, and procedures; customer service relations; guest service excellence and expectations; problem gaming; and CPR.

*Prerequisites:* Positive attitude, basic math skills, ability to pass a CORI background check and meet all licensing requirements, a signed student contract.

**Number of Training Hours:** 200

**Price:** \$599

#### Poker-1

A Level-1 class includes Introduction to Massachusetts Gaming for Licensees. Prepares students to be accurate, efficient, professional poker dealers. Covers mechanical skills, techniques, rules, common procedures and policies, customer interaction, best behaviors and more.

Covers the essentials of dealing Poker and preparing for a career as a Poker dealer. You'll train and practice dealing Poker from the hand including the fundamentals of rake/antes/blind bets, game rules and regulations, dealer's responsibilities, and game security.

Intro. to Mass. Gaming for Licensees covers: Mass. gaming legislation and regulations; job readiness; employee obligations; industry standards, practices, and procedures; customer service relations; guest service excellence and expectations; problem gaming; and CPR.

*Prerequisites:* Positive attitude, basic math skills, ability to pass a CORI background check and meet all licensing requirements, a signed student contract.

**Number of Training Hours:** 200

**Price:** \$459

### Level-2 Classes

After completing a Level-1 class, take a different game. Choose one or more of these. For example, after Blackjack-1 take Carnival Games-2. But, don't take Blackjack-2 after Blackjack-1.

#### Carnival Games-2

A Level-2 class prepares students to deal various poker derivative games such as Three Card Poker. This class covers the layout, possible bets, progressive and bonus options, dealing, the pay/take process, dead games, game protection & guest service.

For those who already have training in other games, this course accommodates the experience, knowledge and skills acquired in previous game training.

*Prerequisite:* Successful completion of a Level-1 class.

**Number of Training Hours:** 80

**Price:** \$199

#### Mini Baccarat/PGP-2

A Level-2 class prepares students to be proficient dealers of Mini Baccarat and Pai Gow Poker. Covers the rules and procedures for both games including dealing, shuffling, wagers, payoffs, progressive combinations for Baccarat, commissions in Pai Gow Poker and more.

For those who already have training in other games, this course accommodates the experience, knowledge, and skills acquired in previous game training. Emphasis will be placed on commissions and percentages, immediate calculation, customer relations, and security.

*Prerequisite:* Successful completion of a Level-1 class.

**Number of Training Hours:** 80

**Price:** \$199



#### Blackjack-2

A Level-2 class for those who already have training in other games, this course accommodates the experience, knowledge, and skills acquired in previous game training. Prepares students to be proficient blackjack dealers. Covers chip-handling; shuffling; wagering; payoffs; table layout, opening, and closing; security; guest service, etc. The first component of the course will concentrate on correct chip-handling, learning to read the total value of a bet, and proper pit procedures. Then, the course will teach the fundamentals of dealing Blackjack. Emphasis will be placed on card totaling, chip cutting and handling, card shuffling, and card placement. Special attention will be given to game and accounting procedures, accuracy and speed.

*Prerequisite:* Successful completion of a Level-1 class.

**Number of Training Hours:** 130

**Price:** \$249

#### Roulette-2

A Level-2 class for those who already have training in other games, this course accommodates the experience, knowledge, and skills acquired in previous game training. Prepares students to be proficient Croupiers. Covers table layout, chip handling, wagers, payouts, spinning the wheel and ball, dealer duties, rules, procedures, game protection and more.

Emphasis will be placed on accurate and quick mental multiplication, chip handling, memorization of table layout, and accuracy in clearing the table.

*Prerequisite:* Successful completion of a Level-1 class.

**Number of Training Hours:** 150

**Price:** \$269

#### Craps-2

A Level-2 class for those who already have training in other games, this course accommodates the experience, knowledge, and skills acquired in previous game training. Prepares students to be proficient members of a craps crew. Covers the roles, rules, and procedures of the game; chip-handling; wagering and payoffs; security; guest service and more.

Covers the fundamentals of dealing Craps. Emphasis will be placed on the knowledge of the procedures on a variety of bets, accurate and quick mental multiplication, and chip handling. Special attention will be given to game and accounting procedures, accuracy and speed.

*Prerequisite:* Successful completion of a Level-1 class.

**Number of Training Hours:** 200

**Price:** \$399



## MEMO

**To:** Chairman Crosby, Commissioner Cameron, Commissioner Zuniga,  
Commissioner Stebbins, Commissioner Macdonald

**From:** Karen Wells, Director, Investigation and Enforcement Bureau (IEB)

**Date:** January 12, 2018

**Re:** Gaming Service Employee (SER) Exemptions

---

In 2011, when the Gaming Act was passed in Massachusetts, it required licensure for two grades of employees (“Key” employees and “Gaming” employees) and also required registration for the remaining employees. (“Gaming Service” employees) The statute provided standards for licensure and registration and gave the Commission the authority to deny licensure and to revoke licensure and registration (including certain mandatory disqualifiers) based upon information derived from an agency background check. On November 3, 2017 Governor Baker signed a statutory amendment to the Gaming Act which granted the Massachusetts Gaming Commission the authority to exempt certain “Gaming Service Employee” level job positions from the mandatory registration process for “Gaming Service” employees.

The statutory amendment reads as follows:

“Notwithstanding any other provision of this section or any other general or special law to the contrary, all gaming service employees shall be required to register with the investigations and enforcement bureau established in section 6 of chapter 23K but the Massachusetts gaming commission may, in its discretion, exempt certain gaming service employees by job position from the registration requirement. The commission and the bureau may require a gaming service employee to produce any information deemed necessary.”

There is also a statutory reporting requirement:

“Not later than December 31, 2019, the Massachusetts gaming commission shall file a report with the house and senate committees on ways and means on any gaming service employee job positions that were exempted from the requirements of subsection (o) of section 172 of chapter 6 of the General Laws, as amended by section 3.”



Massachusetts Gaming Commission

Should the Commission exercise its discretion and exempt certain job positions from the registration process, the casinos are expected to conduct their own background checks as part of their hiring process, which includes the type of criminal history review lawfully available to non-casino employers in Massachusetts. There would, however, not be a separate law-enforcement investigation conducted by the IEB at the Massachusetts Gaming Commission, and the Commission would not have the authority to “revoke” a registration to prohibit an employee from working at a Massachusetts casino. Public safety, the integrity of gaming operations, the reputation of the Massachusetts gaming industry, the protection of personal information, and the regulatory responsibilities of the Gaming Commission should all be considered when making decisions about employee exemptions.

The IEB strongly recommends the Commission consider the following factors when making determinations about exemption parameters.

Whether or not the position involves:

- work on the casino floor
- access to secure casino "back of the house" areas without a security escort
- departmental managerial responsibilities
- being responsible for alcohol sales, distribution, service, and/or storage
- working in the human resources department
- sales and/or marketing for the gaming establishment
- accounting and/or finance related to the gaming establishment
- “write” access to gaming-related casino databases
- any responsibilities that potentially impact the integrity of gaming operations

The Commission may also consider, but not be limited to, the following additional factors when making determinations.

Whether or not the position involves:

- working in an area that is only accessible through the casino floor
- any supervisory responsibilities
- potential access to patron cash or valuables
- “read only” access to gaming-related casino databases
- any access to a gaming establishment database which contains personal identifying information



Massachusetts Gaming Commission

In considering an overall approach, it is important to note that this initial decision-making can be re-visited over time once the Commission gains additional experience in regulating a resort casino.



Massachusetts Gaming Commission

101 Federal Street, 12<sup>th</sup> Floor, Boston, Massachusetts 02110 | TEL 617.979.8400 | FAX 617.725.0258 | [www.massgaming.com](http://www.massgaming.com)





TO: Commissioners

FROM: John Ziemba

DATE: January 16, 2018

RE: 2018 Town of Saugus Community Mitigation Fund Reserve Application

---

On January 11, 2018, the City of Saugus submitted an application to use \$28,[2]56 in Community Mitigation Fund Reserves to implement economic development strategies identified in the Camoin Associates' Casino Impact Analysis, an analysis that has already funded through the Reserve.

### History

The Town of Saugus was granted a \$100,000 One-Time Community Mitigation Reserve Grant ("Reserve") in 2015. As a requirement of one-time Reserve grants, grant recipient communities must receive the approval of the Commission of the use or uses of such Reserve funding, once such use or uses are determined by the community. During the Commission's 2016 Community Mitigation Fund grant review, the Town of Saugus sought the Commission's approval for the use of its Reserve "to assess potential opportunities for Saugus businesses relative to the operations of the Wynn Casino in Everett; to craft strategies for capitalization of identified opportunities; to promote such opportunities locally, and to implement measures that will facilitate business to business linkage from the Wynn Casino to Saugus companies." In its application, the Town of Saugus identified two phases for this work: \$35,000 for the first phase (the hiring of a consultant to help the Town analyze data and develop a plan and strategies for Saugus to take advantage of Wynn Casino based opportunities), and the remaining \$65,000 for the second phase (implementation of such plans and strategies). In July of 2016, the Commission awarded \$35,000 to the Town of Saugus for the first phase (the consultant plan) but asked the Town to apply at a later date for the use of the remainder of its Reserve (\$65,000) for the implementation phase, once such implementation items were identified.

Since the 2016 award of \$35,000 for the first phase of the work, Saugus has determined that it would use \$50,000 of the balance of its Reserve for a transportation consultant. Saugus's use of \$50,000 of its Reserve for the transportation consultant is in keeping with the Commission's requirement that Saugus and Revere inform the Commission how the two would satisfy a requirement in their recent 2017 Transportation Planning Grant. The Commission required the communities to identify which community's Reserves would be used for the first \$100,000 toward their joint \$150,000 Transportation Planning Grant. In December 2017, Saugus informed the Commission (see attached) that \$50,000 of its Reserve would be used for the Transportation Planning Grant.



Massachusetts Gaming Commission

Because Saugus has determined to use \$50,000 of its Reserve for the transportation consultant, only \$15,000 of the balance of its \$100,000 Reserve remains unallocated. Saugus is requesting the use of this unallocated balance for the implementation phase. In addition, Saugus, is requesting the Commission's approval for the use of \$13,256 of the initial \$35,000 first phase allocation toward the second phase. The first phase did not cost the expected \$35,000. By combining the new allocation of \$15,000 and the repurposed grant of \$13,256, Saugus is requesting the use of \$28,256 for the second phase.

#### Purposes Identified in the Grant Request

The Town of Saugus plans to “develop an Open Space and Attractions Brochure, highlighting the natural offerings of the community and to attract tourist[s] and spur economic activity.” It also plans to “develop a wayfinding and branding scheme in order to further promote the town’s open spaces and economic centers.” Saugus notes that “[c]reating a sense of place through branding and wayfinding will not only benefit economic development in Saugus but will also be beneficial to the casino’s regional attractions promotion, offering a more complete package of activities for tourists to do and experience, with ease, in the Boston Metro area.” The Town notes that the development of the brochure and the wayfinding were recommendations of the first phase report.

Economic development planning relating to casino facilities is in keeping with the authorized purposes of the 2015 Community Mitigation Fund Reserve, which can be used “for planning, either to determine how to achieve further benefits from a facility or to avoid or minimize any adverse impacts.”

Given the above, I recommend that the Commission approve Saugus’s request to use \$28,256 of its Reserve for the purposes outlined in its application. Following the Commission’s approval, Commission staff would execute a grant agreement with the Town of Saugus.



**Massachusetts Gaming Commission**  
**101 Federal Street, 12th Floor**  
**Boston, MA 02110**

***USE OF COMMUNITY MITIGATION RESERVE FUND***  
**RESERVE APPLICATION - BD-15-1068-1068C-1068L-00000002749**

*Please complete the entire application.*

1. **Town of Saugus**  
**NAME OF MUNICIPALITY/GOVERNMENT ENTITY/DISTRICT**
2. **Planning and Development**  
**DEPARTMENT RECEIVING FUNDS**
3. **Scott C. Crabtree, Town Manager**  
**NAME AND TITLE OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS**
4. **298 Central Street, Suite 1, Saugus, MA 01906**  
**ADDRESS OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS**
5. **781.231.4111 SCrabtree@Saugus-MA.gov**  
**PHONE # AND EMAIL ADDRESS OF INDIVIDUAL RESPONSIBLE FOR HANDLING OF FUNDS**
6. **Scott C. Crabtree, Town Manager**  
**NAME AND TITLE OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS ON BEHALF OF MUNICIPALITY/GOVERNMENTAL ENTITY**
7. **298 Central Street, Suite 1, Saugus, MA 01906**  
**ADDRESS OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS ON BEHALF OF MUNICIPALITY/GOVERNMENTAL ENTITY**
8. **781.231.4111 SCrabtree@Saugus-MA.gov**  
**PHONE # AND EMAIL ADDRESS OF INDIVIDUAL AUTHORIZED TO COMMIT FUNDS ON BEHALF OF MUNICIPALITY/GOVERNMENTAL ENTITY**
9. **Wynn Ma, LLC (Everett)**  
**NAME OF GAMING LICENSEE**

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.**

The development of a casino in a neighboring community will draw local and tourists dollars away from smaller economic centers and towards the larger shopping and dining center located at the casino. Additionally, due to the casino's location, tourists will be drawn to the attractions of the City of Boston, by-passing the natural open spaces and dining options of Saugus while still using local roads to come and go; these additional vehicle trips will have adverse effects on the community due to increased traffic and pollution, while the community will not see an increase in revenue. Without creating a sense of place or promoting local businesses, the Town of Saugus will have the burden of tourist traffic without the beneficial economic externalities.

**PROPOSED USE OF PLANNING FUND**

**Please identify below the manner in which the funds are proposed to be used. 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. Please describe how the planning request will address the specific impact indicated. Please attach additional sheets/supplemental materials if necessary.**

The Town of Saugus proposes to utilize the remaining \$28,356 of the 2015 Mitigation Reserve Fund to build upon data and recommendations which were collected and analyzed by Camion Associates' Casino Impact Analysis, which was funded through first release of the 2015 Mitigation Reserve Fund of \$50,000. The Casino Impact Analysis cost \$21,744, leaving \$28,356 in the Reserve Fund. Of the numerous recommendations made in the Impact Analysis, the Town is choosing to develop an Open Space and Attractions Brochure, highlighting the natural offerings of the community in order to attract tourist and spur economic activity. This project will use the remaining \$13,256 of the initial \$35,000 Reserve Fund designated for the Casino Impact Analysis.

Additionally, the Town is requesting the use of the remaining \$15,000 to develop a wayfinding and branding scheme in order to further promote the town's open spaces and economic centers. Creating a sense of place through branding and wayfinding will not only benefit economic development in Saugus but will also be beneficial to the casino's regional attractions promotion, offering a more complete package of activities for tourists to do and experience, with ease, in the Boston Metro Area.

**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 Town of Saugus will provide the MGC with its solicitation for quotes for both proposed projects, as well as the proposal from the selected vendor. The town will provide MGC with any reporting request/requirements which will be submitted through the town's Department of Planning and Development; the Town Planner will manager these projects, ensuring that the agreed upon scope of service between the town and the vendor is adhered to.

**CONSULTATION WITH REGIONAL PLANNING AGENCY (RPA)**

**Please provide details about the Applicant's consultation with the Regional Planning Agency serving the community.**

MAPC worked with the Town in FY2017 to develop an Open Space and Recreation Plan; the plan highlights many of Saugus' natural open spaces and encourages the promotion of these spaces in order to increase awareness and build support for protecting these assets. MAPC's staff, as well as the Camion report, have recommended that the town develop a wayfinding scheme and promotional brochure in order to accomplish this goal. The town has a great working relationship with MAPC and is confident that if additional services or information is needed in order to complete the two proposed projects that MAPC will be able to assist the town.

**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 Town of Saugus will provide in-kind services through the town's Department of Planning and Development, as well as the Town Manager's Economic Development Committee in order to hold public forums to gather community input, feedback, and recommendations for the development of the town's brand and wayfinding.

**A PORTION OF THE RESERVE WILL BE USED AS AN OFFSET AGAINST A SPECIFIC IMPACT APPLICATION**

**If these funds are to be used to supplement a Specific Impact Mitigation Application, please describe.**

N/A

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

Please describe and include excerpts regarding the impact and potential mitigation from any relevant sections of the community's Host or Surrounding Community Agreement. 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. Please explain how this impact was either anticipated or not anticipated in that Agreement or such MEPA decision. 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

**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.



1/10/2018

Signature of Responsible Municipal  
Official/Governmental Entity

Date



**Massachusetts Gaming Commission  
101 Federal Street, 12th Floor  
Boston, MA 02110**

## **INSTRUCTIONS FOR FILING**

### **USE OF COMMUNITY MITIGATION RESERVE FUND APPLICATION**

If a Community is filing a **Use of Community Mitigation Reserve Fund Application**, please use this application form only. Please fill out the **entire application form**. Please submit the application to:

**John S. Ziemba, Ombudsman  
Massachusetts Gaming Commission  
101 Federal Street, 12th Floor  
Boston, MA 02110**

If you have any questions please do not hesitate to contact John Ziemba at (617) 979-8423 or [john.s.ziemba@state.ma.us](mailto:john.s.ziemba@state.ma.us).





**Town of Saugus**  
Town Hall  
298 Central Street  
Saugus, Massachusetts 01906

**Scott C. Crabtree**  
Town Manager

Telephone: (781) 231-4111  
Fax: (781) 231-4068

December 12, 2017

Mr. John Ziemba, Ombudsman  
Massachusetts Gaming Commission 101 Federal Street, 23<sup>rd</sup> floor  
Boston, MA 02110

Dear Mr. Ziemba:

The Town of Saugus acknowledges Massachusetts Gaming Commission's (MGC) interpretation of grant guidelines wherein uncommitted/unexpended funds under previous Community Mitigation grants must first be applied to the new Revere-Saugus Joint Transportation Planning Grant before MGC adds new mitigation funds to that project grant. It is understood that \$50,000 from Saugus 2015 Mitigation Grant and \$50,000 from Revere's 2016 Mitigation Grant will be thus applied to the 2017 Joint Transportation Planning Grant.

The Town of Saugus and the City of Revere are now advertising for an experienced transportation professional and are anxious to launch this effort. Saugus and Revere plan to again file a joint application under the 2018 Transportation Planning Grant program.

Thank you for your assistance in this matter.

Very truly yours,

Scott C. Crabtree, Esq.  
Town Manager

Cc: Krista Leahy, Town Planner  
Robert O'Brien, Economic Development Director, City of Revere  
Paul Rupp, Community Reinvestment Associates

Economic Development Action Plan:  
Opportunities Related to Wynn Boston Harbor  
Casino Resort  
Town of Saugus, MA

September 2017

Prepared for:

Town of Saugus, MA  
298 Central Street  
Saugus, MA 01906



120 West Avenue, Suite 303  
Saratoga Springs, NY 12866

518.899.2608

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## About Camoin Associates

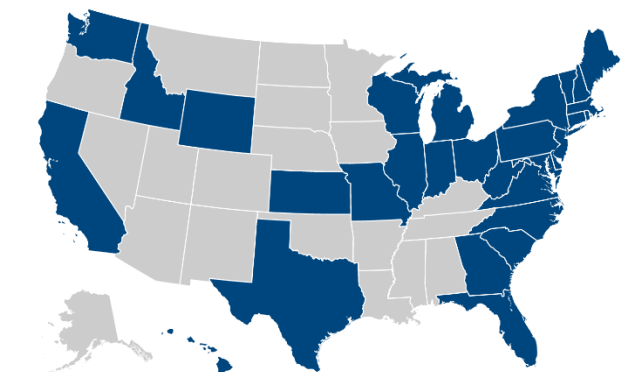
Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of \$600 million. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 29 states and garnered attention from national media outlets including *Marketplace* (NPR), *Forbes* magazine, and *The Wall Street Journal*. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. We are based in Saratoga Springs, NY, with regional offices in Cambridge, MA; Portland, ME; and Brattleboro, VT. To learn more about our experience and projects in all of our service lines, please visit our website at [www.camoinassociates.com](http://www.camoinassociates.com). You can also find us on Twitter [@camoinassociate](https://twitter.com/camoinassociate) and on [Facebook](https://www.facebook.com/camoinassociates).

## The Project Team

Michael N'dolo  
*Principal*

Tom Dworetsky  
*Project Manager*

William Nedds  
*Analyst*



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## Executive Summary

In 2016, Wynn, MA LLC was granted approval by the Massachusetts Gaming Commission (MGC) to build a full-service casino resort in the City of Everett, to be known as Wynn Boston Harbor. Due to its proximity to the casino site, the Town of Saugus engaged Camoin Associates to prepare an analysis of the potential economic impact this new development could have on Saugus businesses, as well as an Action Plan for capturing these economic benefits.

As part of this work, Camoin completed a demographic and economic base analysis of the Town, conducted background research on the casino industry, reviewed casino application filings, interviewed knowledgeable stakeholders, and quantified potential impacts through economic modeling. These efforts culminated in the identification of three key opportunity areas through which the Town may leverage the economic benefits of the casino:

1. **Employment** – Saugus residents will be among those hired by Wynn to fill the thousands of positions created by the casino. These employees will spend a portion of their wages in Saugus and support the local economy.
2. **Supply Chain** – Wynn will make millions of dollars in purchases each year from the region’s businesses in order to operate the casino resort. Saugus businesses have an opportunity to become vendors, allowing the Town to capture a portion of the casino’s spending.
3. **Visitation** – Saugus has an opportunity to attract casino patrons to the Town. These visitors will visit local attractions, spend money at stores and restaurants, and stay in hotels.

Camoin modeled economic impacts related to these opportunity areas under a low case and high case, as presented in the following tables. Total annual economic impacts (i.e. new sales at Saugus businesses) are likely to range from about \$2 million under the low case to close to \$10 million under the high case.

Summary of Economic Impact - Low Case			
	Direct	Indirect	Total
Jobs	21	0	21
Earnings	\$ 515,307	\$ 25,373	\$ 540,680
Sales	\$ 1,859,900	\$ 116,596	\$ 1,976,497

Source: EMSI, Camoin Associates

Summary of Economic Impact - High Case			
	Direct	Indirect	Total
Jobs	103	4	107
Earnings	\$ 3,494,875	\$ 156,312	\$ 3,651,187
Sales	\$ 9,165,879	\$ 570,693	\$ 9,736,572

Source: EMSI, Camoin Associates

Working with the Town, Camoin developed an Action Plan that lays out steps for the Town to capture the full \$10 million in potential annual economic benefits, the high case. If no specific efforts are made by the Town and the status quo continues, the low case will be the likely result. The concrete actions that comprise the plan are designed to ensure that the Town can fully realize the unique opportunity presented by the casino development. The actions are prioritized chronologically below and presented in greater detail within the full report that follows (see page 23). It is important to note that many of these recommendations serve not only to capture casino-related benefits, but also advance the Town’s general economic development efforts overall.

## Implementation of the Plan

Camoin recommends that the Town adopt a resolution to implement the goals and actions laid out in the Action Plan. In order to be effective, the Town will need to commit sufficient resources and provide a mandate to the appropriate organization in charge of the plan's implementation. We recommend that the Town designate the Town's Economic Development Commission (EDC) as the lead implementer, supported by a new half-time or contract staff position overseen by the Planning and Development Department. The initial funding of this position would be seeded through existing and/or immediate grants, with ongoing funding supplemented through implementation efforts. However, we recommend that the Town commit to funding any potential additional need for a period of three years until the organization/position achieves sustainability. The Economic Development Commission would undertake the Action Plan with the support of the new staff position and it would report to the Town on progress every six months.

## Implementation Schedule

The following schedule lays out a timeline for completing the recommended actions. Numbers found in parentheses after each item correspond to actions within the Action Plan Matrix (see page 23).

### Immediate

- Adopt the Action Plan and task the Economic Development Commission with carrying it out.
- Create and fill a position to provide staff support to the EDC.
- Develop a structure for regular meetings and reporting on progress every six months.

### Ongoing

- Develop the Riverwalk into a destination with visitor amenities. (3.1.1)
- Prioritize development that emphasizes sense of place over highway-oriented development. (3.1.4)
- Encourage development of non-chain retail and restaurants. Actively recruit successful entrepreneurs to open locations in Saugus. (3.1.5)
- Improve physical connections, including bike/pedestrian amenities and signage, between Ironworks, downtown Saugus, Riverwalk, parks, etc. (3.3.2)

### 2017 Q4

- Evaluate whether the Saugus workforce has the skills required for jobs at the casino. (1.1.1)
- Inventory existing training programs that would prepare the workforce for open positions. Develop any additional training programs that are needed. (1.1.2)
- Guide businesses through the process of becoming a casino vendor, including registration with the Massachusetts Gaming Commission. (2.1.1)
- Spread the word about opportunities for specific types of businesses. (2.2.2)

### 2018 Q1

- Inform job seekers about casino positions. (1.2.1)
- Engage the casino to participate in job fairs and/or organize and host a casino job fair in Saugus. (1.2.2)
- Inform / engage high schools and community colleges about opportunities for part-time / seasonal work and training programs. (1.2.3)

## 2018 Q2

- Develop a strategy for promoting the Town's natural and historic amenities. (3.1.3)
- Develop a strategy for cross-promoting visitor attractions within the Town. (3.3.1)

## 2018 Q3

- Evaluate transportation options between Saugus and the casino site. (1.3.1)
- Create a visible identity for the town through signage along major thoroughfares. (3.2.1)
- Take advantage of increased traffic by adding wayfinding signage for major attractions. (3.2.2)

## 2018 Q4

- Develop a strategy for encouraging hotel/meeting space development. Identify suitable sites and market to developers. (3.1.6)

## 2019

- Create a carpooling hub for Saugus residents employed at the casino. (1.3.2)
- Expand programming at the Saugus Ironworks and lengthen visitation season. (3.1.2)
- Promote Saugus businesses and attractions through Wynn's "concierge program." (3.2.3)



## Introduction

In 2016, Wynn, MA LLC was granted approval by the Massachusetts Gaming Commission (MGC) to build a full-service casino resort in the City of Everett, Massachusetts, to be known as Wynn Boston Harbor. Due to its proximity to the casino site, the Town of Saugus, Massachusetts has engaged Camoin Associates to prepare both an analysis of the potential economic impact this new development could have on Saugus businesses, as well as an Action Plan for capturing these economic benefits.

## Work Completed

Camoin Associates gathered and analyzed demographic and economic data on the Town of Saugus to provide context for the potential economic impacts of the casino. Key statistics on resident age, education, income, and commuting patterns were compiled and compared to the Boston metro area, Massachusetts, and the nation. In addition, we performed an economic base analysis to profile the Town's key industries in terms of contribution to gross regional product (GRP) and employment.

Camoin also conducted background research on the casino industry to gain an understanding of community impacts and the industry's supply chain. Application materials and other filings from Wynn, MA LLC to the Massachusetts Gaming Commission with respect to casino development programming and economic development impacts were reviewed, as well as Wynn's agreements with the designated host and neighboring communities. See Appendix F for supporting documents.

To supplement research and data analysis, we conducted interviews with various stakeholders with knowledge of potential impacts of Wynn on Saugus. Interviewees included real estate developers, workforce development professionals, tourism professionals, and other stakeholders.

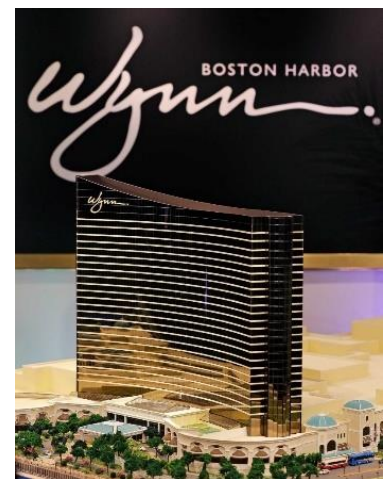
Based on information learned from research and interviews, we developed estimates of how the casino will impact sales at Saugus businesses, as well as associated jobs and earnings. Using the input-output model from Economic Modeling Specialists Intl. (EMSI), we determined the indirect impacts of these sales on Saugus as these dollars ripple through the local economy, i.e. the so-called "multiplier effect."

As a final step, Camoin worked with the Town to develop an Action Plan that identifies discrete, implementable actions the Town can take to ensure that it captures the full economic benefits of the casino.

## Key Findings

Billed as a five-star waterfront resort accessible by land and sea, Wynn Boston Harbor is well underway and scheduled to open on June 24, 2019. With a total price tag of \$2.4 billion, Wynn Resorts has described it as "the largest private single-phase construction project in the history of the Commonwealth of Massachusetts." It is being constructed on a 33-acre parcel along the Mystic River in Everett. According to Wynn's most recent filings, the project will consist of the following components:<sup>1</sup>

- 671 hotel rooms (663,000+ SF hotel tower)
- 4,400+ gaming positions (206,400+ SF of gaming space)
- 9,000+ SF of retail space



<sup>1</sup> Wynn Boston Harbor Notice of Project Change. EOEEA #15060. Submitted to Executive Office of Energy and Environmental Affairs, February 28, 2017.

- 105,000+ SF of food/beverage space
- 60,000+ SF of meeting space
- 26,000+ SF spa/gym
- 3,700+ parking spaces (2,900 on-site + 800 off-site)
- Total gross floor area of over 3.1 million SF
- Landscape and open space amenities, including public Harborwalk along the Mystic River/Boston Harbor

For more information about Wynn in the context of the casino industry nationally, see Appendix A.

## Demographics

Key findings from a demographic analysis of the Town are as follows:

- In contrast to slowing population growth in the Boston MSA and the US, Saugus is expected to see a faster rate of growth between 2016 and 2021 (3%) than between 2010 and 2016 (1.9%).
- Median household income in Saugus (\$77,700) is on par with that of the Boston region (\$76,800).
- The median age of Saugus residents (45.3 years) is 6 years older than that of the Boston MSA (39.2), nearly 5 years older than that of all of Massachusetts (39.8), nearly 7 years older than the median age of the United States (38.0).
- Educational attainment in Saugus is lower than in the Boston MSA, with 27% of Saugus residents holding a bachelor's degree or higher, compared to 46% in the MSA.
- Of 14,462 employed residents in Saugus, 13,208 (91%) commute out of town for work. Another 8,452 workers commute from elsewhere to jobs in Saugus, while 1,254 people both work and reside in the Town.
- More than 90% of Saugus residents who earn wages similar to those anticipated for Everett Casino employees commute by car, either alone or as part of a carpool.

See Appendix B for detailed demographic information.

## Economic Base

Key findings from an economic base analysis of the Town are as follows:

- 10-year projections anticipate a slowing down in job growth over the next decade. Though the net number of jobs in Saugus grew by 743 between 2007 and 2017 (a 6.1% growth in jobs, driven by Food Service and Health Care), only 192 net jobs (or 1.5% in growth) are expected to be added town-wide over the next 10 years. It is anticipated that this slowed growth will be driven by a loss of retail jobs.
- Saugus has a concentration of retail industry employment over three times as great as that of the US.
- Behind retail, food service is a major employment driver, with food service-related jobs being twice as concentrated in Saugus as elsewhere in the US. 7 of the top 25 occupations in Saugus are in food service.

See Appendix C for detailed economic base information.

## Economic Opportunities

There are 3 major categories of economic opportunities for Saugus related to the casino:

4. **Employment** – Saugus residents will be among those hired by Wynn to fill the thousands of positions created by the casino. These employees will spend a portion of their wages in Saugus and support the local economy.
5. **Supply Chain** – Wynn will make millions of dollars in purchases each year from the region’s businesses in order to operate the casino resort. Saugus businesses have an opportunity to become vendors, allowing the Town to capture a portion of the casino’s spending.
6. **Visitation** – Saugus has an opportunity to attract casino patrons to the Town. These visitors will visit local attractions, spend money at stores and restaurants, and stay in hotels.



### Employment

Once operational, Wynn Boston Harbor will employ approximately 4,382 total employees, or 3,287 full-time equivalent employees (FTEs). Of these, approximately 20% will be supervisory level or above. The average FTE annual salary is expected to be in the \$41,500 range, excluding tips, which equates to \$136.1 million in total annual salary payments. When including taxes and benefits, payroll-and-benefit compensation will average approximately \$51,750 per FTE, or \$170.1 million in total compensation.<sup>2</sup> Job opportunities will be varied across an array of professions and industries, including hotel management, guest services, information and technology, dining services, gaming operations, marketing, human resources, and others.

Wynn, MA LLC, the project developer, has entered into community agreements with several nearby cities and towns, including the host city of Everett. Among other terms and conditions, the agreements lay out terms for preferential hiring of residents of these communities, which were selected based on workforce demographics and suitability for employment at Wynn. Wynn agrees to give “reasonable preference to properly qualified residents” of Everett, with Malden residents given secondary preference. Residents of Boston (and in particular, the residents of Boston’s Charlestown neighborhood), Cambridge, Chelsea, Medford, and Somerville will be given tertiary hiring preference.

Because Saugus was not designated as a “surrounding community,” Saugus residents are at a disadvantage when it comes to seeking employment at Wynn. Wynn will only be able to consider residents of non-“surrounding” communities after it has made reasonable attempts to hire residents in the above-listed communities. It is also important to note that Wynn has agreed to work with the region’s non-profits to establish job readiness training programs to increase the hireability of the workforce in the designated surrounding communities.

Table 1 shows the number of unemployed workers and the unemployment rate for each of these communities. Low unemployment rates in the region suggest that Wynn may have to broaden its search to residents beyond the “surrounding communities.” Only a portion of these unemployed workers will be deemed qualified depending on the skills and education level required for each position, and others may not be interested in the positions offered or

<sup>2</sup> Wynn MA, LLC RFA-2 Application to Massachusetts Gaming Commission. Section 3-02-01.

not be willing or able to commute to Everett. The attractiveness of positions at Wynn will depend heavily on how wages compare to other jobs with similar skill requirements in the region.

Table 1: Host & Surrounding Community Labor Force Data, May 2017

Host & Surrounding Community Labor Force Data, May 2017					
Hiring Preference	Community	Labor Force	Employed	Unemployed	Unemployment Rate
1	Everett	26,080	25,147	933	3.6
2	Malden	34,017	32,704	1,313	3.9
3	Boston	376,818	362,099	14,719	3.9
3	Cambridge	66,551	64,635	1,916	2.9
3	Chelsea	20,163	19,383	780	3.9
3	Medford	34,278	33,057	1,221	3.6
3	Somerville	51,807	50,345	1,462	2.8
	Total	609,714	587,370	22,344	3.8
-	Saugus	16,126	15,474	652	4.0

Source: Massachusetts Executive Office of Labor and Workforce Development

According to the North Shore Workforce Investment Board (WIB), the labor market for jobs in the accommodations and retail industries is very tight. The abundance of job opportunities in these and other industries has left businesses “desperate” to hire and retain workers. As such, the WIB anticipates substantial job opportunities at Wynn for residents of Saugus and other North Shore communities. The casino could even lead to the poaching of workers from existing Saugus businesses that offer less competitive pay, leaving these businesses to contend with further job vacancies.

### Supply Chain

In its application and community agreements, Wynn commits to supporting local businesses by not only stimulating economic activity in the area but also sourcing goods and services directly from local communities. Wynn is committed to supporting the local business community through a robust local procurement program, including training initiatives to enable local businesses to grow and compete for these opportunities. In its application, Wynn states that the “overwhelming majority” of an estimated \$80 million in annual spend on goods and services for the casino resort will be purchased locally. Wynn will spend an additional \$30-\$40 million in annual maintenance expenditures, for a total of \$110-\$120 million per year. Wynn’s preference is to deal with local vendors and distributors and will offer a “first and last look” to all local suppliers and distributors. In the case that a particular supply is not available locally, Wynn will work with local distributors to bring the item to market. All procurement contracts will be competitively bid. Wynn states that it will partner with local chambers of commerce and other interested organizations to support the growth and expansion of local businesses in host and surrounding communities.<sup>3</sup>

According to Wynn, the estimated \$80 million in annual spend will include goods and service in the following major categories:

- Food and beverage
- General operating supplies

<sup>3</sup> Wynn MA, LLC RFA-2 Application to Massachusetts Gaming Commission. Section 3-16-01.

- Repairs and maintenance
- Uniforms, linens, and laundering
- Outside services<sup>4</sup>
- Communications
- Information technology
- Bus program
- Retail inventory

Wynn will host several vendor fairs specifically targeted to business owners in the designated host and surrounding communities for the purpose of informing vendors of its needs and the details of its procurement process.<sup>5</sup> Some of these fairs have already occurred.

Through its host and surrounding community agreements, Wynn has committed to making a “good faith effort” to make minimum purchases from vendors with a principal place of business in the subject communities. These commitments are laid out in Table 2. Note that no minimums exist for Everett and Cambridge. In addition, Wynn has agreed to include vouchers and gift certificates to local businesses as part of some of its guest rewards programs, such as frequent guest, loyalty and/or similar programs.

Table 2: Annual Community Spend Commitments

Annual Community Spend Commitments			
	Vendor Spend	Vouchers/ Gift Certificates	Total
Everett	"good faith effort"	\$ 50,000	\$ 50,000
Boston	\$ 20,000,000	\$ -	\$ 20,000,000
Cambridge	"good faith effort"	\$ -	\$ -
Chelsea	\$ 2,500,000	\$ -	\$ 2,500,000
Malden	\$ 10,000,000	\$ 25,000	\$ 10,025,000
Medford	\$ 10,000,000	\$ 25,000	\$ 10,025,000
Somerville	\$ 10,000,000	\$ 25,000	\$ 10,025,000
<b>Total</b>	<b>\$ 52,500,000</b>	<b>\$ 125,000</b>	<b>\$ 52,625,000</b>

Source: Host and Surrounding Community Agreements

In total, Wynn has committed to spending almost \$53 million in these communities annually. This is less than half of the approximately \$110 million it estimates it will spend in its application to the Gaming Commission. The remaining \$57 million is spending that can occur at vendors in other communities, such as Saugus.

The amount of supply chain spending that Saugus will be able to capture will depend on whether the Town’s existing businesses are able to deliver the goods and services that the casino needs. Key supplying industries will include wholesalers and distributors of food and beverage and retail inventory, food service contractors, janitorial and landscaping services, professional services (legal, advertising, insurance, real estate, etc.), and information technology. See Appendix C for detailed statistics on Saugus’s existing economic base.

<sup>4</sup> “Outside services” typically includes janitorial/custodial services, landscaping/gardening services, trash removal, snow removal, security and burglar alarm services, and other services typically performed by specialists that would not be employed directly by the casino

<sup>5</sup> Wynn MA, LLC RFA-2 Application to Massachusetts Gaming Commission. Section 3-17-01.

## Visitation and Tourism

Promoting and supporting visitation and tourism in Saugus is critical for capturing the economic benefits of Wynn Boston Harbor. By positioning itself as a regional destination for shopping, recreation, and other amenities, the Town has an opportunity to attract casino resort patrons who may be interested in off-site activities. Some patrons will seek out activities other than gambling while they are in the Boston area. For example, attendees of conventions and meetings held at the casino who are uninterested in gambling will look for other things to do in the area during unprogrammed time. Other patrons may be visiting the casino resort primarily for gambling but may be traveling with others in their party who would prefer alternate activities.

Wynn has developed a proprietary “concierge program” for the purpose of cross-marketing the region’s cultural, historical, and entertainment attractions. Through the program, Wynn will direct its guests to other attractions throughout the region. While visiting these attractions, guests will likely patronize local restaurants, retail, and hotel facilities.<sup>6</sup> Saugus businesses and tourism venues may want to participate in this program in order to drive visitation.

## Retail and Restaurants

Currently, Saugus is home to a large number of retail stores, primarily along the Route 1 corridor. The Retail Trade sector (excluding food services) accounts for 21% of the Town’s gross regional product (GRP), with Accommodations and Food Services<sup>7</sup> accounting for an additional 7%. In comparison, these sectors amount to just 4% and 2%, respectively, of the GRP of the Boston MSA as a whole. In terms of employment, Retail Trade and Accommodations and Food Services account for 6,500 jobs, or *half* of all employment in Saugus.<sup>8</sup>

According to CoStar data reported by FXM Associates, there are 3.4 million square feet of space in the Town, with the vast majority clustered on Route 1.<sup>9</sup> Major retail establishments along Route 1 include the Square One mall; big-box chains including Walmart, Target, Lowe’s, and Home Depot; casual restaurant chains such as Buffalo Wild Wings, Fuddruckers, Chipotle, Panera, McDonalds, and Burger King; and a handful of well-established local restaurant landmarks.

The Town’s success in capturing retail and restaurant spending from Wynn patrons will depend on its ability to offer unique experiences to shoppers and diners. Route 1 is dominated by national chain stores which are by definition not unique to Saugus. These stores may enjoy a small increase in sales from casino patrons on their way to or from the casino, but most of these purchases will be convenience items, gas, or quick meals.

To realize the full potential economic benefits from the casino, Saugus will have to increase its offering of destination shopping and dining that appeals to casino guests and lures them off of Route 1 to spend time in Saugus rather than simply pass through the Town. This includes not only refreshing retail offerings on Route 1 itself, but also working to revitalize other commercial nodes within the Town, such as downtown Saugus, Cliftdale, and the recently rezoned RiverWalk area.

Given very low retail vacancy rates in recent years, positive absorption, and strong rents, FXM concludes that the retail market in Saugus is strong and shows good prospects for additions to the current supply. A retail leakage analysis shows the potential for over 1.4 million square feet of potentially supportable retail space in the regional trade area, defined as the area within a 10-to-15-minute drive time of the Town. FXM conservatively estimates that Saugus could capture about 3% of this potentially supportable retail space, or about 46,000 square feet, at the

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<sup>6</sup> Wynn MA, LLC RFA-2 Application to Massachusetts Gaming Commission. Section 3-18-01.

<sup>7</sup> Includes hotels, restaurants, and other similar industries

<sup>8</sup> Source: EMSI 2017.2

<sup>9</sup> Potential Economic Impacts of a RiverWalk in Saugus. Technical Memorandum. 2017. FXM Associates.

Riverwalk area, which was the focus of the firm’s analysis. Additional retail potential could likely be captured in the Town’s other commercial areas.<sup>10</sup>

## Hotels

Saugus currently has a handful of limited-service hotels located along Route 1, including low- to mid-range chains such as Holiday Inn Express, Red Roof PLUS+, and Quality Inn. There are also several smaller independent motels and inns. Saugus currently has an inventory of 329 rooms. Under development are a 150-room boutique luxury hotel and a 130-room extended-stay hotel at the proposed Essex Landing site, as well as a 126-room WoodSpring-branded extended-stay hotel farther north on Route 1. Together, these developments would increase the Town’s hotel stock to 735 rooms.

As evidenced by these new hotel developments underway plus input from local developers, the regional hotel market is strong and presents economic opportunities for Saugus. Demand will only rise once the casino resort is built and patrons seeking lower room rates look to hotels in areas farther away, like Saugus. While the existing hotel stock is fairly generic, the hotel at Essex Landing will offer a full-service experience integrated into a mixed-use village-style development and will likely succeed in attracting would-be casino hotel guests. The Essex Landing hotel would offer luxury accommodations that are not currently present in Saugus. Additional higher-end hotel development will likely be viable once the casino has opened.

## Pipeline Development

Route 1 has seen new private investment recently, with two major developments that will modernize the corridor’s amenities and character. Essex Landing, planned for the southbound side of Route 1 near the Town line, will feature 100,000 square feet of retail space, five food and beverage establishments, a 150-room four-star, four-diamond hotel, a 130-room extended-stay hotel, along with 256 one-bedroom apartments and outdoor amenities.<sup>11</sup> The focus of the project is around creating a strong sense of place that will be a destination unto itself. Located about 6 miles from the casino site, the development is expected to serve casino patrons seeking somewhat more affordable lodging relative to the on-site casino hotel, as well as those patrons who are passing through Saugus in search of unique dining and shopping options. Project completion is expected in Fall 2017/Winter 2018.

AvalonBay Communities recently closed a deal to purchase the site of the former Hilltop Steak House on Route 1. A \$100 million mixed-use development is proposed for the site, to include 24,000 square feet of retail space and 280 studio, one-bedroom, and two-bedroom apartments.<sup>12</sup>

## Recreation

In addition to shopping, restaurants, and hotels, Saugus has existing and planned recreational assets that, if positioned and marketed effectively, can serve as further draws to the Town. The recreational asset in Saugus with the strongest drawing power is the Saugus Ironworks, a National Historic Site operated by the National Park Service. Its national significance as an early Colonial manufacturing operation attracts visitors from around the country. Approximately half of all visitors live over 50 miles away from the site. For the last decade or so, the site has been operational only during the summer season (May through October). Visitation has remained steady at about 10,000 visitors annually, with visitors typically spending 2 to 3 hours onsite.

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<sup>10</sup> In a retail leakage analysis, the existing retail sales (“supply”) of trade area businesses are compared to the estimated retail spending of trade area residents (“demand”). The difference between demand and supply is referred to as the “retail gap.” Camoin Associates was not tasked with evaluating the development potential for additional retail in Saugus, though we determine FXM’s analysis to be reasonable.

<sup>11</sup> Essex Landing development website. <http://www.essexlanding.com>.

<sup>12</sup> “Hilltop sold for \$17.2M.” Itemlive.com. <http://www.itemlive.com/news/hilltop-sold-for-17-2m/>.

Despite its location just a quarter mile north of the traffic circle at Main Street and Central Street, the Ironworks is not well integrated into the Town. Ironworks visitors tend to come solely for that attraction and do not spend time (or money) elsewhere in Saugus. While the Ironworks is certainly a unique asset, by itself, it may not be enough to lure casino visitors who may be looking for activities other than gambling. This presents an opportunity to better connect this key tourism destination with the surrounding community and create synergies that spur increased visitor spending.

Other notable recreational assets in Saugus that were mentioned in interviews include Breakheart Reservation and Prankers Pond, which offer both active and passive recreation options to visitors. While these sites are open year-round, they are unlikely to have much drawing power during the winter months. As is often the case with many New England communities with a tourism base, assets are seasonally active.

### RiverWalk

Saugus is currently in the planning phases of an initiative to activate its waterfront along the Saugus River. While historically the Town was economically dependent on the river, both to power mills like the Ironworks and to serve as the domain for local commercial lobstermen, in recent decades the river has played a less significant role in the Town's economic vitality. Understanding the economic potential associated with re-connecting Town and river, Saugus has undertaken an effort to develop a RiverWalk. According to the Saugus RiverWalk Feasibility Study recently completed by Apex, the Town's strategy is to enhance public access to the river, encourage the development of new tourism-oriented businesses compatible with and supportive of the lobstering industry, and to create a seamless public pedestrian access way that connects significant public spaces and facilities along the river.<sup>13</sup> The creation of a RiverWalk would support the types of uses permitted under the Waterfront Mixed Use Overlay District zoning bylaw that was adopted in 2014, including retail, restaurant, hotel, office, residential, and light industrial.

Developing the Saugus riverfront area into a visitor destination offering seafood restaurants, gift shops, boating, and other maritime uses, as well as connections to nearby Rumney Marsh Reservation and the Ironworks, would greatly strengthen Saugus's ability to attract casino patrons to the Town. While similar waterfront attractions exist elsewhere in the region, few are as close to the casino site as Saugus, presenting the Town with a unique advantage.

However, it will be essential to provide amenities that go beyond what is planned for the Harborwalk along the Mystic River at the casino site. The Wynn Harborwalk will be a four-season waterfront park offering views of the river and Boston Harbor and connect to existing paths along the shoreline. It will offer public gardens, an expansive event lawn with live music, a picnic park, and viewing decks. The Saugus RiverWalk must be sufficiently distinct from Wynn Harborwalk in order to be successful in attracting casino guests who may simply opt to take advantage of onsite riverside attractions.

### Competing Attractions

It is important to state that Saugus will be competing with the entire Boston region for casino patron spending. Boston proper has a high concentration of well-known tourist attractions, including historic sites, sporting events, entertainment, recreation, etc. Moreover, Assembly Row, a large mixed-use development including outlet retail and a movie theater, is located just across the river from the casino site in Somerville. Forthcoming development phases at Assembly Row will add more retail and entertainment space. A proposed footbridge across the river connecting the casino with Assembly Row would make access for casino patrons very easy.

Therefore, it is Saugus's recreational assets, rather than its national retail chains, that are most likely the best positioned to attract casino visitors since they offer access to natural amenities not available in Boston and the immediate vicinity of the casino. Saugus's attractions also have the advantage of easy access by automobile and

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<sup>13</sup> "Saugus RiverWalk Feasibility Study." Prepared for Town of Saugus by Apex Companies, LLC. May 2017.



abundant parking, which may appeal to visitors who want to avoid taking public transportation to Boston attractions. This is especially important since the casino will not be directly located along a T line.



## Economic Impact Analysis

The following economic impact analysis quantifies the potential impact of Wynn Boston Harbor on the Saugus’s local economy. Based on information learned from research and interviews, we developed estimates of how the casino will impact sales at Saugus businesses, as well as associated jobs and earnings. Using the input-output model from Economic Modeling Specialists Intl. (EMSI), we determined the indirect impacts of these sales on Saugus as these dollars ripple through the local economy, i.e. the so-called “multiplier effect.” It takes into account impacts in each of the major economic opportunity areas: employment, supply chain, and visitation.

It is important to stress that this analysis is an *estimate* of how economic impacts might play out, based on our research and experience. The analysis presents “high” and “low” estimates of impacts, with actual impacts expected to fall somewhere within this range. This is not an exact projection, and there is no guarantee that these impacts will occur. Economic benefits ultimately felt by Saugus’s businesses and residents are highly dependent on the Town’s efforts to fully capitalize on these opportunities, as well as factors outside the Town’s control, including operational decisions made by Wynn and the whims of its patrons.

### Employment of Saugus Residents

Based on low unemployment rates in the region and conversations with the North Shore Workforce Investment Board, it is reasonable to assume that Saugus residents will be considered for positions at Wynn. We assume a low estimate of 50 Saugus hires and a high estimate of 100 Saugus hires. In other words, Saugus residents would hold approximately 1–2% of the casino resort’s 4,382 permanent jobs.

Given an annual average salary of \$41,500 and in-town spending of wages of 30-50%, these residents are expected to spend between \$600,000 and \$2.1 million at Saugus businesses annually.

Table 3: Projected Impact of Direct Employment

Projected Impact of Direct Employment		
	Low	High
Direct Employment of Saugus Residents	50	100
Average Salary	\$ 41,500	\$ 41,500
Total Earnings	\$ 2,075,000	\$ 4,150,000
Percent Spent in Saugus	30%	50%
Sales at Saugus Businesses	\$ 622,500	\$ 2,075,000

Source: Wynn, MA LLC; Esri; Camoin Associates

Under the low case, in-Town spending of new wages by residents holding casino jobs is expected to result in a total of 9 new jobs in Saugus, \$257,000 in worker earnings, and \$667,000 in sales, including both direct and indirect impacts.

Table 4: Economic Impact of New Local Spending - Low Case

Economic Impact of New Local Spending - Low Case			
	Direct	Indirect	Total
Jobs	9	0	9
Earnings	\$ 245,006	\$ 12,250	\$ 257,256
Sales	\$ 622,500	\$ 44,825	\$ 667,325

Source: EMSI, Camoin Associates

Under the high case, Saugus could see 29 new jobs at local businesses, \$850,000 in earnings, and \$2.2 million in sales.

Table 5: Economic Impact of New Local Spending - High Case

Economic Impact of New Local Spending - High Case			
	Direct	Indirect	Total
Jobs	28	1	29
Earnings	\$ 809,591	\$ 40,480	\$ 850,071
Sales	\$ 2,075,000	\$ 153,322	\$ 2,228,322

Source: EMSI, Camoin Associates

## Wynn Vendor Sales

We conservatively estimate that between 1% and 5% of Wynn’s annual purchases will be sourced from Saugus vendors. This represents between \$574,000 and \$3.4 million in annual sales at Saugus businesses.

Table 6: Projected Supply Chain Impact

Projected Supply Chain Impact		
	Low	High
Total Annual Purchases by Wynn	\$ 110,000,000	\$ 120,000,000
Designated Community Spend Commitments	\$ 52,625,000	\$ 52,625,000
Remaining Spend Available to Other Communities	\$ 57,375,000	\$ 67,375,000
Percent from Saugus Businesses	1%	5%
Wynn Purchases from Saugus Businesses	\$ 573,750	\$ 3,368,750

Source: Wynn, MA LLC; Camoin Associates

Under the low case, vendor sales could result in 3 jobs, \$23,000 in earnings, and \$600,000 in sales, including both direct and indirect impacts.

Table 7: Economic Impact of New Vendor Sales - Low Case

Economic Impact of New Vendor Sales - Low Case			
	Direct	Indirect	Total
Jobs	3	0	3
Earnings	\$ 21,932	\$ 877	\$ 22,809
Sales	\$ 573,750	\$ 28,402	\$ 602,152

Source: EMSI, Camoin Associates

Under the high case, Saugus businesses could add 20 new jobs, \$1.3 million in earnings, and \$3.5 million in sales.

Table 8: Economic Impact of New Vendor Sales - High Case

Economic Impact of New Vendor Sales - High Case			
	Direct	Indirect	Total
Jobs	19	1	20
Earnings	\$ 1,246,489	\$ 49,860	\$ 1,296,349
Sales	\$ 3,368,750	\$ 166,731	\$ 3,535,481

Source: EMSI, Camoin Associates

## Convenience Spending

Increased traffic along Route 1 in Saugus as a result of the casino will have a direct result on spending at Saugus businesses as casino patrons stop to purchase convenience items, gas, and meals. We assume that the increase in sales at convenience-type establishments will be directly proportional to the increase in average daily trips along the corridor. According to Wynn project filings, 9% of vehicle trips generated by the casino will be distributed to Route 1, or about 1,500 daily trips. This represents a 1.3% increase over the 108,500 daily trips currently occurring along the corridor.<sup>14</sup>

Annual sales at convenience retail and restaurant sales at businesses on Route 1 in Saugus are approximately \$89 million.<sup>15</sup> The following types of establishments were included in this category: health and personal care stores (e.g. CVS, Walgreens); gasoline stations; beer, wine, and liquor stores; and all restaurants. Applying a 1.3% increase results in about \$1.2 million in additional sales at Saugus businesses resulting from convenience purchases by casino patrons.

Table 9: Project Impact on Convenience Retail and Restaurants

Projected Impact on Convenience Retail and Restaurants	
2016 Average Daily Trips, Rt. 1 Saugus	108,500
Average Daily Trips to Be Generated by Wynn*	16,100
Trip Distribution, Rt. 1	9%
Additional Daily Trips via Rt. 1 Saugus	1,449
Percent Increase	1.3%
Annual Sales, Rt. 1 Convenience Retail and Restaurants	\$ 89,046,562
Estimated Increase in Sales	\$ 1,189,202

\*Wynn MA, LLC provided average daily vehicle trips only for Friday (17,550) and Saturday (20,566). Trips for other days were estimated based on factors from national casino trip generation data.

Source: Esri, Notice of Project Change Filing by Wynn, MA LLC

For the purposes of impact modeling, we will assume a high case of \$1.5 million and a low case of \$500,000.

Table 10: Saugus Convenience Sales Potential

Saugus Convenience Sales Potential		
	Low	High
Convenience Sales	\$ 500,000	\$ 1,500,000

Source: Camoin Associates

Assuming the low case, there would be 7 new jobs, \$195,000 in earnings, and \$534,000 in sales in Saugus resulting from convenience sales at Route 1 businesses.

<sup>14</sup> Average of vehicle counts at various points along the Saugus segment of Route 1, as provided by Esri.

<sup>15</sup> The \$89 million in annual sales at convenience retail and restaurant businesses represent 16% of all retail and restaurants sales (\$541 million) along Route 1 in Saugus. Source: Esri Business Analyst Online.

Table 11: Economic Impact of New Convenience Sales in Saugus – Low Case

Economic Impact of New Convenience Sales - Low Case			
	Direct	Indirect	Total
Jobs	7	0	7
Earnings	\$ 185,341	\$ 9,267	\$ 194,608
Sales	\$ 500,000	\$ 32,945	\$ 532,945

Source: EMSI, Camoin Associates

The high case would result in 20 new jobs, \$584,000 in earnings, and \$1.6 million in sales.

Table 12: Economic Impact of New Convenience Sales in Saugus – High Case

Economic Impact of New Convenience Sales - High Case			
	Direct	Indirect	Total
Jobs	19	1	20
Earnings	\$ 556,025	\$ 27,801	\$ 583,826
Sales	\$ 1,500,000	\$ 98,836	\$ 1,598,836

Source: EMSI, Camoin Associates

## Hotel Demand

According to the Gaming Market Assessment report submitted as part of Wynn MA, LLC’s application, the estimated demand for room-nights at Wynn is 292,415 annually.<sup>16</sup> At the time of the application, a 500-room hotel was being proposed, which was projected to accommodate 165,811 room-nights, or 57% of demand. Wynn has since revised its programming to increase the number of hotel rooms from 500 to 671, a 34% increase. In order to adjust the forecasted number of accommodated room-nights at Wynn, Camoin Associates modified assumptions presented in the application as follows:

- Wynn still accommodates 100% of the “high-yield international gamer” demand segment
- The 34% increase in number of rooms results in a similar increase in “local lodging market capture,” i.e., those staying in the region for reasons other than gaming. This is a jump from 25% of room-nights accommodated to 34%.
- Assuming an overall hotel occupancy rate of 85%, which is line with Wynn’s projections, the remaining accommodated room-nights are assigned to local gamers.

<sup>16</sup> Wynn MA, LLC RFA-2 Application to Massachusetts Gaming Commission. Section 3-01-03. “Wynn Everett Gaming Market Assessment.” TMG Consulting. November 2013.

Table 13: Projection of Accommodated Room-Nights of Demand (671-room hotel)

Projection of Accommodated Room-Nights of Demand (671-room hotel)			
Demand Segment	Est. Demand (Room-Nights)	Pct. Accommodated at Wynn	Accommodated Room-Nights at Wynn
Local Gamers	200,665	87%	175,263
Local Lodging Market Capture	88,540	34%	29,705
High-Yield International Gamers	3,210	100%	3,210
<b>Total</b>	<b>292,415</b>	<b>71%</b>	<b>208,178</b>

Source: Camoin Associates

Approximately 13% of the “local gamer” hotel demand segment will be accommodated outside of Wynn, amounting to 25,402 room-nights annually that could potentially be captured by other hotels. In 2013, Saugus’s hotel stock of 329 rooms accounted for approximately 1% of all rooms in the greater Boston region,<sup>17</sup> which we use as a low estimate for the share of these room-nights that Saugus will be able to capture. Given Saugus’s proximity to the casino and new hotels in the pipeline (406 new rooms planned), it is likely that the Town’s hotels will be able to capture a larger share. In particular, the boutique hotel planned for Essex Landing will add unique amenities to the Town’s existing hotel stock, acting as a draw for casino patrons. We use 5% as a high estimate. Assuming average daily rates (ADR) of \$160-200, total potential revenue gains for Saugus hotels range from \$40,000 to \$254,000 annually.

Table 14: Saugus Hotel Revenue Potential

Saugus Hotel Revenue Potential		
	Low	High
Local Gamer Room-Night Demand	200,665	200,665
Accommodated at Wynn	175,263	175,263
Accommodated Elsewhere	25,402	25,402
Saugus Hotel Capture	1%	5%
Total Room-Nights	254	1,270
Average Daily Rate (ADR)	\$ 160	\$ 200
Saugus Hotel Revenues	\$ 40,644	\$ 254,024

Source: Camoin Associates

Assuming the low case, impacts resulting from new spending at Saugus hotels by casino patrons would be negligible.

Table 15: Economic Impact of New Hotel Revenue in Saugus – Low Case

Economic Impact of New Hotel Revenue - Low Case			
	Direct	Indirect	Total
Jobs	0	0	0
Earnings	\$ 11,444	\$ 915	\$ 12,359
Sales	\$ 40,644	\$ 3,111	\$ 43,755

Source: EMSI, Camoin Associates

<sup>17</sup> Calculated based on listing of competitive hotels in “Wynn Everett Gaming Market Assessment” prepared by TMG Consulting.

Under the high case, new hotel spending could support 3 jobs, \$77,000 in annual earnings, and \$273,000 in annual sales.

Table 16: Economic Impact of New Hotel Revenue in Saugus – High Case

Economic Impact of New Hotel Revenue - High Case			
	Direct	Indirect	Total
Jobs	3	0	3
Earnings	\$ 71,524	\$ 5,722	\$ 77,246
Sales	\$ 254,024	\$ 19,443	\$ 273,467

Source: EMSI, Camoin Associates

## Tourism Spending

TMG Consulting divides Wynn Boston Harbor patrons into four segments based on their purpose for visiting the facility:

- "Local Market" – Patrons from the regional market area that travel to the casino for the purpose of gaming
- "Overnight Guests" – Guests staying at the Wynn Hotel for a primary purpose other than gaming
- "Tourism" – Boston area tourists who visit Wynn as part of their trip, though this is not their primary purpose for being in Boston
- "Traffic Intercept" – Travelers from outside the casino market area who happen to be passing through and are diverted to Wynn through signs and billboards

Table 17: Wynn Visitation (Annual)

Wynn Visitation (Annual)	
Segment	Visitation
"Local Market"	5,671,157
"Overnight Guests"	402,467
"Tourism"	1,273,131
"Traffic Intercept"	78,130
Total	7,424,885

Source: TMG Consulting

Of these segments, only "Local Market" visitors can be considered new to Everett as a result of Wynn. These visitors are coming to Everett for the primary purpose of gaming. In contrast, the other segments are already present and spending money in the region, and therefore, they do not represent new tourist sales potential for Saugus businesses.

To project Saugus tourism potential, the "Local Market" should be further reduced to exclude hyper-local visitors—those within a 60-minute drive-time of Wynn who live in the region and already have access to Saugus attractions. Approximately 1.64 million visitors are expected to visit from farther than an hour away, annually.

Table 18: Potential New Visitors to Saugus (Annual)

Potential New Visitors to Saugus (Annual)	
"Local Market" Segment	5,671,157
<60-Min Drive Time	4,031,070
Potential New Visitors to Saugus	1,640,087

Source: Camoin Associates

Saugus’s ability to attract casino visitors will be entirely dependent on its capacity to promote its existing and future attractions. As discussed previously, while retail is a major component of the Town’s overall economy, current retail and restaurant offerings will not be enough to draw casino visitors to Saugus given the more modern options in close proximity to Wynn (e.g. Assembly Row). Therefore, it will be recreational amenities that drive visitation, with food and retail being a secondary draw.

The “low” scenario as presented in the following table is an estimate of visitation assuming the status quo, i.e. there are no major changes to the types of visitor amenities present in the Town. Since the Ironworks is open only for six months (from May to October), and Breakheart Reservation will principally be of interest to visitors during the same season, we reduce potential visitation by 50%. In other words, we assume virtually no visitation by casino patrons to Saugus during the winter months. Additionally, we estimate that existing attractions will be able to capture 0.5% of these potential visitors, or about 4,100 total visitors, assuming baseline promotion efforts.

We assume the average visitor will drive to Saugus, spend a few hours at the Ironworks or other attraction, have a meal at a restaurant, and make some miscellaneous retail purchases (e.g. Ironworks gift shop or incidental purchases). We estimate per-visitor daily spending in Saugus of \$30, and total potential annual visitor spending of \$123,000. No overnight accommodations are assumed.

Efforts to expand visitor amenities in the Town could increase casino visitor capture. Successful implementation and marketing of the RiverWalk concept could be a boon for tourism. Moreover, better integration of the Ironworks with recreational assets and/or expanding the site’s visitation season could also have a beneficial effect. Other future destination-type developments in Saugus, such as Essex Landing, may also succeed in drawing visitors year-round. Assuming no seasonal adjustment, casino patron capture of 3%, and daily per-visitor spend of \$40, total potential annual visitor spending is estimated at nearly \$2 million. Note that this is spending only by casino visitors; any efforts the Town undertakes to promote tourism will attract non-casino-related visitors, as well.

Figure 1: Drive Times from Wynn Boston Harbor





Table 19: Potential Annual Visitor Spending

Potential Annual Visitor Spending		
	Low	High
Potential New Visitors to Saugus	1,640,087	1,640,087
Seasonal adjustment	50%	0%
Potential New Visitors to Saugus	820,044	1,640,087
Percent Captured	0.5%	3.0%
Visitors Captured	4,100	49,203
Daily Spending per Visitor	\$ 30	\$ 40
Food/Beverage	\$ 20	\$ 20
Souvenirs, other retail	\$ 10	\$ 20
Total Potential Annual Visitor Spending	\$ 123,007	\$1,968,104

Source: Camoin Associates

Under the low case of 4,100 casino visitors captured annually, Saugus businesses could add 2 jobs, \$54,000 in earnings, and \$130,000 in sales.

Table 20: Economic Impact of New Visitor Spending in Saugus – Low Case

Economic Impact of New Visitor Spending - Low Case			
	Direct	Indirect	Total
Jobs	2	0	2
Earnings	\$ 51,585	\$ 2,063	\$ 53,648
Sales	\$ 123,007	\$ 7,314	\$ 130,320

Source: EMSI, Camoin Associates

In the high case, Saugus would capture about 49,000 casino visitors annually, whose spending would translate to 35 jobs, nearly \$844,000 in earnings, and over \$2.1 million in sales.

Table 21: Economic Impact of New Visitor Spending in Saugus – High Case

Economic Impact of New Visitor Spending - High Case			
	Direct	Indirect	Total
Jobs	34	1	35
Earnings	\$ 811,245	\$ 32,450	\$ 843,695
Sales	\$ 1,968,104	\$ 132,360	\$ 2,100,465

Source: EMSI, Camoin Associates

## Total Impact

We project annual total sales at Saugus businesses from all casino-related sources to range from a low estimate of about \$2.0 million to a high estimate of \$9.7 million, including both direct and indirect sales. Direct and indirect sales by impact category are summarized in Table 22.

Table 22: Estimated Impact of Wynn Boston Harbor on Sales at Saugus Businesses

Estimated Impact of Wynn Boston Harbor on Sales at Saugus Businesses						
Impact Category	Direct Sales		Indirect Sales		Total Sales	
	Low	High	Low	High	Low	High
Local Spending of Wynn Wages	\$ 622,500	\$ 2,075,000	\$ 44,825	\$ 153,322	\$ 667,325	\$ 2,228,322
Wynn Vendor Sales	\$ 573,750	\$ 3,368,750	\$ 28,402	\$ 166,731	\$ 602,152	\$ 3,535,481
Convenience Retail and Restaurant Sales	\$ 500,000	\$ 1,500,000	\$ 32,945	\$ 98,836	\$ 532,945	\$ 1,598,836
Hotel Revenues	\$ 40,644	\$ 254,024	\$ 3,111	\$ 19,443	\$ 43,755	\$ 273,467
Tourism Spending	\$ 123,007	\$ 1,968,104	\$ 7,314	\$ 132,360	\$ 130,320	\$ 2,100,465
<b>Total</b>	<b>\$ 1,859,900</b>	<b>\$ 9,165,879</b>	<b>\$ 116,596</b>	<b>\$ 570,693</b>	<b>\$ 1,976,497</b>	<b>\$ 9,736,572</b>

Source: EMSI, Camoin Associates

Total new jobs in Saugus resulting from all impacts detailed above are estimated to range between 21 and 107. Direct and indirect jobs by impact category are shown in the following table.

Table 23: Estimated Impact of Wynn Boston Harbor on Jobs at Saugus Businesses

Estimated Impact of Wynn Boston Harbor on Jobs in Saugus						
Impact Category	Direct Jobs		Indirect Jobs		Total Jobs	
	Low	High	Low	High	Low	High
Local Spending of Wynn Wages	9	28	0	1	9	29
Wynn Vendor Sales	3	19	0	1	3	20
Convenience Retail and Restaurant Sales	7	19	0	1	7	20
Hotel Revenues	0	3	0	0	0	3
Tourism Spending	2	34	0	1	2	35
<b>Total</b>	<b>21</b>	<b>103</b>	<b>0</b>	<b>4</b>	<b>21</b>	<b>107</b>

Source: EMSI, Camoin Associates

Total annual earnings associated with new jobs are projected to range from \$541,000 to \$3.7 million. Direct and indirect earnings by impact category are shown in the following table.

Table 24: Estimated Impact of Wynn Boston Harbor on Worker Earnings at Saugus Businesses

Estimated Impact of Wynn Boston Harbor on Worker Earnings at Saugus Businesses						
Impact Category	Direct Earnings		Indirect Earnings		Total Earnings	
	Low	High	Low	High	Low	High
Local Spending of Wynn Wages	\$ 245,006	\$ 809,591	\$ 12,250	\$ 40,480	\$257,256	\$850,071
Wynn Vendor Sales	\$ 21,932	\$ 1,246,489	\$ 877	\$ 49,860	\$ 22,809	\$ 1,296,349
Convenience Retail and Restaurant Sales	\$ 185,341	\$ 556,025	\$ 9,267	\$ 27,801	\$ 194,608	\$ 583,826
Hotel Revenues	\$ 11,444	\$ 71,524	\$ 915	\$ 5,722	\$ 12,359	\$ 77,246
Tourism Spending	\$ 51,585	\$ 811,245	\$ 2,063	\$ 32,450	\$ 53,648	\$ 843,695
<b>Total</b>	<b>\$ 515,307</b>	<b>\$ 3,494,875</b>	<b>\$ 25,373</b>	<b>\$ 156,312</b>	<b>\$ 540,680</b>	<b>\$ 3,651,187</b>

Source: EMSI, Camoin Associates

The following “low case” and “high case” tables summarize total jobs, earnings, and sales impacts for all categories analyzed.

Table 25: Summary of Economic Impact – Low Case

Summary of Economic Impact - Low Case			
	Direct	Indirect	Total
Jobs	21	0	21
Earnings	\$ 515,307	\$ 25,373	\$ 540,680
Sales	\$ 1,859,900	\$ 116,596	\$ 1,976,497

Source: EMSI, Camoin Associates

Table 26: Summary of Economic Impact – High Case

Summary of Economic Impact - High Case			
	Direct	Indirect	Total
Jobs	103	4	107
Earnings	\$ 3,494,875	\$ 156,312	\$ 3,651,187
Sales	\$ 9,165,879	\$ 570,693	\$ 9,736,572

Source: EMSI, Camoin Associates

# Action Plan Matrix

The following Action Plan Matrix contains concrete steps for achieving the full economic benefits of the casino. It contains three overarching goals with strategies and actions for accomplishing these goals. The three goals are:

1. **EMPLOYMENT** | Ensure that Saugus residents have access to employment opportunities at the casino.
2. **SUPPLY CHAIN** | Incorporate Saugus businesses into the casino's supply chain.
3. **VISITATION** | Attract casino visitors to patronize Saugus businesses and amenities.

In addition, for each action the matrix establishes key partners, priority level, timeframe, and outcome metrics for measuring progress.

GOAL 1   EMPLOYMENT   Ensure that Saugus residents have access to employment opportunities at the casino.							
	Strategy		Action	Key Partner(s)	Priority Level	Timeframe	Outcome Metric(s)
1.1	Ensure the workforce has the skills necessary for positions at the casino.	1.1.1	Evaluate whether the Saugus workforce has the skills required for jobs at the casino.	WIB	High	2017 Q4	
		1.1.2	Inventory existing training programs that would prepare the workforce for open positions. Develop any additional training programs that are needed.	Community colleges and vocational institutions	High	2017 Q4	Number of program completions / certificates
1.2	Connect job seekers with employment opportunities.	1.2.1	Inform job seekers about casino positions.	One-stop career centers	High	2018 Q1	Number of residents hired
		1.2.2	Engage the casino to participate in job fairs and/or organize and host a casino job fair in Saugus.	WIB, Wynn casino	Medium	2018 Q1	
		1.2.3	Inform / engage high schools and community colleges about opportunities for part-time / seasonal work and training programs.	WIB, Town/EDC	Medium	2018 Q1	
1.3	Ensure employees can easily access the casino.	1.3.1	Evaluate transportation options between Saugus and the casino site.	Transportation consultant	Low	2018 Q3	
		1.3.2	Create a carpooling hub for Saugus residents employed at the casino.	Transportation consultant	Low	2019	
GOAL 2   SUPPLY CHAIN   Incorporate Saugus businesses into the casino's supply chain.							
	Strategy		Action	Key Partner(s)	Priority Level	Timeframe	Outcome Metric(s)
2.1	Encourage local businesses to become vendors to the casino.	2.1.1	Guide businesses through the process of becoming a vendor, including registration with the Mass. Gaming Commission.	Town/EDC	High	2017 Q4	Number of participating businesses; Vendor sales
		2.1.2	Spread the word about vendor opportunities for specific types of businesses.	Town/EDC, Chamber of commerce	High	2017 Q4	

[Continued on next page.]

GOAL 3 | VISITATION | Attract casino visitors to patronize Saugus businesses and amenities.

	Strategy		Action	Key Partner(s)	Priority Level	Timeframe	Outcome Metric(s)
3.1	Expand unique dining, retail, entertainment, hotel, and other visitor-oriented destinations.	3.1.1	Develop the Riverwalk into a destination with visitor amenities.	Town/EDC	Medium	ongoing	Number of visitors
		3.1.2	Expand programming at the Saugus Ironworks and lengthen visitation season.	Ironworks	Low	2019	Number of visitors
		3.1.3	Promote and encourage visitation to other natural and historic amenities.	Town/EDC	Medium	2018 Q2	Number of visitors
		3.1.4	Prioritize development that emphasizes sense of place over highway-oriented development.	Town/EDC	High	ongoing	New square footage
		3.1.5	Encourage development of non-chain retail and restaurants. Actively recruit successful entrepreneurs to open locations in Saugus.	Town/EDC	High	ongoing	Number of businesses
		3.1.6	Encourage hotel/meeting space development. Identify suitable sites and market to developers.	Town/EDC	Medium	2018 Q4	New hotel rooms
3.2	Promote Saugus as a destination.	3.2.1	Create a visible identity for the town through signage along major thoroughfares.	Town/EDC	Medium	2018 Q3	Signage installed
		3.2.2	Take advantage of increased traffic by adding wayfinding signage for major attractions.	Town/EDC	Medium	2018 Q3	
		3.2.3	Promote Saugus businesses and attractions through Wynn's "concierge program."	Wynn casino	High	2019	Businesses participating
3.3	Improve connections between attractions to encourage visits to multiple destinations.	3.3.1	Cross-promote attractions (e.g. advertise Ironworks at Riverwalk and vice versa).	Town/EDC	Medium	2018 Q2	
		3.3.2	Improve physical connections, including bike/ped amenities and signage, between Ironworks, downtown Saugus, Riverwalk, parks, etc.	Town/EDC	Medium	ongoing	

## Appendix A. Casino Industry Profile

The Casino Hotels Industry is worth \$60 billion a year in business around the United States, with steady annual growth dependent on changes in consumer spending for vacation and travel. The industry itself is highly competitive, minimally volatile, heavily regulated, and incredibly difficult to enter, with casinos being legally operated in only 36 states as of 2017. Within the past five years the industry saw an average annual growth rate of 1.9%; this growth will slow to 1.7% annually by 2021.

In the United States, the Casino Hotels industry has been directed by rising competition and stagnant demand, as states increasingly approve casino development projects in the hope of recapturing potential tax revenues from a pool of residents who would otherwise travel out of state to traditional gambling enclaves like Atlantic City and Las Vegas. This trend has been particularly pronounced on the East Coast, with lawmakers in New York, Pennsylvania, Rhode Island, and Massachusetts approving the opening of new casinos over the past five years. The success of these casinos has been mixed—new casinos that were positioned to capture existing demand locally were able to steal market share from incumbent out-of-state competitors, while those that aimed to drum up new demand or steal market share from another local casino have rarely succeeded in doing so.

In the face of a sluggish market and an ongoing shift of consumer interests away from gambling activities, casino hotels have increasingly invested in non-gambling leisure activities like live music, fine dining, and more opulent accommodations in order to diversify their offerings and attract consumers who would otherwise avoid gambling establishments due to age or moral reasons.<sup>18</sup>

According to IBISWorld, the top industries that supply Casino Hotels are:

- Fish & Seafood Wholesale (NAICS 42445)
- Beef & Pork Wholesale (NAICS 42447)
- Fruit & Vegetable Wholesale (NAICS 42448)
- Beer Wholesale (NAICS 42482)
- Wine and Spirits Wholesale (NAICS 42482)
- Musical Groups and Artists (NAICS 71113)
- Hotels & Motels (NAICS 72111)
- Chain Restaurants (NAICS 72211a)
- Single Location Full-Service Restaurants (NAICS 72211b)

Nearby towns and cities benefit from the demand for goods and services used for prizes, awards, and off-site entertainment. Casinos are likely to partner with local venues for event hosting, local hotels for off-site stays, and other local businesses to purchase prizes and rewards. Many casinos create customer loyalty points programs, which provide points for exclusive rewards and discounts at local businesses. The Rivers Casino Des Plaines Casino in Pennsylvania, for example, holds a partnership with a local electronics retailer to provide discounts to casino visitors. Rivers Casino Pittsburgh, as well, directs visitors to hotels with which it has partnered, and rents select stadium space for special events.<sup>19</sup>

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<sup>18</sup> Alvarez, A. (2016). *IBISWorld Industry Report 72112: Casino Hotels in the US*. Retrieved April, 2017.

<sup>19</sup> Hudson Valley Casino and Resort *Exhibit IX.B.3 (Local Business Owners)*

<https://www.gaming.ny.gov/pdf/Redacted%20RFA%20Applications/Hudson%20Valley%20Casino%20&%20Resort/Revised%20Redacted%20102014/Hudson%20Valley%20Casino%20and%20Resort%20-%20Exhibit%20IX.B.3.pdf>

## Appendix B. Demographic Analysis

The following demographic and economic base analyses examine and compare trends in the following geographies:

- **Town of Saugus:** To show the current economic and sociodemographic trends that will be affected by this new development, information was gathered to identify the Town's assets and characteristics, including residential demographics and major industries.
- **Boston Metropolitan Statistical Area (MSA):** The Boston metropolitan area serves as a reference point against which the Town of Saugus's characteristics can be examined.
- **Massachusetts:** The Commonwealth of Massachusetts allows for a broad understanding of the immediate geography encompassing both Saugus and Boston MSA.
- **United States:** Data from the entire nation can provide the broadest geographic context.

Looking at the data at different geographic scales allows for an analysis of current trends within the region.

Demographic and economic data were examined to illustrate how these factors may affect the local and regional economy and potential economic development opportunities.

Prior to the development of a full analysis of the project's potential impact on the Town of Saugus, Camoin Associates prepared a sociodemographic base analysis to better understand the historic, current and future demographic shifts facing the Town, and how these changes have evolved over time. This information was then placed in context alongside the Boston MSA, Massachusetts, and the US.

### Key Findings

The following are key findings from the Demographic Analysis:

- In contrast to slowing population growth in Boston MSA, Massachusetts, and the US, Saugus is expected to see a faster rate of growth between 2016 and 2021 (3%) than between 2010 and 2016 (1.9%).
- Median household income in Saugus (\$77,700) is on par with that of the Boston region (\$76,800).
- The median age of Saugus residents (45.3 years) is 6 years older than that of the Boston MSA (39.2), nearly 5 years older than that of all of Massachusetts (39.8), nearly 7 years older than the median age of the United States (38.0).
- Educational attainment in Saugus is lower than in the Boston MSA, with 27% of Saugus residents holding a bachelor's degree or higher, compared to 46% in the MSA.
- Of 14,462 employed residents in Saugus, 13,208 (91%) commute out of town for work. Another 8,452 workers commute from elsewhere to jobs in Saugus, while 1,254 people both work and reside in the Town.
- More than 90% of Saugus residents who earn wages similar to those anticipated for Everett Casino employees commute by car, either alone or as part of a carpool.

Table B.1: Demographic Comparisons

Demographic Comparisons							
	2010	2016	2021 (projected)	# Change 2010 - 2016	% Change 2010 - 2016	# Change 2016 - 2021	% Change 2016 - 2021
Town of Saugus							
Population	26,628	27,138	27,947	510	1.9%	809	3.0%
Households	10,318	10,517	10,836	199	1.9%	319	3.0%
Average Household Size	2.55	2.55	2.55	0	0.0%	0	0.0%
Median Age	43.9	45.3	46	1.4	3.2%	0.7	1.5%
Median Household Income	\$71,023	\$77,742	\$86,759	\$6,719	9.5%	\$9,017	11.6%
Family Households	7,144	7,249	7,450	105	1.5%	201	2.8%
Boston Metropolitan Area							
Population	4,552,402	4,739,348	4,929,486	186,946	4.1%	190,138	4.0%
Households	1,760,584	1,825,779	1,897,757	65,195	3.7%	71,978	3.9%
Average Household Size	2.50	2.51	2.51	0.01	0.4%	0.00	0.0%
Median Age	38	39.2	39.8	0.8	2.1%	0.6	1.5%
Median Household Income	\$67,223	\$76,809	\$85,377	\$9,586	14.3%	\$8,568	11.2%
Family Households	1,101,595	1,137,380	1,179,469	35,785	3.2%	42,089	3.7%
Massachusetts							
Population	6,547,629	6,780,933	7,009,033	233,304	3.6%	228,100	3.4%
Households	2,547,075	2,625,978	2,711,166	78,903	3.1%	85,188	3.2%
Average Household Size	2.48	2.49	2.49	0.01	0.4%	0	0.0%
Median Age	39	39.8	40.5	0.8	2.1%	0.7	1.8%
Median Household Income	\$64,509	\$69,456	\$78,460	\$4,947	7.7%	\$9,004	13.0%
Family Households	1,603,591	1,646,226	1,695,950	42,635	2.7%	49,724	3.0%
United States							
Population	308,745,538	323,580,626	337,326,118	14,835,088	4.8%	13,745,492	4.2%
Households	116,716,292	121,786,233	126,694,268	5,069,941	4.3%	4,908,035	4.0%
Average Household Size	2.58	2.59	2.60	0.01	0.4%	0.01	0.4%
Median Age	37.1	38	38.7	0.9	2.4%	0.7	1.8%
Median Household Income	\$49,445	\$54,149	\$59,476	\$4,704	9.5%	\$5,327	9.8%
Family Households	77,538,296	80,307,260	83,243,260	2,768,964	3.6%	2,936,000	3.7%

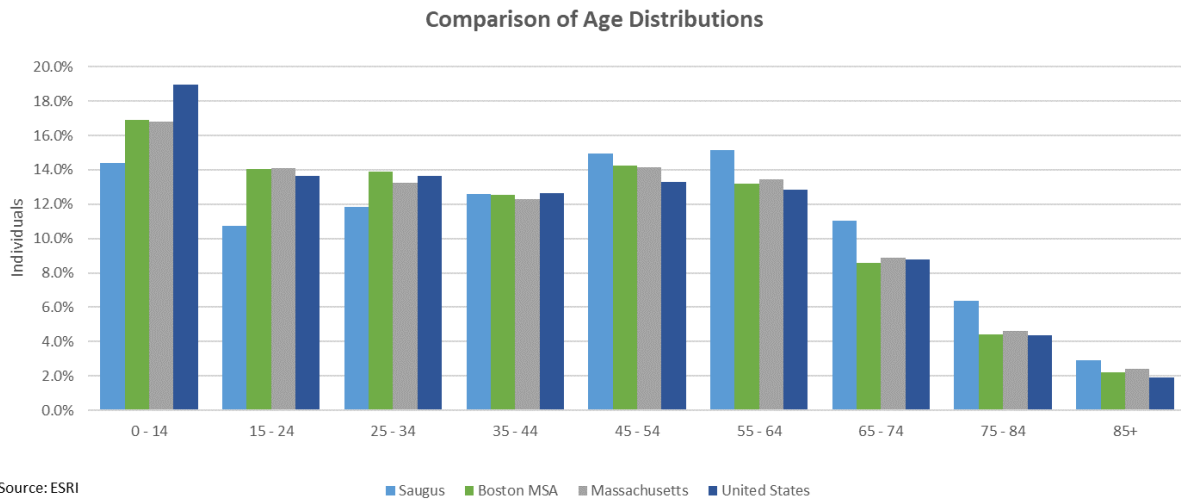
Source: ESRI, American FactFinder



## Age

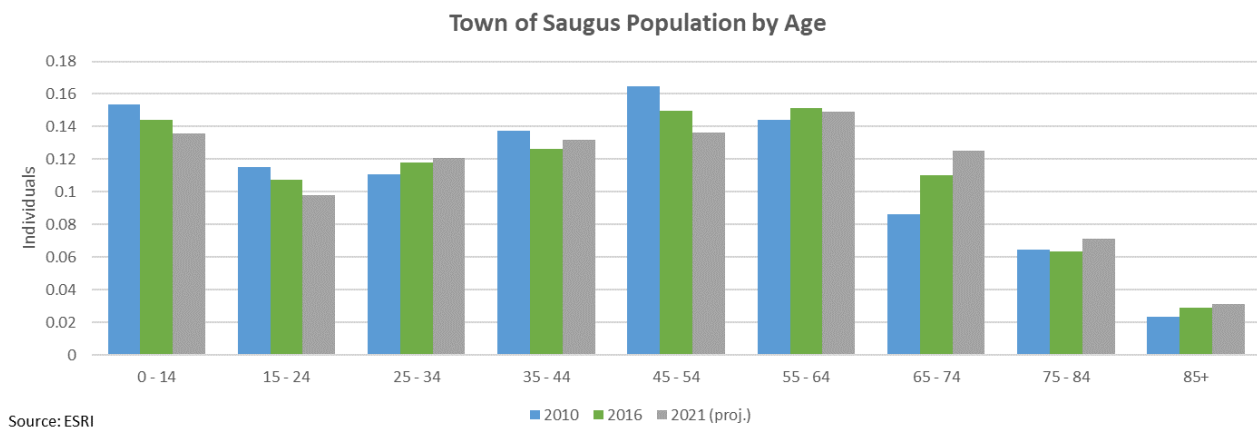
As illustrated in Figure B.1, Saugus resident ages skew more towards older age cohorts compared to the other measured geographies. The median age for Saugus was 45.3 years in 2016, which is significantly higher than Boston (39.2), Massachusetts (39.8) and the US (38.0). Individuals 45 and up comprise a larger share of individuals 45 years old and older when compared to these other three geographies.

Figure B.1: Comparison of Age Distributions



This trend is expected to continue over time, with the share of individuals younger than 25 projected to decrease over the next five years while the share of individuals 65 and older increases over the same period.

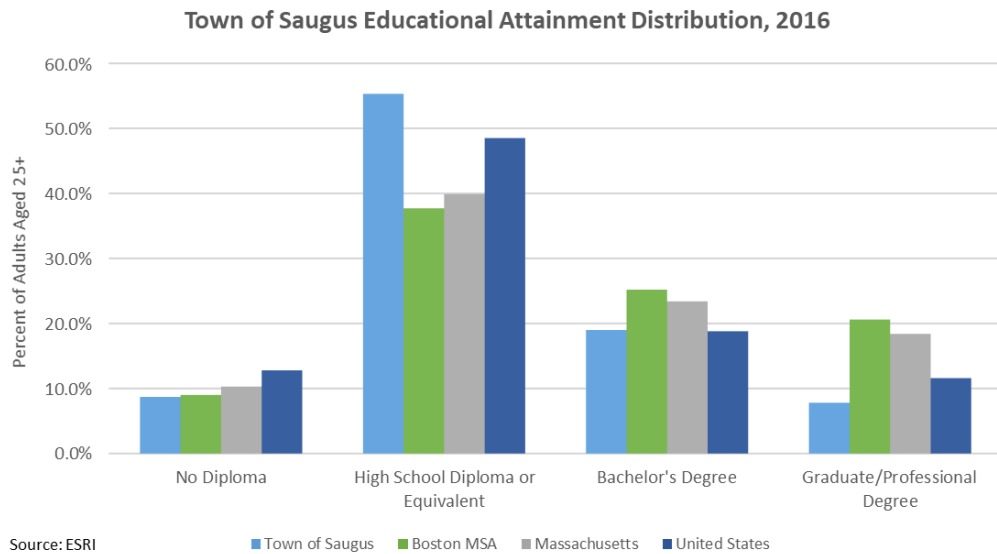
Figure B.2: Town of Saugus Population by Age



## Education

55% of Saugus residents have attained a high school diploma or equivalent as their highest level of education, which is a higher share than that of Boston MSA (37.7%), Massachusetts (39.9%), and the United States (48.5%). About 27% of Saugus residents hold a bachelor's degree or higher, compared to 46% in the Boston MSA and 42% in Massachusetts.

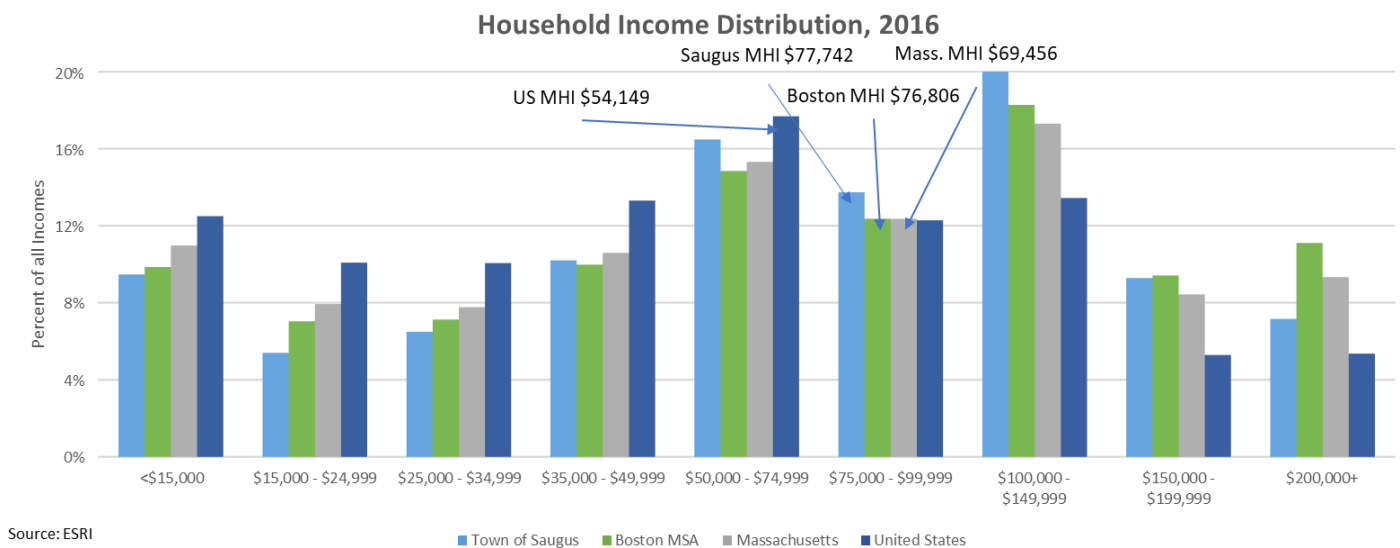
Figure B.3: Town of Saugus Educational Attainment Distribution



## Income

Compared to the Boston MSA, Massachusetts, and the United States, Saugus has a lower share of incomes below \$50,000 and a higher share of incomes between \$50,000 and \$200,000. The median household income in Saugus is on par with that of the Boston region overall.

Figure B.4: Household Income Distribution, 2016

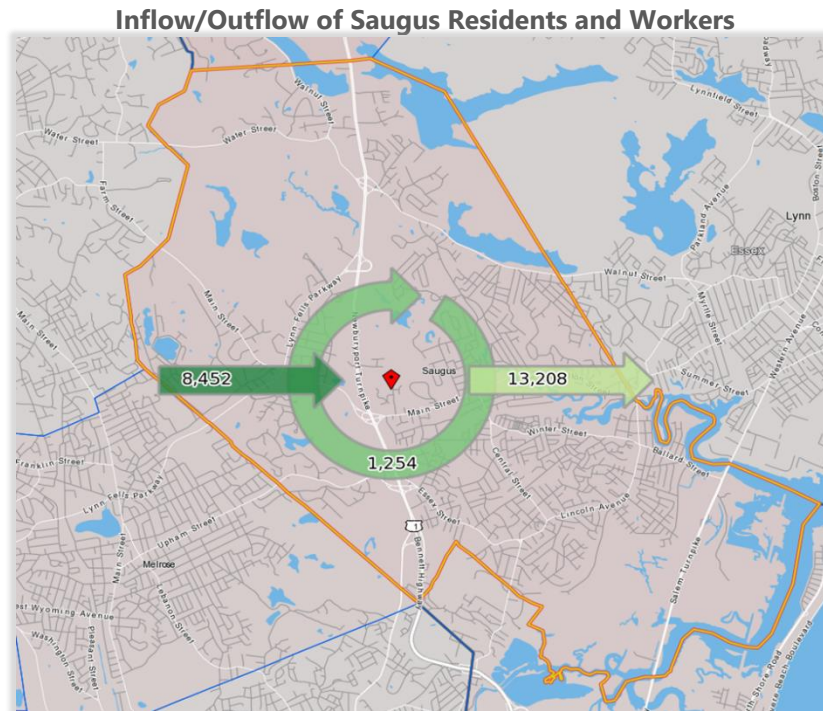


## Commute

In order to estimate the effect that the casino's development will have on employment, it is necessary to first understand if Saugus residents have reasonable access to transportation between Saugus and the casino.

Figure B.5 and Table B.2 show the commuter inflow/outflow of Saugus residents and workers. Of 14,462 employed residents in Saugus, 13,208 (91%) commute out of Town for work. Another 8,452 workers commute from elsewhere to jobs in Saugus, while 1,254 people both work and reside in the Town.

Figure B.5: Map of Inflow/Outflow of Saugus Residents and Workers



Note: Diagram shape and size do not reflect amount or direction of inflow/outflow

Table B.2: Commuter Inflow/Outflow

Commuter Inflow/Outflow		
	2014 Count	2014 Share
Employed in Saugus	9,706	100%
Employed in Saugus but Living Outside	8,452	87.1%
Employed and Living in Saugus	1,254	12.9%
Living in Saugus	14,462	100%
Living in Saugus but Employed Outside	13,208	91%
Living and Employed in Saugus	1,254	9%

Note: Job counts reflect primary jobs, meaning that a worker holding multiple jobs is only counted once. These figures should not be interpreted to represent the total number of jobs in the Town.

Source: Census On-The-Map

Table B.3 depicts the distribution of both where Saugus residents are employed and where Saugus workers reside. The City of Everett (highlighted) currently employs 422 Saugus residents, or 2.9% of all Saugus residents who are employed.

Table B.3: Saugus Commuter Origins and Destinations

Places where Saugus Residents Work, 2014		
Place	Count	Share
City of Boston	3,515	24.3%
Town of Saugus	1,254	8.7%
City of Lynn	583	4.0%
City of Cambridge	474	3.3%
City of Woburn	440	3.0%
City of Everett	422	2.9%
City of Peabody	385	2.7%
City of Malden	356	2.5%
Town of Danvers	328	2.3%
City of Chelsea	323	2.2%
Other	6,382	44.1%
<b>Total</b>	<b>14,462</b>	<b>100%</b>

Note: Job Counts include only primary jobs  
Source: Census On-The-Map

Places where Saugus Workers Live, 2014		
Place	Count	Share
Town of Saugus	1,254	12.9%
City of Lynn	806	8.3%
City of Boston	644	6.6%
City of Peabody	372	3.8%
City of Malden	314	3.2%
City of Revere	285	2.9%
City of Everett	221	2.3%
Salem City	187	1.9%
Town of Wakefield	171	1.8%
City of Beverly	149	1.5%
Other	5,303	54.6%
<b>Total</b>	<b>9,706</b>	<b>100%</b>

Note: Job Counts include only primary jobs  
Source: Census On-The-Map

Per EMSI, an individual working in Gambling Industries (NAICS 7132) in Massachusetts has an average annual salary of just over \$37,000. Table B.5 lists a breakdown of how Saugus residents, both within this income bracket and across all income brackets, typically commuted to work as of 2015. More than 90% traveled by car, either alone or as part of a carpool.

Table B.4: Breakdown of Saugus Residents by Type of Commute and Annual Earnings, 2015

Breakdown of Saugus Residents by Type of Commute and Annual Earnings, 2015				
Mode of Transportation	\$35,000 to \$49,000		All Incomes	
	Count	Share	Count	Share
Drove Alone	1,808	83.8%	11,400	79.3%
Carpooled	139	6.4%	1,087	7.6%
Public Transit	119	5.5%	1,071	7.5%
Walked	0	0.0%	146	1.0%
Taxi, Motorcycle, or Bicycle	52	2.4%	390	2.7%
Worked at Home	39	1.8%	279	1.9%
<b>Total</b>	<b>2,157</b>	<b>100.0%</b>	<b>14,373</b>	<b>100.0%</b>

Source: ACS 5-Year Estimates

The distance to drive from central Saugus to the Casino is roughly 8.5 miles, which typically amounts to a 16-to-24-minute one-way commute by car. When commuting by bicycle, the distance and estimated one-way commute time are 7.2 miles and 42 minutes, respectively. For residents without access to a car or bicycle, the Massachusetts Bay Transit Authority (MBTA) offers bus service between Saugus and the casino that typically takes 40 minutes to an hour to travel one way and requires at least one transfer.

## Appendix C. Economic Base Analysis

This section provides and analyzes economic trends and industry performance for our three comparison geographies: The Town of Saugus, Boston MSA, the Commonwealth of Massachusetts, and the United States. The sociodemographic data, combined with industry data, will provide a more complete picture of Saugus’s economic trends in the context of the larger region. The economic outlook includes:

- **Regional Economic Trends** – Gross Regional Product, (GRP), like national Gross Domestic Product (GDP), provides a snapshot of the size of a regional economy, and for this analysis includes the contribution of different sectors.
- **Industry Occupation and Employment Trends** – This analysis shows which industries in each region are major employers as well as their recent employment trends, and which industries are expected to add or shed jobs over the next few years.

It should be noted that in this analysis, the location quotient of various industries and occupations will be examined. A location quotient (LQ) measures the concentration of a given industry in a given area compared to the rest of the United States. LQs higher and lower than 1 denote concentrations that are higher or lower than the rest of the US, respectively, with an LQ of 1 denoting equal concentration. For example, an LQ of 3 signifies that the given industry is three times more prominent in the given area than the rest of the US.

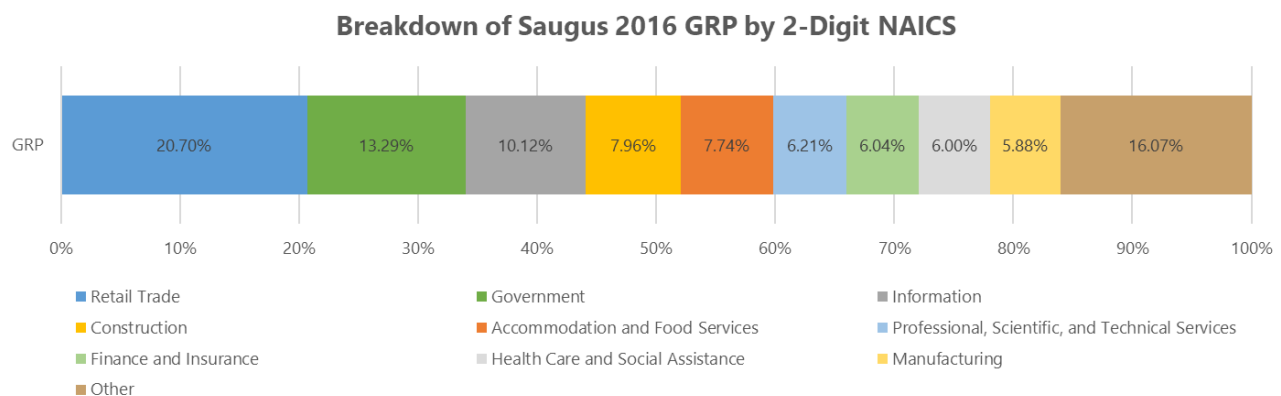
### Key Findings

- 10-year projections anticipate a slowing down in job growth over the next decade. Though the net number of jobs in Saugus grew by 743 between 2007 and 2017 (a 6.1% growth in jobs driven by Food Service and Health Care), only 192 net jobs (or 1.5% in growth) are expected to be added over the next 10 years. It is anticipated that this slowed growth will be driven by a loss of retail jobs.
- Saugus has a concentration of retail industry over three times as great as that of the US.
- Behind retail, food service is a major employment driver, with food service-related jobs being twice as concentrated in Saugus as elsewhere in the US. 7 of the top 25 occupations in Saugus are in food service.

### Economic Overview

Saugus’s Gross Regional Product (GRP) in 2016 was \$890,699,899. Figure C.1 breaks down Saugus’s GRP in 2016 by all 2-Digit NAICS codes which contributed 5% or more.

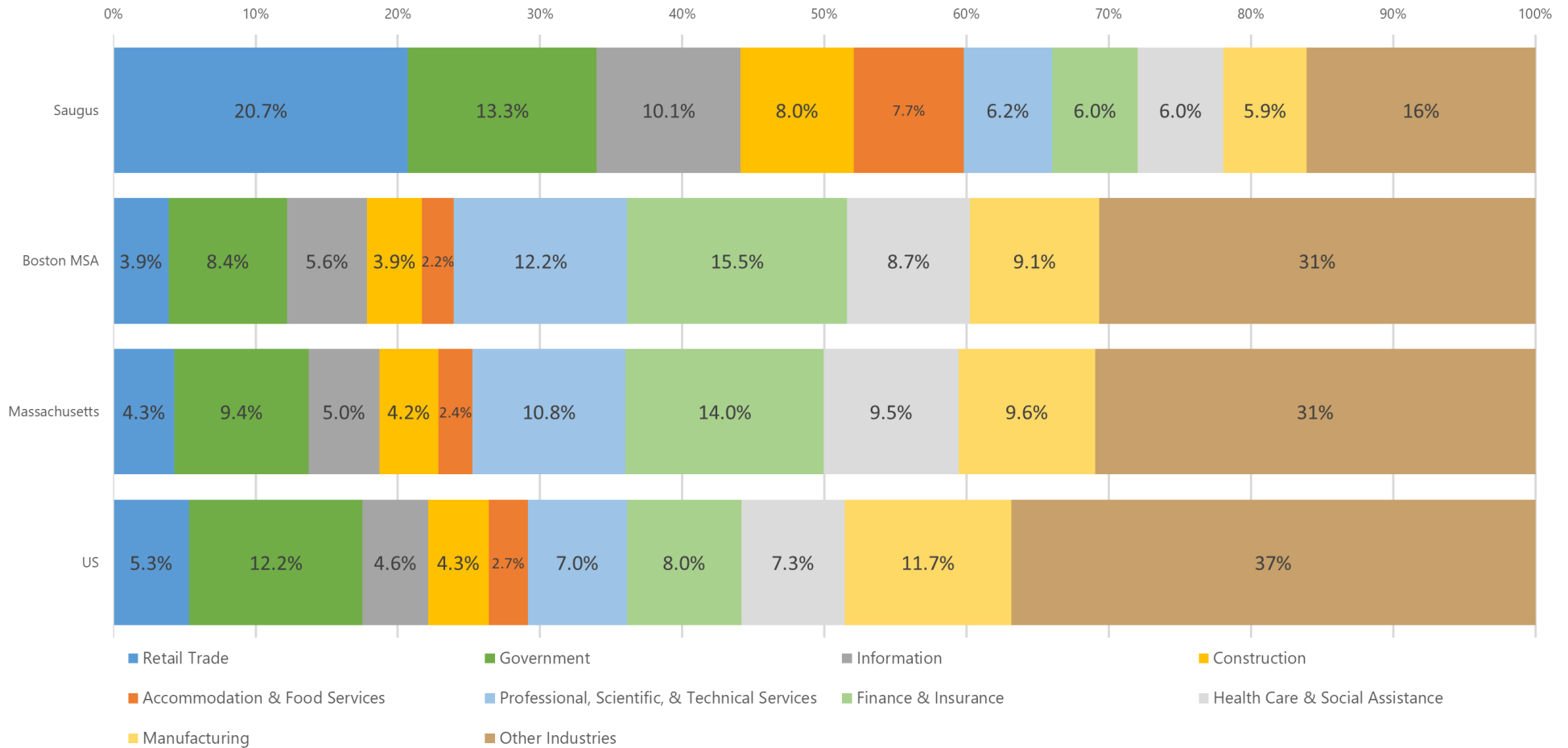
Figure C.1: Breakdown of Saugus 2016 GRP by 2-Digit NAICS



For greater context on Saugus's unique economic situation, Figure C.2 compares the components of Saugus's GRP against those of the other regions. Only industries that contributed 5% or more to Saugus's GRP are listed. Retail Trade is a dominant industry in Saugus, especially when compared to the rest of Massachusetts and the US.

Figure C.2: Regional Comparison of GRP by 2-Digit NAICS

### Comparison of Saugus 2016 GRP Components by 2-Digit NAICS



The industry landscape in Saugus has been marked by a rise in healthcare and food service. Accommodation and Food Services (NAICS 72) grew by 463 jobs between 2007 and 2017, adding more than twice as many jobs as any other industry. The second-highest job contributor over this 10-year period was Health Care and Social Assistance, which grew by 230 jobs.

10-year projections anticipate a slowing down in job growth over the next decade.<sup>20</sup> Though the number of jobs in Saugus grew by 743 between 2007 and 2017 (a 6.1% growth in jobs), only 192 net jobs (or 1.5% in growth) are expected to be added over the next 10 years. It is anticipated that this slowed growth will be driven by a loss of retail jobs.

Table C.1: Industry Trends by Top Industry

Industry Trends by Top Industry - Saugus MA										
2-Digit NAICS	Industry	2007 Jobs	2017 Jobs (estimated)	2027 Jobs (projected)	Growth 2007-2017 (estimated)	% Growth 2007-2017 (estimated)	Growth 2017 - 2027 (projected)	% Growth 2017 - 2027 (projected)	2016 LQ	2016 Earnings
44	Retail Trade	4,117	4,133	3,913	17	0.4%	-221	-5.3%	3.12	\$31,563
72	Accommodation and Food Services	1,910	2,373	2,455	463	24.2%	82	3.4%	2.14	\$23,746
90	Government	1,311	1,362	1,391	51	3.9%	29	2.2%	0.69	\$89,334
62	Health Care and Social Assistance	793	1,024	1,206	230	29.0%	182	17.8%	0.62	\$51,201
23	Construction	857	823	905	-34	-4.0%	83	10.1%	1.17	\$63,722
81	Other Services (except Public Administration)	666	798	879	132	19.9%	81	10.2%	1.27	\$28,863
31	Manufacturing	525	459	425	-66	-12.6%	-34	-7.3%	0.46	\$80,990
54	Professional, Scientific, and Technical Services	525	457	434	-68	-12.9%	-22	-4.9%	0.56	\$78,102
56	Administrative and Support and Waste Management and Remediation Services	285	357	383	72	25.4%	26	7.3%	0.44	\$51,894
51	Information	305	289	319	-16	-5.2%	30	10.3%	1.21	\$95,971
52	Finance and Insurance	328	281	259	-47	-14.5%	-22	-7.8%	0.57	\$90,299
48	Transportation and Warehousing	151	164	163	13	8.7%	-1	-0.7%	0.37	\$59,899
71	Arts, Entertainment, and Recreation	135	146	144	11	8.4%	-3	-1.8%	0.67	\$26,198
53	Real Estate and Rental and Leasing	97	90	83	-7	-7.2%	-7	-7.9%	0.43	\$53,725
42	Wholesale Trade	78	60	50	-18	-22.6%	-10	-16.0%	0.13	\$106,802
61	Educational Services	19	26	29	7	37.2%	3	12.0%	0.08	\$23,914
55	Management of Companies and Enterprises	18	25	25	8	42.4%	-1	-3.2%	0.14	\$167,777
22	Utilities	16	<10	<10	Insuf. Data	Insuf. Data	Insuf. Data	Insuf. Data	0.23	\$155,718
11	Crop and Animal Production	<10	<10	10	Insuf. Data	Insuf. Data	Insuf. Data	Insuf. Data	0.06	Insuf. Data
21	Mining, Quarrying, and Oil and Gas Extraction	<10	<10	<10	Insuf. Data	Insuf. Data	Insuf. Data	Insuf. Data	0.02	Insuf. Data
99	Unclassified Industry	0	0	0	0	0%	0	0%	0.00	\$0
<b>Total</b>		<b>12,144</b>	<b>12,887</b>	<b>13,079</b>	<b>743</b>	<b>6.1%</b>	<b>192</b>	<b>1.5%</b>	<b>-</b>	<b>-</b>

Source: EMSI

<sup>20</sup> EMSI projections are based on historical employment data for each local industry as well as national, state, and regional projections.

## Top Industries

Table C.2 shows the top 25 largest industries in the Town of Saugus, by number of jobs, for the years 2010 and 2016, as well as the total change in jobs over this timeframe. Also included are the current (2016) average earnings of jobs in each industry, as well as the industry's location quotient.

Table C.2: Top 25 4-Digit NAICS Industries by Job Count

Top 25 Industries by Job Count - Saugus MA							
4-Digit NAICS	Description	2010 Jobs	2016 Jobs	2010 - 2016 Change	2010 - 2016 % Change	Avg. Earnings Per Job	2016 Location Quotient
7225	Restaurants and Other Eating Places	1872	2203	331	18%	\$ 23,319	2.63
4521	Department Stores	1056	1179	123	12%	\$ 28,248	10.96
4481	Clothing Stores	650	568	-82	-13%	\$ 22,409	6.78
9036	Education and Hospitals (Local Government)	466	504	38	8%	\$ 84,137	0.73
9039	Local Government, Excluding Education and Hospitals	470	491	21	4%	\$ 89,945	1.08
4451	Grocery Stores	446	471	25	6%	\$ 26,769	2.13
8121	Personal Care Services	315	383	68	22%	\$ 24,291	3.80
4441	Building Material and Supplies Dealers	362	354	-8	-2%	\$ 41,913	3.85
4461	Health and Personal Care Stores	232	253	21	9%	\$ 45,094	2.91
2382	Building Equipment Contractors	183	224	41	22%	\$ 73,693	1.23
6232	Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	184	221	37	20%	\$ 40,883	4.38
5221	Depository Credit Intermediation	234	205	-29	-12%	\$ 91,184	1.49
5617	Services to Buildings and Dwellings	157	192	35	22%	\$ 36,670	0.85
9029	State Government, Excluding Education and Hospitals	178	185	7	4%	\$ 100,135	1.00
6244	Child Day Care Services	161	179	18	11%	\$ 25,738	1.78
9011	Federal Government, Civilian	171	174	3	2%	\$ 91,150	0.75
4511	Sporting Goods, Hobby, and Musical Instrument Stores	175	171	-4	-2%	\$ 24,861	3.68
2389	Other Specialty Trade Contractors	97	148	51	53%	\$ 43,110	1.83
4532	Office Supplies, Stationery, and Gift Stores	158	143	-15	-9%	\$ 24,413	6.07
7139	Other Amusement and Recreation Industries	134	142	8	6%	\$ 26,140	1.30
3327	Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing	139	142	3	2%	\$ 75,356	4.82
2381	Foundation, Structure, and Building Exterior Contractors	103	140	37	36%	\$ 69,977	1.67
4482	Shoe Stores	109	136	27	25%	\$ 23,033	7.87
2383	Building Finishing Contractors	137	131	-6	-4%	\$ 47,832	1.32
5172	Wireless Telecommunications Carriers (except Satellite)	52	126	74	142%	\$ 90,300	11.88

Source: EMSI

As shown in the GRP breakdown, just over 20% of Saugus's GRP is in the Retail Trade industry (NAICS 44). Department Stores (NAICS 4521); Clothing Stores (NAICS 4481); Shoe Stores (NAICS 4482); and Office Supplies, Stationery, and Gift Stores (NAICS 4532) all have location quotients of over 5, indicating that all are more than five times as concentrated in Saugus as in the rest of the United States. These numbers are reflected by occupation data for Saugus, which lists Retail Salespersons (SOC 41-2030), Fast Food and Counter Workers (SOC 35-3020), and



Cashiers (SOC 41-2010) as the most prominent occupations in the Town. Despite being the third largest industry in 2016, Clothing Stores (NAICS 4481) has shrunk by roughly 13% between 2010 and 2016.

Wireless Telecommunications Carriers (except Satellite) (NAICS 5172) has grown more than 140% in the past six years, and now has an LQ of 11.88. Further investigation has revealed that this growth was the result of new demand for wireless communication over wired. Wired Telecommunication Carriers (NAICS 5171) contracted by 61 jobs over the same 2010 – 2016 period that Wireless Telecommunications Carriers (except Satellite) saw its 71-job growth.

## Top Occupations

Table C.3 lists the most prominent occupations in Saugus for 2010 and 2016, their net changes between these years, their average hourly earnings, and their LQs in 2016.

While nearly every other occupation listed above appears to be less concentrated in Saugus compared to the rest of the nation, all seven food service-related occupations in this table have an LQ above 1.5.

Table C.3: Top 5-Digit SOC Occupations

Top 25 Occupations							
4-Digit SOC	Description	2010 Jobs	2016 Jobs	2010 - 2016 Change	2010 - 2016 % Change	Avg. Hourly Earnings	2016 Location Quotient
41-2030	Retail Salespersons	1,764	1,813	49	3%	\$12.67	4.71
35-3020	Fast Food and Counter Workers	502	616	114	23%	\$10.45	1.97
41-2010	Cashiers	555	587	32	6%	\$10.96	2.02
35-3030	Waiters and Waitresses	455	512	57	13%	\$12.58	2.44
43-5080	Stock Clerks and Order Fillers	375	396	21	6%	\$13.07	2.48
41-1010	First-Line Supervisors of Sales Workers	390	385	-5	-1%	\$20.56	2.65
35-2010	Cooks	306	352	46	15%	\$12.39	1.79
37-2010	Building Cleaning Workers	198	209	11	6%	\$13.80	0.63
39-5010	Barbers, Hairdressers, Hairstylists and Cosmetologists	173	204	31	18%	\$15.11	3.29
53-3030	Driver/Sales Workers and Truck Drivers	181	202	21	12%	\$18.62	0.77
11-1020	General and Operations Managers	183	198	15	8%	\$58.58	1.09
35-1010	Supervisors of Food Preparation and Serving Workers	151	182	31	21%	\$18.58	2.07
43-6010	Secretaries and Administrative Assistants	168	178	10	6%	\$20.20	0.52
43-4050	Customer Service Representatives	165	173	8	5%	\$17.78	0.79
43-9060	Office Clerks, General	142	151	9	6%	\$16.07	0.56
53-7060	Laborers and Material Movers, Hand	146	148	2	1%	\$13.43	0.48
43-3030	Bookkeeping, Accounting, and Auditing Clerks	121	120	-1	-1%	\$19.39	0.84
47-2060	Construction Laborers	87	120	33	38%	\$20.23	1.11
35-9020	Dishwashers	108	117	9	8%	\$10.70	2.79
39-9010	Childcare Workers	136	115	-21	-15%	\$9.93	1.12
25-2020	Elementary and Middle School Teachers	106	115	9	8%	\$34.29	0.69
35-2020	Food Preparation Workers	101	115	14	14%	\$11.83	1.56
35-3010	Bartenders	94	112	18	19%	\$12.35	2.25
43-1010	First-Line Supervisors of Office and Administrative Support Workers	106	111	5	5%	\$26.69	0.91
31-1010	Nursing, Psychiatric, and Home Health Aides	104	110	6	6%	\$14.00	0.53

Source: EMSI

## Appendix D. What is Economic Impact Analysis?

The purpose of conducting an economic impact study is to ascertain the total cumulative changes in employment, earnings and output in a given economy due to some initial “change in final demand”. To understand the meaning of “change in final demand”, consider the installation of a new widget manufacturer in Anytown, USA. The widget manufacturer sells \$1 million worth of its widgets per year exclusively to consumers in Canada. Therefore, the annual change in final demand in the United States is \$1 million because dollars are flowing in from outside the United States and are therefore “new” dollars in the economy.

This change in final demand translates into the first round of buying and selling that occurs in an economy. For example, the widget manufacturer must buy its inputs of production (electricity, steel, etc.), must lease or purchase property and pay its workers. This first round is commonly referred to as the “Direct Effects” of the change in final demand and is the basis of additional rounds of buying and selling described below.

To continue this example, the widget manufacturer’s vendors (the supplier of electricity and the supplier of steel) will enjoy additional output (i.e. sales) that will sustain their businesses and cause them to make additional purchases in the economy. The steel producer will need more pig iron and the electric company will purchase additional power from generation entities. In this second round, some of those additional purchases will be made in the US economy and some will “leak out”. What remains will cause a third round (with leakage) and a fourth (and so on) in ever-diminishing rounds of industry-to-industry purchases. Finally, the widget manufacturer has employees who will naturally spend their wages. Again, those wages spent will either be for local goods and services or will “leak” out of the economy. The purchases of local goods and services will then stimulate other local economic activity. Together, these effects are referred to as the “Indirect Effects” of the change in final demand.

Therefore, the total economic impact resulting from the new widget manufacturer is the initial \$1 million of new money (i.e. Direct Effects) flowing in the US economy, plus the Indirect Effects. The ratio of Total Effects to Direct Effects is called the “multiplier effect” and is often reported as a dollar-of-impact per dollar-of-change. Therefore, a multiplier of 2.4 means that for every dollar (\$1) of change in final demand, an additional \$1.40 of indirect economic activity occurs for a total of \$2.40.

Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e. how the “local economy” is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider the impact of the widget manufacturer on the entire North American continent, it would have to conclude that the change in final demand is zero and therefore the economic impact is zero. This is because the \$1 million of widgets being purchased by Canadians is not causing total North American demand to increase by \$1 million. Presumably, those Canadian purchasers will have \$1 million less to spend on other items and the effects of additional widget production will be cancelled out by a commensurate reduction in the purchases of other goods and services.

Changes in final demand, and therefore Direct Effects, can occur in a number of circumstances. The above example is easiest to understand: the effect of a manufacturer producing locally but selling globally. If, however, 100% of domestic demand for a good is being met by foreign suppliers (say, DVD players being imported into the US from Korea and Japan), locating a manufacturer of DVD players in the US will cause a change in final demand because all of those dollars currently leaving the US economy will instead remain. A situation can be envisioned whereby a producer is serving both local and foreign demand, and an impact analysis would have to be careful in calculating how many “new” dollars the producer would be causing to occur domestically.

## Appendix E. Data Sources

### Economic Modeling Specialists International (EMSI)

To analyze the industrial makeup of a study area, industry data organized by the North American Industrial Classification System (NAICS) is assessed. Camoin Associates subscribes to Economic Modeling Specialists Intl. (EMSI), a proprietary data provider that aggregates economic data from approximately 90 sources. EMSI industry data, in our experience, is more complete than most or perhaps all local data sources (for more information on EMSI, please see [www.economicmodeling.com](http://www.economicmodeling.com)). This is because local data sources typically miss significant employment counts by industry because data on sole proprietorships and contractual employment (i.e. 1099 contractor positions) is not included and because certain employment counts are suppressed from BLS/BEA figures for confidentiality reasons when too few establishments exist within a single NAICS code.

### Esri Business Analyst Online (BAO)

ESRI is the leading provider of location-driven market insights. It combines demographic, lifestyle, and spending data with map-based analytics to provide market intelligence for strategic decision-making. ESRI uses proprietary statistical models and data from the U.S. Census Bureau, the U.S. Postal Service, and various other sources to present current conditions and project future trends. Esri data are used by developers to maximize their portfolio, retailers to understand growth opportunities, and by economic developers to attract business that fit their community. For more information, visit [www.esri.com](http://www.esri.com).

### IBISWorld

IBISWorld is one of the world's leading publishers of business intelligence, specializing in industry and procurement research. Through its detailed industry reports available at 5-digit NAICS level, IBISWorld provides insight into market conditions for targeted industries, helps to identify major suppliers or supply chain, and provides an understanding of competitor activity. More at [www.ibisworld.com](http://www.ibisworld.com)

### American Community Survey (ACS), U.S. Census

The American Community Survey (ACS) is an ongoing statistical survey by the U.S. Census Bureau that gathers demographic and socioeconomic information on age, sex, race, family and relationships, income and benefits, health insurance, education, veteran status, disabilities, commute patterns, and other topics. The survey is mandatory to fill out, but the survey is only sent to a small sample of the population on a rotating basis. The survey is crucial to major planning decisions, like vital services and infrastructure investments, made by municipalities and cities. The questions on the ACS are different than those asked on the decennial census and provide ongoing demographic updates of the nation down to the block group level. For more information on the ACS, visit <http://www.census.gov/programs-surveys/acs/>

### OnTheMap, U.S. Census

OnTheMap is a tool developed through the U.S. Census Longitudinal Employer-Household Dynamics (LEHD) program that helps to visualize Local Employment Dynamics (LED) data about where workers are employed and where they live. There are also visual mapping capabilities for data on age, earnings, industry distributions, race, ethnicity, educational attainment, and sex. The OnTheMap tool can be found here, along with links to documentation: <http://onthemap.ces.census.gov/>

## Appendix F. Supporting Documents

The following supporting documents are included in this appendix:

- Relevant sections of the Wynn MA, LLC RFA-2 Application to the Massachusetts Gaming Commission (MGC). The full application can be found on the MGC website: <http://massgaming.com/about/wynn-boston-harbor/>
  - 3-01-03 – Wynn Everett Gaming Market Assessment
  - 3-02-01 – Employment and Payroll
  - 3-16-01 – Procurement
  - 3-17-01 – Procurement
  - 3-18-01 – Local Business Promotion
- Host and surrounding community agreements
  - City of Everett
  - City of Boston
  - City of Cambridge
  - City of Chelsea
  - City of Lynn
  - City of Malden
  - City of Medford
  - City of Melrose
  - City of Somerville

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## Town of Saugus Economic Development Action Plan Matrix: Opportunities Related to Wynn Boston

### GOAL 1 | EMPLOYMENT | Ensure that Saugus residents have access to employment opportunities at the casino.

	Strategy		Action	Key Partner(s)	Priority Level	Timeframe	Outcome Metric(s)
1.1	Ensure the workforce has the skills necessary for positions at the casino.	1.1.1	Evaluate whether the Saugus workforce has the skills required for jobs at the casino.	WIB	High	2017 Q4	
		1.1.2	Inventory existing training programs that would prepare the workforce for open positions. Develop any additional training programs that are needed.	Community colleges and vocational institutions	High	2017 Q4	Number of program completions / certificates
1.2	Connect job seekers with employment opportunities.	1.2.1	Inform job seekers about casino positions.	One-stop career centers	High	2018 Q1	Number of residents hired
		1.2.2	Engage the casino to participate in job fairs and/or organize and host a casino job fair in Saugus.	WIB, Wynn casino	Medium	2018 Q1	
		1.2.3	Inform / engage high schools and community colleges about opportunities for part-time / seasonal work and training programs.	WIB, Town/EDC	Medium	2018 Q1	
1.3	Ensure employees can easily access the casino.	1.3.1	Evaluate transportation options between Saugus and the casino site.	Transportation consultant	Low	2018 Q3	
		1.3.2	Create a carpooling hub for Saugus residents employed at the casino.	Transportation consultant	Low	2019	

### GOAL 2 | SUPPLY CHAIN | Incorporate Saugus businesses into the casino's supply chain.

	Strategy		Action	Key Partner(s)	Priority Level	Timeframe	Outcome Metric(s)
2.1	Encourage local businesses to become vendors to the casino.	2.1.1	Guide businesses through the process of becoming a vendor, including registration with the Mass. Gaming Commission.	Town/EDC	High	2017 Q4	Number of participating businesses; Vendor sales
		2.1.2	Spread the word about vendor opportunities for specific types of businesses.	Town/EDC, Chamber of commerce	High	2017 Q4	

### GOAL 3 | VISITATION | Attract casino visitors to patronize Saugus businesses and amenities.

	Strategy		Action	Key Partner(s)	Priority Level	Timeframe	Outcome Metric(s)
3.1	Expand unique dining, retail, entertainment, hotel, and other visitor-oriented destinations.	3.1.1	Develop the Riverwalk into a destination with visitor amenities.	Town/EDC	Medium	ongoing	Number of visitors
		3.1.2	Expand programming at the Saugus Ironworks and lengthen visitation season.	Ironworks	Low	2019	Number of visitors
		3.1.3	Promote and encourage visitation to other natural and historic amenities.	Town/EDC	Medium	2018 Q2	Number of visitors
		3.1.4	Prioritize development that emphasizes sense of place over highway-oriented development.	Town/EDC	High	ongoing	New square footage
		3.1.5	Encourage development of non-chain retail and restaurants. Actively recruit successful entrepreneurs to open locations in Saugus.	Town/EDC	High	ongoing	Number of businesses
		3.1.6	Encourage hotel/meeting space development. Identify suitable sites and market to developers.	Town/EDC	Medium	2018 Q4	New hotel rooms
3.2	Promote Saugus as a destination.	3.2.1	Create a visible identity for the town through signage along major thoroughfares.	Town/EDC	Medium	2018 Q3	Signage installed
		3.2.2	Take advantage of increased traffic by adding wayfinding signage for major attractions.	Town/EDC	Medium	2018 Q3	
		3.2.3	Promote Saugus businesses and attractions through Wynn's "concierge program."	Wynn casino	High	2019	Businesses participating
3.3	Improve connections between attractions to encourage visits to multiple destinations.	3.3.1	Cross-promote attractions (e.g. advertise Ironworks at Riverwalk and vice versa).	Town/EDC	Medium	2018 Q2	
		3.3.2	Improve physical connections, including bike/ped amenities and signage, between Ironworks, downtown Saugus, Riverwalk, parks, etc.	Town/EDC	Medium	ongoing	

# THE COMMONWEALTH OF MASSACHUSETTS



## *A report on 140*

### MASSACHUSETTS GAMING COMMISSION

Stephen Crosby, Chairman  
Gayle Cameron, Commissioner  
Lloyd Macdonald, Commissioner  
Bruce Stebbins, Commissioner  
Enrique Zuniga, Commissioner



Massachusetts Gaming Commission

## The ramifications if licensees are able to excuse owed commission:

**TO: Bruce Band**  
**Assistant Director**  
**Investigations & Enforcement Bureau**

**FROM: Sterl Carpenter**  
**Regulatory Compliance Manager**  
**Investigations & Enforcement Bureau**

**SCOPE:** The following is a report on the importance of requiring licensees to follow the rules of the game, especially when commission based games are involved.

Excerpt from 205 CMR 147.3 Baccarat below:

**147 -3.13 Payout odds; vigorish**

*(a) A winning wager made on the Player's Hand shall be paid at odds of 1 to 1.*

*(b) A winning Tie Wager shall be paid at odds of at least 8 to 1.*

*(c) A winning wager made on the Banker's Hand shall be paid at odds of 1 to 1, except that the licensee shall extract a vigorish from the winning players in an amount equal to 5% of the amount won, unless the licensee is offering EZ Baccarat in which vigorish is not collected. When collecting the vigorish, the licensee may round off the vigorish to 25¢ or the next highest multiple of 25¢.*

*(d) A dealer shall collect the vigorish from a player in accordance with one of the following procedures selected by the licensee in its Rules Submission (relating to table games Rules Submissions):*

1. *At the time the winning payout is made.*
2. *At a later time, provided that:*
  - (i) The outstanding vigorish shall be collected prior to beginning play with a new dealing shoe of cards or when the player leaves the gaming table, whichever occurs first.*
  - (ii) The amount of the vigorish shall be tracked by placing a coin or marker button, which contains the amount of the vigorish owed, in the rectangular space on the layout that is imprinted with the number of the player owing the vigorish.*
  - (iii) The coin or marker button may not be removed from the layout until the vigorish owed is collected.*



In the above regulation the licensees get in trouble when they don't follow the regulations. Once a patron is treated differently or sees someone treated differently they will ask for the same treatment. A patron who receives this treatment will then expect it every time. This is ok unless it is an abuse of a rule like the one stated previously. High end clientele will ask to not pay commission at the end of a shoe or day of play. They will ask if they can pay it next shoe. Problem is the next shoe they ask again.

A baccarat shoe averages 80 hands and as we know the bank hand pays commission because the rules of the game favor the bank. Let's say a patron wins 50 banks hands. This patron has an average wager of \$1,000. 5% commission on \$1,000 is \$50. At the end of a shoe the patron will owe \$2,500 that is 2 ½ times their wager. If the licensee allows this to go on for 5 shoes the patron is now looking at owing \$12,500 from an average bet of \$1,000.

This becomes a problem quickly for both sides. The patron now might have wagered the money that he would have paid his commission with. This could cause him to take out more money just to pay what he owes rather than paying along the way and not allowing the bill to get so high. The commission is factored into the theoretical hold of the table game. Allowing/excusing a patron's commission reduces the percentage hold on the game and allows the gambler to play at an advantage.

Both problems should not be allowed and all commission should be paid down at the end of each shoe by regulation. That way both licensee and patron know where they stand at all times. Requiring this via regulation protects both parties from the problems discussed earlier.

### **The Math behind the Game.**

How casinos make their money from Commission based games? In particular this report will go into great detail as to why certain policies and procedures must be followed in Table Games to assure a casino is profitable.

*Because handle can be difficult to measure for table games, performance is often measured by hold percentage (and sometimes erroneously called win percentage). Hold percentage is equal to win divided by drop. In Nevada, this figure is about 24% for roulette. The drop and hold percentage are affected by many factors; we won't delve into these nor the associated management issues. Suffice it to say that the casino will not in the long term keep 24% of the money bet on the spins of roulette wheel - well, an honest casino won't.*

*To summarize: House advantage and theoretical win percentage are the same thing, hold percentage is win over drop, win percentage is win over handle, win percentage approaches the house advantage as the number of plays increases, and hold percentage is equivalent to win percentage for slots but not table games.*

- $Hold \% = Win/Drop$
- $Win \% (actual) = Win/Handle$
- $H.A. = Theoretical Win \% = Limit(Actual Win \%) = Limit(Win/Handle)$
- $Hold Percentage \uparrow House Edge$

*Furthermore, the house advantage is itself subject to varying interpretations. In Let It Ride, for example, the casino advantage is either 3.51% or 2.86% depending on whether you express the advantage with respect to the base bet or the average bet. Those familiar with the game know that the player begins with three equal base bets, but may withdraw one or two of these initial units. The final amount put at risk, then, can be one (84.6% of the time assuming proper strategy), two (8.5%), or three units (6.9%), making the average bet size 1.224 units. In the long run, the casino will win 3.51% of the hands, which equates to 2.86% of the money wagered. So what's the house edge for Let It Ride? Some prefer to say 3.51% per hand, others 2.86% per unit wagered. No matter. Either way, the*

*bottom line is the same either way: assuming three \$1 base bets, the casino can expect to earn 3.5¢ per hand (note that  $1.224 \times 0.0286 = 0.035$ ).*

*The question of whether to use the base bet or average bet size also arises in Caribbean Stud Poker (5.22% vs. 2.56%), Three Card Poker (3.37% vs. 2.01%), Casino War (2.88% vs. 2.68%), and Red Dog (2.80% vs. 2.37%). For still other games, the house edge can be stated including or excluding ties. The prime examples here are the player (1.24% vs. 1.37%) and banker (1.06% vs. 1.17%) bets in baccarat, and the don't pass bet (1.36% vs. 1.40%) in craps. Again, these are different views on the casino edge, but the expected revenue will not change.*

*That the house advantage can appear in different disguises might be unsettling. When properly computed and interpreted, however, regardless of which representation is chosen, the same truth (read: money) emerges: expected win is the same.*

<http://gaming.unlv.edu/casinomath.html>

In conclusion casinos have a certain rate of return on every table game. Although all the games have different hold%, they all use math to forecast expected win and theoretical win rates. One of the biggest components of Baccarat is the cost of wagering on the Bank side. This is offset in the owing of commission based on the amount won. Once you excuse this you are changing the rules of the game. The rules of the games must also be followed to assure the table is being operated fairly and correctly.

Allowing a licensee to 'comp' commission and not pay a tax on it would be setting an unfair advantage to certain players over all others as well as the casino. The lost revenue to the state as well as the licensee affects all parties and should therefore not be allowed. If the licensee still wants to allow this to happen it should be placed on them and them only not the Commonwealth.

My recommendation is to follow the regulations set by the commission to protect both parties. If the licensee wished to extend help to a particular patron due to unforeseen circumstances it has other avenues to appease the patron then excusing commission.

## 205 CMR: MASSACHUSETTS GAMING COMMISSION

### 205 CMR 152.00: INDIVIDUALS EXCLUDED FROM A GAMING ESTABLISHMENT

#### Section

152.01: Scope and Authority

152.02: Maintenance and Distribution of List

152.03: Criteria for Exclusion

152.04: Investigation and Initial Placement of Names on the List

152.05: ~~Notice and Proceedings Before the Commission~~ **Placement on the Exclusion List Pursuant to M.G.L. c. 23K, section 45(i)**

152.06: Duty of Gaming Licensee

152.07: Petition to Remove Name From Exclusion List

152.08: Forfeiture of Winnings

#### 152.01: Scope and Authority

The provisions of 205 CMR 152.00 shall provide for the establishment and maintenance of a list, and associated protocols and procedures, for exclusion of individuals from gaming establishments in accordance with M.G.L. c. 23K, §§ 45(a) through (e) and 45(j). Such list shall be maintained separately from that established and maintained in accordance with M.G.L. c. 23K, § 45(f) through (h).

#### 152.02: Maintenance and Distribution of List

- (1) The Commission shall maintain a list of persons to be excluded or ejected from a gaming establishment and whose names and year of birth shall be posted on the commission's website (<http://massgaming.com/>).
- (2) The Bureau shall promptly notify each gaming licensee of the placement of an individual on the list. The notification to each gaming licensee shall include:
  - a. The full name and all aliases the individual is believed to have used;
  - b. A description of the individual's physical appearance, including height, weight, type of build, color of hair and eyes, and any other physical characteristics which may assist in the identification of the individual;
  - c. The individual's date of birth;
  - d. The effective date of the order mandating the exclusion of the individual;
  - e. A photograph, if obtainable, and the date thereof; and
  - f. Such other information deemed necessary by the commission for the enforcement of 205 CMR 152.00.

#### 152.03: Criteria for Exclusion

(1) In the commission's discretion, an individual may be placed on the exclusion list if the commission determines that the individual meets one or more of the following criteria:

- (a) the individual has been convicted of a criminal offense under the laws of any state or the United States that is punishable by more than six months in a state prison, a house of correction or any comparable incarceration, a crime of moral turpitude or a violation of the gaming laws of any state;
- (b) the individual has violated or conspired to violate M.G.L. c. 23K or any laws related to gaming;
- (c) the individual has a notorious or unsavory reputation which would adversely affect public confidence and trust that the gaming industry is free from criminal or corruptive elements;
- (d) the individual is an associate of an individual who falls into a category identified in 205 CMR 152.03(1)(a) through (c);
- (e) **the individual's presence in a gaming establishment presents** ~~there exists~~ the potential of injurious threat to the interests of the commonwealth ~~if the individual is permitted~~ in a gaming establishment.

(2) In determining whether there exists the potential of injurious threat to the interests of the commonwealth ~~if an individual is permitted~~ in a gaming establishment in accordance with 205 CMR 152.03(1)(e), the commission may consider, **without limitation**, the following:

- (a) Whether the individual is a known cheat;
- (b) Whether the individual has had a license or registration issued in accordance with 205 CMR 134.00: Licensing and Registration of Employees, Vendors, Junket Enterprises and Representatives, and Labor Organizations, or a like license or registration issued by another jurisdiction, suspended or revoked or has been otherwise subjected to adverse action;
- (c) Whether the individual's **egregious conduct** poses a **clear** threat to the safety of the patrons, ~~or employees~~ **or others on or near the premises** of a gaming establishment;
- (d) Whether the individual has a documented history of conduct involving the undue disruption of gaming operations in any jurisdiction;
- (e) Whether the individual is subject to a no trespass order at any casino or gaming establishment in any jurisdiction.

(3) The commission shall not base a finding to place an individual on the excluded list on an individual's race, color, religion, religious creed, national origin, ancestry, sexual orientation, gender identity or expression, age (other than minimum age requirements), marital status, veteran status, genetic information, disability or sex.

#### 152.04: Investigation and Initial Placement of Names on the List

(1) The Bureau shall investigate any individual who may meet one or more criterion for inclusion on the list in accordance with 205 CMR 152.03 upon referral by the commission, the Gaming Enforcement Division of the Office of the Attorney General, or a gaming licensee. The Bureau may investigate any individual on its own initiative.

(2) If, upon completion of an investigation, the Bureau determines to place that an individual meets one or more criterion contained in 205 CMR 152.03 and should be placed on the exclusion list, the Bureau shall prepare an preliminary order that identifies the individual and sets forth a factual basis as to why the Bureau believes the individual meets one or more criterion for inclusion on the list in accordance with 205 CMR 152.03.

(3) The Bureau shall serve the preliminary order prepared in accordance with 205 CMR 152.04(2) upon the named individual advising them that it intends to place the individual's name on the exclusion list. The preliminary order shall serve to also notify the individual that placement of their name on the exclusion list will result in their prohibition from being present in a gaming establishment and shall offer them an opportunity to request a hearing before a hearing officer to review the Bureau's order determine whether the individual meets one or more criterion for inclusion on the list in accordance with 205 CMR 152.03. The preliminary order shall be sent by either first class mail to the individual's last ascertainable address, email, publication in a daily newspaper of general circulation for one week, or via any practicable means reasonably calculated to provide the individual with actual notice. registered or certified mail return receipt requested either first class mail to the individual's last ascertainable or by publication in a daily newspaper of general circulation for one week. The individual shall have 30 days from the date of the service of the order notice to request a hearing, except for notice provided by publication in a newspaper in which case the individual shall have 60 days from the last publication. Alternatively, the Bureau may provide an individual with in hand service of the preliminary order in which case the individual shall have ten days from the date of service to request a hearing.

(4) If a request for a hearing is received from the individual, a hearing shall be scheduled before a hearing officer in accordance with 205 CMR 101 and notice of such, including the date, time, and issue to be presented, shall be sent to the individual. The hearing shall be conducted in accordance with 205 CMR 101.03: Review of Orders Issued by the Bureau or the Racing Division. If the hearing officer finds that the individual meets one or more criterion for inclusion on the list in accordance with 205 CMR 152.03 the individual's name shall be placed on the exclusion list. If the hearing officer finds that the individual does not meet any criterion for inclusion on the list, the individual's name shall not be placed on the list and the matter closed.

(5) If no request for a hearing is received within the applicable timeline provided in 205 CMR 152.04(3), the individual's name shall be placed on the exclusion list.

(6) In accordance with 205 CMR 101, a decision of the hearing officer may be appealed to the commission and the individual's name shall not be placed on the exclusion list pending the outcome of the appeal to the commission. [Alternatively:] A request for appeal to the commission shall not operate as a stay of the decision of the hearing officer.

152.05: Notice and Proceedings Before the Commission Placement on the Exclusion List  
Pursuant to M.G.L. c. 23K, section 45(i)

~~(1) Whenever an individual's name is placed on the list of excluded persons in accordance with 205 CMR 152.04, the Bureau shall promptly serve written notice upon that individual by personal service, registered or certified mail return receipt requested to the last ascertainable address or by publication in a daily newspaper of general circulation for one week. The notice shall contain a description of the cause for the exclusion, notice that the individual is prohibited from being present at and gambling in a gaming establishment, and an explanation of the hearing process and manner in which the individual may request a hearing in accordance with 205 CMR 152.05(2).~~

~~(2) (a) Within 30 days of receipt of service of notice by mail or 60 days after the last publication under 205 CMR 152.05(1), an individual placed on the list of excluded persons may request an adjudicatory hearing before the commission under M.G.L. c. 30A and show cause as to why the individual should be removed from the list of excluded persons. Such request shall be made by the individual in writing. Failure to demand a hearing within the time allotted in 205 CMR 152.05(2)(a) shall preclude the individual from having an administrative hearing, but shall not affect the individual's right to petition for judicial review.~~

~~(b) Upon receipt of a demand for hearing, the commission shall set a time and place for the hearing. This hearing shall be held not later than 30 days after receipt of the demand for the hearing, unless the time of the hearing is changed by agreement of the commission and the individual demanding the hearing. The hearing shall be conducted in accordance with 205 CMR 101.00: M.G.L. c. 23K Adjudicatory Proceedings. Where applicable, the administrative record of the hearing conducted in accordance with 205 CMR 152.04(4) shall be made part of the hearing record.~~

~~(c) If upon completion of the hearing the commission determines that the individual was wrongfully placed on the list of excluded persons, the commission shall remove the individual's name from the list of excluded persons and notify all gaming licensees. (d) A person aggrieved by a final decision of the commission in an adjudicatory proceeding under 205 CMR 152.05 may petition for judicial review under M.G.L. c. 30A, § 14.~~

~~(3) Upon receipt of notice from a district court that an individual has been prohibited from gaming in gaming establishments in accordance with M.G.L. c. 23K, § 45(i) the commission shall place the name of an individual on the excluded list.~~

#### 152.06: Duty of Gaming Licensee

(1) Each gaming licensee shall ensure that it accesses and reviews the list on a regular basis and that the list is made available to employees of the gaming licensee in a manner designed to assist them in identifying and inhibiting excluded individuals from entering the gaming establishment.

(2) Upon identification, a gaming licensee shall ~~exclude or eject from its gaming establishment any individual who has been placed on the list in accordance with 205 CMR 152.00~~ immediately notify the Massachusetts State Police Gaming Enforcement Unit, the Surveillance Department and the Security Department of any individual who is present in the gaming establishment and is an individual who has been placed on the list in accordance with 205 CMR 152.04.

(3) ~~If an excluded individual enters, attempts to enter, or is in a gaming establishment and is recognized by the gaming licensee, the gaming licensee shall immediately notify the Bureau and discuss the matter in advance of ejecting the individual~~ The Surveillance Department shall track the individual who has been placed on the list while that individual is present in the gaming establishment and the Security Department shall coordinate with the Massachusetts State Police Gaming Enforcement Unit regarding removing the individual from the gaming establishment .

(4) It shall be the continuing duty of a gaming licensee to refer to the Bureau in writing individuals whom it wishes to be placed on the exclusion list and to promptly notify the Bureau in writing of no trespass orders which it issues.

(5) A gaming licensee shall submit a written policy for compliance with the exclusion list program for approval by the executive director. The executive director shall review the plan for compliance with 205 CMR 152.00. If approved, notice shall be provided to the commission and the plan shall be implemented and followed by the gaming licensee. The plan for compliance with the exclusion list program shall include at a minimum procedures to:

(a) Prevent an individual on the exclusion list from entering the gaming establishment;

(b) Identify and coordinate with the Massachusetts State Police Gaming Enforcement Unit to eject individuals on the list from the gaming establishment if they are able to enter;

(c) Remove individuals on the exclusion list from marketing lists and refrain from sending or transmitting to them any advertisement, promotion, or other direct marketing mailing from the gaming establishment more than 30 days after receiving notice from commission that the individual has been placed on the exclusion list;

(d) Prevent an individual on the exclusion list from having access to credit, cashless wagering program access, or from receiving complimentary services, check-cashing services, junket participation and other benefits from the gaming establishment;

(e) Train employees relative to the exclusion list and the licensee's program.

(6) The commission may revoke, limit, condition, suspend or fine a gaming licensee if it knowingly or recklessly fails to ~~exclude or~~ identify or coordinate with the Massachusetts

**State Police Gaming Enforcement Unit** to eject from its gaming establishment any individual placed by the commission on the list of excluded persons.

152.07: Petition to Remove Name from Exclusion List

(1) An individual who has been placed on the list in accordance with 205 CMR 152.00 may petition the ~~commission~~ **Bureau** in writing to request that their name be removed from the list. Except in extraordinary circumstances, such a petition may not be filed sooner than **five years** from the date an individual's name is initially placed on the list.

(2) The individual shall state with particularity in the petition the reason why the individual believes they no longer satisfy one or more criterion for inclusion on the list in accordance with 205 CMR 152.03. **Following an investigation, the Bureau shall prepare a written determination whether to remove the individual from the list and setting forth a factual basis as to why the individual does or does not continue to satisfy one or more of the criterion for inclusion on the list.**

(3) **The individual shall have 30 days from the date of service of the Bureau's determination to request a hearing in accordance with 205 CMR 101.** The commission shall schedule a hearing on any properly filed petitions and provide written notice to the petitioner identifying the time and place of the hearing. Such a hearing shall be conducted in accordance with 205 CMR 101.00: M.G.L. c. 23K Adjudatory Proceedings.

(4) **In accordance with 205 CMR 101, a decision of the hearing officer may be appealed to the commission. Removal of an individual's name from the list shall not occur until all agency appeals have been exhausted or the time for such appeals has run.**

(4) An individual who was placed on the excluded list by virtue of an order of the district court in accordance with M.G.L. c. 23K, § 45(i) may not petition for removal in accordance with 205 CMR 152.08.

152.08: Forfeiture of Winnings

(1) An individual who is on the excluded list shall not collect any winnings or recover losses arising as a result of prohibited gaming in a gaming establishment and such winnings shall be forfeited to the commission and deposited into the Gaming Revenue Fund pursuant to M.G.L. c. 23K, §§ 45(j) and 59.

(2) Upon verification that an individual who is present in its gaming establishment is on the excluded list, a gaming licensee shall take steps to:

(a) **In accordance with 205 CMR 152.06(2) and 152.06(3), coordinate with the Massachusetts State Police Gaming Enforcement Unit to r**Remove the individual from the gaming establishment;

(b) ~~Where reasonably possible, confiscate from the individual in a lawful manner or notify~~ **Notify** the Bureau who shall lawfully confiscate, or **cause to be refused** to pay



any winnings or things of value obtained from engaging in a gaming transaction including:

1. gaming chips, gaming plaques, slot machine tokens and vouchers, and gaming vouchers;
2. any electronic gaming device or slot machine jackpot won by the individual;
3. any cashable credits remaining on an electronic gaming device or slot machine credit meter played by the individual.

(c) Deliver any winnings or things of value obtained from the individual to the cashiers' cage and transmit the cash value to the commission for deposit in the Gaming Revenue Fund.

~~(d) In conjunction with a forfeiture of winnings or things of value, a gaming licensee shall prepare a form known as a Notice of Forfeiture, which shall include, without limitation, the name of the individual on the list and the manner in which the individual's identity was established, the total value of the forfeited winnings or things of value, the date, time, and a description of the incident leading to the forfeiture. The Notice of Forfeiture shall be signed and attested to by the prohibited individual, unless the individual refuses to sign or is unknown, the employee delivering the winnings or things of value to the cashiers' cage, and the cashiers' cage employee who received the winnings or things of value.~~

(3) If an individual wishes to contest the forfeiture of winnings or things of value, the individual may request a hearing in writing with the commission within 15 days of the date of the forfeiture. The request shall identify the reason why the winnings or things of value should not be forfeited. The commission shall schedule a hearing on such request and provide notice to the petitioner.

#### REGULATORY AUTHORITY

205 CMR 152.00: M.G.L. c. 23K, §§ 4(28), 4(37), and 45.

### 134.03: Gaming Service Employees

(1) (a) An individual employed by a gaming licensee who is not classified as a key gaming employee in accordance with 205 CMR 134.01, or a gaming employee in accordance with 205 CMR 134.02, shall be designated as a gaming service employee and shall register in accordance with 205 CMR 134.09 prior to engaging in the provision of employment services. An individual employed by a vendor of a gaming establishment for work in a gaming establishment shall be considered a gaming service employee unless otherwise specified in 205 CMR 134.02.

(b) Pursuant to St. 2017, c. 110, § 3, the commission may, in its discretion, exempt certain gaming service employees by job position from the registration requirement. The commission, or its designee, may require a gaming licensee to produce any information deemed necessary to evaluate the essential functions of a job position. The commission may at any time, in its discretion, re-classify any job position.

(2) During the pre-opening phase of a gaming establishment, and continuing for up to 30 days from the date an Operation Certificate is issued in accordance with 205 CMR, a gaming licensee may temporarily allow an individual(s) who is employed at a gaming property which is owned and/or operated by it, its parent, or an affiliated company to assist with gaming establishment employee training and related purposes for up to 60 days without those individuals having to become licensed or registered in accordance with 205 CMR 134.00, provided that the gaming licensee does the following:

- (a) Supplies the Bureau a reasonable time in advance of arrival with the name of the individual, name of the gaming property at which they are employed, the position at the gaming property at which they are employed, a description of the reason for the individual being at the gaming establishment including the services to be performed, the anticipated duration of their stay, and any other information requested by the Bureau;
- (b) Ensures all individuals performing services under 205 CMR 134.03(2) carry identification and wear a badge issued by the gaming licensee that is distinguishable from those that are issued to employees of the gaming establishment and that is clearly visible at all times while at the gaming establishment;
- (c) If the individual is licensed, certified, or otherwise approved for employment by the jurisdiction which the gaming property in which they are employed is located, an individual licensed as a key gaming employee in accordance with 205 CMR 134.00 shall attest in writing that the individual is in good standing in that jurisdiction; and
- (d) Ensures that the individual is accompanied by an individual who is licensed or registered in accordance with 205 CMR 134.00 anytime they are in a restricted area of the gaming establishment.

### REGULATORY AUTHORITY

205 CMR 134: M.G.L. c. 23K, §§ 3, 12, 16, 30 and 31; M.G.L. c. 6, § 172(o)



# REINVESTING THE GAMING ECONOMIC DEVELOPMENT FUND

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JANUARY 18, 2018

# “WHITE PAPER” REPORT GOAL

The goal of this “White Paper” is to offer some strategic thinking and create a conversation about how to use Class 1 licensee gaming tax revenue allocated to the Gaming Economic Development Fund to broaden the economic impact of gaming in Massachusetts.

# “WHITE PAPER” SECTIONS

The “White Paper” is broken into the following sections:

- EXPANDED GAMING ACT OF 2011 / GAMING ECONOMIC DEVELOPMENT FUND
- OTHER GAMING JURISDICTION USES OF TAXES ON COMMERCIAL GAMING OPERATIONS
- STRATEGY DEVELOPMENT PROCESS
- OVERALL REVIEW OF STRATEGIES AND KEY RECOMMENDATIONS
- ADDITIONAL STRATEGIES
- FOLLOW-UP REVIEW AND MONITORING / WORKING GROUPS



# “WHITE PAPER” BACKGROUND SECTIONS

The first three sections of the “White Paper” are primarily background about the statute, the allocation of tax revenue, detailed breakdown of the Gaming Economic Development Fund and its priorities:

- EXPANDED GAMING ACT OF 2011 / GAMING ECONOMIC DEVELOPMENT FUND
- USE OF TAXES ON COMMERCIAL GAMING OPERATIONS IN OTHER GAMING JURISDICTIONS
- STRATEGY DEVELOPMENT PROCESS



SECTION TWO

# CRITICAL STRATEGY RECOMMENDATIONS



# RECOMMENDATIONS

Our strategy recommendations align with the priorities established for the Gaming Economic Development Fund including:

- Workforce Development
- Tourism
- Business Assistance
- Massachusetts Cultural Council
- Regional Economic Initiatives





# RECOMMENDATIONS

1. Fund needed workforce development programs to help prepare Massachusetts residents for jobs in gaming careers and filling occupations in the region
2. Fund tourism marketing and promotion efforts that are regionally specific and require collaboration with our licensees and state agencies
3. Focus support for business technical assistance
4. Partnership with our licensees and Massachusetts Cultural Council
5. Support regional economic development initiatives and strategies
  1. Chicopee – Westover Airport
  2. Existing Economic Development Programs
  3. Expanded PVRTA service



# NEXT STEPS AND FOLLOW-UP



# OUTREACH EFFORTS

Our goal is to engage decision makers on this “White Paper”. We will focus on outreach to:

- Key lawmakers and staff
- Key administration officials
- Host and surrounding community officials
- Other stakeholders



# FOLLOW UP / WORKING GROUPS

The MGC should commit itself to key next steps:

- Appropriate Follow-Up and Monitoring of Strategies
- Create Regional Working Groups
- Review and provide updates to our key stakeholders for subsequent two fiscal years
- Consider a plan update in three years



# THE COMMONWEALTH OF MASSACHUSETTS



## *Reinvesting the Gaming Economic Development Fund*

MASSACHUSETTS GAMING COMMISSION

January 2018

## BACKGROUND

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 “Gaming Economic Development Fund” created under the Gaming Act. This fund 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 where tax revenues are directed. We will review proposed strategies created by local municipalities and stakeholder organizations and provide recommendations and proposed follow-up and monitoring efforts that we believe will strengthen the future source of the fund.

We think Massachusetts through the creation of this fund 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 to 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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# 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 Class 1 licensees and the sole Class 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 Class 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 Class 2 licensee (a slots-only gaming facility with a required minimum investment of \$125 million/5 year license).

For Class 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.

## **Class I Licensee Tax Estimates**

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 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 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.

Elected officials and municipal officials from all the host and surrounding communities - as well as state legislative leaders who represent those cities and towns - were copied on the strategy invitation letter..

Preliminary conference calls were held 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 15<sup>th</sup>, 2017 and discussed publicly with proponents at public meetings on September 28<sup>th</sup> and October 12<sup>th</sup>. 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 also to 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 Ziemba – 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 – Staff 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.

DRAFT

## 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 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 Class,” 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, 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, the strategy from the Economic Development Council of Western Massachusetts highlighting the need for **\$150,000** to continue their workforce development work with the Federal Reserve Bank of Boston’s Working Cities Challenge grant as long as an equal amount of funding can be leveraged.

## 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<sup>1</sup>. The act also required that the commission require in its license application 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;”

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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).

G.L. c. 23K, § 18(5).

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. This strategy's need 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.

### **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; CHAPTER 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. Being able to fly a charter or commercial aircraft it might be helpful to MGM Springfield's marketing efforts as well.

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 in downtown, 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 expand its 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.