



MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #253

October 11, 2018
10:00 AM

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



Massachusetts Gaming Commission



**NOTICE OF MEETING and AGENDA
October 11, 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, October 11, 2018
10:00 a.m.
101 Federal Street, 12th Floor
Boston, MA**

PUBLIC MEETING - #253

1. Call to order
2. Approval of Minutes
 - a. September 27, 2018 – VOTE
3. Administrative Update – Ed Bedrosian, Executive Director
 - a. General Update
 - b. Confirmation of Interim Chair – VOTE
4. Ombudsman – John Ziemba
 - a. LCMAC Appointment Request– VOTE
5. Research and Responsible Gaming – Mark Vander Linden, Director
 - a. Two Year Real Estate Impact Report - Rachel Volberg, PhD, UMass Amherst; Henry Rensky, PhD, UMass Amherst and Thomas Peake, Donahue Institute
 - b. Research Update
6. Workforce, Supplier and Diversity Development – Jill Griffin, Director
 - a. Encore Boston Harbor Vendor Plan Comment Period
 - b. Workforce Update
7. Commissioner's Updates
8. 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 and emailed to: regs@sec.state.ma.us, melissa.andrade@state.ma.us.

10/4/18
Date


Gayle Cameron, Commissioner

Date Posted to Website: October 9, 2018 at 10:00 a.m.



Massachusetts Gaming Commission

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Massachusetts Gaming Commission Meeting Minutes

Date/Time: September 27, 2018 – 10:00 a.m.

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

Present: Commissioner Enrique Zuniga
Commissioner Gayle Cameron
Commissioner Bruce Stebbins
Commissioner Eileen O'Brien

**Time entries are linked to
corresponding section in
Commission meeting video, now with
closed-captioning.**



Call to Order

See transcript page 2 – 4

[10:00 a.m.](#) Executive Director Ed Bedrosian called to order public meeting #252 of the Massachusetts Gaming Commission. He suggested that the Commissioners designate an acting chairperson in order to help facilitate the continuing ongoing business of the Commission, after former chair Steve Crosby's departure from the Commission.

The Commissioners all expressed their gratitude for Mr. Crosby's service to the Commission and contributed their thoughts on the matter, before discussing and reaching a consensus to nominate Commissioner Gayle Cameron as acting chair. Since this item was not anticipated when the meeting was posted, the legal department will review it and determine if a confirming vote needs to be taken at the next meeting.

Director Bedrosian made changes to this meeting's agenda to accommodate attendees interested in items that were originally scheduled later in the day.

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Approval of Minutes

See transcript pages 4 – 5

10:11 a.m. *Commissioner Stebbins moved to approve the minutes from the September 13th Commission Meeting, subject to correction for typographical errors and other nonmaterial matters. Commissioner Zuniga seconded the motion. The motion was approved 4 – 0.*

Legal Division

See transcript pages 5 – 9

10:12 a.m. **Wynn Resorts Hearing Process**

General Counsel Catherine Blue provided the Commission with an oral briefing on how the adjudicatory process will work when the Wynn matter comes before them.

10:18 a.m. **Request to Re-Open Region C**

The Commission reviewed the Legal Division's response letter to a request to re-open Region C's application and reconsider it. The Legal Division then requested input from the Commission as to how they would like to proceed.

The Commission discussed options, as well as the comments that have been received on the matter thus far. The staff was instructed to post the list of items found in the July 26, 2018 Legal Department memo to the Commission and request comments on those items. There will be a 45 day period for public comment. Once the comments are received and reviewed the Commission will reconvene to discuss this item at a later date.

Ombudsman

See transcript pages 9 – 10

10:41 a.m. **City of Lynn 2017 Mitigation Fund Transportation Planning Grant**

Ombudsman John Ziemba presented a plan from the City of Lynn to utilize its 2017 transportation planning grant to catalog and evaluate the city's traffic signal systems and identify necessary improvements needed to optimize traffic operations. Construction Project Oversight Manager Joe Delaney also provided the Commission with details of a traffic light study to be conducted as part of the grant for up to \$100,000.00.

10:47 a.m. *Commissioner Zuniga moved that the Commission approve the request from the City of Lynn to utilize the Community Mitigation Fund award in the manner described by the Ombudsman. Commissioner O'Brien seconded the motion. The motion was approved 4 – 0.*

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Research and Responsible Gaming

See transcript pages 10 – 29

10:48 a.m. **Voluntary Self-Exclusion Evaluation**

Cambridge Health Alliance presented their findings and reported results of the study they conducted on Voluntary Self Exclusion during the period of June 2015 – November 2017. The Commission also reviewed a slide presentation illustrating the timeline of the study. Commissioner Zuniga stated that he would like to make VSE registration a regional effort with other Northeast states.

Workforce, Supplier and Diversity Development

See transcript pages 29 – 49

12:01 p.m. **Northeast Center for Tradeswomen Equity Update**

The Commission viewed a presentation that illustrated the “Build a Life That Works” campaign initiative. Within that initiative is the Tradeswomen’s Tuesday programs offered by Boston and Springfield, which are to be expanded due to great response.

Members of the Northeast Center for Tradeswomen’s Equity provided the Commission with a one-year update of the program, summarizing the results of the campaign’s initiative to encourage women to pursue careers in building trades.

12:32 p.m. **Cambridge College Gaming School Presentation**

The Commission reviewed a presentation illustrating and outlining the strategy of the new Greater Boston Gaming Career Institute at Cambridge College. The program launched on September 27th, working in partnership with Encore Boston Harbor. The program focuses on preparing Massachusetts residents for the new careers opening up in the Commonwealth.

Commissioner’s Updates

See transcript pages 49 – 50

1:15 p.m. Commissioner Stebbins was in Springfield to hear Commissioner Zuniga’s presentation on the public health trust fund along with Department of Public Health Associate Commissioner Lindsey Tucker. There were many local stakeholders in attendance that are interested in how that money will be expended and how it might help residents from western Massachusetts who might find themselves dealing with an addiction issue.

Commissioner Cameron represented the Commission at the International Gaming Regulators’ Conference, and spoke on a panel about regulators’ dilemmas. 76 countries were represented at this conference, and she stated

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that folks were very interested in what the MGC does around responsible gaming.

Commissioner Cameron also spoke at a women's leadership conference that was hosted by Penn National and the regional chamber.

1:21 p.m. *Having no further business, a motion to adjourn was made by Commissioner Zuniga. Commissioner Stebbins seconded the motion. The motion passed unanimously.*

List of Documents and Other Items Used

1. Notice of Meeting and Agenda, dated September 27, 2018
2. Meeting Minutes Draft, dated September 13, 2018
3. Lynn Summary Memo dated September 20, 2018
4. Evaluation of the MA Voluntary Self-Exclusion Program for June 2015 – November 2017– slide presentation
5. Revised Evaluation of the MA Voluntary Self-Exclusion Program for June 2015 – November 2017– slide presentation
6. Build-A-Life Campaign Commissioner Update PowerPoint Presentation – Fall 2018
7. Cambridge College Gaming School Presentation dated September 2018
8. Cambridge College Gaming School Presentation PowerPoint Presentation
9. Request to Open Region C Response Letter dated September 27, 2018
10. Region C Comments

/s/ Catherine Blue
Assistant Secretary

Real Estate Impacts of the Plainridge Park Casino (PPC)

Dr. Henry Renski

University of Massachusetts Amherst

Thomas Peake

UMASS Donahue Institute

Study Purpose & Scope

Document change in real estate market following opening of expanded gaming facility in June 2015

Two major components

1. Residential Properties

- Building Permits, Sales, Sale Price, Rents

2. Commercial/Industrial Properties

- Inventory, Vacancy, Net Absorption, Lease Rates

Analysis of secondary data and stakeholder interviewers

Before-After / Comparative Approach

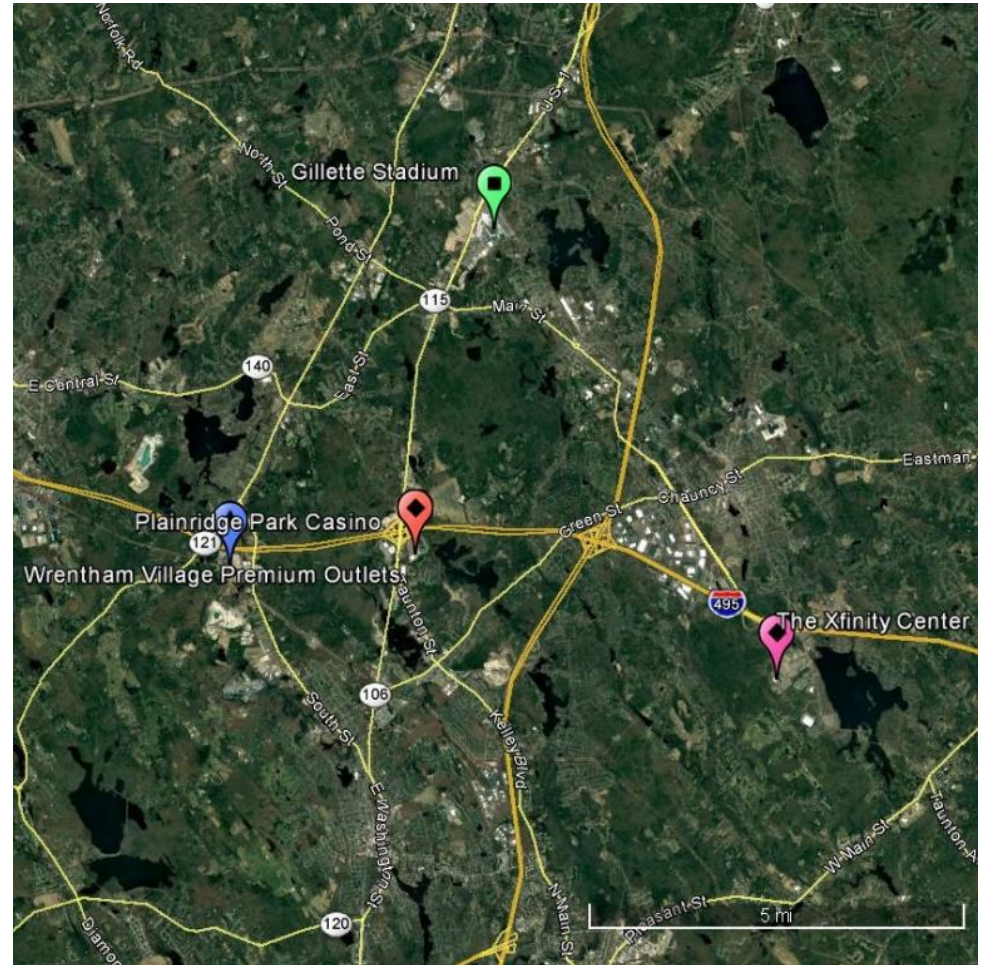
- Track changes before licensing to most recent
- Compare host and surrounding communities against the larger region and state as a whole

Caveats

Timing lag in key data sources

Small Area / Sparse Data problems

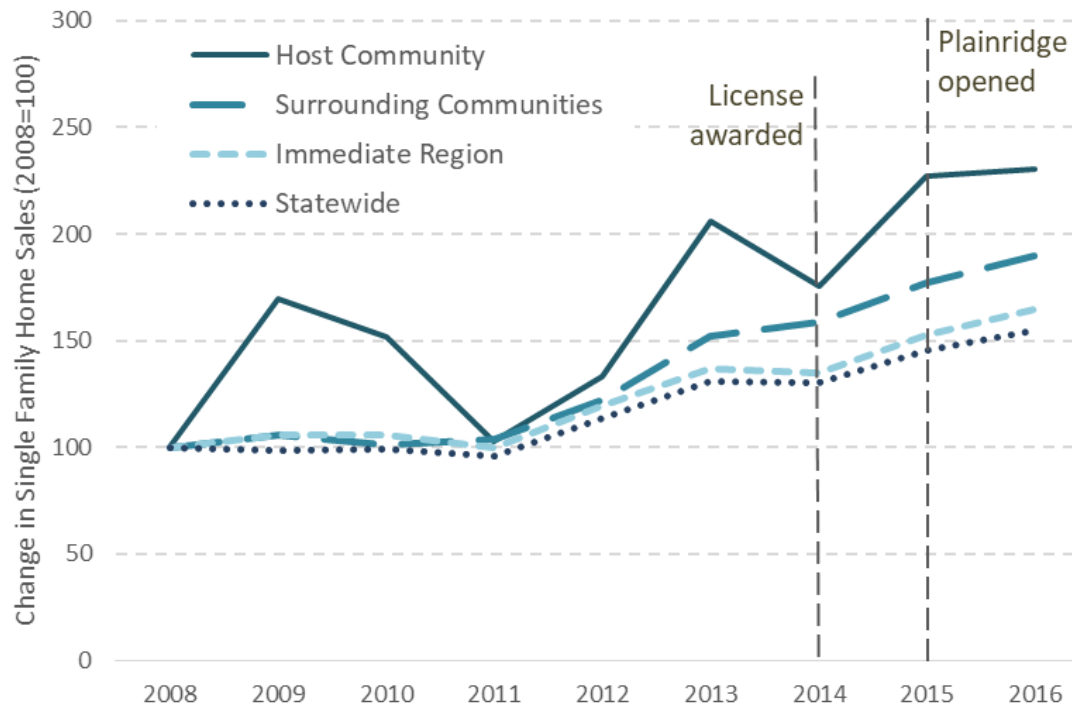
Difficult to distinguish PPC impacts from other activities



Main Finding #1:

Recent increase in home sales, but consistent with broader trends

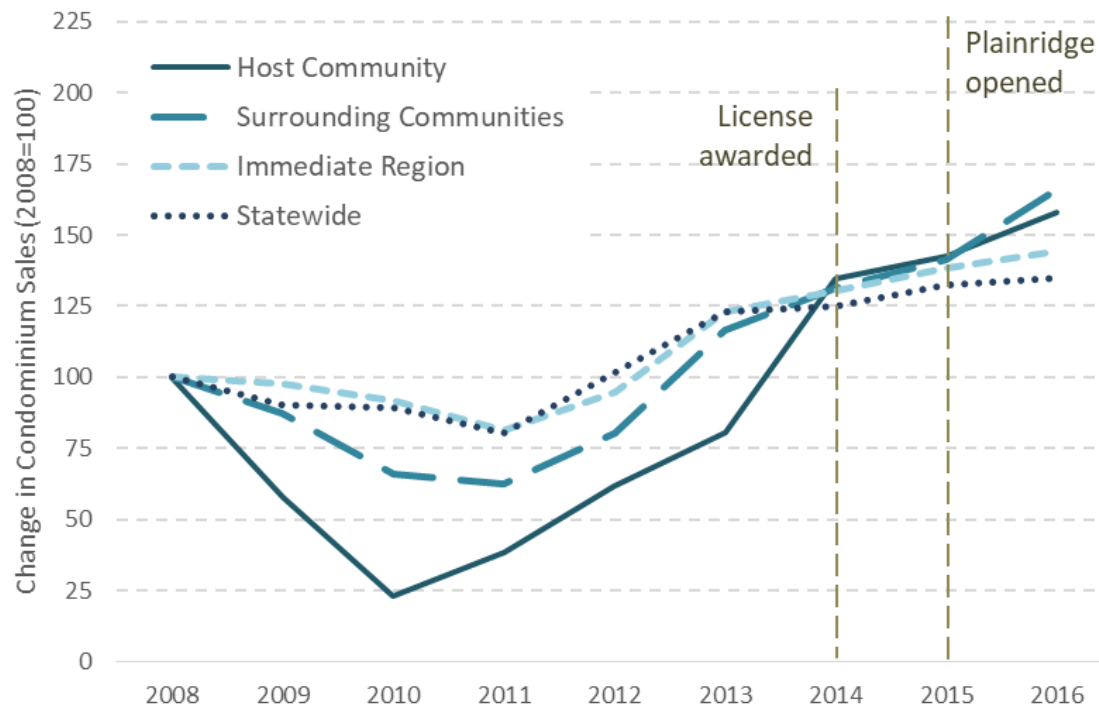
Number of Single-Family Home Sales



Main Finding #1:

Recent increase in home sales, but consistent with broader trends

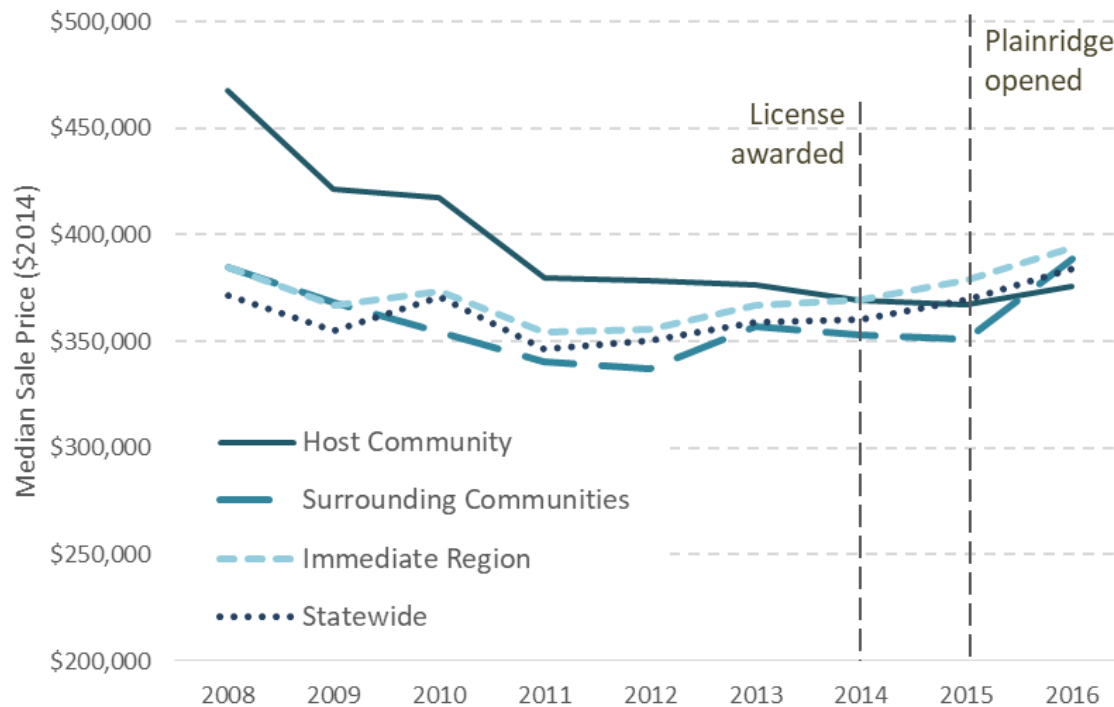
Number of Condominium Sales



Main Finding #2:

PPC opening had little impact on residential sale prices

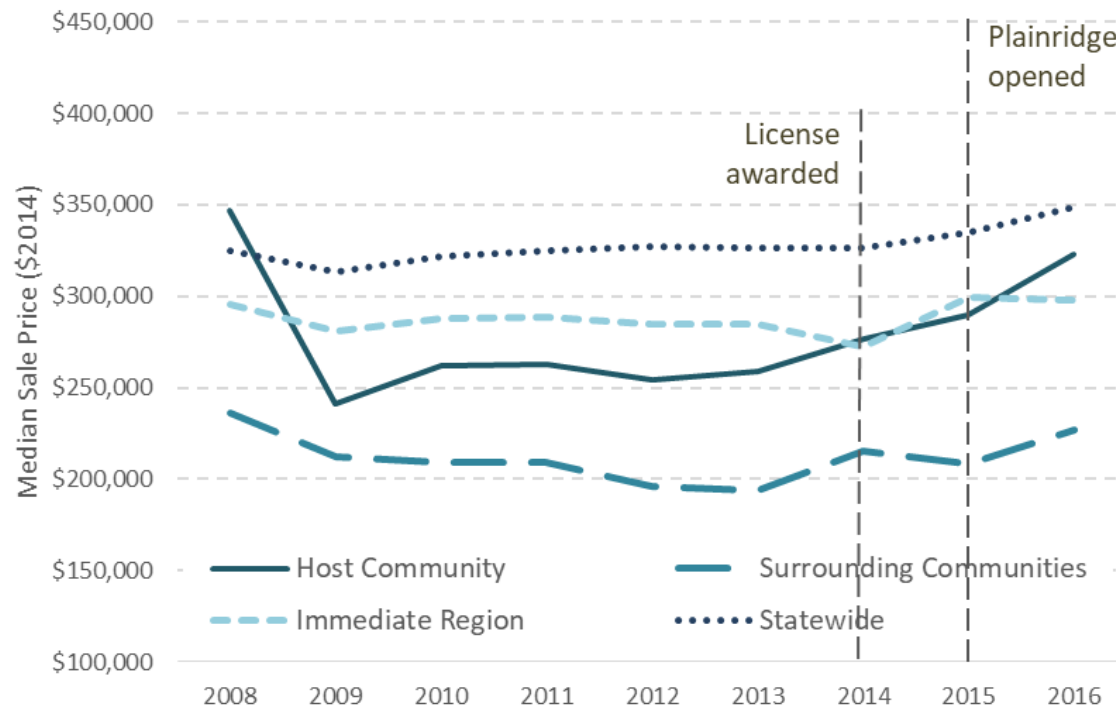
Value of Single-Family Home Sales



Main Finding #2:

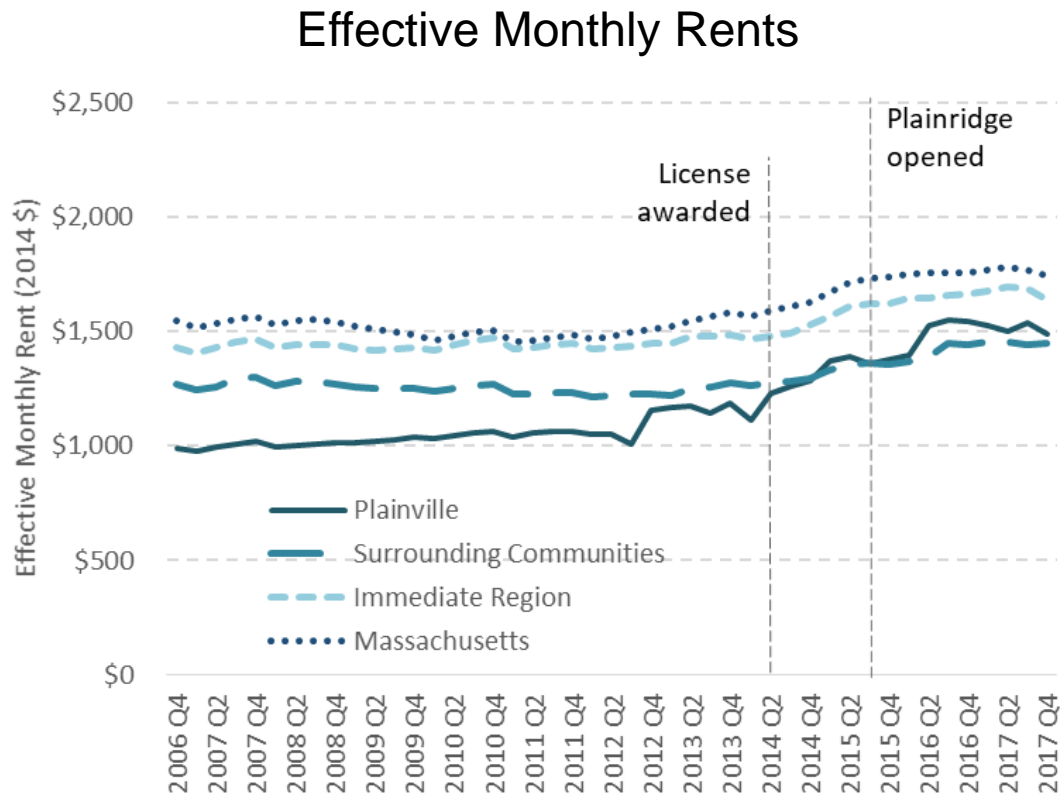
PPC opening had little impact on residential sale prices

Value of Condominium Sales



Main Finding #3:

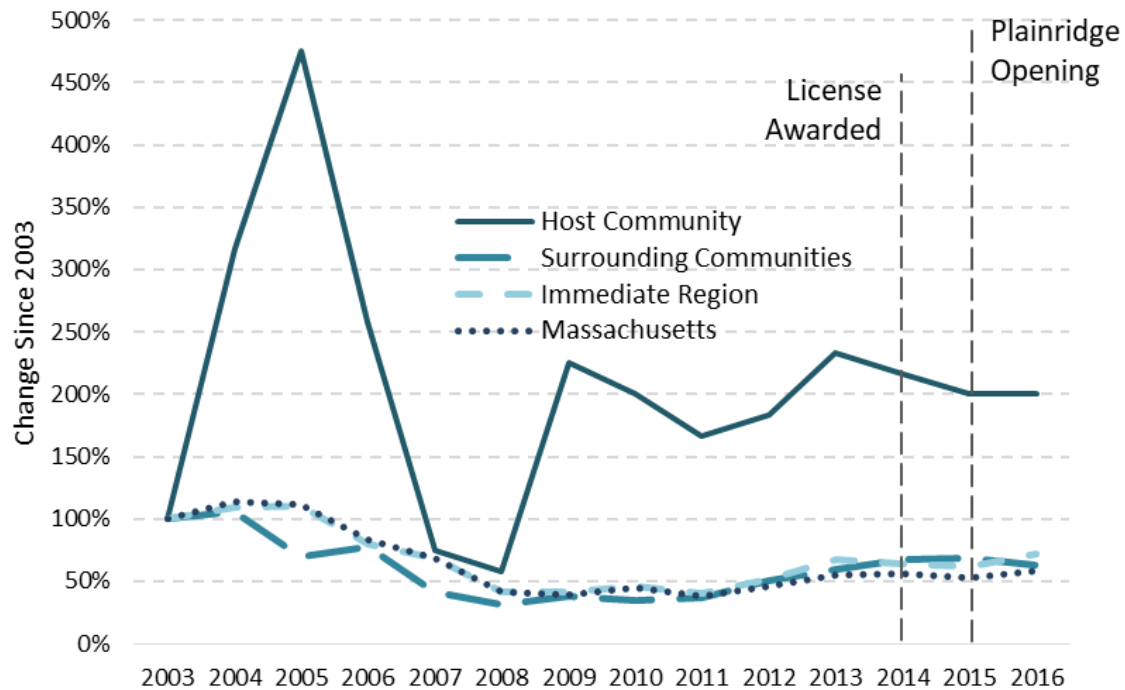
Rents are rising, but are consistent with area trends



Main Finding #4:

Opening of PPC had little impact on residential building permits

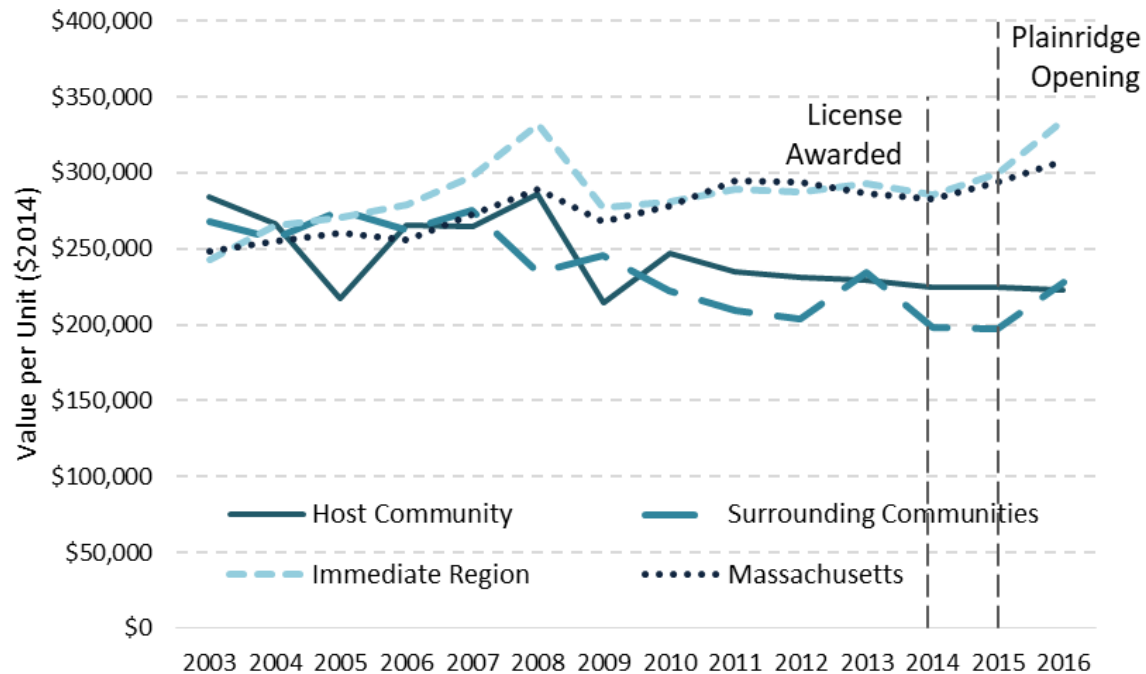
Change in the Number of Residential Building Permits



Main Finding #4:

Opening of PPC had little impact on residential building permits

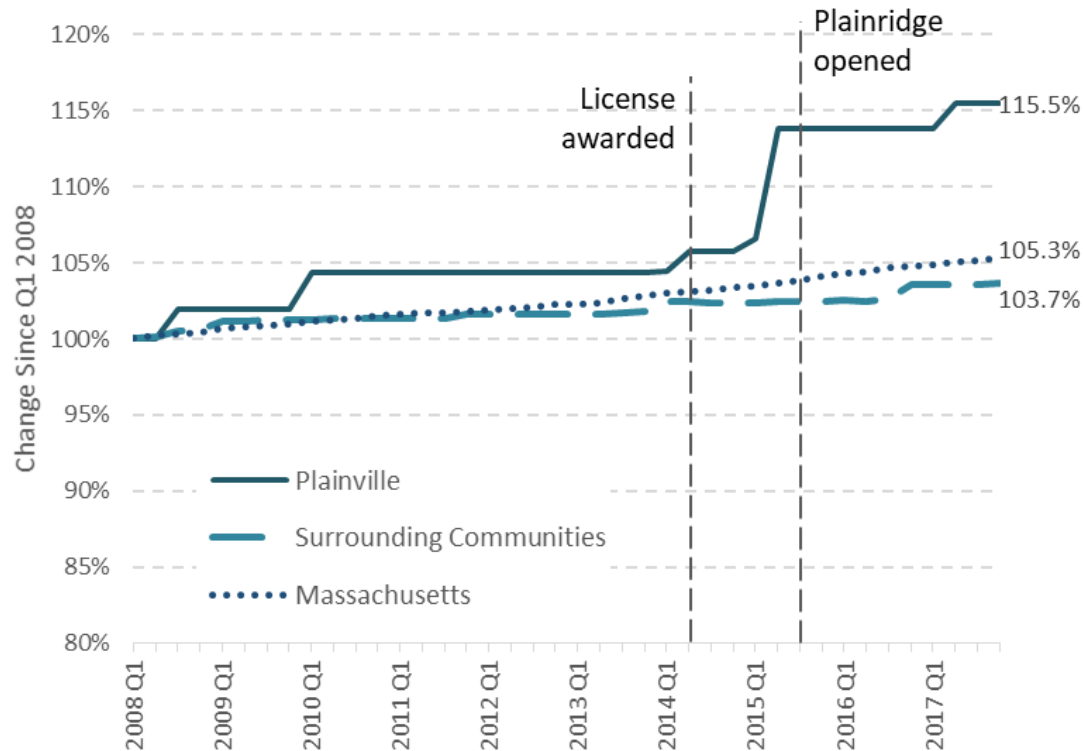
Value Per Unit of Residential Building Permits



Main Finding #4:

Slight growth in the number and size of commercial/industrial buildings post-PPC

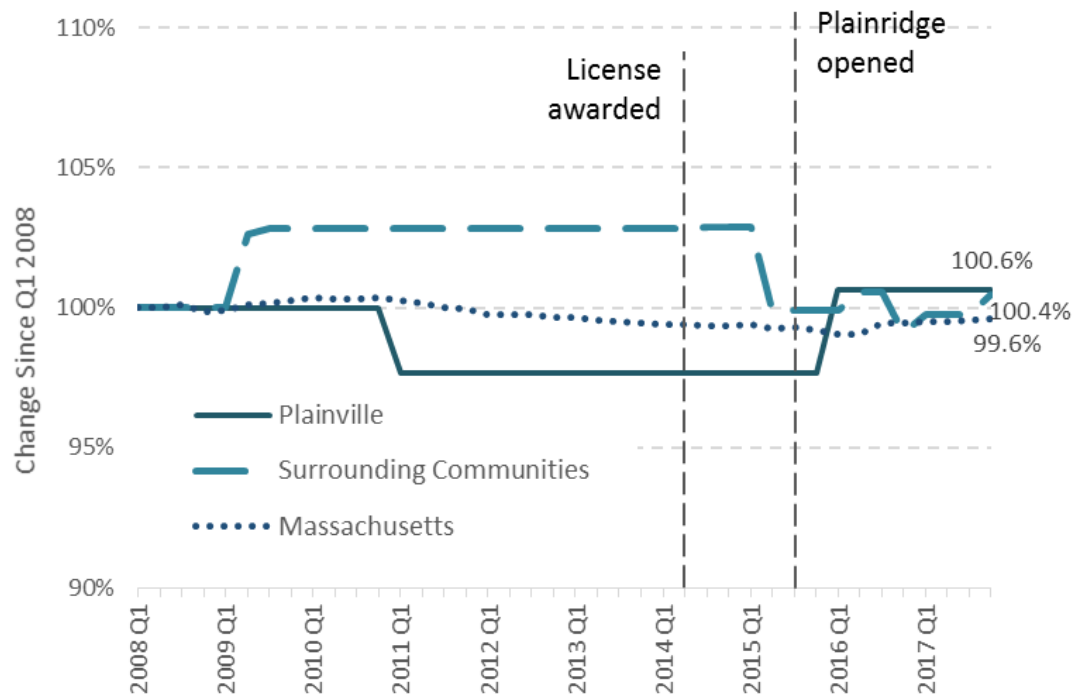
Change in Commercial Rentable Building Area since 2008



Main Finding #4:

Slight growth in the number and size of commercial/industrial buildings post-PPC

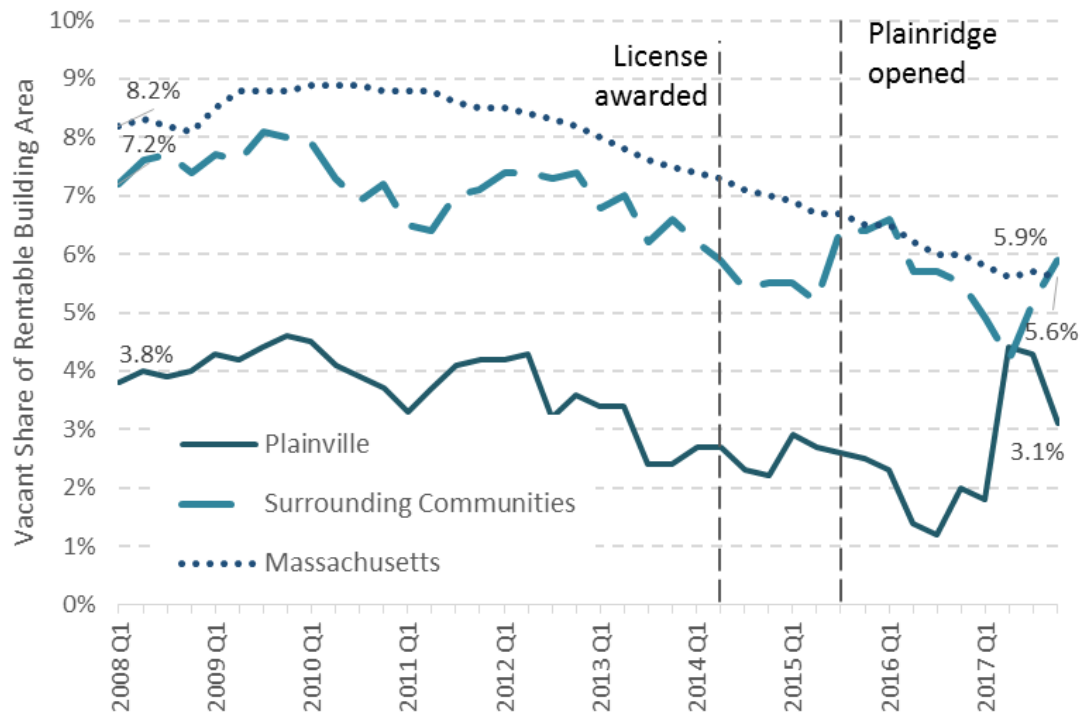
Change in Industrial Rentable Building Area since 2008



Main Finding #5:

Commercial vacancy rates are low in Plainville, but volatile

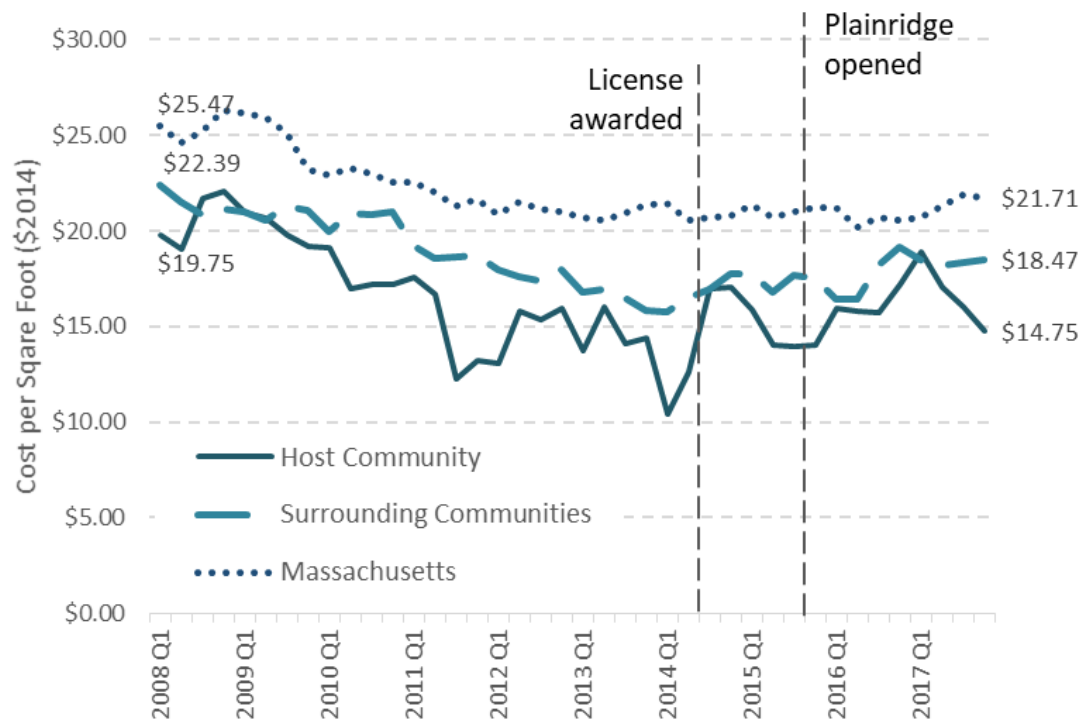
Commercial Vacancy Rates



Main Finding #6:

Little evidence of a sustained rise or drop in commercial lease rates

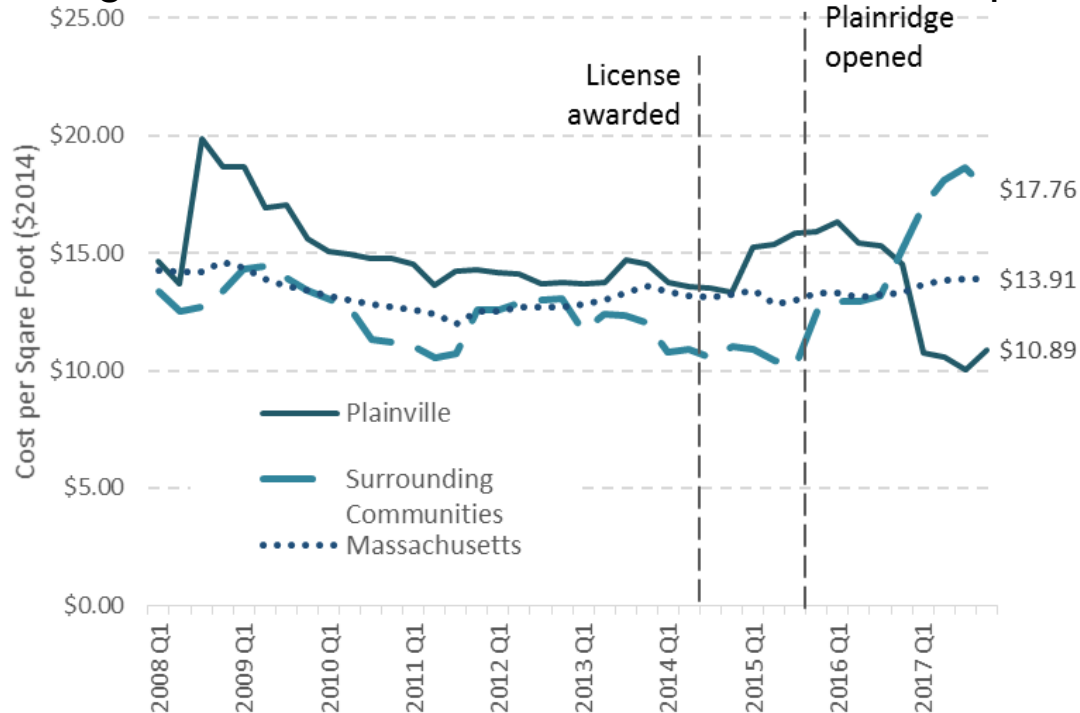
Average Lease Rates Office Commercial Space



Main Finding #6:

Little evidence of a sustained rise or drop in commercial lease rates

Average Lease Rates Non-Office Commercial Space



Conclusions:

Thus far, PPC has had a limited direct impact on the residential real estate market in Plainville and surrounding communities

“I don’t think the casino is big enough to have an impact on the real estate market. There wasn’t a large enough influx of employees to drive the prices up or make residences scarce. I think the whole market has been trending up so it would be difficult to attribute that to Plainridge Park when it is happening all over the state.” – Lou LeBlanc, Chairman of the Board of Health, Plainville

May be a long-term indirect impact, as PPC has expanded the tax base allowing the Town to pursue capital improvements

Conclusions:

New commercial development in the area, but difficult to ascribe purely to PPC

- Major new commercial development (hotels, restaurants, etc.)
- Likely influenced by PPC, but may not have been caused by it
- Impact not showing in commercial lease rates or other measures

"...you know we have had an influx of new businesses, but I have to be careful to call it causality [...] we were ripe for new businesses and growth because we were one of the least expensive communities in the area and we had land to develop. So it was natural that they were looking [...] that was the only cloverleaf on 495 that had not been developed yet." – Kathleen Parker, Treasurer of Plainville

Conclusions:

PPC is best viewed as a component of an evolving regional entertainment complex that is bigger than the sum of its individual parts

“...the Plainridge Park Casino is situated between the Wrentham Mall and Patriot Place, so it kind of provides a nice kind of loop for people looking for something to do in terms of you know, ‘What do you do after the mall?’ ‘Well maybe we’ll scoot over here’ or after the Patriot’s game it provides a destination place for these people who are already frequenting other towns.” – Lou LeBlanc, Chairman of the Board of Health, Plainville

Thank you!

Additional questions or comments
please email:

hrenski@umass.edu



UNIVERSITY OF MASSACHUSETTS SCHOOL OF PUBLIC HEALTH AND HEALTH SCIENCES

Real Estate Impacts of the Plainridge Park Casino on Plainville and Surrounding Communities

September 18, 2018

Henry Renski, PhD
Associate Professor
UMass Center for Economic Development
University of Massachusetts Amherst

Thomas Peake
Senior Research Analyst
Donahue Institute, Economic and Public Policy Research Group

Acknowledgements

Support for this study came from the Massachusetts Gaming Commission under ISA MGC10500003UMS15A establishing the Social and Economic Impacts of Gambling in Massachusetts (SEIGMA) study. This multi-year project was competitively bid via the Massachusetts Gaming Commission Request for Response (MGC-RA-2012) for Research Services and awarded to the University of Massachusetts Amherst in April 2013.

SUGGESTED CITATION:

Renski, H. & Peake, T. (2018), *Real Estate Impacts of the Plainridge Park Casino on Plainville and Surrounding Communities*. Amherst, MA: University of Massachusetts Donahue Institute, Economic and Public Policy Research Group.

A PDF OF THIS REPORT CAN BE DOWNLOADED AT: www.umass.edu/seigma

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Executive Summary

Background and Methods

This report focuses on the initial impacts of Plainridge Park Casino (PPC) on the residential, commercial, and industrial real estate markets for Plainville and its surrounding communities. It follows an earlier report that documented residential and commercial real estate trends prior to the opening of PPC. Our analysis uses several sources of secondary data, including property sales records from the Massachusetts Department of Revenue Division of Local Services, data on rental market conditions from the American Community Survey (ACS), the U.S. Census Bureau's Manufacturing and Construction Division, and proprietary data obtained from CoStar, the nation's largest provider of data on commercial properties, and Valassis Lists, a direct mail marketing firm.

Key Findings: Residential Real Estate Indicators

- Plainville's residential real estate market is relatively small and predominantly comprised of single-family homes with a scattering of condominiums. Multi-family home sales are rare.
- There has been an increase in single-family home and condominium sales following the awarding of the gaming license and opening of PPC in both Plainville and surrounding communities. However, this rise is consistent with historic and/or broader trends in the region and therefore unlikely to be purely attributable to PPC.
- There have been relatively few sales of single-family homes and condominiums near the casino development site in recent years. The location of residential home and condo sales has not noticeably changed since the opening or construction of PPC.
- We find no evidence that the opening of PPC has had a negative impact on area home and condo sales prices in either Plainville or surrounding communities.
- There has been a slight rise in the real sales price of single-family homes in Plainville and surrounding communities in the first year following the opening of PPC. However, this rise is comparable to regional and statewide trends and was not found to be statistically significant after controlling for trends and home characteristics.
- There has also been an increase in the real sales price of condominiums in Plainville and surrounding communities after the opening of PPC. However, this growth is generally consistent with trends that began before the awarding of the gaming license. Our statistical analysis finds weak evidence of a small casino-related bump in condominium selling prices in surrounding communities, but no effect on Plainville condominium prices.
- Building permits are an important indicator of future development, but their natural variability makes it difficult to distinguish possible impacts from serendipitous events. In Plainville, there was a rise in the number of multi-family permits that coincided with the awarding of the gaming license. But the rise was only temporary. There was no apparent impact on single-family permits.
- The value of single-family permits tends to be more stable than the number of permits. In Plainville, the awarding of the license and opening of PPC had no impact on the value of single-family permits. Surrounding communities saw a rise in the value of single-family permits. However, this rise was consistent with trends in the broader region and therefore difficult to attribute to PPC.

Key Findings: Commercial and Industrial Real Estate Indicators

- While the number of commercial and industrial buildings has increased slightly in recent years, the increase of commercial rentable building area has outpaced the increase in buildings, suggesting a tendency towards larger commercial spaces in new development, including PPC.

The opposite trend is true of Plainville's small industrial real estate market, where the limited growth in industrial buildings has still outpaced the growth of new industrial space.

- Vacancy rates in Plainville have remained consistently lower than those of its surrounding communities or Massachusetts as a whole, but the very small number of commercial properties in Plainville means that these rates are also much more volatile.
- Plainville and its surrounding communities tend to have average lease rates lower than the State average, although some surrounding communities have seen higher industrial lease rates.

Conclusion

Other than an increase in the amount of commercial space, the evidence suggests that the opening of PPC did not substantially change commercial or industrial real estate conditions in Plainville or its surrounding communities. This is unsurprising as the slot parlor component of PPC was developed on the site of an existing harness racing facility in a relatively remote part of the town, with no new buildings being occupied or displaced in the process. While some large increases or decreases have occurred across certain measures, historical levels of volatility make it impossible to tell whether PPC was a factor in those changes.

Real Estate Conditions in Plainville: Initial Impacts

This report examines the initial impacts of the Plainridge Park Casino (PPC) on the residential, commercial, and industrial real estate markets for Plainville and its surrounding communities. It follows the [Baseline Real Estate Conditions, Host Community Profile: Plainville](#) report that documented residential and commercial real estate trends prior to the opening of PPC.¹

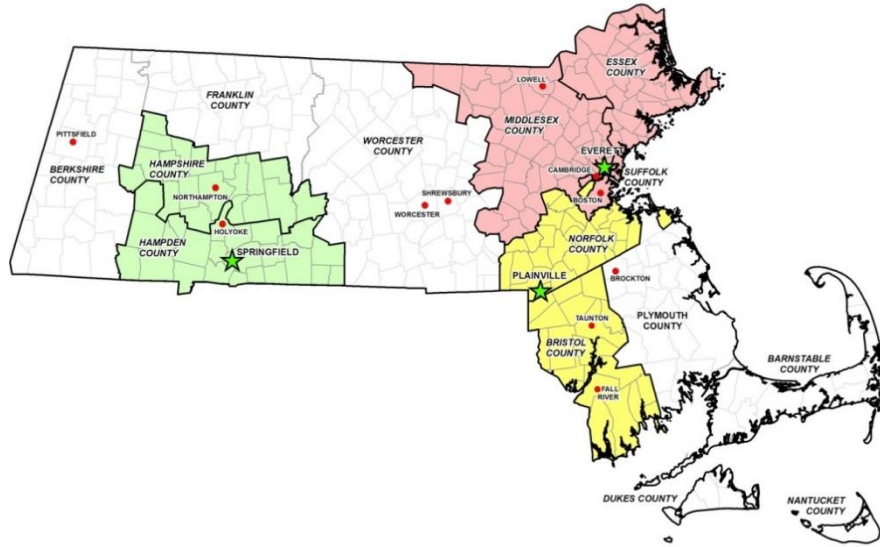
The purpose of this study is to document any notable changes to the area real estate market following the awarding of a slots gaming license to the Plainridge Racecourse in February 2014 and the subsequent opening of the expanded facility in June of 2015. Although PPC has been in operation for nearly three years, several of our major data sources only cover the period up to the end of 2016. For these indicators we focus on the initial impacts—approximately one year after opening. More recent data is available for other indicators (namely residential rents and commercial/industrial inventory), thus allowing us to measure those impacts over a longer time period.

Our impact evaluation uses a comparative approach. It considers changes in the host communities before and after the opening of the casino. It then compares these observed changes to other areas that are facing similar market conditions but are unlikely to be impacted by the development itself. This is necessary because other events that have little or nothing to do with the specific development, such as changes in national and state economic cycles, can have a considerable impact on local market conditions. Without accounting for these external forces, one can easily misattribute an apparent increase or decrease in property sales or values to the development. However, finding a suitable comparison group is difficult, especially given practical data limitations. Communities with similar market conditions are often neighbors and potentially subject to spillover impacts. Conversely, distant communities might provide a false baseline of comparison because they are not subject to similar market or regulatory conditions. For this report, we compare historic trends in Plainville and surrounding communities as designated by the Massachusetts Gaming Commission against communities in the Norfolk and Bristol Counties (i.e., the Immediate Region) and against the Commonwealth as a whole (Figure 1). While inclusive of Plainville, both the Immediate Region and the State stretch beyond the likely sphere of influence of the casino and the impacts of casino-related development are likely to be averaged-out. Still, we recognize that these are not ideal comparison groups, and we err on the side of caution in our interpretation of the evidence.

Even with these controls, it is inherently difficult to isolate the impacts of a single development from other events. Development does not take place in a vacuum, and new development is often attracted to a critical mass of complementary attractions and not just to a single project. Perhaps due to its proximity to New England's three largest cities (Boston, Worcester, and Providence, RI), the Plainville region has become home to several major retail and entertainment attractions in the past few decades. In addition to the pre-existing Plainridge Racecourse (opened in 1999), other prominent developments include the Xfinity Center in Mansfield (renovated in 2002), the Wrentham Village Premium Outlets (opened in 1997), and most notably Gillette Stadium (2002) and Patriot Place (2007) both located in Foxborough just a few miles northeast. While PPC may serve as an attraction in and of itself, it may also enhance the attractiveness of the region as a destination for live entertainment so that the whole is more than the simple sum of its parts.

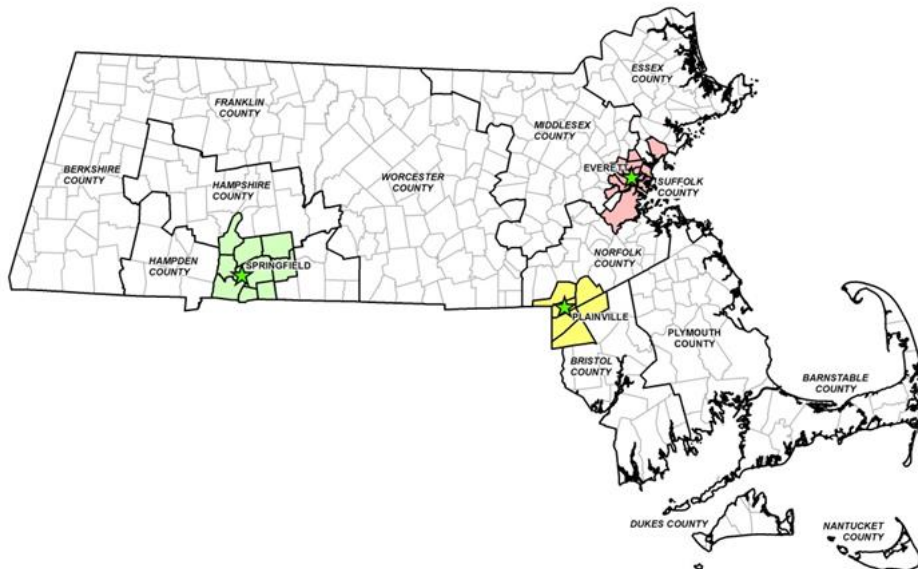
¹ A copy of the *Baseline Real Estate Conditions* report is available for viewing and download from [http://www.umass.edu/seigma/sites/default/files/Real%20Estate%20Profile%20Plainville_2016-08-30%20\(final\).pdf](http://www.umass.edu/seigma/sites/default/files/Real%20Estate%20Profile%20Plainville_2016-08-30%20(final).pdf)

Figure 1. Massachusetts Host Communities and their Immediate Regions



The impact of a new or expanded casino facility may spill beyond the borders of its host community. Thus, in addition to Plainville, we also track market conditions among nearby areas designated as “official surrounding communities” by the Massachusetts Gaming Commission. There are five surrounding communities in the Plainville region (Figure 2), making it impractical to report specific trends for each within the limited confines of this report. Here, we provide a brief summary of changes over time.

Figure 2. Massachusetts Host and Surrounding Communities



This report is divided into two major sections. The first covers the residential real estate market. The second covers the commercial and industrial real estate markets.

Residential Real Estate

Residential Property Sales

Property sales are among the most direct indicators of changing real estate market conditions. They are often used to measure the impact of new development on surrounding areas. A sustained rise in the number and market values of properties following the construction of a new casino may signify successful neighborhood revitalization, as investors are willing to buy properties at higher prices. Conversely, a decline in property values may indicate the negative impacts resulting from possible fears of increased traffic, crime, noise, or other negative externalities.

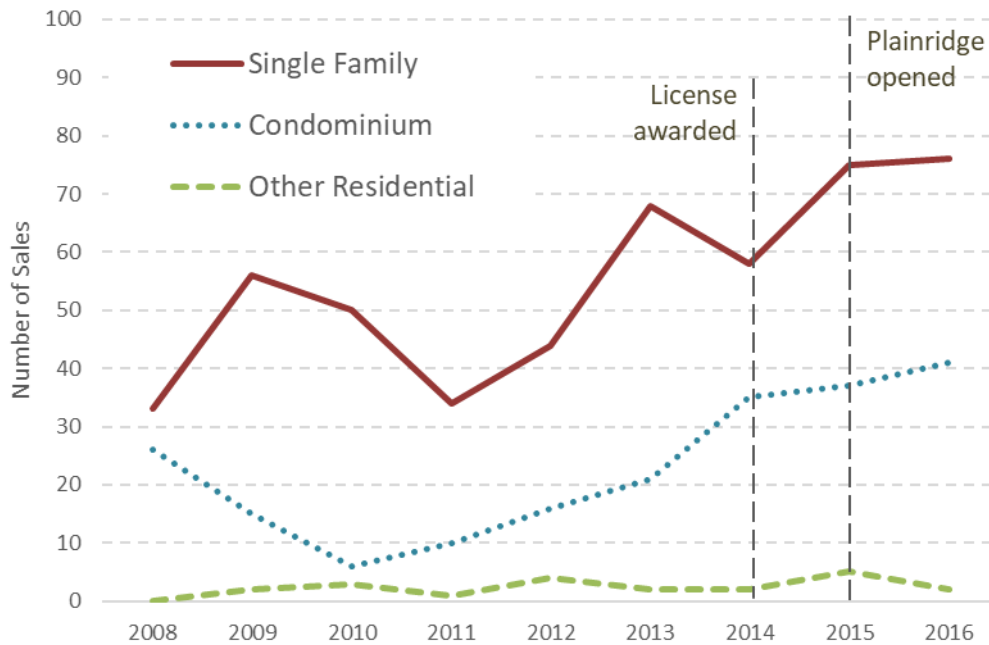
Our analysis uses property sales reported by the Massachusetts Department of Revenue (DOR) Division of Local Services. The DOR reports all verified property sales in the Commonwealth. Although the DOR database includes property sales of all types, we only include those classified as “arms-length” transactions. This eliminates sales between family members and other situations where the sales price is not a pure reflection of market value. The DOR database further identifies sales by the predominant land use classification of the property. We focus on several general types, namely: single-family residential, multi-family residential, and condominiums. We ignore other types of residential land uses, such as mobile homes and vacant lots as they are relatively rare.

We use the DOR database to track the number and market value of property sales in Plainville and its surrounding communities compared to the Immediate Region and State starting in 2008. Individual communities report this data to the DOR on a fiscal year basis, and there is up to a two-year lag for some. At the time of writing, the data covers property sales up to the 4th quarter of 2016. We also utilize detailed address data in the DOR database to examine sales trends at varying distances from the site of the casino.

Impacts on Residential Property Sales

The Plainville housing market is rather small and dominated by single-family homes. Seventy six single-family homes were sold during 2016, comprising 64% of all residential sales in Plainville (Figure 3). The bulk of the remainder are condominiums (34%) with 41 sales in 2016. Multi-family homes, apartment buildings, and other residential sales are an almost negligible component of the Plainville housing market. Therefore, our analysis focuses solely on single-family homes and condominiums.

Figure 3: Plainville, Number of Residential Property Sales by Type, 2008-2016



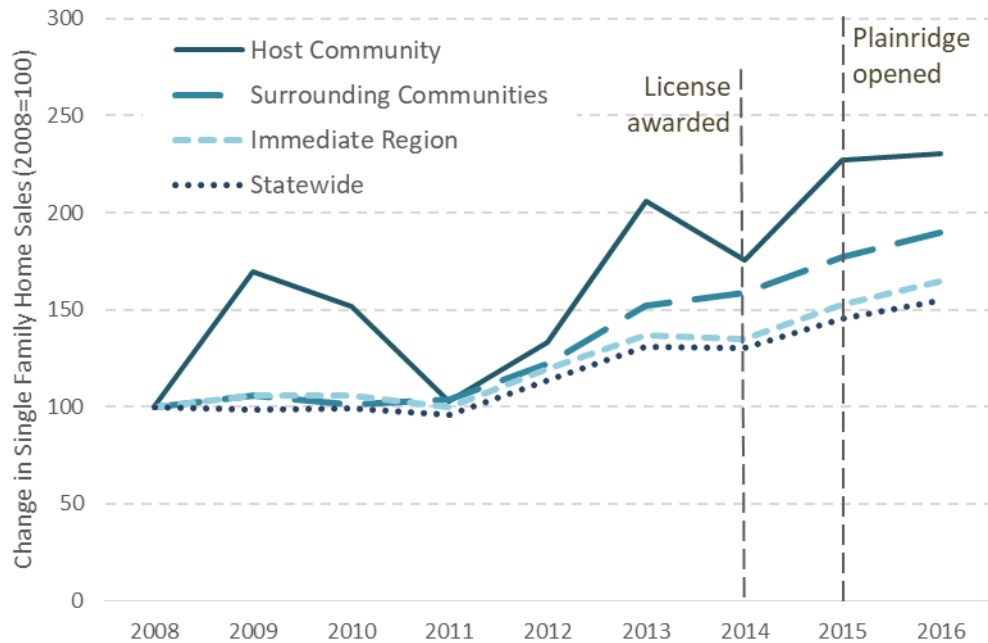
Source: MA Department of Revenue, Division of Local Services, LA-3 Real Estate Sales

Because it is a small market, the number of home sales can be rather erratic from one year to the next. This makes it difficult to distinguish general trends from simple annual fluctuations. Nevertheless, we do not see strong evidence of either a sharp rise or decline in residential sales coinciding with the initial awarding of the casino license in 2014 or the official opening of PPC in 2015. The number of single-family homes sales in 2016 was similar to the year before and seems to be a continuation of a gradual upward trend that began in 2011—long before the gaming license was awarded. Condominium sales have also been on the rise in recent years, but, once again, we see no inflection point associated with the awarding of the license or the opening of PPC.

Comparing Plainville to other communities can help us determine whether the observed change in sales is due to local factors (namely the opening of PPC) as opposed to broader market trends. Figure 4 shows the percent change in single-family home and condominium sales for Plainville and its surrounding communities compared to the broader region and the State. We assume that although Plainville and its surrounding communities might be impacted by PPC, more distant communities would be less so. Therefore, we provide a benchmark for measuring casino-related impacts. However, the further away a community is, the more likely the housing market is subject to different market dynamics and may not necessarily make a good basis for comparison.

From 2014 to 2016, sales of single-family homes in Plainville increased at a faster rate than the surrounding communities or the State average (Figure 4). The volume of sales was particularly high in 2015, the year that PPC opened. This, in and of itself, does not necessarily reflect the influence of PPC. As previously noted, annual home sales in Plainville can be rather volatile and 2014 was a down-year for home sales in Plainville compared to the long-term trend. While it is difficult to attribute the rise in sales to PPC, we are quite confident that the casino did not dampen single-family home sales in Plainville. It also appears to have had little influence on home sales in surrounding communities, whose growth is nearly parallel to trends in the region and State.

Figure 4: Single-Family Home Sales in Plainville vs. the Region and State, 2008-2016

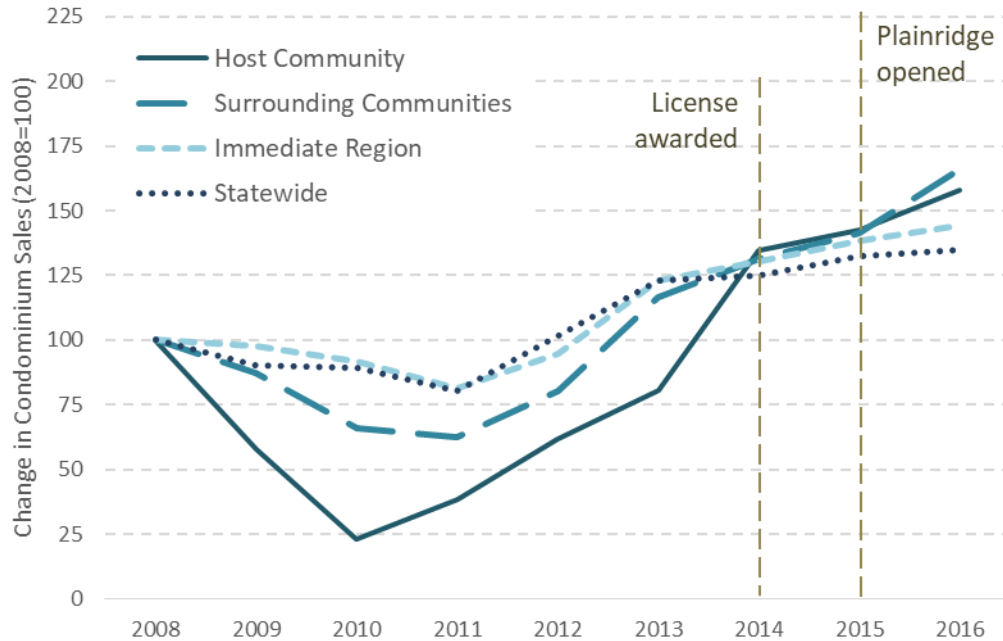


Source: MA Department of Revenue, Division of Local Services, LA-3 Real Estate Sales

There has been a notable rise in condominium sales in Plainville and its surrounding communities following the opening of PPC (Figure 5). From 2015 to 2016, condominium sales rose by 11% in Plainville and by 17% in surrounding communities, compared to a rise of only 4% and 2% in the larger region and State. There was a sizable spike in condominium sales between 2013 and 2014—but this occurred before the license was awarded and cannot be attributed to PPC. The pace of condominium sales has slowed in the following years, although sales continue to grow at a faster pace than the region and State. The local growth in selling prices may be due to increased demand for housing by casino employees, most of whom may be interested in relatively more affordable housing options compared to single-family homes. However, the [New Employee Survey at Plainridge Park Casino: Analysis of First Two Years of Data Collection](#) report suggests that new employees will only have a minor impact on local housing demand.² Only 75 (~7.2%) of new PPC employees reported moving to the area to work at PPC. Of those, only 13 employees reported moving to Plainville and only 19 employees reported moving to a surrounding community.

² The *New Employee Survey* report can be downloaded from http://www.umass.edu/seigma/sites/default/files/PPC%20Employee%20Survey%20Report%202017-05-9_For%20Releasev2.pdf.

Figure 5: Condominium Sales in Plainville vs. the Region and State, 2008-2016



Source: MA Department of Revenue, Division of Local Services, LA-3 Real Estate Sales

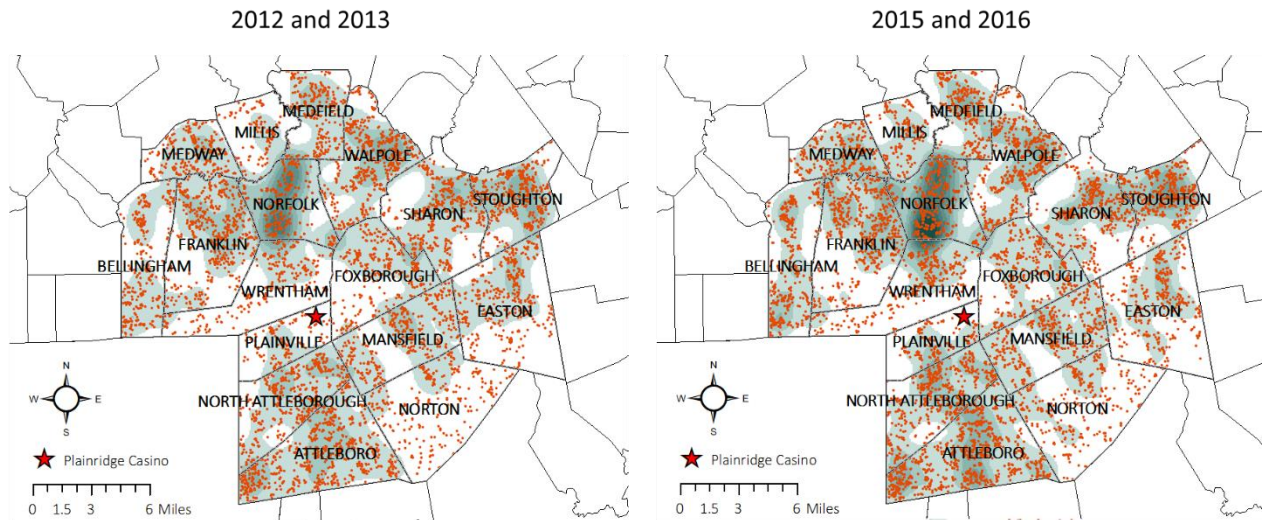
As a final component, we examine the location of single-family home and condominium sales in the Plainville region. With the aid of Geographic Information System (GIS) software, we identified the recent property sales in all Massachusetts communities within 10 miles of the proposed casino site. Using a multi-stage matching process, we were able to locate nearly 99% of the listed sales down to the latitude and longitude coordinates of individual parcels.³

Figure 6 shows the detailed location of single-family home and condominium sales for the two years before (2012-2013) and after (2015-2016) the awarding of the casino license to PPC in early 2014.⁴ Figure 7 provides similar maps for condominium sales. A few key points stand out. First, there is no noticeable shift in the pattern of single-family home or condominium sales after the opening of PPC. Second, there are relatively few single-family and condominium sales near the casino development site. The highest concentrations of single-family homes sales are to the north, most notably in Norfolk, Walpole, Sharon, and Stoughton. Lesser concentrations exist to the south in Attleboro and North Attleborough. Condominium sales are more scattered throughout the region, with notable concentrations in Norfolk, Stoughton, Franklin, and North Attleborough.

³ The location matching process involves joining the DOR L-3A database to GIS databases of individual parcels produced by MassGIS and the Boston Redevelopment Authority. These GIS databases are based on digitized parcel maps, which are linked to assessors' data and can be used to identify the latitude and longitude coordinates of every matched parcel. The vast majority (roughly 98%) of all sales were located to parcels in this first round. The remaining sales are located through street address matching using the Master Address File developed by MassGIS. Our final match rates were well in excess of 99%, an extremely high match rate for this type of work.

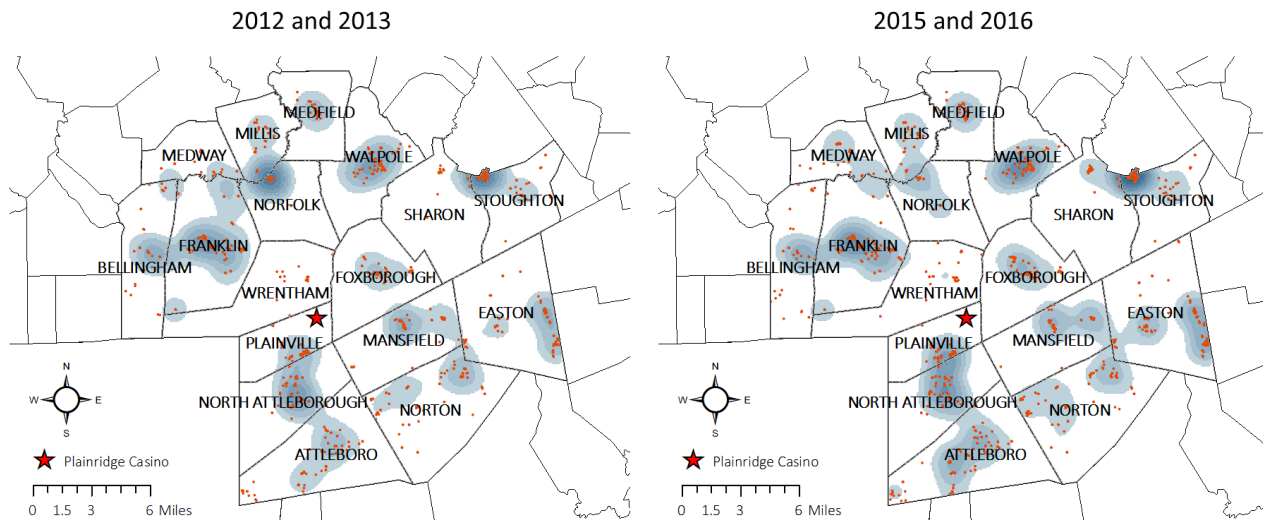
⁴ The datasets used in this report differ in their lag times, leading to different time periods being presented in figures and tables. All data is adjusted to 2014 dollars.

Figure 6: Location of Single-Family Home Sales, Before and After PPC License Awarded



Source: MA Department of Revenue, Division of Local Services, LA-3 Real Estate Sales
 Note: Shaded areas have a relatively high density of sales

Figure 7: Location of Condominium Sales, Before and After PPC Opening



Source: MA Department of Revenue, Division of Local Services, LA-3 Real Estate Sales
 Note: Shaded areas have a relatively high density of sales

Impacts on Median Sales Price of Residential Properties

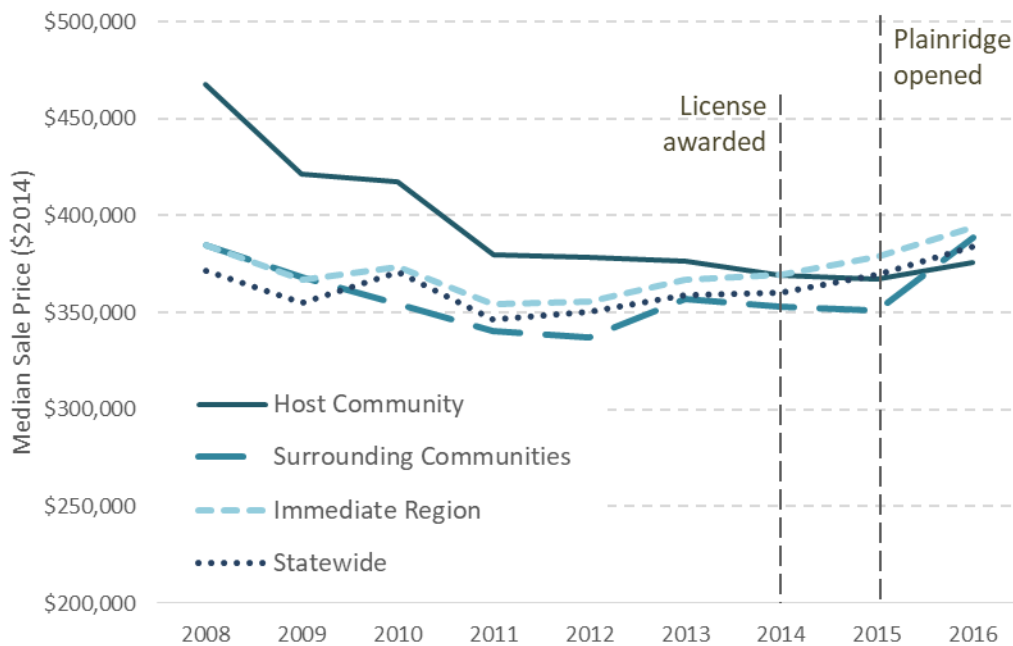
If PPC had an immediate impact on the local housing market, it is more likely to be reflected in changes in the sales price than in the number of sales. This is because the supply of housing is relatively fixed in the short-term. Nevertheless, the possible impacts on sale prices are rather unclear—whether net positive, negative, or neutral. On the one hand, some fear the new facility will diminish home values as a

result of increased traffic, noise, fear of crime, etc. On the other hand, PPC and related ancillary development may be viewed as a valued amenity that causes home prices to rise.

It appears that the opening of PPC has had little influence on the selling price of single-family homes in Plainville—negative or positive. The real median sales price of single-family homes in Plainville has been relatively flat in recent years, with housing prices moving neither up nor down following the licensing and opening of PPC. For example, in 2016, the median sales price of a Plainville home was \$375,720 (in 2014 dollars). This is nearly the same as 2013, the year before the casino license was awarded.

There is, however, a notable bump in the median selling price of single-family homes in surrounding communities following the opening of PPC. The real median sales price of homes in surrounding communities went from \$351,000 in 2015 to \$393,900 in 2016—an 11% single year increase. This is a much faster rate of growth than either the Immediate Region (6%) or State (4%). This is also somewhat a reversal of recent trends of slight decline in the sales price for area homes in surrounding communities.

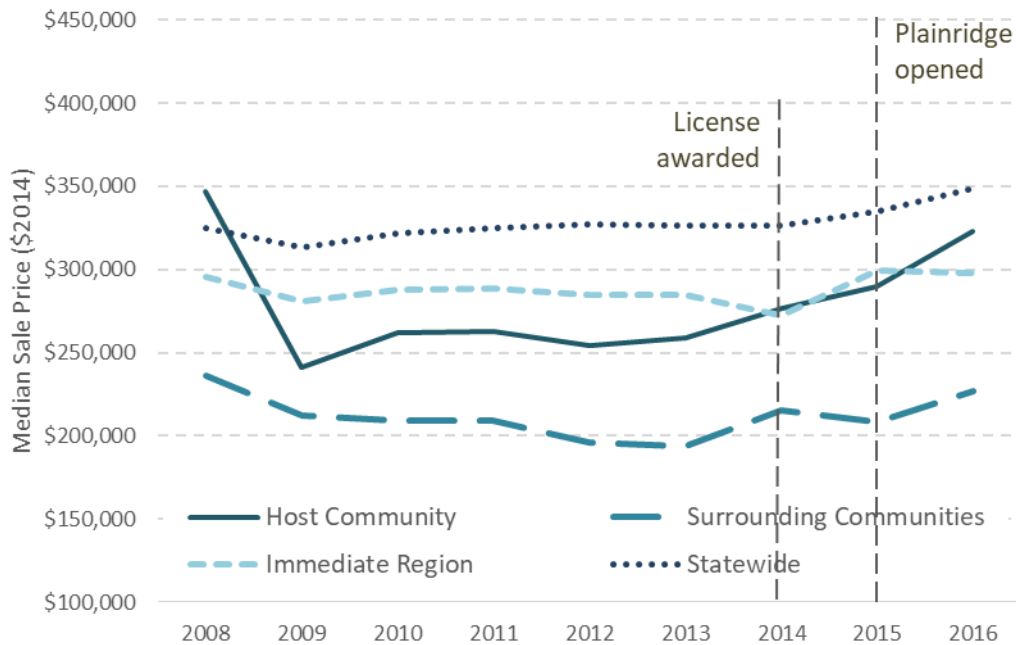
Figure 8: Single-Family Homes, Median Sales Price (2014 Dollars), 2008-2016



Source: MA Department of Revenue, Division of Local Services, LA-3 Real Estate Sales

There has also been a rise in the price of area condominiums. In Plainville, the median sales price for condominiums rose by nearly \$33,000 (11%) in the year after the opening of PPC (Figure 9). Surrounding communities saw an increase of nearly \$20,000 (9%) during this same time. We do not find similar gains at the regional level where real sales prices actually declined over the same period.

Figure 9: Condominiums, Median Sales Price (2014 Dollars), 2008-2016



Source: MA Department of Revenue, Division of Local Services, LA-3 Real Estate Sales

Table 1 provides a summary of single-family home and condo sales for the host community as well as the five officially designated surrounding communities as compared to the Immediate Region and State. There is no consistent pattern to changes in property sales in Plainville and its surrounding communities before and after the awarding of the license and opening of PPC. The single-family home prices in three communities (Mansfield, Attleboro, and Foxborough) sold at much higher prices after the opening of PPC compared to the larger region, while homes in Plainville, Wrentham, and North Attleborough sold for relatively less. For example, in Mansfield, home prices increased by nearly \$60,000 between 2013 and 2016, compared to a regional median increase of \$26,700. In Plainville, by contrast, the real median sales price declined by \$27,819 less than the regional median. The sales price of condominiums in Plainville and surrounding communities all rose compared to the larger region. This is especially true for Foxborough, where the median price of condominiums rose by more than eight times the regional median before and after the opening of PPC.

Table 1: Residential Housing Sales Summary, Plainville and Surrounding Communities

	Single-Family Homes			Condominiums		
	Number of Sales in 2016	Median Sales Price in 2016 (\$2014)	Change in Real Median Sales Price 2013-2016	Number of Sales in 2016	Median Sales Price in 2016 (\$2014)	Change in Real Median Sales Price 2013-2016
Massachusetts	49,221	\$383,800	\$24,760	21,738	\$348,450	\$131,190
Immediate Region	9,981	\$393,900	\$26,700	3,253	\$297,849	\$13,269
Plainville	76	\$375,720	-\$1,119	41	\$323,200	\$64,120
Surrounding Communities						
Attleboro	417	\$328,250	\$58,460	107	\$227,250	\$55,890
Foxborough	157	\$433,189	\$41,509	44	\$361,075	\$126,475
Mansfield	196	\$451,975	\$59,683	59	\$232,300	\$19,681
North Attleborough	252	\$363,045	-\$19,966	76	\$210,585	\$20,865
Wrentham	154	\$515,100	\$5,100	23	\$242,299	\$31,159

Multivariate Statistical Analysis of Housing Prices

Thus far, there is little evidence that the opening of PPC has had a negative effect on the sales prices of either single-family homes or condominiums. There is some evidence that it may have had a positive influence on single-family homes sales in surrounding communities and area condominiums, but it is difficult to distinguish the impacts of PPC from underlying trends in housing prices.

To help distinguish the impacts of PPC on Plainville and its surrounding communities, we developed a linear regression model that estimates the change in the sales price of area properties while controlling for underlying trends in housing prices as well as other property and area-specific factors that influence sales price, but are not related to the opening of the casino. Our model is a variant of the Adjusted Interrupted Time Series (AITS) model described by Galster et al. (2004).⁵

Our dependent variable is the sales price of regional homes that sold between 2011 and 2016 standardized to 2014 dollars.⁶ We control for parcel size, the size of the home, the number of rooms, and the year the home was built. The model also includes a linear time variable to measure the general (upward or downward) trend in real housing prices from one year to the next as well as categorical (i.e. dummy) variables to capture seasonal fluctuations in housing prices as measured on a quarterly basis.

⁵ The primary difference with the original AITS formulation is that our model does not include additional variables to capture changes in the trajectory of housing prices in the impact area following the opening of PPC. This is because we currently only have one year of post-impact data and these variables require a longer post-impact period to accurately establish a trend. This will be addressed in future versions of the model and future reports.

⁶ We focus on sales after 2011 to avoid the lingering downward influence of the recession on the real estate market.

We also include variables to account for overall differences in the average price of housing in the host and surrounding communities as measured against sales in outlying communities in the region—which serve as a defacto control group in our model. Lastly, we include several variables designed to measure the change in housing prices before and after the opening of PPC.⁷

The results of our statistical model appear in Table 2. We developed separate models for single-family homes and condominiums given that these are fundamentally different markets. The total number of observations reflects the total number of sales of each housing type in the region. The R-Squared value is a measure of overall model fit, interpreted as the percentage of the total variation in the sales prices that is explained by the combined set of independent variables. In this case, the independent variables explain 21% of the sale price of single-family homes and 40% of the sale price for condominiums. This is an acceptable level of fit given the limited number of explanatory variables at our disposal.

Table 2: Regression Analysis of Initial Impacts

	<u>Single-Family Homes</u>			<u>Condominiums</u>		
Mean Dependent Variable	432,197			249,749		
Number of Observations	18,937			4,420		
R-squared	0.21			0.40		
Adjusted R-squared	0.21			0.39		
F-Statistic	410.55			240.23		
Prob(F-statistic)	0			0		
Log likelihood	-253,971			-56,514		
Akaike info criterion	508,069			113,137		
Variable	Estimate	Std.Error	Prob.	Estimate	Std.Error	Prob.
Constant	559,998	7,507.07	0.000	373,857	12,014.00	0.000
Parcel Size	-0.01	0.04	0.893	5.52	2.25	0.014
Building Area	11.27	0.31	0.000	55.57	1.22	0.000
Number of Rooms	12,383.7	382.21	0.000	718.0	90.43	0.000
Year Built	-148	2.79	0.000	-117	5.36	0.000
Time Trend	2,196	193.97	0.000	433	213.51	0.042
Quarter 1 (Jan to Mar)	1,914	4,018.66	0.634	-2,697	4,209.13	0.522
Quarter 2 (Apr to June)	20,986	3,305.39	0.000	371	3,611.09	0.918
Quarter 3 (July to Aug)	20,719	3,174.73	0.000	9,300	3,525.89	0.008
Host Community	-90,173	10,753.40	0.000	-63,380	9,758.14	0.000
Neighboring Community	-78,048	3,066.87	0.000	-98,734	3,738.07	0.000
After Casino Opening, Host	-20,233	18,787.40	0.282	14,370	16,974.30	0.397
After Casino Opening, Surrounding	1,096	5,166.02	0.832	9,877	5,981.97	0.099

⁷ We chose to model before and after impacts based on the timing of the opening of PPC as opposed to the date when the license was awarded. This is because of our assumption that the primary *initial* impact on residential housing markets is more likely to stem from those moving to area to work at the casino rather than from indirect factors (such as long-term redevelopment). The [New Employee Survey at Plainridge Park Casino](#) report shows that most new hiring at PPC was during the months immediately preceding the opening.

The core of the analysis lies in the interpretation of the individual coefficient estimates that measure the real dollar change in home prices for each one unit change in the independent variable. It also includes an estimate of the statistical significance of each coefficient measured as the probability that the estimate rejects the null hypothesis that there is no association between the dependent and independent variables (“Prob.”). Most of the variables serve as controls and are of only limited interest in and of themselves. Larger houses with more rooms and newer houses tend to be sold at higher prices. Somewhat surprisingly, total parcel size is only associated with higher condominium prices. For single-family homes, the coefficient of parcel size is small and has a high probability of being due purely to random chance. The time variable captures the general growth of real sales prices since 2011 and the dummy variables for the 1st, 2nd, and 3rd quarter measure seasonal price differences against the 4th quarter (which is withheld from the model and thus serves as the reference group). In the case of single-family homes, sales in the 2nd quarter (April through June) are \$20,986 higher than they were between October and December and \$20,719 higher in the 3rd quarter (July through September) compared to the 4th quarter. For condominiums, only prices in the 3rd quarter were significantly higher than those in the 4th quarter. The dummy variables representing sales in the host and surrounding communities show that single-family and condominium prices are considerably lower in Plainville and surrounding communities compared to more distant communities in the region.

The key results are those that measure sale prices after the opening of PPC in both the host and surrounding communities (“After Casino Opening”). None of these measures are statistically significant at conventional threshold levels (usually a probability value of .05 or less), meaning that the opening of PPC appears not to have had a notable influence (positive or negative) on the sales price of single-family homes or condominiums, compared to sales in more distant parts of the region. Only the change in the price of condominiums in surrounding communities comes close to an acceptable level of statistical significance, which appears to show that condominiums in surrounding communities sold (on average) for \$9,877 more than condos in more distant communities after the opening of PPC.

The Residential Rental Market

Rentals are a relatively small component of the Plainville housing market, with 172 rental units comprising roughly 26% of occupied housing units compared to the statewide average of 37%. The size of Plainville’s rental market is generally comparable to other communities in the area—ranging from 127 units in Wrentham to 451 units in Attleboro. The vast majority of Plainville renters live in multi-unit structures—such as apartment buildings with more than two units.

The data on rental market conditions is not as robust as property sales. The most comprehensive source is the American Community Survey (ACS) produced by the U.S. Census Bureau. While collected on annual basis, the ACS pools data across multiple years to ensure a sufficient sample size for reporting smaller areas. The data for most Massachusetts municipalities is only available in five-year groupings, the most recent release being data pooled from 2012 to 2016. Thus, this data cannot be used to track year-to-year changes in market conditions nor can it be used to compare direct impacts as it currently straddles the period when PPC opened. It will be a few more years before the Census Bureau releases data measured entirely after the opening of PPC. Nevertheless, the ACS data is still useful for providing a general sense of changes in the local rental market and to help validate data collected from other sources. The ACS reports both contract rents, the amount that tenants pay each month to their landlords, as well as gross rents, which attempts to account for the fact that some contract rents include utilities while others do not.

We focus on gross rents, which are likely more indicative of the true costs of rental housing. There was a very small drop in real monthly gross rents in Plainville between the five year 2007/2011 period and the 2012/2016 period, which is generally consistent with broader regional trends. Attleboro, North Attleborough, and Mansfield also witnessed a decline in real rental prices, most notably North Attleborough. By contrast, Wrentham and Foxborough saw a rise in rental rates.

Table 3: Real Median Rents (monthly), 2014 dollars

Area	Contract Rent (\$2014)			Gross Rent (\$2014)		
	2007/11	2012/16	Change	2007/11	2012/16	Change
Plainville	\$1,136	\$1,099	-\$37	\$1,210	\$1,198	-\$12
Immediate Region						
Bristol County	\$968	\$982	\$14	\$1,111	\$1,102	-\$9
Norfolk County	\$1,210	\$1,206	-\$4	\$1,355	\$1,343	-\$12
Massachusetts	\$991	\$988	-\$3	\$1,151	\$1,129	-\$22
Surrounding Communities						
Attleboro	\$887	\$874	-\$13	\$1,045	\$991	-\$54
Foxborough	\$1,211	\$1,253	\$42	\$1,280	\$1,375	\$95
Mansfield	\$1,124	\$1,094	-\$30	\$1,224	\$1,170	-\$54
North Attleborough	\$936	\$880	-\$56	\$1,082	\$975	-\$107
Wrentham	\$909	\$1,039	\$130	\$1,048	\$1,096	\$48

Source: U.S. Census Bureau, American Community Survey Five-Year Estimates

Note: The most recent American Community Survey (ACS) data was for 2012/16 at the time of writing

Residential Rent Prices Over Time

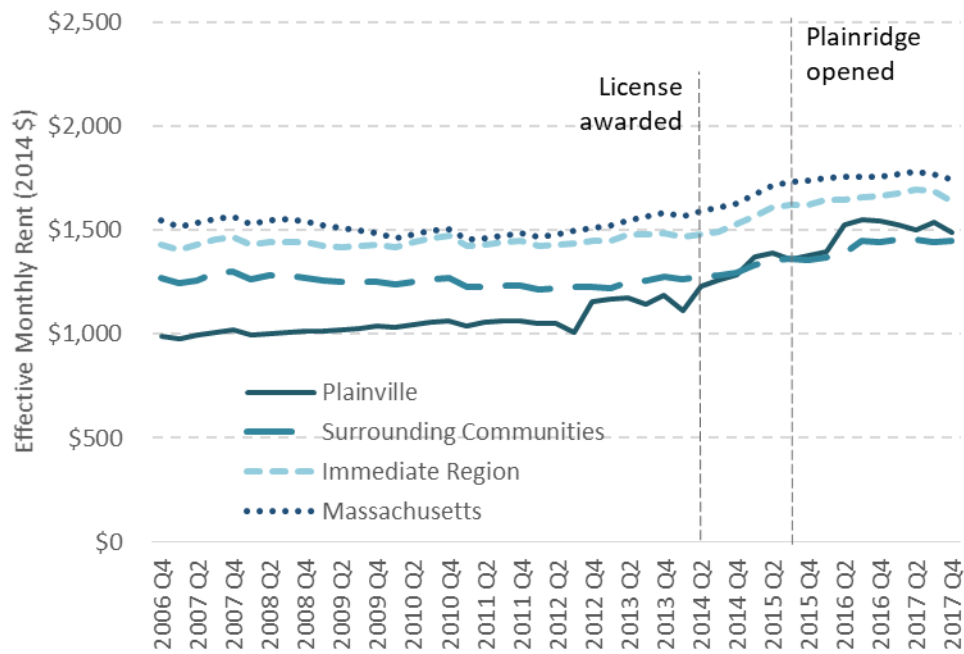
To track changes in the cost of rental housing, we turn to a proprietary database provided by CoStar. CoStar describes itself as the nation’s largest provider of data on commercial properties. It also owns and operates the online rental listing service Apartments.com, arguably the largest and most comprehensive real-time source of data on national and local rentals. It reports average rents on a quarterly basis with almost no lag, making it ideal for closely monitoring changing market conditions. CoStar also reports both average “reported” rents and average “effective” rents. Effective rents are more akin to ACS-defined gross rents because they attempt to account for the fact that some contract rents include utilities while others do not. Unless otherwise stated, we focus our review on effective rents.

While expansive, detailed, and timely, CoStar is not a representative sample as is the ACS. Furthermore, CoStar is somewhat opaque in describing its data collection and estimation methods, so it is difficult to identify possible biases in the data or how sensitive the reported data is to changing market conditions at the ground level. We do know that CoStar primarily lists rentals in multi-unit structures managed by property management services (i.e., apartment buildings) and likely misses rentals of single-family homes. This may create a considerable bias and undercounting in communities, such as Plainville, where

multi-unit apartment buildings are relatively rare. From our previous study of baseline conditions, we know that past CoStar data on median effective rents in Plainville was consistent with ACS estimates of gross monthly rent. However, the statewide and regional averages reported by CoStar were much higher. This may be because CoStar focuses on rentals in multi-unit buildings, which may be more expensive, or because it is based on advertised listings whereas the ACS asks tenants how much they actually pay in monthly rent, which may be less than the market rate. If the latter is true, then CoStar may actually be a more sensitive leading indicator of changes in rental markets than data gathered from the ACS.

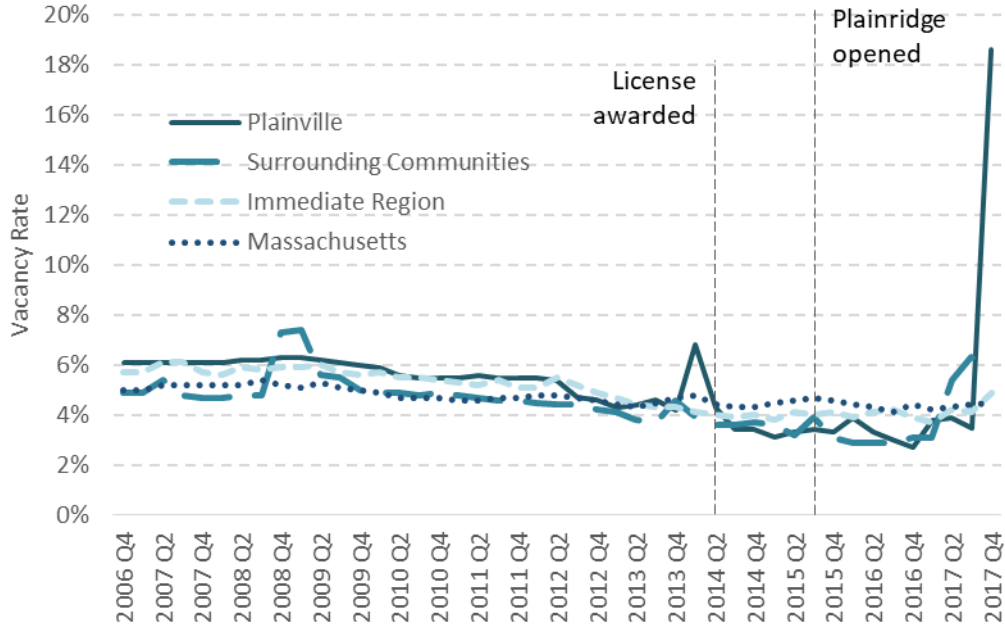
Assuming that CoStar provides a valid, albeit incomplete, indicator of changing rental market conditions, we proceed with our investigation of recent trends in rental prices relative to the State. Effective monthly rents in Plainville and surrounding communities are lower than the State average and have been on a general upward trend since 2011 (Figure 10). Rents have also been slightly higher in the months following the opening of PPC, otherwise they have plateaued since 2016. Rising rents coincide with declining rental vacancy rates in Plainville and surrounding communities (Figure 11). However, rental vacancy rates in Plainville spiked in the 4th quarter of 2017. According to Co-star, this spike coincides with the addition of nearly 250 new rentals on the market. Vacancy rates should decline as these new units begin to fill.

Figure 10: Effective Monthly Rents, Plainville vs. the Immediate Region and State, 2006-2017



Source: The CoStar Group Inc.

Figure 11: Rental Vacancy Rates, Plainville vs. the Immediate Region and State, 2006-2017



Source: The CoStar Group Inc.

Building Permits

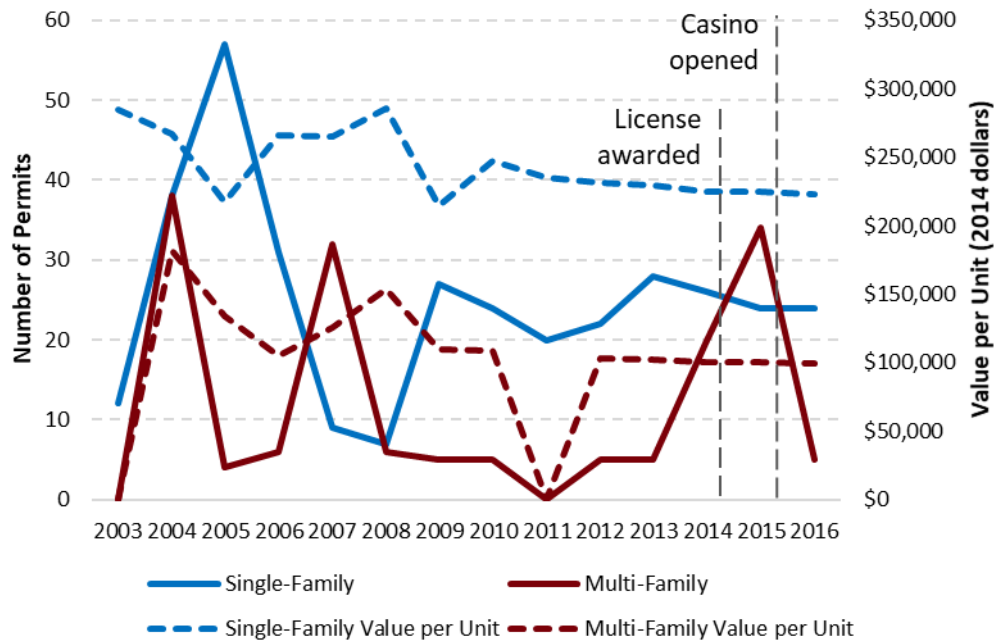
The final section of our analysis of residential real estate conditions examines recent trends in residential building permits. Building permits are an important prerequisite for new development. Municipal officials, demographic forecasters, and real estate analysts alike monitor building permit applications in order to get a sense of changing population trends two or three years in advance.

The data on building permits comes from the U.S. Census Bureau’s Manufacturing and Construction Division. For every individual community in Massachusetts, the Census Bureau reports the number of permits and their approximate value. However, the survey only covers residential permits, although it does distinguish single- from multiple-family permits. These figures should be considered estimates and not a complete count. Communities often do not report their permits, in which case the Census Bureau imputes (i.e. makes a statistical estimate of) the missing values using past values and other related variables.

One must exercise particular caution when considering building permit trends, especially at the town level. Even with imputation, the number of building permits issued can vary greatly from year to year. A single-large scale development can create abrupt bumps and dips in annual permitting trends. Permits, like the real estate market more generally, are also sensitive to broader economic conditions and business cycles—making it difficult to establish a regular “baseline” trend that can later be used to measure impacts. With these important caveats in mind, we proceed with our examination of recent trends.

Whether considering the number of residential permits issued or their average value, there is little evidence to suggest that PPC has led to either a rise or decline in residential permits.⁸ Neither the timing of the award announcement or the opening of the casino is associated with a spike or dip in permits (Figure 12). The one possible exception is for the number of multi-family permits, which experienced a sharp rise in 2014 commensurate with the awarding of the expanded gaming license. It is difficult to attribute this to the opening of PPC, however, as the number of multi-family permits is highly volatile. Furthermore, the rise in multi-family permits was only temporary, dipping back down to just a mere handful in 2016.

Figure 12: Plainville, Number and Per Unit Value of Residential Building Permits, 2003-2016



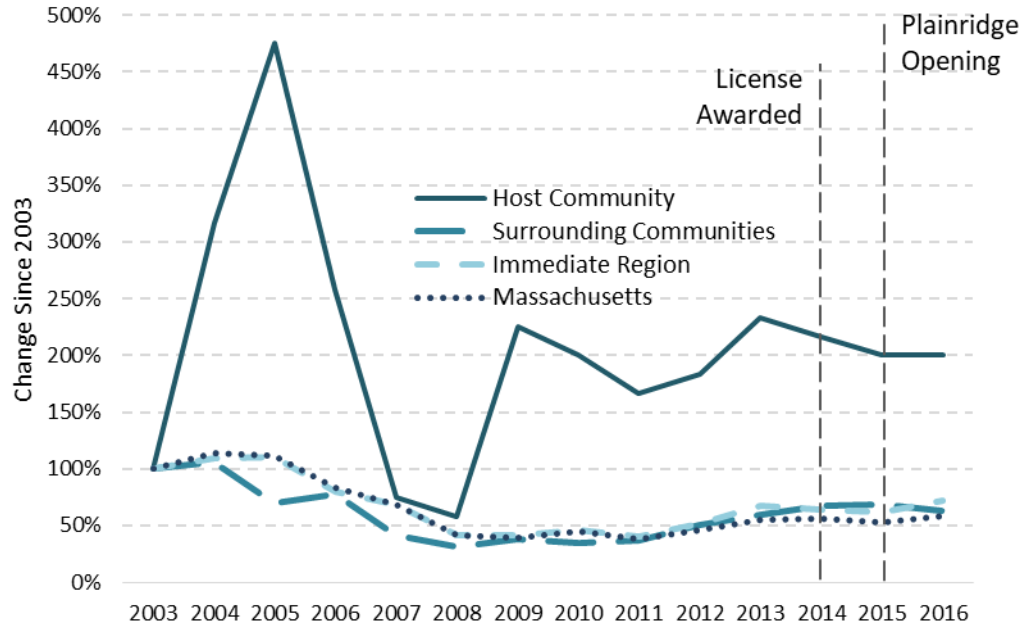
Source: U.S. Census Bureau, Residential Construction Branch

To help put these trends into context, we compare the annual change in single-family residential building permits in Plainville and surrounding communities against regional (i.e., Norfolk and Bristol Counties) and statewide trends. Multi-family permits are too volatile to warrant comparison.

Although higher than its base value in 2003, the number of single-family permits issued in Plainville and surrounding communities have remained fairly steady in recent years (Figure 13), even declining slightly since 2013 (just prior to when the casino was awarded its license). The average value of permits issued in Plainville has also held steady over the past few years (Figure 14). By contrast, the value of single-family permits in surrounding communities has risen since the opening of PPC. However, it is difficult to attribute this purely to PPC as more distant communities in the region have experienced a similar trend.

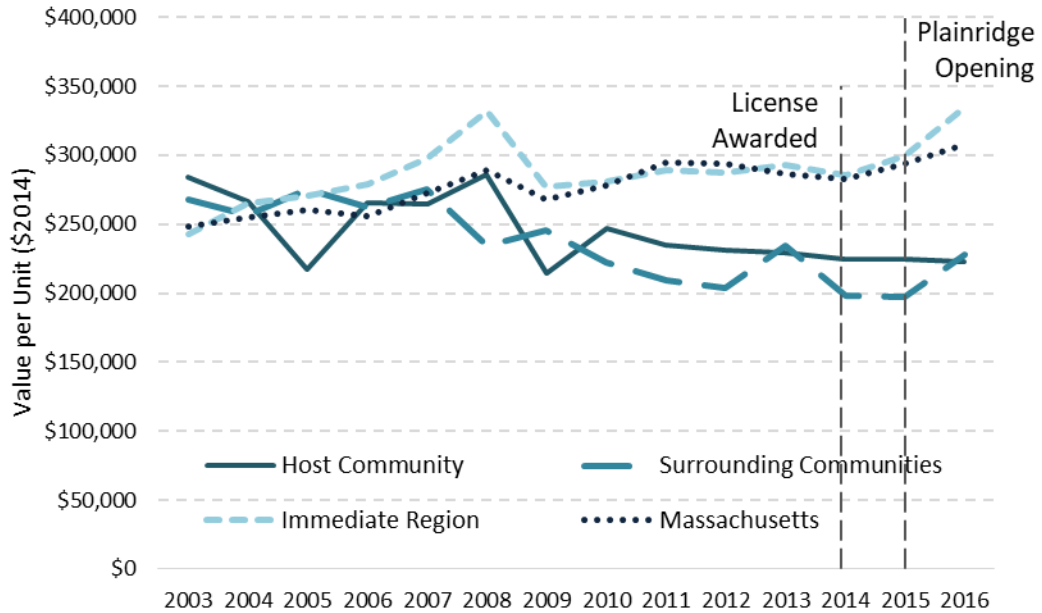
⁸ We measure the value of residential permits as the total value of permits divided by the number of units (not permits). This makes it easier to compare values when grossly different numbers of units are covered under a single permit.

Figure 13: Change in Single-Family Building Permits, 2003-2016



Source: U.S. Census Bureau, Residential Construction Branch

Figure 14: Average Value of Single-Family Building Permits, 2003-2016



Source: U.S. Census Bureau, Residential Construction Branch

Table 4 provides a summary of building permit activity in Plainville and its surrounding communities. Again, the irregular nature of building permits confounds comparisons at the municipal level, and the data on multi-family permits was deemed too sparse to include. We also find no consistent pattern of increase or decrease before and after the opening of PPC relative to the overall region. Two

communities (Attleboro and Foxborough) issued notably higher numbers of single-family permits after the opening of PPC relative to the regional average, while permitting in North Attleborough and Plainville was far below the regional average. Only Mansfield had an increase in the value of the permits issued that was on par with the larger region.

Table 4: Single-Family Building Permit Summary, Plainville and Surrounding Communities

Area	Single-Family Building Permits			
	Number (2016)	Percent Change in Number 2013-2016	Value per unit in 2016 (\$2014)	Change in Value 2013-2016
Massachusetts	7,100	-30%	\$286,347	\$38,405
Immediate Region	1,561	6%	\$334,520	\$41,699
Plainville	24	-14%	\$222,618	-\$6,746
Surrounding Communities				
Attleboro	57	68%	\$160,624	\$4,496
Foxborough	34	26%	\$267,145	-\$54,239
Mansfield	26	-7%	\$270,577	\$45,990
North Attleborough	29	-42%	\$207,715	-\$10,523
Wrentham	51	9%	\$268,190	\$5,551

Source: U.S. Census Bureau, Residential Construction Branch

Commercial and Industrial Real Estate

The market for commercial and industrial real estate is another important indicator of the health and nature of an area’s economy. This section of the report analyzes Plainville’s commercial and industrial real estate inventory, the extent to which that space is utilized, and the price of the space. As before, we focus on whether there have been any observable changes following the opening of PPC.

The section makes extensive use of data from CoStar (described in the previous section) to provide information on indicators not generally tracked in publicly available data sources. CoStar data are available for most of Massachusetts on a quarterly basis from 2008 to present.⁹ This analysis will cover the 10-year period between the 1st quarter of 2008 and the last quarter of 2017.¹⁰

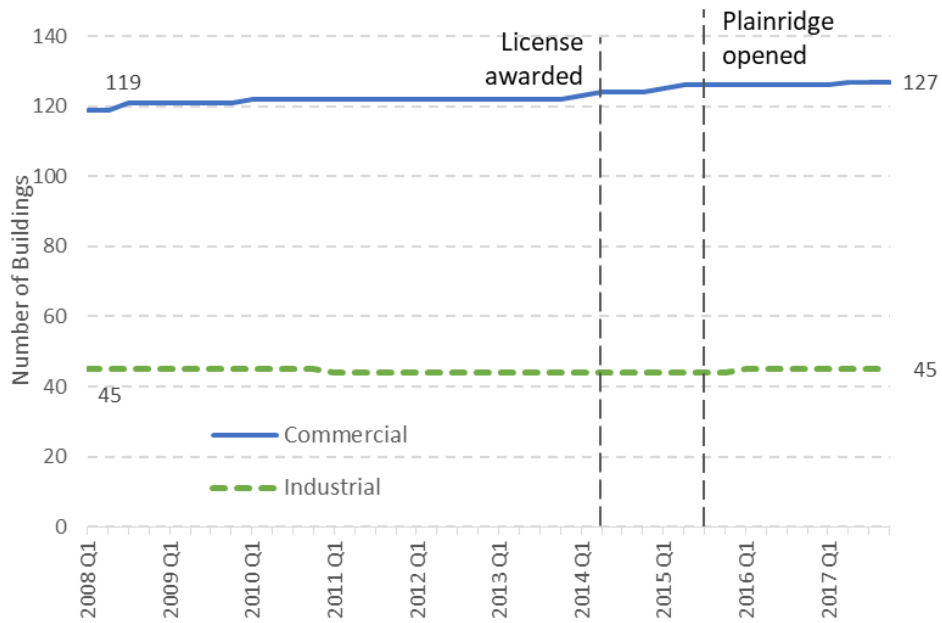
Inventory

The commercial and industrial business stock of Plainville has changed very little over the years. The town had a total of 172 commercial and industrial buildings at the end of 2017. Over the 10 years studied, Plainville’s commercial building stock rose from 119 to 127 buildings, while its industrial building stock fell slightly before returning to 45 buildings (Figure 15).

⁹ For more information about CoStar Group Inc. and the CoStar database, please visit <http://www.costar.com/>. The data used for this analysis is not available for download without a CoStar subscription.

¹⁰ We define commercial real estate as any real estate that CoStar defined as Office, Retail, Flex, Hospitality, Health Care, or Sports & Recreation. Industrial real estate is any real estate that CoStar defines as Industrial. These definitions were chosen to best approximate MA DOR classifications.

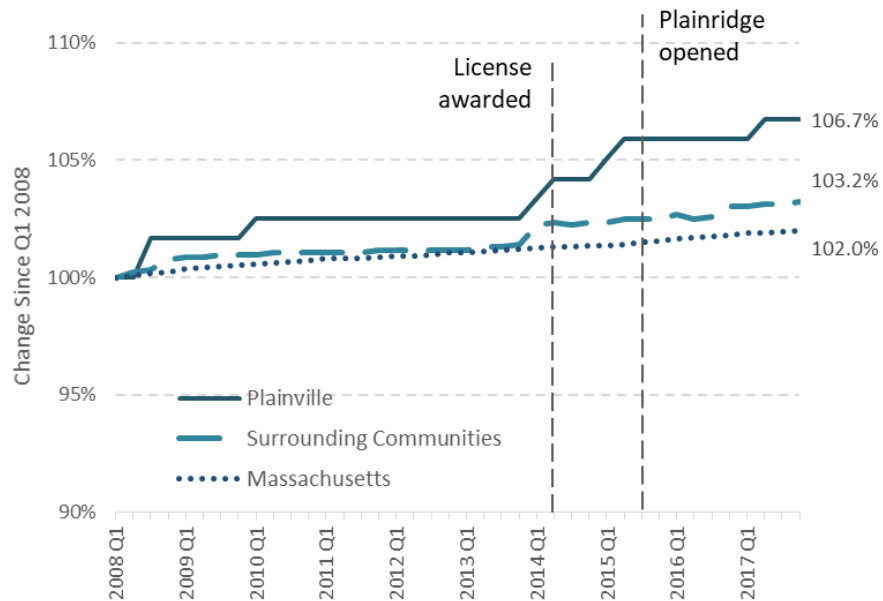
Figure 15: Plainville, Number of Commercial and Industrial Buildings, 2008-2017



Source: The CoStar Group Inc.

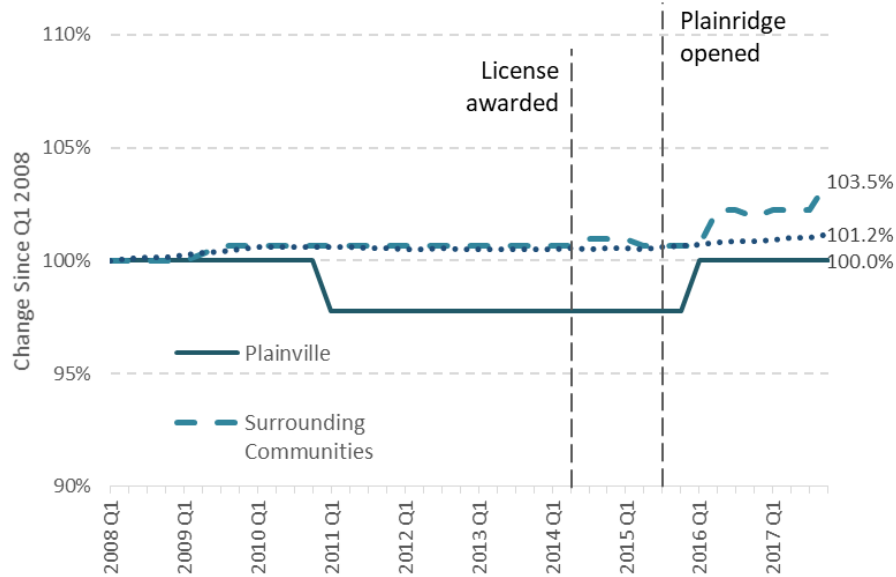
Although only a small number of buildings, the relative growth in Plainville’s inventory is interesting within the context of surrounding communities and the Commonwealth. Plainville witnessed a notable relative jump in its commercial inventory coinciding with the construction phase of PPC (Figure 16). The single new industrial building was added just after the opening (Figure 17).

Figure 16: Number of Commercial Buildings, 2008-2017



Source: The CoStar Group Inc.

Figure 17: Number of Industrial Buildings, 2008-2017

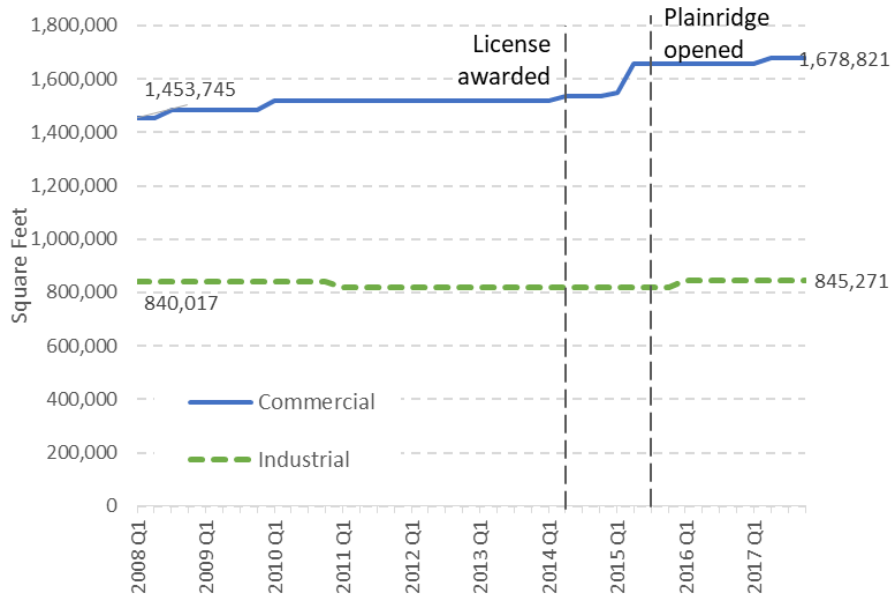


Source: The CoStar Group Inc.

Buildings can vary dramatically in their size and significance to the supply of available and usable space. Another way to examine an area’s building inventory is rentable building area (RBA), measured as the usable area (in square feet) of an area’s building stock, including associated common areas.

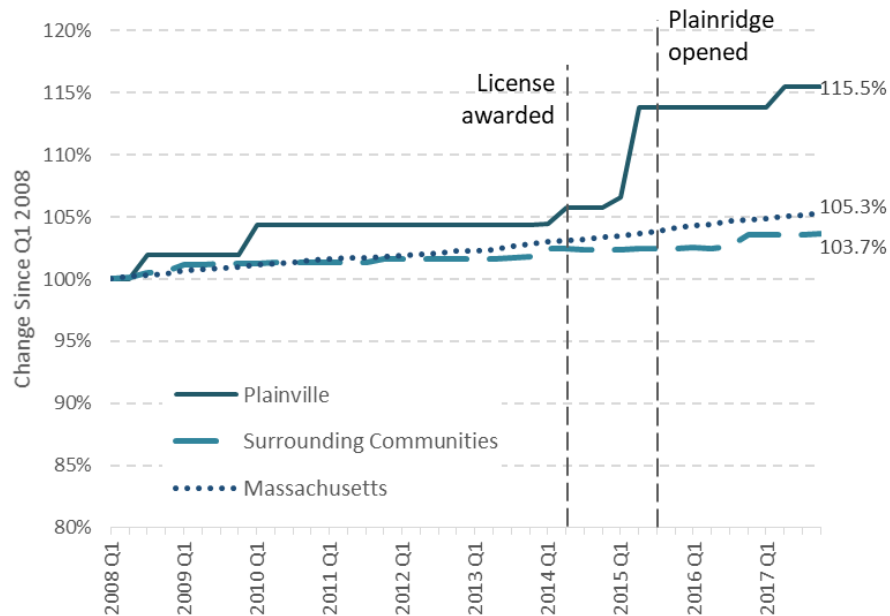
In Plainville, commercial buildings comprise a larger share of the city’s rentable building area as well as a larger share of the total number of buildings compared to industrial buildings (Figure 18). Plainville added capacity to its commercial RBA between 2008 and 2017—some of which can be attributed to PPC itself (Figure 19). The newly constructed buildings are likely larger than the average size of existing commercial buildings in Plainville as evidenced by RBA rising faster than the number of buildings.

Figure 18: Plainville Rentable Building Area, 2008-2017



Source: The CoStar Group Inc.

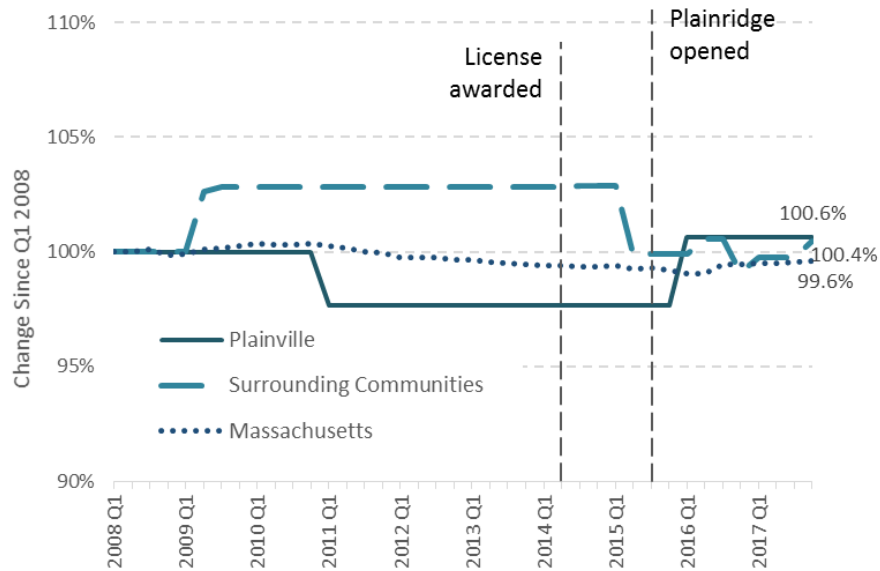
Figure 19: Commercial Rentable Building Area, 2008-2017



Source: The CoStar Group Inc.

Industrial RBA in Plainville fell in the 1st quarter of 2011, but has risen slightly in the years after the opening of PPC (Figure 20). Plainville’s recent growth in industrial RBA is in keeping with trends in surrounding communities and the Commonwealth, which has also seen little change in industrial RBA in the last decade.

Figure 20: Industrial Rentable Building Area, 2008-2017



Source: The CoStar Group Inc.

Surrounding Community Building Counts and Rentable Building Area

Table 5 reports changes in the number of buildings and RBA for Massachusetts, Plainville, and individual surrounding communities. At 6.7%, Plainville is one of three area communities to exceed the Commonwealth’s growth rate in commercial buildings since the beginning of 2008, with only Wrentham exceeding it. Since the beginning of PPC’s construction in the 2nd quarter of 2014, Plainville’s growth in terms of both buildings and real buildable area significantly exceeded that of both the State and its surrounding communities, with at least some of that growth being attributable to PPC.

Table 5: Commercial Inventory, Plainville and Surrounding Communities

Commercial Inventory, Plainville and Surrounding Communities, 2008-2017	Number of Buildings (Q4 2017)	Percent Change, Q1 2008-Q4 2017	Percent Change, Q2 2014-Q4 2017	Rentable Building Area (Square Feet, Q4 2017)	Percent Change, Q1 2008-Q4 2017	Percent Change, Q2 2014-Q4 2017
Massachusetts	49,602	2.0%	0.7%	990,782,674	5.3%	2.1%
Plainville	127	6.7%	2.4%	1,678,821	15.5%	9.2%
Surrounding Communities						
Attleboro	318	1.3%	0.6%	4,694,449	1.1%	0.6%
Foxborough	186	5.1%	0.5%	6,926,334	6.1%	2.3%
Mansfield	191	3.8%	1.1%	3,969,105	2.2%	0.8%
North Attleborough	195	2.1%	1.6%	4,392,038	2.6%	0.9%
Wrentham	73	9.0%	0.0%	1,256,675	9.9%	0.0%

Source: The CoStar Group Inc.

For industrial properties, Plainville experienced no change in the number industrial buildings between 2008 and 2017 (Table 6). Plainville experienced a slower gain in RBA than any of its surrounding communities except Attleboro, which experienced a decrease in industrial RBA. Massachusetts lost RBA

during the same period, but in terms of percent change, the loss was less severe than the loss in Attleboro. Most of Plainville’s industrial growth occurred after the start of PPC’s construction, with the area actually losing industrial buildings and RBA between 2008 and 2014. However, it is unclear if there is any relationship between recent industrial developments and the casino.

Table 6: Industrial Inventory, Plainville and Surrounding Communities

Industrial Inventory, Plainville and Surrounding Communities, 2008-2017	Number of Buildings (Q4 2017)	Percent Change, Q1 2008-Q4 2017	Percent Change, Q2 2014-Q4 2017	Rentable Building Area (Square Feet, Q4 2017)	Percent Change, Q1 2008-Q4 2017	Percent Change, Q2 2014-Q4 2017
Massachusetts	11,013	1.2%	0.6%	416,118,399	-0.4%	0.2%
Plainville	45	0.0%	2.3%	845,271	0.6%	3.1%
Surrounding Communities						
Attleboro	118	-1.7%	-1.7%	4,746,792	-11.2%	-11.2%
Foxborough	48	4.3%	2.1%	1,273,870	7.4%	4.7%
Mansfield	50	2.0%	0.0%	5,455,011	8.7%	1.6%
North Attleborough	73	5.8%	5.8%	1,595,776	6.1%	6.1%
Wrentham	34	21.4%	21.4%	418,312	11.7%	11.7%

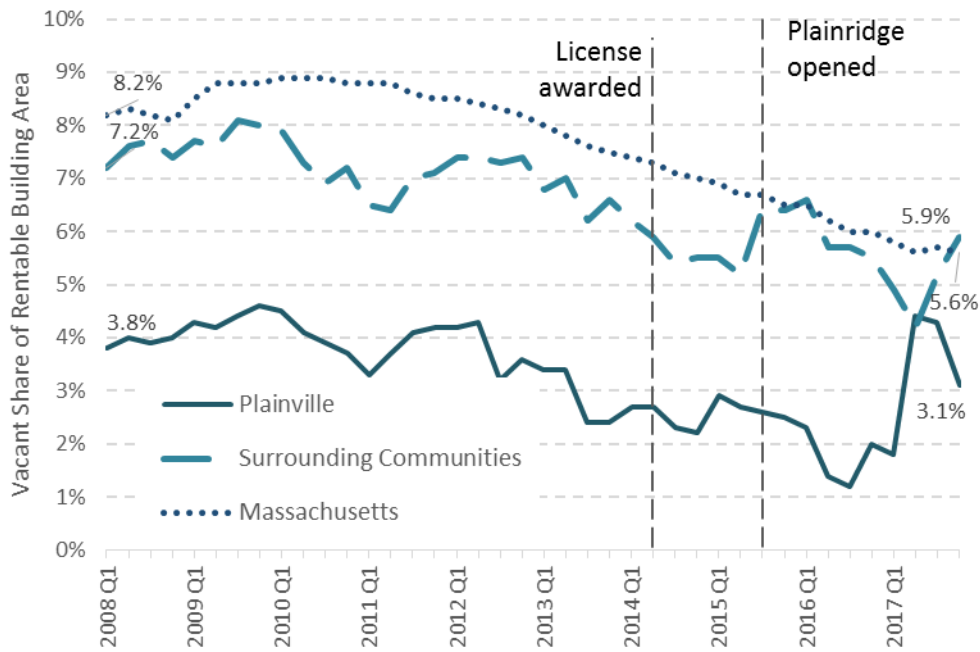
Source: The CoStar Group Inc.

Vacancy and Absorption

Our next set of metrics considers how available space is being utilized. First, we consider vacancy rates. A vacancy rate is the percentage of rentable building area that is not currently in use. Vacancy rates as calculated by CoStar may not take into account abandoned buildings that are not on the market and thus may underestimate true vacancy rates in some distressed communities with considerable blight.

Due to its small size, even minor changes in the supply and demand of space in Plainville can generate relatively large fluctuations in yearly vacancy rates. Nevertheless, commercial vacancy rates in Plainville are far below those of surrounding communities and the Commonwealth (Figure 21). Furthermore, Plainville’s commercial vacancy rate has been consistently below that of the State and surrounding communities throughout the study period, suggesting an intensive use of commercial space in Plainville that predated the development of PPC. The commercial market has been getting even tighter in recent years. Plainville’s commercial vacancy fell from 3.8% in the 4th quarter of 2008 to 3.1% in the 4th quarter of 2017.

Figure 21: Commercial Vacancy Rates, 2008-2017



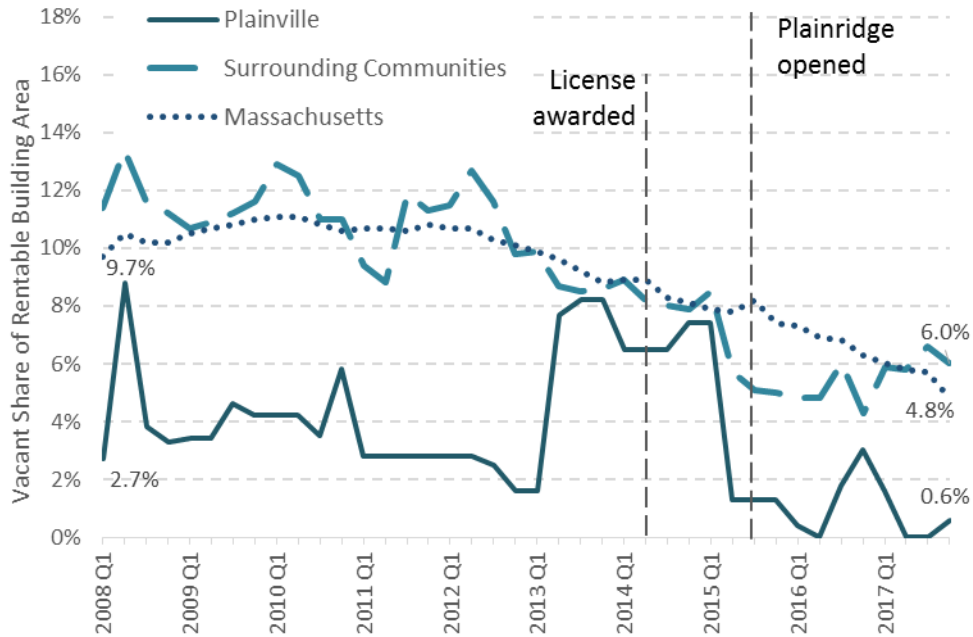
Source: The CoStar Group Inc.

Note: Vacancy rate is calculated as the share of unused rentable building area.

Plainville’s industrial vacancy rate is even more volatile than the commercial rate. It has also remained lower than in the surrounding communities or the Commonwealth as a whole throughout the study period (Figure 22). Aside from a temporary spike in 2008, Plainville’s industrial vacancy rate declined for most of the study period to a low of less than 2% in 2013. Vacancy rates spiked again in 2013 and have remained high for about two years, before falling again around the time that PPC opened for business. Plainville’s industrial vacancy rate currently sits at 0.6%, considerably lower than the rates of the surrounding communities or the Commonwealth.

Next, we consider net absorption. Net absorption is defined as the net change in occupied space in an area’s rentable building area from one quarter to the next. It measures the difference between rentable building area that is newly occupied and the rentable building area that is no longer occupied since the last period. Because net absorption is presented in terms of square feet, not as a share of rentable building area, it captures changes in the market that may not be detected by the vacancy rate alone. For example, a vacant building that is taken off of the market entirely would cause a fall in the vacancy rate, but no corresponding change in net absorption. Analysis typically considers several consecutive quarters of high positive net absorption as indicative of shrinking supply of available space and sends a signal to developers that the market is ripe for construction. Net absorption is measured quarterly, so each point measures the net change in occupied rentable building area during that quarter. Zero net absorption indicates no change from the previous quarter. Although typically measured in square feet, Figure 23 Figure 24 report net absorption in standardized units (i.e., each divided by its standard deviation) to allow for comparison across Plainville, surrounding communities, and the State.

Figure 22: Industrial Vacancy Rates, 2008-2017

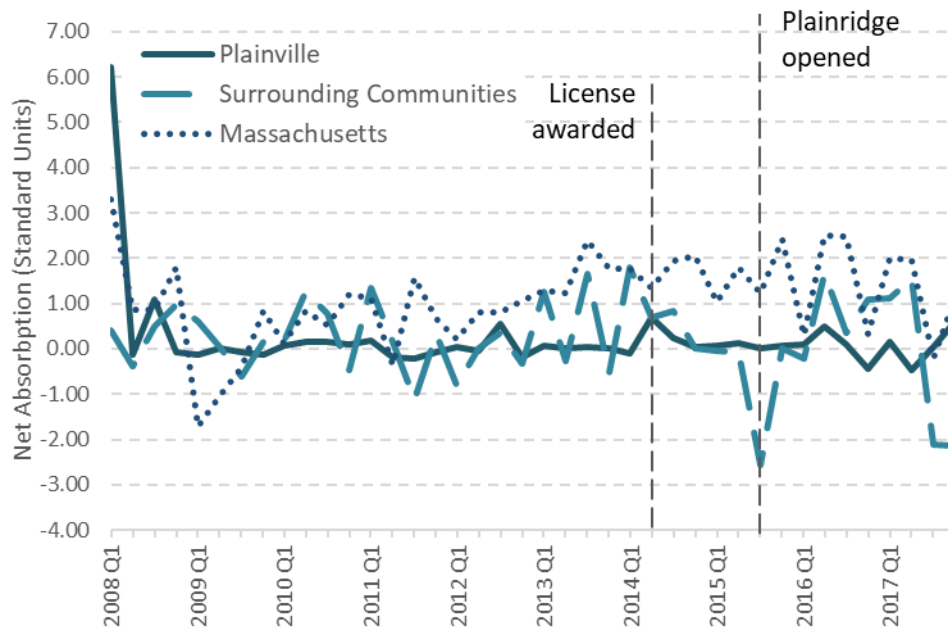


Source: The CoStar Group Inc.

In Plainville, commercial net absorption has hovered fairly close to zero in most quarters since a positive spike in the 1st quarter of 2008 (Figure 23). On the whole, the trend in Plainville has been positive, with 27 of the 40 quarters showing gains in occupied RBA and a net increase of 241,555 square feet in occupied RBA since 2008. Massachusetts saw much more significant trends during this same period, with 35 of the 40 quarters showing positive net absorption and an increase of roughly 53 million more square feet of occupied commercial RBA since the 1st quarter of 2008.

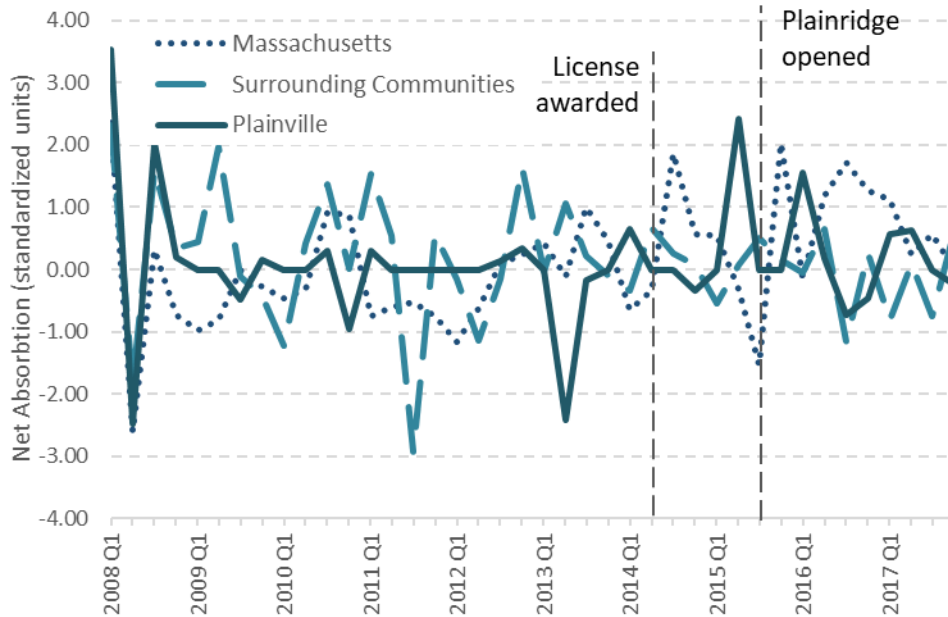
Many quarters saw no change in net absorption for industrial properties in Plainville (Figure 24). Plainville’s net absorption changed in only 25 of 40 quarters, with 14 of those being positive shifts and 11 being negative. This is to be expected given the small number of industrial buildings in Plainville and stands in contrast to the industrial net absorption of Massachusetts, which saw 20 positive quarters and 20 negative quarters. By the end of 2017, Plainville had almost a million more square feet of occupied industrial RBA, while Massachusetts gained just over 416 million square feet.

Figure 23: Commercial Net Absorption (measured in standardized units), 2008-2017



Source: The CoStar Group Inc.

Figure 24: Industrial Net Absorption (measured in standardized units), 2008-2017



Source: The CoStar Group Inc.

Surrounding Community Vacancy and Absorption Rates

Table 7 compares the commercial and industrial vacancy rate and net absorption in Plainville to surrounding communities—designated as “official surrounding communities” by the Massachusetts

Gaming Commission. For commercial properties, Plainville’s vacancy rate of 3.1% is the lowest when compared to the surrounding communities and is much lower than Massachusetts’ vacancy rate in 2017. Every town except Mansfield and Wrentham had a 2017 vacancy rate below or equal to the State level. Attleboro and Foxborough all had larger decreases in commercial vacancy rates than the State, while Plainville experienced a smaller decrease and Mansfield, North Attleborough, and Wrentham experienced increases in the vacancy rate. While almost half of the commercial net absorption for the State occurred since the beginning of PPC’s construction, just over 10% of Plainville’s commercial net absorption occurred in that timeframe.

Table 7: Commercial Vacancy and Absorption, Plainville and Surrounding Communities

Commercial Vacancy and Absorption, Plainville and Surrounding Communities, 2008-2017	Vacancy Rate (Q4 2017)	Change, Q1 2008-Q4 2017	Change, Q2 2014-Q4 2017	Net Absorption (Q1 2008-Q4 2017)	Net Absorption, (Q2 2014-Q4 2017)
Massachusetts	5.6%	-2.6%	-1.7%	53,453,852	25,615,534
Plainville	3.1%	-0.7%	0.4%	241,555	29,049
Surrounding Communities					
Attleboro	3.5%	-7.4%	-2.3%	248,039	88,570
Foxborough	3.2%	-6.2%	-2.0%	504,844	102,385
Mansfield	10.0%	3.3%	5.3%	-110,712	-211,470
North Attleborough	5.6%	1.5%	-0.8%	-37,169	-21,841
Wrentham	10.7%	9.5%	0.0%	-4,587	-163

Source: The CoStar Group Inc.

Notes: Vacancy rate from CoStar data are defined as the share of unused rentable building area. Net absorption is the net change in occupied space in a geography’s rentable building area.

At 1.8%, Plainville’s industrial vacancy rate is the lowest in the area and substantially lower than the State rate (Table 8). Among the surrounding communities, only Attleboro and Foxborough have an industrial vacancy rate higher than that of the State. Between the 1st quarter in 2008 and the 4th quarter in 2017, every community in the area followed the State trend of falling industrial vacancy rates and positive industrial net absorption, although those trends do not hold for every community since the start of PPC’s construction.

Table 9 presents an alternative concept of vacancy rates, based upon the share of vacant mailing addresses, instead of vacant properties on the market. Information on vacant mailing addresses is taken from Valassis Lists, a direct mail marketing firm, which supplies United States Postal Service vacancy data to the web-based mapping company PolicyMap. Valassis Lists includes commercial and industrial buildings that have been abandoned as well as other properties that are not on the market as a share of all buildings. Unfortunately, Valassis Lists does not consider vacancy rates in relation to square footage, nor does it distinguish commercial from industrial properties. While they may not be directly comparable, when viewed together, both CoStar and Valassis help to provide a more complete view of vacancy in the host and surrounding communities.

Table 8: Industrial Vacancy and Absorption, Plainville and Surrounding Communities

Industrial Vacancy and Absorption, Plainville and Surrounding Communities, 2008-2017	Vacancy Rate (Q4 2017)	Change, Q1 2008-Q4 2017	Change, Q2 2014-Q4 2017	Net Absorption (Q1 2008- Q4 2017)	Net Absorption, (Q2 2014-Q4 2017)
Massachusetts	4.8%	-4.9%	-4.1%	416,118,399	795,569
Plainville	0.6%	-2.1%	-5.9%	845,271	25,054
Surrounding Communities					
Attleboro	10.7%	-1.2%	-3.9%	4,746,792	-599,000
Foxborough	4.9%	-15.7%	4.4%	1,273,870	57,300
Mansfield	4.0%	-6.4%	-0.8%	5,455,011	84,729
North Attleborough	0.9%	-4.2%	-4.2%	1,595,776	92,201
Wrentham	2.1%	-9.5%	-2.2%	418,312	43,705

Source: The CoStar Group Inc.

Notes: Vacancy rates from CoStar data are defined as the share of unused rentable building area. Net absorption is the net change in occupied space in a geography's rentable building area.

For every community in the surrounding area except for Attleboro, data was collected at the zip-code level. At 12.2%, Plainville's Valassis vacancy rate is higher than that of the Commonwealth as a whole, but lower than its southern neighbors of North Attleboro and Attleboro. The remaining communities in the surrounding area all have Valassis vacancy rates lower than that of the Commonwealth.

Table 9: Valassis Vacancy Rates

Vacancy Rates, Plainville and Surrounding Communities, 2008-2017	Valassis Vacancy Rate, All Businesses, Q4 2017
Massachusetts	8.3%
Plainville	10.7%
Surrounding Communities	
Attleboro	20.0%
Foxborough	N/A
Mansfield	21.9%
North Attleborough	8.3%
Wrentham	10.6%

Source: Valassis Lists

Notes: Vacancy rates from Valassis Lists are defined as the share of vacant addresses according to the US Postal Service

Lease Rates

Price is another important factor in an area's real estate market. While there are a number of factors that determine what price properties charge in rent, it stands to reason that those areas with higher lease rates are areas that are seen as more desirable by organizations seeking space to rent. There are, however, a few exceptions and caveats. First, some organizations own the space they occupy and those properties are not included in the CoStar lease data. Second, individual buildings may possess

characteristics which make them particularly valuable to certain types of businesses and organizations. This can make a direct comparison difficult. In this respect, the difference in lease rates between municipalities may say as much about the mix of business activities of those municipalities as it does about their relative economic health.

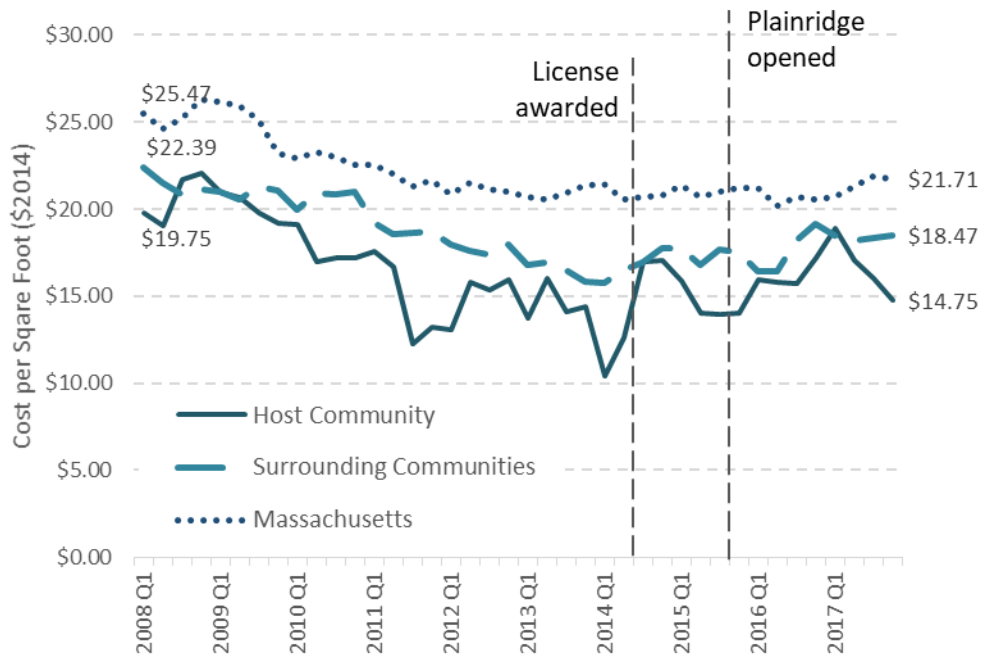
We analyze lease rates separately for industrial and commercial space, dividing commercial leases into two groups: office and non-office real estate. This is because there are often significant differences in the lease rates between office and non-office real estate.¹¹ Office commercial real estate often includes the offices of professional service firms, lawyers, doctors, and government buildings, etc., while non-office commercial real estate includes restaurants, retail stores, sports and entertainment facilities, transportation facilities, and many other types of real estate. Lease rates for industrial real estate are also presented.

Office real estate in Plainville leases at a lower rate than both the State and the surrounding communities, as it has over the 10 year study period (Figure 25). Office real estate in Plainville leases at approximately \$7 less per square foot than the average rate for the Commonwealth and roughly \$4 less than the average for the surrounding communities. Commercial office lease rates are also more volatile in Plainville, which is not surprising given the relatively small number of commercial office properties. Even so, we see little evidence of either a sustained spike or decline in commercial leasing rates in either Plainville or its surrounding communities following the construction or opening of PPC.

There has been more of a sustained rise in non-commercial lease rates in surrounding communities following the opening of PPC. However, we see no similar trend for Plainville, where real lease rates for non-commercial properties have actually declined in recent years. For most of the last 10 years, lease rates for non-office commercial properties in Plainville have been roughly similar to those of Massachusetts and the surrounding communities (Figure 26). By the 4th quarter of 2017, the lease rate in Plainville had fallen to roughly \$3 below that of the Commonwealth as a whole, with the rate for the surrounding communities being significantly higher than either.

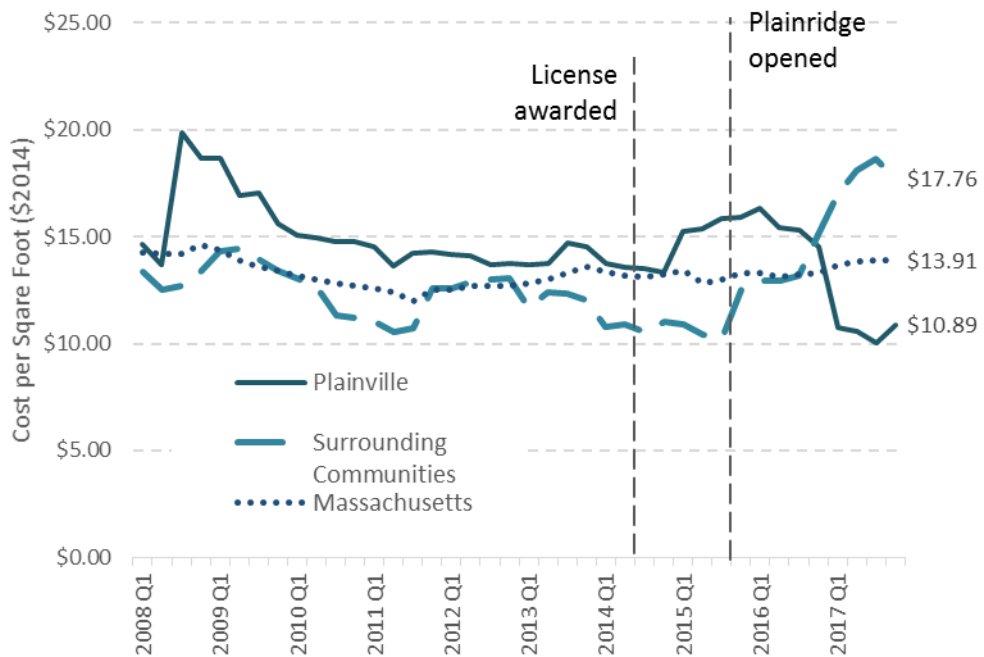
¹¹ CoStar's full definition of an office building reads as follows: "The primary intended use of an office building is to house employees of companies that produce a product or service primarily for support services such as administration, accounting, marketing, information processing and dissemination, consulting, human resources management, financial and insurance services, educational and medical services, and other professional services. Office buildings are characterized by work efficient floor plans, work areas, comfortable heating and cooling, cabling for phones and computers, and other conveniences that allow people conduct business. The interior finish and the structural design of the building supports the activities of the employees. Office buildings are typically configured for high density use, with a ratio of people to square footage in the 150 to 300 or more range and less than 25% of the demised floor space allocated to industrial or retail use. Some physical characteristics of a building may assist in classifying the property as "office" if the property's use is not apparent."

Figure 25: Office Commercial Lease Rates (2014 dollars), 2008-2017



Source: The CoStar Group Inc.

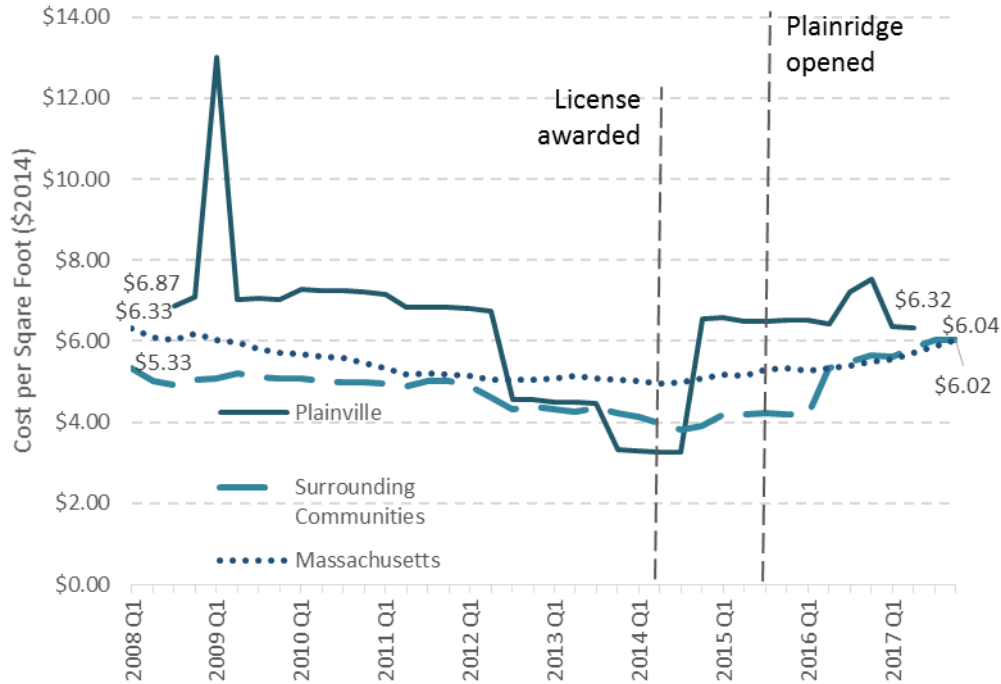
Figure 26: Non-Office Commercial Lease Rates (2014 dollars), 2008-2017



Source: The CoStar Group Inc.

Because of the small number of industrial buildings in the area, lease rate data is not available for every quarter in Plainville. For the quarters which data is available, industrial lease rates have been more similar between Plainville, the surrounding communities, and the Commonwealth than they have been for commercial lease rates (Figure 27). For much of the last 10 years, Plainville’s average industrial lease rate has actually been higher than that of the other two geographies, if much more volatile. This volatility is to be expected, given the very small number of industrial buildings in Plainville.

Figure 27: Industrial Lease Rates (2014 dollars), 2008-2017



Source: The CoStar Group Inc.

Surrounding Community Lease Rates

At \$14.22 per square foot (2014 dollars), Plainville joins all of the surrounding communities in falling below the State commercial office lease rate of \$20.94 (Table 10). It also joins four of its surrounding communities in having experienced a decline in commercial office lease rates, with only Wrentham showing an increase in rates. While the trend over the last 10 years has been one of declining commercial office lease rates, Plainville has experienced rising commercial office lease rates since the middle of 2014, when construction began at PPC. The extent to which PPC has played a role in this recent reversal is difficult to discern, but Plainville is not alone, with Attleboro, Foxborough, North Attleborough, and Massachusetts as a whole experiencing the same reversal.

Table 10: Commercial Lease Rates, Plainville and Surrounding Communities

Area	Office Lease Rates			Non-Office Lease Rates		
	Q4 2007 Rate Per Sq Ft (\$2014)	Percent Change, Q1 2008- Q4 2017	Percent Change, Q2 2014- Q4 2017	Q4 2007 Rate Per Sq Ft (\$2014)	Percent Change, Q1 2008- Q4 2017	Percent Change, Q2 2014- Q4 2017
Massachusetts	\$20.94	-14.7%	5.8%	\$13.41	-2.6%	5.5%
Plainville	\$14.22	-25.3%	17.1%	\$10.50	-25.7%	-19.9%
Surrounding Communities						
Attleboro	\$15.32	-8.1%	27.2%	\$23.81	92.4%	147.1%
Foxborough	\$20.14	-16.0%	8.8%	\$15.16	36.5%	4.0%
Mansfield	\$18.32	-21.4%	-6.7%	\$13.10	-25.2%	-13.5%
North Attleborough	\$16.12	-25.0%	16.1%	\$11.90	-5.4%	30.3%
Wrentham	\$12.09	17.8%	-7.7%	\$11.82	-52.4%	-52.3%

Source: The CoStar Group Inc.

Notes: Lease rates are presented in real 2017 dollars. Data in this table is annual averages of quarterly data.

Commercial lease rate data for Wrentham is not available before Q4 2008. This is the calculation from the earliest available point.

Plainville joins all of the surrounding communities except for Attleboro and Foxborough in having commercial non-office lease rates that are lower than the Massachusetts average of \$13.41 (2014 dollars). While Plainville's rate has been steadily declining over most of the 10-year study period, the dramatic rates of change found in other communities suggests that this is a particularly volatile market in the area.

Plainville is one of five communities in the area to have industrial lease rates that currently exceed the Commonwealth average of \$5.82 (2014 dollars, Table 11). While the shift over the last 10 years is inconsistent, industrial lease rates in surrounding communities and the Commonwealth have all risen since the 2nd quarter of 2014, suggesting that Plainville's rise in this area since 2014 is part of a larger trend.

Table 11: Industrial Lease Rates, Plainville and Surrounding Communities

Area	Q4 2007 Rate Per Sq Ft (\$2014)	Percent Change, Q1 2008- Q4 2017	Percent Change, Q2 2014- Q4 2017
Massachusetts	\$5.82	-4.6%	21.5%
Plainville	\$6.14	-8.1%	-10.9%
Surrounding Communities			
Attleboro	\$3.82	-16.4%	50.7%
Foxborough	\$6.85	41.9%	39.2%
Mansfield	\$5.79	-1.7%	22.1%
North Attleborough	\$7.37	12.9%	54.0%
Wrentham	\$9.35	-11.5%	-0.6%

Source: The CoStar Group Inc.

Notes: Lease rates are presented in real 2017 dollars. Data in this table is annual averages of quarterly data.

Industrial lease rate data for Plainville is not available before Q3 2008 or after Q2 2017. This is the calculation from the earliest available point.

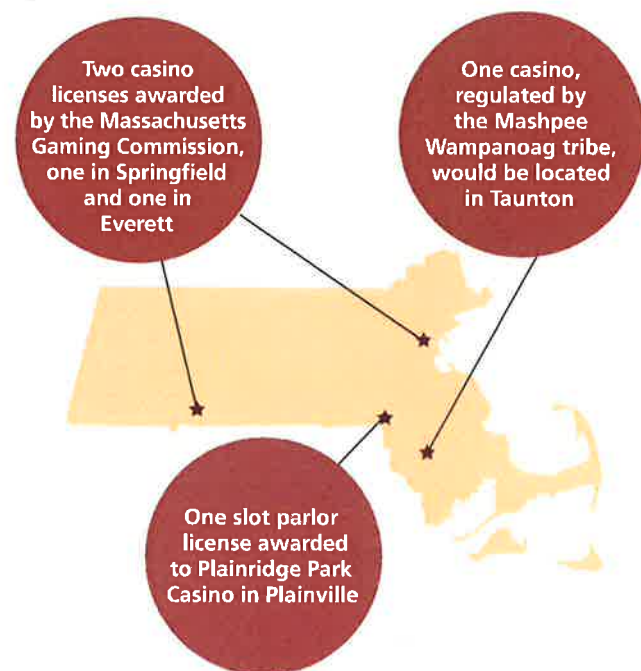
Conclusion

Since the award of its gaming license and subsequent opening in 2015, the Plainridge Park Casino (PPC) has not had a strong effect on several indicators that measure the local residential, commercial, and industrial real estate markets. For instance, there was an increase in single-family home and condominium sales following the awarding of the gaming license and opening of PPC in both Plainville and surrounding communities. However, this rise is consistent with broader trends in the region and thus unlikely to be purely attributable to PPC. There was also a slight rise in the real sales price of single-family homes in Plainville and surrounding communities in the first year following the opening of PPC, but this is also comparable to regional and statewide trends. Other than an increase in the amount of commercial space, the evidence suggests that the opening of PPC did not substantially change commercial or industrial real estate conditions in Plainville or its surrounding communities. The largely insignificant impact of PPC on real estate markets in host and surrounding communities is unsurprising as the slot parlor component of PPC was developed on the site of an existing harness racing facility in a relatively remote part of the town, with no new buildings being occupied or displaced in the process.

Casino-Style Gambling Introduced in Massachusetts

In November 2011, legislation passed permitting casino-style gambling in the state for the first time.

The Massachusetts Gaming Commission (MGC) has awarded two casino licenses. One license was awarded to Wynn for a \$1.7 billion development in Everett near Boston. The second license was awarded to MGM for a \$950 million development in Springfield in Western Massachusetts. The MGC has also awarded one slot parlor license to Plainridge Park Casino in Plainville. A third casino, owned by the Mashpee Wampanoag Tribe, has been proposed for Taunton in the Southeastern region of the Commonwealth.



The casino law in Massachusetts is unique in making the role of research central to improving responsible gambling and reducing problem gambling in the Commonwealth. Section 71 of the Expanded Gaming Act includes three important parts:

1. Understanding the social and economic effects of expanded gambling
2. Carrying out a study of problem gambling and the existing prevention and treatment programs that address its harmful results, before any casinos open in Massachusetts
3. Collecting scientific information about the neuroscience, psychology, sociology, and public health impacts of gambling

Section 71 requires the MGC to establish research goals and make annual recommendations to the Legislature. The research funded under the Expanded Gaming Act is important to fully understanding the effects of expanded gambling in the Commonwealth. The findings will be used in the development of interventions to minimize gambling-related harm and to increase responsible gambling in Massachusetts.

SEIGMA PROJECT OVERVIEW

SEIGMA is a project that uses experts from several disciplines to carry out the different parts of the MGC research effort. The project team is dedicated to working closely with many other groups throughout the Commonwealth. The study uses a state-of-the-art design, rigorous data collection and research methods, and a careful analytic approach to establish the effects of casino gambling at state, regional, and local levels. The SEIGMA team collects its own data as well as using data gathered by other organizations. The SEIGMA study is funded by the Massachusetts Gaming Commission.

First-of-kind Gambling Monitoring System in Massachusetts

In March of 2013, the Massachusetts Gaming Commission (MGC) selected a research team based at the School of Public Health and Health Sciences at the University of Massachusetts Amherst to carry out research required by the Expanded Gaming Act that allowed casinos in Massachusetts for the first time.

The Social and Economic Impacts of Gambling in Massachusetts (SEIGMA) project is led by three experienced investigators with backgrounds in gambling research, psychology, sociology and biostatistics. Two of the lead investigators are based at UMass Amherst while the third is based in Canada. The lead investigators work with a much larger group of researchers with backgrounds in economics, public health, public policy, and hospitality and tourism.

The SEIGMA study involves a range of research activities. One important activity is doing surveys to measure gambling attitudes and participation in the population. Another important activity is collecting information about construction and employment from the casinos and the MGC. The project also includes interviewing state and city officials and treatment providers. These different activities all contribute to the three main research areas of the SEIGMA study.



The three research areas of the SEIGMA project form the basis for a first-of-its-kind gambling oversight system. This system will provide the residents of Massachusetts with the following:

-  Neutral information for decision-making
-  Early warning signs of changes connected with new and existing forms of gambling in the Commonwealth
-  Help in reducing gambling-related harm and improving services for problem gamblers and their families

SEIGMA TEAM MEMBERS

UMass Amherst
Provides leadership of the project and collects and analyzes social and health data

Williams & Associates
Provides technical expertise on the project

UMass Donahue Institute
Leads economic and fiscal data analyses

NORC at the University of Chicago
Collects the project's general population surveys

IPSOS Public Affairs
Conducts an online panel survey component of the study

Market Street Research
Assists in qualitative data collection

SEIGMA PROJECT OVERVIEW

SEIGMA is a project that uses experts from several disciplines to carry out the different parts of the MGC research effort. The project team is dedicated to working closely with many other groups throughout the Commonwealth. The study uses a state-of-the-art design, rigorous data collection and research methods, and a careful analytic approach to establish the effects of casino gambling at state, regional, and local levels. The SEIGMA team collects its own data as well as using data gathered by other organizations. The SEIGMA study is funded by the Massachusetts Gaming Commission.

www.umass.edu/seigma

Three-Quarters of Massachusetts Residents Gamble Before Massachusetts Casinos Open

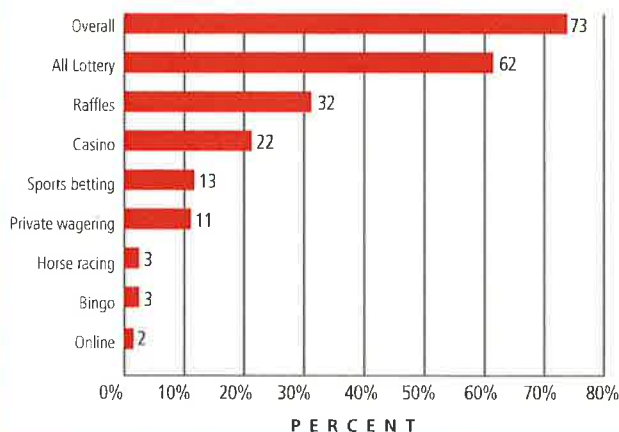
With the passage of the Expanded Gaming Act, Massachusetts will host three casinos and a slot parlor. The SEIGMA team took a “snapshot” to understand how Massachusetts residents participated in gambling prior to casinos and the key demographic groups who are more likely to gamble. Here, we summarize findings from SEIGMA’s *Gambling and Problem Gambling in Massachusetts: Results of a Baseline Population Survey* based on responses from approximately 10,000 Massachusetts adults.

In 2013, nearly three-quarters of Massachusetts residents reported participating in one or more of these gambling activities in the past year:

- A quarter of the Massachusetts adult population did not gamble, 35% gambled yearly, 20% gambled monthly, and 18% gambled weekly
- Approximately 6 in 10 people reported playing the lottery
- Just under a quarter (22%) of Massachusetts adults reported visiting casinos to gamble. Over half of people who did so (66%) visited casinos in Connecticut

Despite not having any casinos in 2013, the past-year casino participation rate in Massachusetts was similar to participation rates in some other U.S. jurisdictions with newly introduced casinos, including Maryland and Ohio. The past-year casino gambling rate was higher in U.S. states with mature casino industries compared with Massachusetts, such as Connecticut and Iowa.

Gambling Participation by Activity Prior to MA Casinos



Who is more likely to gamble in Massachusetts?

- Men are more likely to gamble than women (77% of men vs. 70% of women)
- Middle-aged adults (25-64) are more likely to gamble than younger adults (75% of middle aged adults compared to 55% of young adults)
- Those who identify as White are more likely to gamble than those who identify as Hispanic, Black, or Asian (76% of Whites compared to 63% of Hispanics, 66% of Blacks, 56% of Asians)

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First-of-its-Kind Patron Survey at Plainridge Park Casino: Who is Spending and How Much?

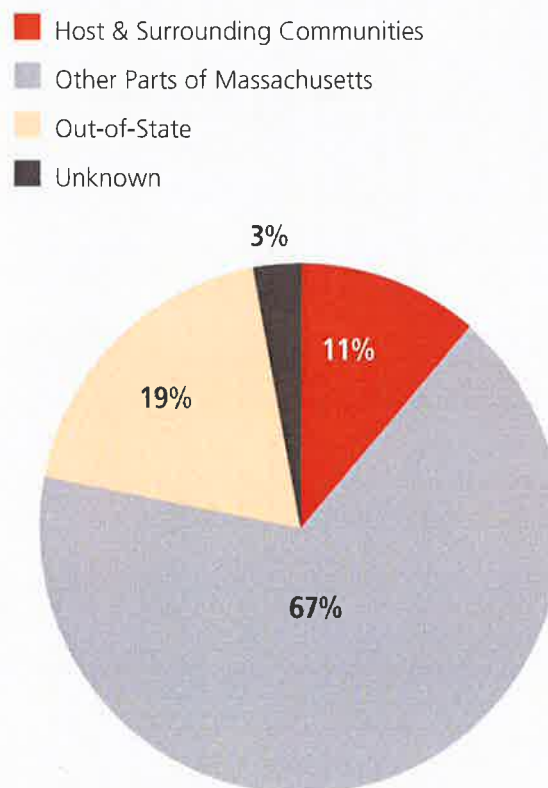
In 2016, the SEIGMA research team conducted a patron survey at Massachusetts' first casino, Plainridge Park Casino (PPC). The efforts to make this PPC patron sample as representative as possible make this research first-of-its-kind.

The *Patron and License Plate Survey Report: Plainridge Park Casino 2016* sheds light on where patrons come from, how much they spend, and whether it is being redirected from other MA businesses.

The results showed:

- The majority of PPC patrons were from Massachusetts
 - 11% from Plainville or nearby towns
 - 67% from other Massachusetts communities
- 19% of patrons were from outside the Commonwealth
- Nearly 90% of PPC patrons had visited casinos in other jurisdictions in the past year
 - The majority visited Connecticut (72%) and Rhode Island (56%) casinos
- Massachusetts residents spent approximately \$135 million on gambling at PPC. Non-Massachusetts residents spent approximately \$37 million on gambling at PPC
- 58% of gambling spending and 50% of non-gambling spending was "recaptured" (patrons would otherwise have spent these dollars at an out-of-state casino)
- 26% of gambling spending by Massachusetts residents was "reallocated" from other goods and services in the Commonwealth

Geographic Origin of Plainridge Park Casino Patrons in 2016



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Half of People Hired at Plainridge Park Casino Previously Worked Part-Time or Unemployed

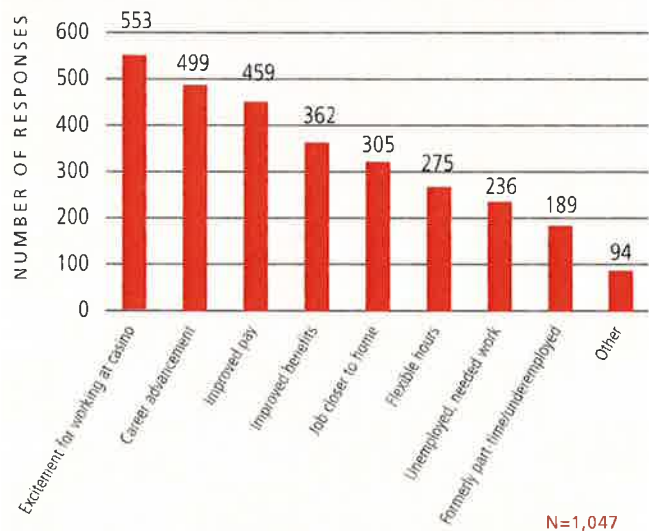
The UMass Donahue Institute's Economic and Public Policy Research team, a part of the larger SEIGMA team, strives to understand the economic and fiscal impacts of the introduction of casinos on the people and economy of the Commonwealth. Part of this is to understand the sort of jobs casinos provide in Massachusetts, who they are employing, and whether casino employment represents an improvement to these workers' livelihoods. Future reports will further flesh out the demographic characteristics of the workforce.

Our findings from SEIGMA's *New Employee Survey at Plainridge Park Casino: Analysis of First Two Years of Data Collection* reveal several important characteristics of new hires at Plainridge Park Casino and the emergent casino workforce in Massachusetts:

- Over 500 new positions were created at Plainridge Park Casino
- Major reasons new employees sought employment at Plainridge Park Casino were career advancement, improved pay, and improved benefits
- Plainridge Park Casino is creating employment opportunities for the unemployed and underemployed
 - 50% previously worked part-time or were unemployed
- Casino jobs are accessible for those who have little or no experience or training
 - 86% had no prior gaming experience and nearly 75% were without pre-employment training

- Plainridge Park Casino is hiring mostly local Massachusetts residents
 - 93% did not move to take their jobs at the casino
 - Of those who moved to take their jobs at the casino, most relocated to Plainville and its surrounding communities

Reasons for Seeking Employment at Plainridge Park Casino



Note: Respondents were allowed to select more than one reason for seeking employment so response totals for this question will exceed the total number of respondents.

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Massachusetts Residents Have Mixed Opinions on Gambling Expansion in Massachusetts Prior to Casinos

The Massachusetts Legislature passed an Act Establishing Expanded Gaming in the Commonwealth in November 2011. This permits the introduction of casinos and slot parlors in Massachusetts for the first time. Prior to the establishment of casinos, the SEIGMA team took a “snapshot” of how Massachusetts residents felt about gambling. Here, we summarize findings from SEIGMA’s *Gambling and Problem Gambling in Massachusetts: Results of a Baseline Population Survey*, based on responses from approximately 10,000 Massachusetts adults in 2013/2014 before casinos were open.

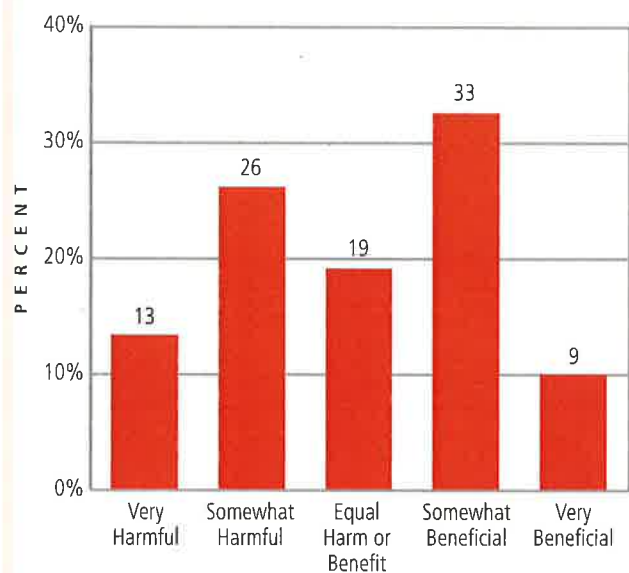
Massachusetts residents have a range of opinions on gambling:

- Over half of the population (55%) believes that some forms of gambling should be legal and some should be illegal, with only a third (32%) reporting that all forms should be legal, and a tenth (13%) reporting that all forms should be illegal
- Nearly two-thirds (61%) believe that the level of gambling availability in the Commonwealth is acceptable prior to casino expansion
- Over half (61%) perceive the impact of gambling expansion on the state to be neutral, beneficial, or very beneficial while 39% perceive the impact to be somewhat or very harmful

Massachusetts residents had mixed opinions about the impact of the planned introduction of casinos and a slot parlor in the state:

- Almost equal numbers of people believe it would be harmful (39%) and beneficial (42%)

Perceived Impact of Expanded Gambling in Massachusetts



People viewed the impact of having a new casino or slot parlor in their own community somewhat more negatively than they perceived the general impact for Massachusetts:

- 43% believe it would be harmful compared to 31% who believe it would be beneficial

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What are the Economic Impacts of Plainridge Park Casino (PPC)?

When PPC opened in June 2015, the UMass Donahue Institute (UMDI), as part of the SEIGMA team, set out to capture the economic impacts of PPC's first year of operation. These findings are detailed in [Plainridge Park Casino First Year of Operation: Economic Impacts Report](#).

While PPC created approximately 556 new jobs at the casino, these account for only a fraction of its total economic impact. Additional economic impacts include:

- New employees spend new wages in their communities, supporting new economic activity
 - * PPC paid approximately \$18 million in wages in 2016
- Casino purchases goods and services from other vendors
 - * Public sector and private sector activity spurred by the casino created or supported approximately 2,400 jobs
- State and local governments collect taxes and other assessments from the casino
 - * \$81 million in gaming taxes in 2016 was collected from PPC—the largest single source of new economic activity
 - * Cities and towns received approximately \$66 million in the form of local aid from these funds

Like any new attraction, some of PPC's revenue is coming from consumers who previously spent their money at other Massachusetts businesses. For instance:

- 21% of spending at PPC is reallocated spending by in-state patrons (i.e., would have spent dollars on other goods and services)

Plainridge Park Casino Monthly Gross Gaming Revenue and Collected Taxes, 2016*



Source: Massachusetts Gaming Commission

*All estimates reported are for Fiscal Year 2016, which begins July 2015 and ends June 2016.

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Lottery Sales Unhurt by Plainridge Park Casino

As casino gambling expands in Massachusetts, the Commonwealth has made protecting the state lottery a priority. In determining whether an applicant would receive a license, the MGC evaluated how each applicant proposed to protect the lottery from adverse impacts, including developing cross-marketing strategies and increasing ticket sales to out-of-state residents. As part of the SEIGMA research team, the UMass Donahue Institute's Economic and Public Policy Research team is monitoring lottery sales to assess potential impacts. Detailed findings can be found in [Lottery Revenue and Plainridge Park Casino: Analysis After Two Years of Casino Operation](#).

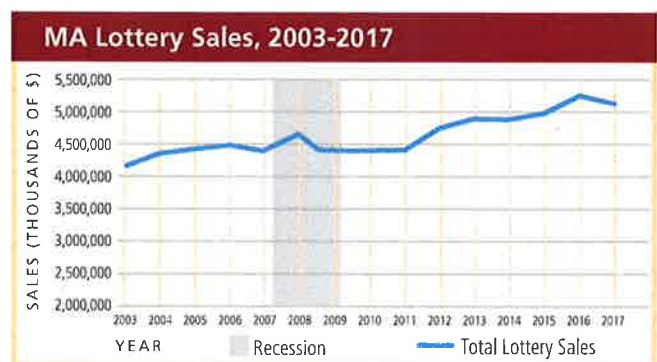
Lottery revenues are the largest source of unrestricted local aid and the second largest source of all local aid in Massachusetts. For instance:

- The lottery's net profit in 2017 was approximately \$1 billion — an all-time high
 - Almost all of these dollars went to Commonwealth municipalities as direct local aid
- The Town of Plainville, which hosts Plainridge Park Casino, received approximately \$700,000 from the lottery and other direct local aid sources in 2017
 - This represents 17% of the Town's total state aid and 2% of total receipts

Analyses of agent-specific lottery sales data suggest:

- No large, significant decline in lottery sales can be attributed to Plainridge Park Casino
- No pattern between lottery sales growth and proximity to the casino
 - Sales have not uniformly increased at greater distances from the casino

- Lottery sales in Plainville increased approximately 25% in the first year after Plainridge Park Casino opening
 - Remained at that level in the second year of operation
- No notable decline in lottery sales in Plainville since the opening of Plainridge Park Casino



Source: MA Lottery, FY2003-2017, nominal dollars.



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Who is Experiencing Gambling Harm before Massachusetts Casinos?

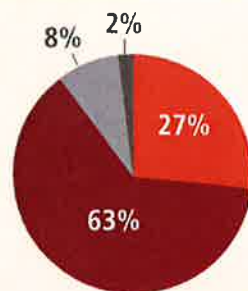
The Expanded Gaming Act permits the introduction of casinos and slot parlors in Massachusetts for the first time. A primary concern surrounding expanded gambling is its impact on problem gambling. The SEIGMA team took a “snapshot” of what problem gambling looked like in Massachusetts prior to casinos. A primary aim of the baseline study is to understand the demographic characteristics (race, income, gender, age, etc.) which make some people more or less at risk of experiencing harm from gambling. Based on responses from approximately 10,000 Massachusetts adults, we summarize findings from SEIGMA’s *Gambling and Problem Gambling in Massachusetts: Results of a Baseline Population Survey*.

People were classified as:

- Non-gamblers (have not gambled in the past year)
- Recreational gamblers (gamble because they enjoy these activities)
- At-risk gamblers (betting more than planned, spending more time than intended, etc.)
- Problem gamblers (experience significant impaired control over gambling and negative consequences)

Gambling Behavior in Massachusetts Before Casinos

- Non-gambler
- Recreational gambler
- At-risk gambler
- Problem gambler



- Based on the percentages in the pie chart, we estimate that approximately 110,000 adult residents are experiencing problems with gambling and approximately 440,000 adult residents are at risk of experiencing problems with gambling
- The amount of problem gambling in Massachusetts is very similar to the amount identified in other U.S. states

Who is more vulnerable to experience harm from problems with gambling?

- Men are 3 times more likely than women
- Persons who identify as Black are 4 times more likely than persons who identify as White
- Individuals with only a high school diploma are 3 times more likely than individuals with a college degree

When at-risk gamblers and problem gamblers are compared to recreational gamblers, survey results showed that those at risk of experiencing harm from a gambling problem and those experiencing harm from a gambling problem are more likely to report:

- Serious problems with depression, anxiety, and other mental health problems
- Using tobacco
- Consuming large amounts of alcohol at one time

SEIGMA PROJECT OVERVIEW

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The First Major Gambling Cohort Study in the US

In 2015, the MAGIC team launched the first adult longitudinal cohort study of gambling and problem gambling in the US. With a sample of 3,139 Massachusetts residents, the MAGIC study surveys the same individuals over time. This provides information on how gambling and problem gambling develop, progress, and remit, and will identify demographic groups particularly at risk of experiencing gambling related harm. This research also highlights risk and protective factors important in developing effective prevention, intervention, treatment, and recovery support services. The stability and movement in and out of different gambling behaviors is a key focus of the MAGIC study and is further detailed in [Analysis of MAGIC 2: Incidence and Transitions](#).

Key findings:

- Recreational Gamblers and Non-Gamblers display the most stable pattern of gambling behavior
 - 80% of Recreational Gamblers stayed Recreational Gamblers
 - 64% of Non-Gamblers remained Non-Gamblers
 - A sizable portion transitioned into Recreational Gambling
- Only 49% of Problem or Pathological Gamblers stayed in this category
 - Sizable portions transitioned into At-Risk Gambling and Recreational Gambling
- At-Risk Gamblers display the most unstable pattern of gambling behavior
 - Only 37% remained in this category
 - Most transitioned to Recreational Gambling
 - A significant minority transitioned to Problem or Pathological Gambling

Transitions between Gambling Behavior Groups from Wave 1 to Wave 2

		WAVE 2									
		Non-Gambler		Recreational Gambler		At-Risk Gambler		Problem or Pathological Gambler		Shift	
GAMBLING STATUS		N	%	N	%	N	%	N	%	N	%
WAVE 1	Non-Gambler	298	64.4	158	34.1	7	1.5	0	0.0	165	35.6
	Recreational Gambler	177	8.3	1,723	80.3	223	10.4	22	1.0	422	19.7
	At-Risk Gambler	8	2.0	201	50.9	148	37.5	38	9.6	247	62.5
	Problem or Pathological Gambler	–	–	16	20.3	23	29.1	39	49.4	40	50.6
TOTAL		484		2,098		401		99			

Note: Cells with sample size of 5 or less are blank

Note: Italics indicates estimates are unreliable, relative standard error > 30%

MAGIC PROJECT OVERVIEW

MAGIC is a project that uses experts from several disciplines to elucidate the incidence and etiology—the cause or causes of a disease or condition—of problem gambling, which is central to the Massachusetts Gaming Commission's research effort. The project team is dedicated to working closely with many other groups throughout the Commonwealth. The study uses state-of-the-art design, rigorous data collection and research methods, and a careful analytic approach to understand the effects of casino gambling on gambling behavior. The MAGIC team collects its own data and is funded by the Massachusetts Gaming Commission.



TO: Interim Chair Cameron, Commissioners O'Brien, Stebbins, Zuniga
FROM: Mark Vander Linden, Director of Research and Responsible Gaming
DATE: October 11, 2018
RE: Gaming Research Update

Reports, Studies and Data Presentation Released July - October, 2018

Real Estate Impacts of the Plainridge Park Casino on Plainville and Surrounding Communities (Released on October 11, 2018)

This report examines the initial impacts of the Plainridge Park Casino (PPC) on the residential, commercial, and industrial real estate markets for Plainville and its surrounding communities and provides a comparison to the baseline established prior to the opening of PPC in the [Baseline Real Estate Conditions, Host Community Profile: Plainville](#) report. Since the awarding of its gaming license and its subsequent opening in 2015, PPC has not had a strong effect on several indicators that measure the local residential, commercial, and industrial real estate markets.

Key Findings: Residential Real Estate Indicators

- Plainville's residential real estate market is relatively small and predominantly comprised of single-family homes with a scattering of condominiums. Multi-family home sales are rare.
- There has been an increase in single-family home and condominium sales following the awarding of the gaming license and opening of PPC in both Plainville and surrounding communities. However, this rise is consistent with historic and/or broader trends in the region and therefore unlikely to be purely attributable to PPC.
- There have been relatively few sales of single-family homes and condominiums near the casino development site in recent years. The location of residential home and condo sales has not noticeably changed since the opening or construction of PPC.
- We find no evidence that the opening of PPC has had a negative impact on area home and condo sales prices in either Plainville or surrounding communities.
- There has been a slight rise in the real sales price of single-family homes in Plainville and surrounding communities in the first year following the opening of PPC. However, this rise is comparable to regional and statewide trends and was not found to be statistically significant after controlling for trends and home characteristics.



Massachusetts Gaming Commission

- There has also been an increase in the real sales price of condominiums in Plainville and surrounding communities after the opening of PPC. However, this growth is generally consistent with trends that began before the awarding of the gaming license. Our statistical analysis finds weak evidence of a small casino-related bump in condominium selling prices in surrounding communities, but no effect on Plainville condominium prices.
- Building permits are an important indicator of future development, but their natural variability makes it difficult to distinguish possible impacts from serendipitous events. In Plainville, there was a rise in the number of multi-family permits that coincided with the awarding of the gaming license. But the rise was only temporary. There was no apparent impact on single-family permits.
- The value of single-family permits tends to be more stable than the number of permits. In Plainville, the awarding of the license and opening of PPC had no impact on the value of single-family permits. Surrounding communities saw a rise in the value of single-family permits. However, this rise was consistent with trends in the broader region and therefore difficult to attribute to PPC.

Key Findings: Commercial and Industrial Real Estate Indicators

- While the number of commercial and industrial buildings has increased slightly in recent years, the increase of commercial rentable building area has outpaced the increase in buildings, suggesting a tendency towards larger commercial spaces in new development, including PPC. The opposite trend is true of Plainville’s small industrial real estate market, where the limited growth in industrial buildings has still outpaced the growth of new industrial space.
- Vacancy rates in Plainville have remained consistently lower than those of its surrounding communities or Massachusetts as a whole, but the very small number of commercial properties in Plainville means that these rates are also much more volatile.
- Plainville and its surrounding communities tend to have average lease rates lower than the State average, although some surrounding communities have seen higher industrial lease rates.
- Other than an increase in the amount of commercial space, the evidence suggests that the opening of PPC did not substantially change commercial or industrial real estate conditions in Plainville or its surrounding communities. This is unsurprising as the slot parlor component of PPC was developed on the site of an existing harness racing facility in a relatively remote part of the town, with no new buildings being occupied or displaced in the process. While some large increases or decreases have occurred across certain measures, historical levels of volatility make it impossible to tell whether PPC was a factor in those changes.



Massachusetts Gaming Commission

Evaluation of the Massachusetts Voluntary Self Exclusion Program: June 24, 2015 – November 30, 2017 (Released on September 27, 2018)

As required by statute, the Voluntary Self-Exclusion program is available to assist patrons who recognize that they have experienced a loss of control over their gambling and wish to invoke external controls. Once on the list, persons are prohibited from entering the gaming floor and if they do, gambling wins and losses are transferred to the MGC Gaming Revenue Fund. Enrollment terms are 1-year, 3-years, or 5-years. The VSE contract covers all Massachusetts casino properties. The MGC self-exclusion process utilizes an engaged approach, ensuring that the patron obtains the assistance needed, is responded to in a respectful, timely, and discreet manner, and feels supported.

The MGC contracted with the Cambridge Health Alliance, Division on Addiction to provide an evaluation of the Massachusetts Voluntary Self-exclusion Program (VSEP). This initial report summarizes data collected from the program and its enrollees during its first twenty-nine months of operation in Massachusetts. Evaluation goals were to (1) evaluate the VSEP as implemented in collaboration with Plainridge Park Casino (PPC), and (2) assess the gambling behaviors, problems, mental health, and well-being of VSEP enrollees across time.

Methods

The sample for this evaluation included all 263 VSEP enrollees who entered the program between June 25, 2015 and November 30, 2017. Within this full sample, the DOA also examined several overlapping subsamples, including enrollees who used player cards at PPC after May 2016 (n = 116), VSEP enrollees who agreed to a one-week check-in with MA Council on Compulsive Gambling staff as part of their initial VSEP enrollment (n = 67), and enrollees who agreed to complete baseline and follow-up study surveys (n = 63 baseline; n = 46 baseline and follow-up).

Results

Reasons for enrollment

- VSEP enrollees who answered questions about gambling behavior on either the VSEP application or the baseline survey endorsed a variety of reasons for enrollment but were more likely to endorse self-focused reasons (e.g., didn't want to lose any more money; couldn't control gambling) than other-focused reasons (e.g., felt pressured; family or friends asked me to sign up).

Enrollees' impressions of and experiences with the VSEP

- Overall, VSEP were satisfied with the enrollment process and held positive impressions of it as well as the GSAs who facilitated enrollment; however, program satisfaction declined over time, possibly indicating a need for program-related maintenance activities.
- At follow-up, among VSEP enrollees who had enrolled in other VSE programs previously, more than 80% rated their VSEP enrollment experience as better than their previous experiences. Many indicated that the VSEP process was more caring and positive than other enrollment processes.



Massachusetts Gaming Commission

- More than 40% of VSEP enrollees who completed the follow-up interview indicated that VSEP enrollment influenced them to access additional help and resources.
- VSEP enrollees who completed the follow-up interview indicated that the program was helpful to them because of the support it provided, as well as its role as a deterrent because of the risk of being caught.
- Specific suggestions to improve the program included incorporating more follow-up and check-ins, better advertising the program, allowing regional VSEP, and setting up the program so that an individual does not have to enter the casino or be near the gaming floor to sign up.
- Among the 46 VSEP enrollees who completed the follow-up interview, more than three quarters did not violate their contract. However, 10 (22%) returned to PPC during their exclusion term, 7 (15%) tried to enter the gaming floor, and 2 (4%) were caught. Among VSEP enrollees with player card records we could access, only one recorded gambling activity on his player card after VSEP enrollment.

Enrollees' Behavior and Well-Being Change After Enrollment

- VSEP enrollees who completed the follow-up interview reported statistically significant improvements in gambling problems, mental health, and relationship quality.
- VSEP enrollees who completed the follow-up interview significantly reduced the frequency and amount they gambled. Though more than 70% continued to gamble, 80% reported that they were gambling less at follow-up than prior to VSEP enrollment.
- VSEP enrollees who completed the follow-up interview and intended to quit all gambling upon VSEP enrollment had less success fulfilling that goal (i.e., only one third stopped gambling) according to their follow-up interviews than enrollees who intended to quit only casino gambling.
- Exploratory analyses suggest that VSEP enrollees who selected longer enrollment terms at VSEP enrollment demonstrated less reduction in their gambling than other enrollees according to the follow-up interview.

Enrollees' access to additional resources after enrolling in VSEP

- Enrollment did not appear to serve as a gateway to treatment. Few of the VSEP enrollees who completed the follow-up interview reported newly engaging with gambling treatment after VSEP enrollment. This finding might be related to the high numbers of enrollees who reported already having a treatment history. However, more were engaged in some way with mental health, substance use, or gambling services after enrollment than in the year prior to enrollment. For most who reported engaging with services after enrollment, the follow-up service engagement represented a return to treatment or services, not a new engagement with services. For these individuals, enrollment appeared to provide a nudge to re-engage with services or self-help groups.



Massachusetts Gaming Commission

- Accessing treatment and self-help resources after VSEP enrollment did not relate to any of the follow-up outcomes (e.g., gambling behavior, gambling problems, mental health) we investigated among follow-up interview respondents.

SEIGMA-MAGIC Fact Sheets (Delivered to MGC September 24, 2018)

The SEIGMA-MAGIC team created one-page fact sheets which summarize findings from the SEIGMA-MAGIC studies for a general audience. The fact sheets have eight areas of focus, which include: (1) Gambling Participation in MA Prior to Casino Development, (2) the Patron Survey at PPC, (3) Casino Employees at PPC, (4) Gambling Attitudes of MA Residents prior to Casino Development, (5) the Economic Impacts of PPC, (6) the Impact of PPC on Lottery Sales, (7) Gambling Behavior in MA Prior to Casino Development, and (8) Gambling Behavior Transitions from the MAGIC Study.

Deeper Analyses Manuscript: Mazar, A., Williams, R. J., Stanek, E. J., Zorn, M., & Volberg, R. A. (2018). The importance of friends and family to recreational gambling, at-risk gambling, and problem gambling. *BMC Public Health*, 18(1), 1080. (Published on September 4, 2018)

<https://doi.org/10.1186/s12889-018-5988-2>

Background

The variables correlated with problem gambling are routinely assessed and fairly well established. However, problem gamblers were all 'at-risk' and 'recreational' gamblers at some point. Thus, it is instructive from a prevention perspective to also understand the variables which discriminate between recreational gambling and at-risk gambling and whether they are similar or different to the ones correlated with problem gambling. This is the purpose of the present study.

Method

Between September 2013 to May 2014, a representative sample of 9,523 Massachusetts adults was administered a comprehensive survey of their past year gambling behavior and problem gambling symptomatology. Based on responses to the Problem and Pathological Gambling Measure, respondents were categorized as Non-Gamblers (2,523), Recreational Gamblers (6,271), At-Risk Gamblers (600), or Problem/Pathological Gamblers (129). With the reference category of Recreational Gambler, a series of binary logistic regressions were conducted to identify the demographic, health, and gambling related variables that differentiated Recreational Gamblers from Non-Gamblers, At-Risk-Gamblers, and Problem/Pathological Gamblers.

Results

The strongest discriminator of being a Non-Gambler rather than a Recreational Gambler was having a lower portion of friends and family that were regular gamblers. Compared to Recreational Gamblers, At-Risk Gamblers were more likely to: gamble at casinos; play the instant and daily lottery; be male; gamble online; and be born outside the United States. Compared to Recreational Gamblers, Problem and Pathological Gamblers were more likely to: play the daily lottery; be Black; gamble at casinos; be male; gamble online; and play the instant lottery. Importantly, having a greater portion of friends and family



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who were regular gamblers was the second strongest correlate of being both an At-Risk Gambler and Problem/Pathological Gambler.

Conclusions

These analyses offer an examination of the similarities and differences between gambling subtypes. An important finding throughout the analyses is that the gambling involvement of family and friends is strongly related to Recreational Gambling, At-Risk Gambling, and Problem/Pathological Gambling. This suggests that targeting the social networks of heavily involved Recreational Gamblers and At-Risk Gamblers (in addition to Problem/Pathological Gamblers) could be an important focus of efforts in problem gambling prevention.

Comprehensive Evaluation of the Plainridge Park Casino GameSense Program: 2015-2018 Compendium (Released on July 26, 2018)

The first GameSense Info Center in the United States opened with the Plainridge Park Casino (PPC) in June 2015. As part of a larger evaluation assessing responsible gaming initiatives in Massachusetts, an evaluation was conducted to determine whether GameSense is working to achieve MGC's goals.

Methods

The Cambridge Health Alliance, Division on Addiction conducted four studies over three years.

- Study 1 (December 2015 – May 2016) and (August 2016 – February 2017) assessed GameSense Advisors' perceptions of their interactions with patrons.
- Study 2 (December 2015 – May 2016) and (August 2016 – February 2017) assessed patrons' perceptions of their interaction with GameSense Advisors.
- Study 3 (February 2016, July – August 2016) assessed patrons' perceptions of GameSense.
- Study 4 (May 2017) assessed casino employees' perceptions of GameSense.

Results across all studies

Within one year of launch, 57% of patrons surveyed reported being aware of the GameSense program and the level of awareness increased sharply (42% to 73%) during this early period. Yet, only 18% who were aware of the program said they had interacted personally with a GameSense Advisor suggesting that other methods of communication such as advertising or word of mouth substantially increased the basic reach of the program.

Marketing of GameSense included passive methods such as placement of signs, centrally locating the GameSense Information Centers, and the availability of self-service brochures. GameSense Advisors also recorded more than 16,000 direct interactions with patrons between June 2015 and February 2017.

The goal of these interactions was simply to be helpful in a manner sought by the patron whether it be providing directions within PPC or enrolling an individual in the voluntary self-exclusion program. This appears to be reflected by patrons surveyed:



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- 90% believe GameSense could benefit anyone who gambles.
- The overwhelming majority of patrons (98%) who spoke with a GameSense Advisor reported being satisfied with the information provided, and
- 56% reported they would tell someone else about the GameSense program.

Other key elements of the MGC Responsible Gaming Framework like PlayMyWay and voluntary self-exclusion were also discussed frequently.

- One in three (32%) sought out a GameSense Advisor to learn about PlayMyWay or to enroll in the system, and
- 90% of enrollments in the voluntary self-exclusion program were completed the GameSense Advisors (314 or 349 enrollments).

Education about responsible gambling may be the most important function of the GameSense Advisor.

- Nearly three in five (59%) reported learning something new about gambling from the GameSense Advisor.
- More than three out of four (76%) learned strategies to keep gambling fun.
- One in five (22%) reported having changed how they gamble.
- Nearly nine in ten (86%) agreed that GameSense encourages people (generally) to think about their gambling and one in three (33%) said it caused them to think about their own gambling.

Providing education and information to family members and concerned persons is also a function of the GameSense Advisor. Eight percent of visitors to the said that following a conversation with a GameSense Advisor they will “talk to someone I know who may have a gambling problem”.

When appropriate, GameSense Advisors also educated patrons about how to seek help for problem gambling:

- 4% received a referral or information for the voluntary self-exclusion program, gambling treatment, or legal or financial help.
- 5% received information about how to get self-help resources and screening for gambling problems.

These education rates are in line with population rates of problem gambling.

Finally, GameSense Advisors interact with other casino employees to promote responsible gambling.

- Eight in ten (79%) casino employees agreed that GameSense helps people avoid gambling beyond their limits.
- Over half (59%) of employees reported that they had had a conversation with a GameSense Advisor. Of these conversations, 40% revolved around how patrons can avoid gambling beyond their limits.
- A fairly small percentage (38%) viewed the GameSense Advisor as a resource for themselves or for other employees of PPC.



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Pending Reports and Studies

Massachusetts Gambling Impact Cohort (MAGIC)

- To date, four waves of data have been collected from a cohort of 3,139 adult Massachusetts residents. The study includes an over-sample of at-risk and problem gamblers drawn from the SEIGMA baseline population survey.
 - **STATUS:** Wave 3 MAGIC report is expected in October 2018. Wave 4 data collection was completed in July 2018. Wave 4 data will be delivered to UMass and cleaned and prepared for analysis in fiscal year 2019. Other deliverables in fiscal year 2019 include: (1) publication of low-risk gambling guidelines for Massachusetts residents; (2) publication of a report on deeper analyses of Wave 2 data; and (3) publication of a report on etiological predictors of transitions between Waves 1-3 of the study.

Social and Economic Impacts of Gambling in Massachusetts (SEIGMA)

- **The Social and Economic Impacts of Gambling in MA, 2018**
 - Report summarizing the social and economic impacts to date of introducing casinos to MA.
 - This first report will primarily focus on the impacts associated with Plainridge Park Casino.
 - **STATUS:** Preliminary findings have been presented at the SEIGMA and MAGIC annual meeting on 5/23 as well as MGC open public meeting on 6/26. A final report is anticipated Fall 2018. Second draft with peer review.
- **CHIA Manuscript: Gender differences in healthcare utilization and costs**
 - Analysis of males and females in the CHIA dataset who received a diagnosis of pathological gambling any year between 2009 and 2013.
 - **STATUS:** Under review at *American Journal on Addictions*, August 1, 2018.
- **Further Analyses of BGPS Data**
 - Further analyses of BGPS data include preparation and submission of publishable manuscripts based on (1) deeper analyses of the BGPS (published—*BMC Public Health*), (2) analysis of differences in predictors of problem gambling by gender and age, (3) risk of harm based on analysis of associations between problem gambling and specific forms of gambling, and (4) veterans and problem gambling.
 - **STATUS:** Gender and age manuscript, will be submitted to *Social Science & Medicine* by January 2019; Risk of harm manuscript, will be submitted to a public health journal by December 2018; Veterans and problem gambling manuscript, revise and resubmit (R&R) at the *Journal of Gambling Studies* by October 1, 2018.



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Public Safety Research

- **Assessing the Impact of Gambling on Public Safety in Massachusetts Cities and Towns**
 - A Baseline report of crime and calls for service in Springfield and surrounding communities. This report will establish a baseline from which follow-up reporting can comprehensively measure changes in crime, disorder, and other public safety harms following the opening of MGM Springfield.
 - **STATUS:** The baseline report for Springfield and surrounding communities is under review. Final release is anticipated in October 25, 2018.

Data Storage and Sharing

- **Exportable Baseline General Population Survey (BGPS) and Baseline Online Panel (BOPS) dataset and codebook**
 - Allows other investigators will be able to access and use SEIGMA data for their own analyses.
 - **STATUS:** A solution to store and deliver dataset to eligible parties is being negotiated with MDPH.

Evaluation of Key Responsible Gaming Initiatives

- **Play My Way**
 - The initial evaluation of PlayMyWay was released November, 2017. Next steps for the evaluation include:
 - A follow-up study using data which links player spend data with Play My Way data.
 - A patron survey exploring perception and utility of Play My Way was fielded in June, 2018.
 - **STATUS:** We've experienced unexpected problems in data collection that will delay the release. Working with key partners to resolve the issue. A release date hasn't been determined.

Special Population Research

- The University of Massachusetts Boston, Institute for Asian American Studies is conducting a pilot study to develop and test methods for recruiting, screening, and conducting diagnostic interviews among Chinese immigrants living and working in Boston's Chinatown.
 - **STATUS:** Final Report is anticipated December 2018.
- JSI Research and Training Institute, Inc. is conducting a study of recreational and problem gambling among Black residents of Boston. The study is intended to build on the foundation of knowledge started by the Social and Economic Impacts of Gambling in Massachusetts (SEIGMA) study.
 - **STATUS:** Second draft received October 1st. Anticipated in November 2018.
- Bedford VA Research Corporation Inc. (BRCI) is evaluating the reliability and validity of the BBGS gambling screen to detect problem gambling among VA patients in Primary Care Behavior



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Health (PCBH) clinics. The study aims to evaluate the prevalence of problem gambling among veterans and its co-occurrence with other medical and mental health problems.

- **STATUS:** Final Report is anticipated December 2018.

Research Deliverables Added in FY19

- **Complete 1st Wave of the 1st MGM Springfield Patron Survey**
 - These data are an essential component of the economic analysis that will clarify patron origin and expenditure.
 - These data also inform the analysis of social impacts of the introduction of casino gambling in MA.
STATUS: March 31, 2019
- **Complete report on Design Based and Model Based Approaches**
 - Report containing model results with comparison to weighted analyses.
 - This approach, if successful, may translate to different populations and avoid reliance on weights.
 - **STATUS:** June 30, 2019
- **Report on Plainville Targeted Surveys**
 - Analyze changes in gambling attitudes, gambling participation, and problem gambling prevalence in host and surrounding communities between 2014 and 2016.
 - **STATUS:** March 31, 2019
- **Submit Manuscript Analyzing CHIA data**
 - Comparing acute to chronic problem gamblers in a longitudinal sample.
 - **STATUS:** June 30, 2019
- **Low-Risk Gambling Guidelines for MA**
 - Evidence-informed guidelines to help Massachusetts residents make well-informed, responsible decisions about their gambling behavior and so avoid gambling-related harms.
 - Understand the point at which level of gambling engagement (i.e., frequency, expenditure) increases the risk of harm.
 - **STATUS:** March 31, 2019
- **Deeper Analyses of MAGIC Wave 2 report**
 - Analyses will focus on predictors of problem gambling onset and whether there are racial/ethnic, income, gender, and/or regional differences in these predictors.
 - **STATUS:** June 30, 2019



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- **Etiological Predictors of MAGIC Transitions**
 - Focus on predictors of problem gambling onset and remission and the extent to which accessing treatment is one of these factors.
 - Highlight risk and protective factors important in developing effective prevention, intervention, treatment, and recovery support services.
 - **STATUS:** June 30, 2019

- **New Employee Report, PPC Year 3**
 - Analysis of new, third year employees at PPC.
 - Report identifies several important characteristics of new hires at PPC and the emergent casino workforce in Massachusetts.
 - **STATUS:** December 31, 2018

- **Operator Spending Report, PPC Year 3**
 - Summary report analyzing operating impacts of PPC in year three of operations.
 - **STATUS:** December 31, 2018

- **Lottery Revenue Report, PPC Year 3**
 - Analyses of lottery spending patterns in Massachusetts three years after the opening of PPC.
 - **STATUS:** March 31, 2018

- **Operator Construction Spending Report, MGM Springfield**
 - Technical report detailing construction spending impacts of MGM Springfield.
 - **STATUS:** April 30, 2019

- **Real Estate and Development Report, MGM Springfield**
 - Update to baseline analysis of real estate conditions and trends before the advent of MGM Springfield casino.
 - **STATUS:** June 30, 2019

Reports and Studies (2014- July, 2018)

All reports and publications listed in this section are available at:

<https://massgaming.com/about/research-agenda/> or <https://www.umass.edu/seigma/>

Social

- Analysis of the Massachusetts Gambling Impact Cohort (MAGIC) Wave 2: Incidence and Transitions. (December 22, 2017)
- Gambling and Problem Gambling in Massachusetts: In-Depth Analysis of Predictors. (March 23, 2017)



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- Impacts of Gambling in Massachusetts: Results of a Baseline Online Panel Survey (BOPS). (January 10, 2017)
- Key Findings from SEIGMA Research Activities: Potential Implications for Strategic Planners of Problem Gambling Prevention and Treatment Services in Massachusetts. (December 18, 2015)
- Gambling and Problem Gambling in Massachusetts: Results of a Baseline Population Survey. (September 15, 2017)
- Analysis of the Massachusetts Gambling Impact Cohort (MAGIC) Wave 2: Incidence and Transitions (January 4, 2018)

Publications

- Rodriguez-Monguio, R., Brand, E., & Volberg, R. (2017). The Economic Burden of Pathological Gambling and Co-occurring Mental Health and Substance Use Disorders. *Journal of Addiction Medicine*.
- Rodriguez-Monguio, R., Errea, M., & Volberg, R. (2017). Comorbid pathological gambling, mental health, and substance use disorders: Health-care services provision by clinician specialty. *Journal of Behavioral Addictions*.
- Okunna, N. C., Rodriguez-Monguio, R., Smelson, D. A., Poudel, K. C., & Volberg, R. (2016). Gambling involvement indicative of underlying behavioral and mental health disorders. *The American Journal on Addictions*.
- Okunna, N. C., Rodriguez-Monguio, R., Smelson, D. A., & Volberg, R. A. (2015). An Evaluation of Substance Abuse, Mental Health Disorders, and Gambling Correlations: An Opportunity for Early Public Health Interventions. *International Journal of Mental Health and Addiction*.

Economic

- Plainridge Park Casino First year of Operations: Economic Impacts Report, October 6, 2017
- New Employee Survey at Plainridge Park Casino: Analysis of the First Two Years of Data Collection. (May 10, 2017)
- Lottery Revenue and Plainridge Park Casino: Analysis of the First Year of Casino Operation. (January 19, 2017)
- Real Estate Profiles of Host Communities. (August 30, 2016)
- The Construction of Plainridge Park Casino: Spending, Employment and Economic Impacts. (September 19, 2016)
- Economic Profiles of Host Communities. (October 20, 2015)
- Measuring the Economic Effects of Casinos on Local Areas: Applying a Community Comparison Matching Method. (November 5, 2014)
- Lottery Revenue and Plainridge Park Casino: Analysis After Two Years of Casino Operation (May 10, 2018)



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Public Safety

- Assessing the Impact of Gambling on Public Safety in Massachusetts Cities and Towns
 - Baseline Analysis of Crime, Calls for Service, and Collision Data in the Plainville Region. (August 24, 2015)
 - Analysis of changes in Police Data After the First Six Months of Operation at Plainridge Park Casino. (April 12, 2016)
 - Analysis of Changes in Police Data After the First Year of Operation at Plainridge Park Casino. (December 12, 2016)
 - Analysis of change in police data after two years of operation at Plainridge Park Casino (March 1, 2018)

Program Evaluation

- Summary Analysis of the Plainridge Park Casino GameSense Program Activities & Visitor Survey: December 1, 2015 – May 31, 2016, (July 2016)
- Preliminary Study of Patrons' Use of the PlayMyWay Play Management System at Plainridge Park Casino: June 8, 2016 – January 31, 2017 (October, 2017)

Data Presentation

MASS-AT-A-GLANCE: An interactive app of social and economic trends in MA communities (May 10, 2018)



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TO: Interim Chairman Cameron, Commissioners O' Brien, Stebbins, Zuniga

FROM: Jill Griffin, Director of Workforce, Supplier and Diversity Development

CC: Ed Bedrosian, Executive Director; Catherine Blue, General Counsel

DATE: October 4, 2018, 8

RE: Encore Boston Harbor-Affirmative Action Program for Equal Opportunity/Plan to Identify Local Vendors-Goods and Services

As referenced by Massachusetts Gaming Commission Agreement to Award the Category 1 License In Region A to Wynn MA, LLC, Encore Boston Harbor is required to submit for the Massachusetts Gaming Commission ("Commission") review and approval plan(s) listed below within ninety (90) days of a request from the Commission. MGC staff submitted a request to Encore Boston Harbor on June 22, 2018 and subsequently received Encore Boston Harbor's Supplier Diversity and Local Vendor Plan – Goods & Services on September 21, 2018.

Today the Commission will take no action on the plan. Commission staff have posted the plan on the MGC website requesting public comment until 3:00 pm on Friday, October 19, 2019. Encore Boston Harbor representatives are scheduled to present the plan to the Commission for approval on Thursday, October 26, 2018.

Background

An **Affirmative Action Program for Equal Opportunity –Goods and Services** for minority, women and veteran business enterprises identified in G.L. c.23K §21 (a)(21)(iii) for provision of goods and services procured by the Gaming Establishment. As per License Condition 11, the plan shall include a robust public events and outreach component to those businesses identified above.

In accordance with c. 23K §21, the Affirmative Marketing Program shall identify specific goals expressed as an overall program, goals applicable to the total dollar amount, or the value of contracts entered into for the utilization of: (i) minority business enterprises, (ii) women business enterprises and (iii) veteran business enterprises. The Affirmative Marketing Program



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shall enable minority, woman and veteran business enterprises to participate as vendors in the provision of goods and services procured by the gaming establishment and any businesses operated as part of the gaming establishment.

Pursuant to License Condition 16, Encore Boston Harbor shall submit a **Plan to Identify Local Vendors** in conjunction with the Massachusetts Gaming Commission Vendor Advisory Team and any local grant awardee.

Introduction

Encore Boston Harbor (“EBH”) is a luxury, global destination gaming resort located in Everett, Massachusetts that will feature 671 hotel rooms with sweeping views of the Boston skyline and Boston Harbor, an ultra-premium spa, luxury retail, high-end dining, and state-of-the-art ballroom and meeting spaces. At \$2.5 billion invested, the resort will be the largest private single-phase development in the history of the Commonwealth. Situated on the waterfront along the Mystic River and connected to Boston Harbor, EBH will include a six-acre park along the water that will feature a Harbor Walk, an events lawn, public viewing areas, ornate floral displays, and retail and dining experiences overlooking the water. EBH is currently under construction with an opening anticipated for June 2019.

This Supplier Diversity & Local Commitments Plan (the “Plan”) outlines our ongoing strategy to engage with local communities and businesses pre- and post-opening to:

1. Identify qualified diverse, local, and Massachusetts-based firms to conduct business with EBH;
2. Solicit those firms through EBH’s Request-for-Proposal (“RFP”) process; and
3. Award meaningful and ongoing business to those firms at no less than the levels detailed herein.

The Plan’s objectives listed immediately above are discussed in more detail below in the section entitled “Plan Objectives”, while the business award levels are detailed below in the section entitled “Spend Objectives”.

We are confident that EBH will be a source of economic growth and opportunity for our Host Community of Everett, our Surrounding Communities of Boston, Cambridge, Chelsea, Malden, Medford and Somerville, the local farms and agricultural community, and the entire Commonwealth.

To date we have held numerous meetings and received constructive feedback and ideas from many stakeholders, including the Chambers of Commerce of Everett, Boston, Cambridge, Chelsea, Malden, Medford and Somerville, the Hispanic American Institute, The Commonwealth’s Supplier Diversity Office (“SDO”), the North Shore Latino Business Association, the Greater New England Minority Supplier Development Council (“GNEMSDC”), the Women’s Business Enterprise National Council (“WBENC”), their affiliate the Center for Women & Enterprise (“CWE”), and many local business leaders.

This Plan reflects those conversations and the feedback and comments received. We are grateful to our stakeholders for their interest in the Plan and the time spent providing feedback.

Spend Objectives

EBH has established the following spend goals to create economic opportunity and business awards in the following areas:

Diversity:

- Minority Business Enterprises (MBEs) – 8% of Discretionary Spend
- Women Business Enterprises (WBEs) – 14% of Discretionary Spend
- Veteran Business Enterprises (VBEs) – 3% of Discretionary Spend

EBH will utilize the Commonwealth of Massachusetts’ definition of MBE, WBE, and VBE. A more detailed description of EBH’s discretionary spend is attached hereto as **Exhibit A**.

Host and Surrounding Communities:

- Everett based vendors - \$10 million annually
- Boston based vendors - \$20 million annually
- Somerville based vendors - \$10 million annually
- Malden based vendors - \$10 million annually
- Medford based vendors - \$10 million annually
- Chelsea based vendors - \$2.5 million annually

Plan Objectives

The following objectives form the basis for this Plan and detail our ongoing strategy for meeting the Spend Objectives:

1. Objective 1: Identify Qualified Diverse/Local/Mass.-Based Firms

Beginning with the design and construction phases of our project and continuing through today, EBH has developed strong relationships within its Host and Surrounding Communities, their respective Chambers, and with many diversity advisory groups within the region.

EBH's community outreach programs involve partnering with those organizations to engage their vendor bases and assist in identifying qualified firms. These activities are in addition to our own direct engagement activities within the communities.

Community Outreach Activities To-Date:

To create initial awareness relating to the business opportunities with EBH, our initial activities in both direct vendor engagement as well as in collaboration with our partner organizations have included:

- A. Creation of EBH's "Vendor Opportunities" website which is located at <https://encorebostonharbor.com/careers/operations-vendors/>. The site allows vendors to register with us (over to 500 to-date), join our distribution list for upcoming events, and details specific upcoming RFPs (see "Opportunities Matrix" below).
- B. Wide distribution of our "Opportunities Matrix" (a sample of which is attached hereto as **Exhibit A**) which details across 76 different commodities the specific criteria required of each provider as well as the anticipated timing for each RFP (<https://encorebostonharbor.com/files/WBHSupplierOpportunitiesMatrix.pdf>). In addition to being available online, this document has been handed-out at all outreach events that EBH has hosted or attended and has been well-received within the business community.
- C. Bi-monthly meetings with The Hispanic American Institute which includes a revolving attendee list of its member base to meet with each EBH management team to discuss their firm's qualifications as well as upcoming award opportunities.
- D. Ongoing meetings with each of the Host and Surrounding Community Chambers of Commerce. Most recently, we hosted all seven Chambers to solicit their ideas and feedback in a round-table format on the planning, timing, and agendas for EBH's upcoming Vendor Fairs. We will continue these regular meetings post opening.
- E. Co-Hosting with the Urban League of Eastern Massachusetts a recurring Black Community

Update meeting. While the initial emphasis for these meetings has been workforce development, we will now be adding vendor opportunities to each agenda moving forward.

- F. Hosted an “all commodities” Vendor Fair in Malden attended by approximately 350 local vendors, 182 of whom came from our Host or Surrounding Communities. Vendors were given dedicated scheduled timeslots for one-on-one meetings with the respective EBH department heads. Invitees included representatives of the MGC, GNEMSDC, CWE, the SDO, the Initiative for a Competitive Inner City (“ICIC”), the Small Business Administration (“SBA”), the Urban League of Eastern Massachusetts, the seven local Chambers plus the Chambers of Lynn, Revere, and Salem, and several local lending institutions.
- G. Presentation to the North Shore Latino Business Association and its member base in Lynn.
- H. Attendance and a booth staffed by EBH’s Procurement team at Northeastern University’s 6th Annual Supplier Diversity Networking Event co-hosted by the SDO and Northeastern.

Upcoming Community Outreach Activities:

The following is a list of several key events that EBH is hosting or attending in the coming months:

- A. Attendance and a speaking engagement on September 25th in Peabody to discuss EBH award opportunities with residents and business owners on the North Shore. The event was co-hosted by Salem State University’s Enterprise Center and the North Shore Career Center.
- B. Platinum sponsorship and attendance on October 19th in Framingham at the CWE’s Women Business Leaders Conference networking event.
- C. Participation in two upcoming GNEMSDC events; their MBE to MBE Match Making event on November 15th in Boston, and their Forum for Inorganic Growth Strategies event in Boston on November 20th.
- D. A Vendor Fair hosted by EBH on September 26th at the Charlestown Knights of Columbus covering the commodities listed in the table below. The format of this event will include pre-scheduled 1x1 meetings between business owners and the relevant EBH department heads.

Maintenance Materials	Carpeting/Fabric/Upholstery
	Cleaning & Janitorial Supplies
	Electrical Supplies
	Glass, Marble, Tile & Metal
	HVAC Parts & Supplies
	Lumber - Rough & Millwork
	Paints & Stains
	Plants, Trees, & Flowers
	Plumbing Supplies & Fittings
	Propane, Gases, & Diesel
	Safety & Protective Equipment
	Signage

	Tools & Hardware
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- E. A Vendor Fair hosted by EBH on October 1 at the Medford AC Marriott covering the commodities listed in the table below. The format of this event will include pre-scheduled 1x1 meetings between business owners and the relevant EBH department heads.

F&B Beverages	Beer, Wine, & Spirits
F&B Beverages	Soda, Juice, & Water
F&B Food	Bread
F&B Food	Dairy
F&B Food	Fruit & Produce
F&B Food	Grocery Items
F&B Food	Meat (Beef/Pork/Poultry/Lamb)
F&B Food	Seafood
F&B Food	Specialty Foods
F&B Products	China, Glass, Silver, Small-wares
F&B Products	Kitchen Equipment & Parts
F&B Products	Paper & Disposable Goods

- F. A Vendor Fair hosted by EBH on October 9 at the Chelsea Homewood Suites covering the commodities listed in the table below. The format of this event will include pre-scheduled 1x1 meetings between business owners and the relevant EBH department heads.

Event Services	Audio Visual Equip. & Services
Event Services	Destination Management Companies
Event Services	Entertainment - Bands, DJs
Event Services	Exhibition Services Companies
Event Services	Photographers & Videographers
Event Services	Promotional & Gift Items
Event Services	Stage & Lighting Rigging Equipment
Marketing	Direct Mail Fulfillment
Marketing	Graphic Design Services
Marketing	Print Services (Brochures/Tags/Receipts/Forms)

- G. A Vendor Fair hosted by EBH on October 11 at the Somerville Holiday Inn covering the commodities listed in the table below. The format of this event will include pre-scheduled 1x1 meetings between business owners and the relevant EBH department heads.

Maintenance Services	Carpentry Services
	Carpet Cleaning & Installation
	Cleaning - General Janitorial Services
	Cleaning - Specialty (Duct, Grease etc.)

Electrical - High Voltage
Electrical - Low Voltage
Fire Detection & Suppression
Glass & Mirror Work
HVAC Repair Services
Landscaping Services
Locksmithing
Manufacturer Maintenance Contracts
Marble Cleaning & Installation
Masonry Work
Painting Services
Pest Control Services
Plumbing Services
Roofing Services
Snow Removal
Vertical Lift Maintenance
Waste Removal - Hazardous & Regulated
Waste Removal - Recycling & Trash
Water Treatment - Chilling/Spa/Systems
Window Washing - High Rise

H. A Vendor Fair hosted by EBH on October 24 at the Cambridge Royal Sonesta covering the commodities listed in the table below. The format of this event will include pre-scheduled 1x1 meetings between business owners and the relevant EBH department heads.

General Ops	Car Washing & Detailing
General Ops	Copier Equipment & Maintenance
General Ops	Furniture
General Ops	Medical Supplies & Equipment
General Ops	Office Supplies & Equipment
Hotel Ops	Hotel Room Amenity Products
Hotel Ops	Laundry Services (Duvets/Mats/Specialty)
Hotel Ops	Room Keys (Logo'd Magnetic Cards)
Hotel Ops	Spa & Salon Products
Retail	Display Cases, Racks, Hangers
Retail	Retail Bags, Paper, Plastic, Tissue
Transportation	Coach Bus Services
Transportation	Limousine Services
Transportation	Luxury Ferry Services
Transportation	Maintenance Services - Fleet & Equipment

Transportation	Other Vehicles/Lifts/Hoists/Jacks
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- I. In conjunction with the Vendor Fairs listed above, EBH will be promoting these events via:
 - a. Email blasts to our database of vendors;
 - b. Announcements through our partner organizations and the Host and Surrounding Community Chambers of Commerce; and
 - c. Advertising campaigns in local newspapers.

- J. In addition to the Vendor Fairs that we will be hosting in the coming weeks, EBH is currently finalizing calendars with the teams at CWE and the GNEMSDC for our attendance at several additional upcoming membership events. A partial list of those events includes:

The GNEMSDC’s December 4th Quarterly Meeting, the CWE’s January Corporate Council Meeting for all CWE-WBENC Corporate Members, their April annual Auction & Gala, their May Small Business Expo, and the Federal Reserve Bank of Boston’s “Engage & Connect” Vendor Fair also in May.

Ongoing Community Engagement:

EBH’s community outreach activities will continue post opening. Our bi-monthly meetings with the Hispanic American Institute began several years ago as a combined workforce development and supplier development summit meeting between EBH’s executive team and various business leaders in the Latino community. As both initiatives have grown, we’ve now split those meetings into separate workforce and supplier summit meetings, and both will continue well into the future as an ongoing and valuable way to remain aligned.

We also intend to continue the similar meetings we’ve been hosting with our other diversity partners and continue our attendance at their membership events as well.

EBH’s regular meetings with the Chambers of our Host and Surrounding Communities will also continue. The Chambers have been an incredibly valuable partner not only in engaging their vendor bases and making them aware of our events and RFP schedules, but also in sourcing vendors and introducing EBH to them when we have struggled to find a specific product or service during our pre-opening and pre-RFP phase.

Finally, we look forward to joining the MGC’s Vendor Advisory Team and participating in those ongoing discussions with the Commission and other business and diversity leaders from the region.

2. Objective 2: Solicit Diverse/Local Firms Through EBH’s Request-for-Proposal (RFP) Process

EBH’s outreach activities have led us to quite a few diverse and local firms. While we are still nine months away from our anticipated opening and have not yet begun our RFP and business award processes, those outreach activities have led to our registering close to 100 vendors from our Host and Surrounding Communities alone since we’ve identified those firms as partners we intend to do business with or have already done so.

In addition to those vendors, we have collected an additional database of 600 vendor contacts and email addresses through our outreach, website, and Vendor Fair activities. We expect our database to grow significantly within the next 30 – 90 days as we continue our Vendor Fair calendar and our collaboration with the diversity advisory groups.

Those vendors meeting the stated selection criteria as detailed in the vendor “Opportunities Matrix” (above) will be included in EBH’s formal RFPs commencing Q4 2018. That process is described in more detail in the following section.

Additionally, the EBH Procurement team is using the diversity databases of the SDO, the GNEMSDC, and the CWE in our search for new vendor partners. For those smaller day-to-day business award opportunities not typically sourced via a full and formal RFP process, EBH commits that we will use these databases and other resources at our disposal to continuously solicit diverse and local firms who provide those goods and services being sourced within those smaller awards. To our best ability, each solicitation will include one or more such firms.

3. Objective 3: Award Meaningful & Ongoing Business to Diverse/Local Firms

It is our belief that to generate true economic opportunity (i.e., bona fide business awards), it is essential that the Procurement Team at EBH use innovation and technology to provide both visibility and access to our RFPs to as many qualified diverse and local firms as we can source.

Eliminating Traditional Barriers

In many enterprise Procurement organizations, the number of vendors solicited for any one RFP is typically limited to the number of RFP responses that a staff member leading the RFP can reasonably assess, compare, communicate with respondents, and, ultimately, award.

This is a limitation that can be overcome by technology thereby giving significantly greater access across a much larger vendor base to the business opportunities at EBH. Our proposed solution to this limitation is described below in the section entitled, “The Barrier Solution”.

Greater Visibility Leads to Greater Business Awards

Business awards are a direct result of RFP proposals, and those proposals can only be solicited if the diverse and local business communities have both the visibility into and the access to EBH’s RFP solicitations. Removing the barrier that limits the number of participants, targeting preferred diverse and local vendors, and broadcasting the RFPs to a dramatically wider vendor base will increase the awards proportionately.

The Encore Boston Harbor RFP Network

EBH has already had discussions with the SDO, CWE, and the GNEMSDC to explore linking EBH’s online RFP platform to the online platforms of those diversity partners. Each RFP issued by EBH would be delivered directly to those member bases.

One potential solution is using portlets and other web technologies to simply provide a “landing page” for EBH RFPs on each partner’s website, or a link on our partners’ websites to our RFP page. Either alternative would create a simple mechanism on each partner’s site for their membership to see which RFPs are being issued by EBH along with details on how to participate.

A second potential solution without linking one network to another is to simply open up EBH’s existing online RFP platform to our targeted vendor base of diverse and local vendors. EBH would issue its RFPs publicly on our own website. Certified diverse firms and those based in our Host and Surrounding Communities who express interest in submitting a proposal would then be given a link and authentication credentials to our platform where RFP submissions must be submitted.

EBH commits to providing the assistance and resources to our partners to create such an integrated platform. Further, it is our intent to grow this network beyond those initial three partner

organizations. Our ultimate objective is to create a pipeline of business opportunities directly to the vendors we desire to conduct business with.

The “Barrier Solution”

The approach above will generate many more RFP responses than a traditional Procurement Team could reasonably and fairly assess, compare, reply to, and award.

However, EBH will use a “templated” approach in its outgoing RFP solicitations which will require RFP responses to be submitted by vendors in that very same specific format.

By using such an approach, we can use our technology to quickly compare, analyze and rank the responses in accordance with those proposals’ commercial value, the MWVBE status of each respondent, and their locale.

By linking networks and then “templating” the outgoing and incoming RFP communications, we remove the limitation of only soliciting the limited number of vendors that a Buyer could reasonably manage for each RFP. While our Procurement Team will still review the results and make the final awards, our RFP platform will assist us with much of the “heavy lifting”.

Again, in our view, greater access leads to greater awards, and it all begins with a 21st Century approach to how we conduct our business.

Organizational Support

This Plan is led by EBH’s Director of Procurement, David Granata and Procurement Manager, Nadia Ballard, with the full and active support of our senior leadership team comprised of President, Robert DeSalvio, General Counsel, Jacqui Krum, Executive Vice President of Operations, Brian Gullbrants, and Chief Financial Officer, Frank Cassella. This group will comprise the organizational Steering Committee.

The mandate of our Steering Committee quite simply is to ensure that the commitments we’ve made in this Plan have the highest visibility within our organization, and to take the necessary steps as needed to ensure that the Plan’s Objectives are achieved.

As we are still nine months away from our anticipated opening, EBH’s Procurement team is still in its recruitment and hiring phase. We anticipate a total team of 10 – 15 before the conclusion of Q4 2018. Further, we are recruiting a Procurement Diversity Manager to directly lead all aspects of this Plan.

Diversity Development Assistance

There are three specific areas that EBH feels we can have an immediate and positive impact on the region’s diversity community:

- In meetings and discussions with the supplier diversity certifying bodies, EBH found that several of those organizations have the ongoing challenge of convincing firms that otherwise meet the criteria for certification to go through with the process of formally certifying. In part, this hesitation has been attributed to eligible firms not having clear visibility into near-term revenue opportunities.

Our partners have advised that a significant recruitment tool for them would be advance visibility into EBH’s ongoing RFP schedule. As such, we commit to doing so on an ongoing basis for any of the certifying bodies that seek such assistance, and we have included that full initial RFP schedule herein in our “Opportunities Matrix” (described in more detail in the section

entitled “Plan’s Objectives” above, and a sample of which is attached hereto as **Exhibit A**).

- Similar to our workforce development efforts in conjunction with the MGC, the city of Everett, and the New England Center for Arts & Technology (NECAT), EBH intends to develop mentoring programs with smaller, diverse, and local vendors to assist and advise them as they grow their businesses to “scale up” to attract commercial clients in the region beyond simply EBH. These programs would include pairing firms with key EBH executives who would periodically meet with them and otherwise provide counsel and feedback on their business plans and go-to-market approach.
- As part of our diversity development assistance efforts, the section below entitled Ongoing Organizational Visibility describes EBH’s approach to RFP respondents and the contractual requirements we place on our partners for meeting specified MWVBE utilization goals.

By assisting smaller MWVBEs by partnering them with larger primary vendors, by providing them with advice and feedback, and by assisting the certifying bodies in their efforts to create a larger and more impactful diverse business community, EBH hopes that these and future efforts by us provide true momentum for the diversity initiative in this region. We will continue to be receptive to new ideas and will also continue to offer creative solutions in the pursuit of a stronger and deeper diverse vendor base for our region.

Ongoing Organizational Visibility

The full details of this Plan will be presented to the EBH executive team and all department heads. Additionally, to ensure continued visibility across all business disciplines in tracking EBH’s performance against this Plan, EBH commits to:

- Weekly President’s Executive Staff Meetings with all department heads to discuss, among other things, the Plan’s weekly forecast versus actual status across the key business disciplines.
- Monthly department head meetings with the Procurement and Diversity Team to discuss the Plan’s monthly forecast versus actual status for that specific business unit.
- Executive intervention as required.
- Weekly Procurement staff meetings to discuss vendor base development, forecast versus actuals, and planning for upcoming diverse and local vendor calendar events.

Above and beyond executive visibility and closely tracking our performance versus the plan, EBH requires all partners and all RFP respondents to contractually agree to active and meaningful initiatives towards supplier diversity. Every EBH RFP document contains the following language as well as a more detailed RFP diversity exhibit attached to each RFP (which is attached hereto as **Exhibit B**): Our RFP language:

“Encore is committed to creating opportunities for certified Minority, Woman, and Veteran-Owned Businesses (collectively, “MWVBEs”). We encourage our suppliers to certify themselves as, or to subcontract with, MWVBEs for goods or services provided in the performance of their agreements with us. Accordingly, supplier agrees to use best efforts to provide MWVBEs with meaningful and equitable economic opportunities under any agreement that may result from this RFP.

Specific MWVBE utilization goals will be determined under any such agreement and shall require formal certification. Please see attached hereto as Addendum C for a detailed description of our MWVBE program.

In your RFP response, please include an MWVBE utilization plan that names specific MWVBEs with whom subcontracts are anticipated as well as the expected scope-of-work and spend.”

Plan’s Performance Tracking

EBH uses several technologies to ensure accurate tracking and reporting. Among those technologies are:

- Oracle’s PeopleSoft Vendor Files and Accounts Payable Disbursements. Oracle allows a client such as EBH to attach diversity certificates and other documents to its vendor files, and it allows the client to input, track and report on other key diversity data such as ethnicity/status, certifying agency, certification number, and certificate start and end dates. A sample of the vendor file is attached hereto as **Exhibit C**.
- Oracle interfaces with BirchStreet which is where EBH’s RFP Network and Purchase Orders reside. BirchStreet will contain all the relevant diversity data stored in Oracle and will allow us to target our preferred vendor base during the RFP “broadcast” process described above.
- Use of subscription services such as IVS Solutions or similar services to both “scrub” internal data as well as source new potential partners. These subscription services typically will accept from a client such as EBH their vendor data files (usually in ASCII or CSV format) and then cross reference those vendor details across many national databases to confirm or reconfirm their certified status. In some instances, that process also advises clients such as EBH that their vendor base already contains certain certified diverse firms that we ourselves did not know held certifications. These 3rd party subscriptions are a valuable and simple tool to ensure ongoing data integrity.

Reporting

EBH proposes to report to the MGC as follows:

Frequency:

- Quarterly formal reports as part of EBH’s regularly scheduled presentations to the MGC.

Format and level of detail for reports:

- A description of the outreach initiatives and events conducted by EBH over the previous 90-day period.
- A listing of the diverse contracts and purchase orders awarded over the previous 90-day period segregated by certification category (MBE/WBE/VBE) and further segregated by direct spend (“First Tier”) vs. indirect spend (“Second Tier”).
- A listing of the Host and Surrounding Community contracts and purchase orders awarded over the previous 90-day period segregated by community.
- A listing of the contracts and purchase orders awarded over the previous 90-day period for all other Massachusetts-based firms; i.e. those not located in the Host or Surrounding Communities.
- The report will also list each segment’s annual goal and the year-to-date planned versus actual variance (prorated for the quarter being reported).

Advertising Plan

EBH will launch periodic and targeted advertising and marketing campaigns to ensure that diverse and

local firms are aware of opportunities as they are made available with EBH. We will also ask our Chamber and diversity partners to use their various channels and newsletters to communicate our events and initiatives to their member bases.

Timelines

	2018:												2019:											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Procurement Recruiting & Hiring																								
Vendor Fairs & Partnership Events																								
Vendor Meetings & MGC Registration																								
RFPs & Business Awards																								

Conclusion

Through our ongoing outreach events and community engagement activities and our plans to significantly broaden the scope of RFP solicitations to target our desired vendor demographic, we are confident that EBH will be a source of continued economic growth and opportunity for our region. With the full and ongoing support of our executive Steering Committee, we will continue to enthusiastically pursue the key mandates of this Plan which is to find, solicit, and award business to diverse and local firms.

We thank the many community, diverse, and government partners that have supported our efforts to date, and we look forward to furthering those partnerships in the months and years to come.

Exhibit A:
Sample Opportunities Matrix

Ongoing Supplier Opportunities - Encore Boston Harbor: (see note 1 below)

Category	Commodity	Supplier Criteria: see note 2 below				Opportunity Timing: see note 3 below							
		On-Call	Avail. 24x7	Trade Licensed	OEM Auth.	'18 Q1	'18 Q2	'18 Q3	'18 Q4	'19 Q1	'19 Q2	'19 Q3	'19 Q4
Event Services	Audio Visual Equip. & Services (Supplemental)				Yes					X			
Event Services	Destination Management Companies (DMC)			Yes							X		
Event Services	Entertainment - Bands, DJs, etc.										X		
Event Services	Photographers & Videographers										X		
Event Services	Promotional & Gift Items						X						
Event Services	Stage & Lighting Rigging Equipment			Yes							X		
F&B Beverages	Beer, Wine, & Spirits			Yes							X		
F&B Beverages	Soda, Juice, & Water			Yes							X		
F&B Food	Bread			Yes							X		
F&B Food	Dairy			Yes							X		
F&B Food	Fruit & Produce			Yes							X		
F&B Food	Grocery Items			Yes							X		
F&B Food	Meat (Beef/Pork/Poultry/Lamb)			Yes							X		
F&B Food	Seafood			Yes							X		
F&B Food	Specialty Foods			Yes							X		
F&B Products	China, Glass, Silver, Smallwares				Yes				X				
F&B Products	Kitchen Equipment & Parts				Yes				X				
F&B Products	Paper & Disposable Goods										X		
General Ops	Car Washing & Detailing										X		
General Ops	Copier Equipment & Maintenance	Yes			Yes					X			
General Ops	Furniture (Replenishment Only)				Yes					X			
General Ops	Medical Supplies & Equipment				Yes						X		
General Ops	Office Supplies & Equipment				Yes						X		
Hotel Ops	Hotel Room Amenity Products				Yes					X			
Hotel Ops	Laundry Services (Duvets/Mats/Specialty)		Yes							X			
Hotel Ops	Room Keys (Logo'd Mag Cards)				Yes					X			
Hotel Ops	Spa & Salon Products				Yes					X			
Maint. Materials	Carpeting/Fabric/Upholstery (Replenish. Only)				Yes						X		
Maint. Materials	Cleaning & Janitorial Supplies				Yes					X			
Maint. Materials	Electrical Supplies				Yes						X		
Maint. Materials	Glass, Marble, Tile & Metal				Yes						X		
Maint. Services	Fire Detection & Supression	Yes	Yes	Yes	Yes					X			
Maint. Services	Glass & Mirror Work	Yes	Yes	Yes							X		
Maint. Services	HVAC Repair Services	Yes	Yes	Yes	Yes						X		
Maint. Services	Landscaping Services	Yes									X		
Maint. Services	Locksmithing	Yes	Yes								X		
Maint. Services	Water Treatment - Chilling/Spa/Systems	Yes	Yes	Yes						X			
Maint. Services	Window Washing - High Rise			Yes							X		
Marketing	Direct Mail Fulfillment									X			
Marketing	Graphic Design Services									X			
Marketing	Print Services (Brochures/Tags/Receipts/Forms)									X			
Retail	Display Cases, Racks, Hangers									X			
Retail	Retail Bags, Paper, Plastic, Tissue										X		
Transportation	Coach Bus Services	Yes	Yes	Yes						X			
Transportation	Limousine Services (Supplemental)	Yes	Yes	Yes						X			
Transportation	Luxury Ferry Services	Yes	Yes	Yes						X			

Note 1: Prior to executing a purchasing agreement with Encore Boston Harbor, all vendors must be registered with both the Massachusetts Gaming Commission as well as with Wynn.

Note 2: Above criteria is in addition to the following criteria; **a)** quality of product or service; **b)** cost; and **c)** scale of supplier's operation; i.e. ability to deliver product or service in required volume and at required frequency. Additional details:
 "On-Call" = Capable of responding to service requirements within an agreed timeframe (typically within hours).
 "24x7" = Services must be available 24 hours per day/365 days per year.
 "Trade Licensed" = Properly licensed if required by necessary authorities to provide the goods or services listed.
 "OEM Authorized" = Must be a certified reseller or service provider of the manufacturer.

Note 3: "Opportunity Timing" indicates the calendar quarter that we anticipate delivery of goods or commencement of services to begin. Typically, the Request For Proposal process (RFP) will occur one calendar quarter prior to these anticipated start dates.

Exhibit B:
Diversity Exhibit Attached to All EBH RFP Documents

Minority/Woman/Veteran-Owned Business Enterprises

The Massachusetts Gaming Commission has placed special emphasis on creating casino resort procurement for certified women-owned business enterprises (WBEs), minority-owned business enterprises (MBEs), and Veteran-owned business enterprises (VBEs). Encore is working to ensure that all of our vendors are aware of this focus and have the opportunity to formally register as a WBE, MBE, or VBE, should they meet the qualifications.

If you are a business owned 51% or more woman, minority, or veteran-owned, we would appreciate your efforts in becoming formally certified as such. There are several avenues for certification, outlined below. Encore will provide special consideration for procurement, to the extent permissible by law, to certified MBEs, WBEs, and VBEs. The certification options are as follows:

MBE, WBE, or VBE: Massachusetts Supplier Diversity Office (SDO)

The SDO provides a free-of-charge MWVBE certification that will allow a business to be recognized for both the Encore Boston Harbor project and any Massachusetts State Government projects. Recommended for Massachusetts-based businesses. To register, visit the [SDO website](#)

MBE: National Minority Supplier Development Council (NMSDC)

The National Minority Supplier Development Council offers a paid certification (\$300-\$500) that is recognized nationally and provides MBEs with access to events and a network of companies and other MBEs. The certification process can take up to three months, following submission of a complete application. An expedited certification process is available for an additional fee.

To certify your business with NMSDC, contact the appropriate regional affiliate office of the [National Minority Supplier Development Council](#)

WBE: Women's Business Enterprise National Council (WBENC)

The WBENC offers a paid WBE certification (fee varies depending on region) that is recognized nationally by many private procurers and some state offices. Benefits of certifying through WBENC include access to a national network, mentoring, education and capacity development. To certify your business with WBENC, visit: <http://www.wbenc.org/certification/>

VBE: United States Department of Veterans Affairs

The VA provides a VBE certification that is recognized by federal and state governments and by many private entities. The certification process can take 3 – 9 months to complete. To certify your business with the VA, visit: <http://www.vetbiz.gov/>.

Exhibit C: Sample Oracle Vendor Master File

The screenshot displays the Oracle Supplier Master File interface. The browser address bar shows the URL: `psfin.wynnresorts.com/psp/PSFIN/EMPLOYEE/ERP/c/MAINTAIN_VENDORS.VNDR_ID.GBL?FolderPath=PORTAL_ROOT_OBJECT.EPCO_VENDORS.EPAP_VENDORS.EPAP_VENDORS_ADDVNDRS.EP_VNDR_ID_...`

The Oracle logo is visible in the top left corner of the application window. The navigation bar includes links for Home, Worklist, Performance Trace, Add to Favorites, and Sign out.

The main content area is divided into several sections:

- Government Classifications:** Includes fields for EEO Certification Date and HUB Zone. A table titled "Government Sources" contains one entry with the following details:

Certification Source	Effective Date	Certification Number
Government Classifications	09/19/2018	
- Standard Industry Codes:** A table titled "Standard Industrial Classification Codes" with columns for SIC Type, SIC Code, Parent SIC Code, and Description.
- Additional Reporting Elements:** Includes fields for Common Parent's TIN, Type of Contractor, SDB Program, Other Preference Programs, Common Parent's Name, HUBZone Program, Size of Small Business, and VOSB. It also features a list of checkboxes for Ethnicity:
 - Emerging Small Business
 - Women-Owned Business
 - Veteran
 - Disabled
- Comments:** A section at the bottom with "Expand All" and "Collapse All" buttons.

The Windows taskbar at the bottom shows the system clock at 12:26 PM on 9/19/2018.