



MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING #278

September 26, 2019
10:00 a.m.
MassMutual Center
1277 Main Street
Springfield, MA



Massachusetts Gaming Commission



**NOTICE OF MEETING and AGENDA
September 26, 2019**

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, September 26, 2019
10:00 a.m.
MassMutual Center
1277 Main Street, Room 1 and 2
Springfield, MA**

PUBLIC MEETING - #278

1. Call to order
2. Approval of Minutes
 - a. September 12, 2019 – **VOTE**
3. Administrative Update – Ed Bedrosian, Executive Director
 - a. General Update
 - b. MGM Springfield Request for Amendment to Gaming Beverage License – **VOTE**
4. Ombudsman – John Ziembra
 - a. MGM Springfield Quarterly Report
 - b. City of Springfield Update
5. Research and Responsible Gaming – Mark Vander Linden, Director
 - a. Springfield Real Estate Research Report
 - b. The Construction of MGM Springfield: Spending, Employment and Economic Impacts Report
6. Workforce, Supplier and Diversity Development – Jill Griffin, Director
 - a. MGM Springfield Construction Vendor Spotlight
 - b. Summit on Diversity in Construction Update
7. Ombudsman – John Ziembra
 - a. 2020 Community Mitigation Fund Policy Questions Review



Massachusetts Gaming Commission

8. Plainridge Park Casino License Renewal Process Discussion – Commission O’Brien, Commissioner Zuniga and Todd Grossman Deputy General Counsel
9. Commissioner’s Updates
10. Other business – reserved for matters the Chair did not reasonably anticipate at the time of posting.

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

09.19.19
Date

Cathy Judd-Stein
Cathy Judd-Stein, Chair

Date Posted to Website: September 23, 2019 at 10:00 a.m.



Massachusetts Gaming Commission



Massachusetts Gaming Commission Meeting Minutes

Date/Time: September 12, 2019 – 10:00 a.m.

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

Present: Chair Cathy Judd-Stein
Commissioner Eileen O'Brien
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga

Absent: Commissioner Gayle Cameron

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



Call to Order
See transcript page 1

10:00 a.m. Chair Cathy Judd-Stein called to order public meeting #276 of the Massachusetts Gaming Commission.

Approval of Minutes
See transcript pages

[10:00 a.m.](#) *Commissioner Stebbins moved to approve the minutes from the Commission meeting of August 15, 2019, subject to correction for typographical errors and other nonmaterial matters. Commissioner Zuniga noted a change needed on page five from “junkets and Macau” to “junkets and not Macau.” Commissioner Zuniga seconded the motion.
The motion passed 4 – 0 pending the edit.*

Administrative Update

See transcript pages 1 – 3

10:05 a.m. **General Update**

Executive Director Ed Bedrosian reminded the Commission that the Gross Gaming Revenue (GGR) for the previous month would be released on Monday, September 16, 2019. The Commission traditionally releases the GGR on the 15th of the month. However as it falls on a Sunday, the figures will be released on Monday the 16th.

Mr. Bedrosian then provided an update on staffing, summarizing current open positions, and encouraged the public to apply at massgaming.com/jobs/

Next, Mr. Bedrosian stated that Mark Vander Linden, Director of Research and Responsible Gaming, has been asked to serve on the International Advisory Panel of the Singapore National Council on Problem Gaming. Mr. Bedrosian recognized this as a tribute to the work that Mr. Vander Linden and the Commission, in part, has been conducting on responsible gaming.

Commissioner Zuniga noted that Singapore is a premier market in Asia from which the Commission can learn. He asked that Mr. Vander Linden come back and comment at a later time, providing more details of the trip that he already took. The Chair congratulated Mr. Vander Linden.

Legal Division

See transcript pages 3 - 32

10:09 a.m. **Region C – Motion for Reconsideration**

The Chair stated that the Commission would be considering a petition filed with the Commission relative to the 2016 denial of the application for a gaming license submitted by Mass Gaming Entertainment (MG&E). She then described the process that would be followed today.

Next, the Chair acknowledged receipt by the Commission of numerous written comments relative to Region C-related issues. She noted that as the comments were primarily not directed at the narrow point being considered today, they were not included in the Commissioners' packet. She stated that there would be an appropriate time for public comment and input on the subject of a gaming establishment in Region C in the future.

The Chair then asked to pause for a moment to remember the late Bill Carpenter, the former mayor of Brockton. She then thanked Mayor Rodrigues of Brockton for attending today. She later clarified what the outcome of the Commission's vote on the petition would consist of, and set expectations for the parties.

[10:14 a.m.](#) Commissioner O'Brien clarified that as there were several submissions by MG&E's counsel, particularly the one received by the Commission this week, and from her perspective going forward, anything beyond page five in that submission is beyond the scope of what the Commission is considering today.

[10:17 a.m.](#) Catherine Blue, General Counsel, with Todd Grossman, Deputy General Counsel, introduced the questions presently before the Commission. The first is whether the Commission can reconsider or reopen a previous decision relative to the award of a gaming license. The second is the question of what the appropriate grounds are upon which to base such a decision, and if the Commission should be able to do so. Mr. Grossman then provided a slide presentation describing the threshold issue, the Commission's authority, the discretion afforded by statute, and potential statutory limitation on the matter.

[10:32 a.m.](#) Commissioner O'Brien and Mr. Grossman clarified for the record that the Commission is handling this matter procedurally, as there are no regulations for this process.

Mr. Grossman continued the presentation, reviewing the remaining slides covering examples of appropriate grounds for an administrative agency to reconsider a decision, and the issue of timeliness. Mr. Grossman then concluded the presentation and welcomed any questions, to which there were none.

[10:45 a.m.](#) Attorneys David Apfel and Robert Braceras from the firm of Goodwin Proctor representing MG&E, and Neil Bluhm, Chairman Rush Street Gaming/ MG&E presented to the Commission a slide presentation. The first slide addressed the question of whether or not the Commission has the discretion to reconsider MG&E's application. The following slides described grounds for reconsideration, the changed circumstances since the initial decision to deny the application in 2016, reasonableness for reconsideration of the application, and a quote from former Commissioner Lloyd MacDonald. The remaining slides depicted improvements to the Niagra Falls area after a Rush Street Gaming casino was erected and a new image of the casino proposed for the after a \$700M+ investment.

[10:58 a.m.](#) Commissioner O'Brien asked if there is something in the vote, the public record, or the decision in 2016 that Mr. Apfel would want to point to that would indicate why the Commission should reconsider MG&E's Region C application. Mr. Apfel noted his position on the role of the Mashpee Wampanoag tribe in the Commission's denial. There was then a discussion regarding the Mashpee Wampanoags' pending bill currently in congress.

[11:11 a.m.](#) Mr. Braceras stated that the reconsideration and granting of a license to MG&E would create jobs, acquire additional tax revenues for the Commonwealth, bring tax dollars from Rhode Island and Connecticut back to the Commonwealth, and revitalize Brockton.

11:49 a.m.

The Chair allowed Mayor Rodriguez of Brockton to speak and welcomed him on behalf of the Commission. He stated that as Brockton has the same issues that any major city has, a casino could bring in tax revenues that will afford Brockton resources to benefit the community.

Mr. Apfel then concluded by stating a few points for the Commission to consider. First, he noted that further market research could be performed in the context of a robust reconsideration process before a determination is made whether or not to approve the reconsideration.

Second, he suggested that alternatives, including opening up a new process, are unreasonable because they cause additional delay of at least three years for any construction to begin on a casino. Reconsideration would give \$85M to the Commonwealth immediately, and construction could start quickly, if not by the end of this year then in early 2020.

Lastly, Mr. Apfel asked the Commission to consider putting out an informal solicitation of interest to see if anybody else is interested and willing to commit. He noted the commitment that Mr. Bluhm has made over the course of the last five years. Mr. Apfel stated that if no one responds, given enough time to do that, that would be an essential factor to consider before determining whether to reconsider MG&E's proposal.

There was discussion around this hybrid approach to reconsidering MG&E's application by the Commission; the issues discussed included requesting public comment/solicitation of interest to apply for a Region C license and conducting a market analysis for any competitors.

Commissioner Zuniga stated that it is intriguing to split it and ask for additional comments; however, he expressed concern about time constraints for someone to put together a proposal. He stated that the arguments made by MG&E are compelling, but they may actually support opening the Region C bidding process, rather than a reconsideration of just the one application. Commissioner Stebbins agreed.

12:06 p.m.

Commissioner O'Brien moved that the Commission find that it has the discretion to reconsider the Commission's decision denying MG&E's January 2015 application for a gaming license in Region C as outlined in the presentation made by Commission legal staff and further moved that after review of the materials submitted and the presentations made by Commission staff and counsel for MG&E, that sufficient grounds do not exist to support a reconsideration of the Commission's decision denying MG&E's January 2015 application for a gaming license in Region C. Commissioner Stebbins seconded the motion.

Mr. Apfel asked to make one last comment, which the Chair allowed. He suggested that concerning Commissioner Zuniga's statement, a solicitation of interest does not need to have a narrow time frame and that the Commission could open up a six-month window for any candidates to respond before foreclosing reconsideration of MG&E's existing plan.

Mr. Bluhm expressed concern about his future involvement in the project, should the Commission deny MG&E's request for reconsideration of their application.

Commissioner Zuniga stated that he feels there is a compelling argument for soliciting public comment now because closing the door on reconsideration may unnecessarily delay the process.

The motion passed 4 – 1, with Commissioner Zuniga dissenting.

Ombudsman

See transcript pages 32 – 40

[12:30 p.m.](#)

Encore Boston Harbor Quarterly Report

Robert DeSalvio, President of Encore Boston Harbor and Jacqui Krum, Senior Vice President and General Counsel of Encore Boston Harbor reported on the activities surrounding Encore Boston Harbor's opening in their Quarterly Report.

Joe Delaney, Construction Project Oversight Manager, stated that Encore is making good progress in completing the items that were conditions of the final Operation Certificate. He noted that the Commission is waiting for further documents and that he plans to meet individually with each commissioner before the 90-day period concludes, to provide an exact status. Several of these issues are listed in a memo contained in the Commissioners' Packet from the [June 27th Commission meeting](#) where the Commission directed the licensee to resolve all issues within 90 days of opening the casino.

Commissioner O'Brien asked if the issues would be resolved within 90 days. Mr. DeSalvio answered in the affirmative.

Ms. Krum stated that Encore has a commitment tracker that contains thousands of items. She noted that some of the items should be completed before the 90-day deadline. However, they may need an extension to produce some of the paperwork to demonstrate that they have closed out all of those commitments.

[12:33 p.m.](#)

Mr. DeSalvio began a slide presentation. He stated that there were no traffic issues upon Encore Boston Harbor's opening. As they approach their 90 days of being open, he finds that the casino traffic does not interfere with the commuter hour. He also noted that night business is arriving at the casino later than anticipated, providing for no traffic overlap.

Mr. DeSalvio noted efforts made to ensure repatriation from residents who otherwise were leaving Boston to visit casinos. He also stated that foreign patrons are now arriving from overseas. He stated that there are currently four business drivers. The first driver is the accelerating hotel business. The second is the introductory deals through the Encore website and online travel agencies. The third is restaurants, which is making adjustments to match what the local market looks for, and the fourth is table games being extremely strong and continuing to grow. Encore is currently adding more tables to the gaming floor. He stated that slot business has been “soft” and they are making adjustments to the gaming floor to accommodate patrons.

The Commission reviewed slides of photos capturing the festivities of opening day.

Next, Mr. DeSalvio reported on Encore Boston Harbor’s construction schedule, stating that they now have only 91 items left on their list to complete. He added that they started with a record in the thousands.

He stated that the construction of the daycare center is underway. He anticipates that it will be completed in November to turn over to Encore’s operator, Action for Boston Community Development ([ABCD](#)). He added that ABCD is looking to complete the project by the end of the year. Ms. Krum stated that they are working with employees regarding their childcare needs and schedules.

Mr. DeSalvio reviewed contracts awarded to Women-owned Business Enterprises (WBEs) and Veteran-owned Business Enterprises (VBEs) for the construction phase. Overall, they exceeded their goals. He stated that there was \$263M worth of work performed during the construction phase. Participation for the construction phase of these categories’ goals was also exceeded.

In terms of hiring, Mr. DeSalvio stated that there are currently 64 open positions remaining with a total of 4982 active employees onboard and 220 additional employees in the onboarding process.

Ms. Krum reviewed slides with the Commission. She reported on Encore Boston Harbor’s progress with the license condition commitments, noting the status of several items. She also described a survey that was conducted, entitled the “Great Place to Work” with favorable results submitted by employees. She highlighted partnerships with organizations and other successful community outreach initiatives and highlighted community investments made, to such as raising money to support local nonprofits and donating \$2.3M in 2019 for local charitable organizations.

Finally, Ms. Krum clarified for the Commission that the Board of Directors of

Wynn Resorts has selected with Matt Maddox's approval an executive coach for him. This individual has entered into a contract, and Mr. Maddox has started meeting with the executive coach. She added that it is going well.

Legal Division, con't.

See transcript pages 40 – 45

12:59 p.m. **Initial Draft Versions of 205 CMR 134.01 and 134.06 Re: Licensing and Registration of Employees, Vendors, Junket Enterprises and Representatives, and Labor Organizations and Small Business Impact Statements**

The Commission reviewed the initial draft version of [205 CMR 134.00: Licensing and Registration of Employees, Vendors, Junket Enterprises and Representatives, and Labor Organizations](#) that described amendments to 134.01: Key Gaming Employee Licensees to add Junket representatives, whom are not employed by a gaming licensee or affiliate of the gaming licensee or a junket enterprise licensed as a gaming vendor, as Key Gaming Employees. Further, 205 CMR 134.06: Junket Enterprises and Junket Representatives would be added to the regulation to describe the scope of responsibility and compliance imposed upon the licensee to employ a junket enterprise or junket representative.

There is one additional amendment that staff plans to make to section 5(b) regarding marketing, where the licensees would be required to provide one large list to junkets that combines individuals from both the Exclusion list and the Voluntary Self-Exclusion (VSE) list. This method would protect the privacy of individuals enrolled in the VSE program while ensuring they do not receive marketing.

Commissioner O'Brien asked if the privacy concerns surrounding this that were addressed in previous public meetings had been resolved. Mr. Vander Linden explained that privacy concerns revolved mostly around the VSE list and that the solution drafted by Associate General Counsel Carrie Torrisi and the team is effective, as it combines both lists into one for non-marketing. Commissioner O'Brien requested affirmation that this approach is not violating any nondisclosure provisions on the VSE list. Ms. Torrisi stated that staff would confirm this in the process.

1:14 p.m. *Commissioner O'Brien moved that the Commission approve the small business impact statement for the amendment to 205 CMR 134.01 and the new regulation section 134.06 Licensing and Registration of Employees, Vendors, Junket Enterprises and Representatives, and Labor Organizations; as included in the Commissioners' packet. Commissioner Stebbins seconded the motion.*

The motion passed 4 – 0.

Commissioner O'Brien further moved that the Commission approve the version of the amendment to 205 CMR 134.01 and the new regulation section 134.06: Licensing and Registration of Employees, Vendors, Junket Enterprises and Representatives, and Labor Organizations as included in the Commissioners' packet, as amended at this meeting, and authorize the staff to take all steps necessary to begin the regulation promulgation process.

Commissioner Zuniga seconded the motion.

The motion passed 4 – 0.

Research and Responsible Gaming

See transcript pages 45 – 63

1:56 p.m. **MA Gaming Impact Cohort Study Wave 3**

Mr. Vander Linden noted Responsible Gaming Education Week and described how it works. Joining him is Dr. Rachel Volberg, who presented the Massachusetts Gambling Impact Cohort ([MAGIC](#)) Study: [Analyses Across Three Waves](#). Mr. Vander Linden summarized the study for the Commission.

Ms. Volberg stated that the three primary research goals of the MAGIC study are to determine the incidence of problem gambling, understand the stability and transitions associated with problem gambling, and to develop an etiological model of problem gambling. She then reported the research study's findings and presented slides that illustrated the background of the study and the processes implemented by the research team.

2:35 p.m. Ms. Volberg discussed the study's most important finding, which was a statistically significant increase in the proportion of participants in the study who had gambled at an out-of-state casino in the past year but were now gambling at a Massachusetts casino. The percentage of patrons in the study who gambled out-of-state decreased from about 33% to 22%. She stated that this finding triangulates very well with information gathered from the Plainridge Park Casino (PPC) patron survey where she was able to ascertain that a very significant number of the people who were patronizing PPC in that first year actually would have spent their money gambling at an out-of-state casino if PPC had not opened. She added that this was corroborating evidence of the success in recapturing Massachusetts gambling dollars that were leaving Massachusetts and going elsewhere.

3:13 p.m. Mr. Vander Linden concluded by stating that this research is contributing to a much larger study and group of studies of cohorts where the research team is in the process of developing low-risk gambling guidelines. Creation of low-risk gambling guidelines is one of the team's goals. He also noted that GameSense provides guidance, influencing gamblers to do so in a way that is no harm to the individual, to their family, or the community.

Investigations and Enforcement Bureau (IEB)

See transcript pages 63 – 84

Licensee Policies on “Switching” Jackpots

The Investigations and Enforcement Bureau’s Gaming Agents Division has been surveilling incidents of “switching,” which is when a slot machine player switches seats after winning a jackpot of \$1200 or more with a friend, accomplice or another player. This act is illegal and hinders the enforcement of [MGL Chapter 23K Section 51](#) and [205 CMR 133.06 \(7\)\(a\)](#) because it allows players, who may be on the Self Exclusion List or Voluntary Self Exclusion list or owe monies directly to the Massachusetts Department of Revenue or US Government, to improperly collect winnings.

[3:27 p.m.](#)

Commissioner Stebbins stated that he appreciates that the IEB team has confronted this issue and worked with gaming agents and licenses to raise awareness of it. He added that this is just a reminder of how the Commission is trying to help protect some vulnerable patrons as well as meet some of its statutory obligations.

Reporting this issue to the Commission was Bruce Band, IEB Assistant Director / Gaming Agents Division Chief, Burke Cain, Field Manager of Gaming Operations / Deputy Gaming Agent Division Chief, and Valeriya Trendafilova, Supervising Gaming Agent at Encore Boston Harbor. Mr. Band stated that this topic is unique to Massachusetts and that Mr. Cain and Ms. Trendafilova are the pioneers in Massachusetts to find some of the inconsistencies with the jackpots.

Mr. Cain and Ms. Trendafilova led the Commission through a PowerPoint presentation that described the slot machine jackpot process, the review of 2210 jackpots that was conducted by gaming agents, tracked incidents of “switching,” and surveillance stills of individuals caught in the act of “switching.”

Property surveillance will now review footage of individuals who win a jackpot of \$1200 or more to determine if “switching” occurred and report back to the slot attendant. This can be done quickly and should not pose an inconvenience to the patron.

The IEB also reminded licensees via a memo submitted in the [Commissioners’ packet](#) to abide by the Commission’s regulations and provide assistance to help prevent VSE list participants from gaming and evasion by players seeking to avoid paying any outstanding taxes or penalties.

[3:58 p.m.](#)

Modification of Massachusetts Supplemental Form

Karen Wells, IEB Director, proposed that the IEB add questions to the Massachusetts Supplemental license application form relative to settlement agreements, and that capture instances of sexual harassment, misconduct, or

unlawful discrimination. There was discussion around different ways to edit the form.

The Commission agreed to eliminate question #19 from the form, as it is too broad. The Commission then decided to add at the end of question #21 (to now become question #20) after the word “qualification,” “*including any other misconduct not disclosed above.*”

[4:25 p.m.](#) *Commissioner O’Brien moved that the Commission approve the modifications to the Massachusetts Supplemental Form as described by Commission staff, as included in the Commission packet. Also, as further amended to strike proposed question #19 and add to the end of question #21, the phrase including any other misconduct not disclosed above. Commissioner Zuniga seconded the motion. The motion passed 4 – 0.*

Modification of Criminal History Section in License/Registration Application Forms

Next, Ms. Wells requested that the Commission approve clarified language in the Gaming License application that would make it easier for individuals to complete and understand. She noted a suggestion that was made to add to the front of the License Management System (LMS) webpage, language that states the applicant should seek assistance from the licensee in their Human Resources office for help in filling out the form.

Commissioner Zuniga asked if the Commission can state on the form or LMS that there is someone in the Licensing Division that applicants can speak to with any questions, perhaps listing Mary Pulgarin, Licensing Specialist, as a resource who is bilingual. Ms. Wells replied that she would check to make sure this information is posted and agreed that the licensing specialists would be a useful resource for applicants, adding that they provide feedback on the process as well.

[4:37 p.m.](#) *Commissioner O’Brien moved that the Commission approve the modifications to the Criminal History Section in the License/ Application forms as described by Commission staff today and as included in the Commissioners’ packet. Commissioner Zuniga seconded the motion. The motion passed 4 – 0.*

Plainridge Park Casino License Renewal Process Discussion

See transcript pages 84 - 87

[4:41 p.m.](#) In light of Plainridge Park Casino’s license expiration on June 24, 2020, Mr. Grossman provided a brief overview of the agenda item to be discussed further at the September 26th Commission meeting in Springfield, which is a proposed policy for the renewal of a gaming license for Category 1 and Category 2 licensees. There was a brief discussion around the statutory renewal provisions that require the Commission to establish procedures for this process.

Mr. Grossman outlined three areas to be initially addressed when creating a license renewal scheme. The first is the question of fee assessment by the Commission. The second is the question of whether or not the Commission would be inclined to adjust the renewal periods. The third area of concern is types of issues the Commission would be interested in exploring as part of the renewal process. Finally, any problems with the statute that would require legislative updating should be addressed.

Commissioners' Updates

See transcript page 87

[4:53 p.m.](#) There were no Commissioners' updates.

[4:54 p.m.](#) *With no further business, Commissioner Stebbins moved to adjourn the meeting. The motion was seconded. The motion passed 4 – 0.*

List of Documents and Other Items Used

1. Notice of Meeting and Agenda dated September 12, 2019
2. Draft Commission Meeting Minutes dated August 15, 2019
3. PowerPoint presentation – Region C Reconsideration dated September 2019
4. PowerPoint presentation – Mass Gaming & Entertainment: Request for Reconsideration of Licensing Decision
5. PowerPoint presentation - Gaming Market Assessment: Brockton Fairgrounds Casino
6. Letter re: Mass Gaming & Entertainment LLC and Region C dated August 14, 2019
7. Letter re: Response to Request for Public Comments on Mass Gaming & Entertainment LLC's Motion for Reconsideration of Region C License Decision dated September 6, 2019
8. Decision Denying a License to Operate a Category 1 Gaming Establishment in Region C dated August 11, 2016
9. Memo Re: Junkets dated September 5, 2019
10. Regulation Review Checklist for 205 CMR 134.01
11. Draft Regulation 205 CMR 134.01
12. Regulation Review Checklist for 205 CMR 134.06
13. Draft Regulation 205 CMR 134.06
14. Draft Small Business Impact Statement for 205 CMR 134.01 and 134.06
15. PowerPoint Presentation: Encore Boston Harbor Quarterly Report dated September 12, 2019
16. Encore Boston Harbor Monitoring of Project Construction and Licensee Requirements as of June 30, 2019
17. Memo re: Renewal of a Gaming License
18. Memo re: "Switching" Enforcement and Regulations

19. PowerPoint Presentation: Taxable Jackpot “Switching” Between Patrons
20. Massachusetts Supplemental Form
21. Civil, Criminal and Investigatory Proceedings questionnaire form
22. MAGIC Study Wave 3 Presentation
23. MAGIC Wave 3 Report dated June 28, 2019
24. MG&E Presentation to the Massachusetts Gaming Commission

/s/ Catherine Blue
Assistant Secretary

DRAFT



Division of Licensing

TO: Cathy Judd-Stein, Chair
Gayle Cameron, Commissioner
Eileen O'Brien, Commissioner
Bruce Stebbins, Commissioner
Enrique Zuniga, Commissioner

FROM: Bill Curtis, Licensing Manager

DATE: September 23rd, 2019

RE: Gaming Beverage License Amendment – MGM Springfield VIP Lounge

SUMMARY

The attached amendment request from Blue Tarp reDevelopment, LLC dba MGM Springfield is being presented for consideration and vote.

The amendment request is as follows:

- Located off the hotel lobby is an alcoholic beverage and food dispensing area for use by VIP guests. Starbucks was formerly located in this space and has since closed. Permission is being requested to allow alcoholic beverages to be served in this space by a VIP Lounge Server via the Smart Bar located in the back of the house. This employee will be registered as a Service Employee. The alcoholic beverages will be stored in a designated area in the back of the house (represented in blue on the attached floor plan). If approved, this will bring MGM Springfield's alcoholic beverage licensed areas to a total of 24.



Massachusetts Gaming Commission



AMENDED
**GAMING BEVERAGE LICENSE
APPLICATION FORM**

(Amends Gaming Beverage License Application dated May 22, 2018,
as amended May 17, 2019)

REASON FOR FILING APPLICATION

NAME OF GAMING LICENSEE

Blue Tarp reDevelopment, LLC

ADDRESS OF GAMING ESTABLISHMENT

One MGM Way
Springfield, MA 01103

NAME OF CONTACT INDIVIDUAL FOR PURPOSES OF THE PROCESS

Seth N. Stratton, Vice President & Legal Counsel

CONTACT INDIVIDUAL TELEPHONE NUMBER AND EMAIL ADDRESS

Telephone: (413) 273-5333 / E-mail Address: sstratton@mgmspringfield.com

FEE

The fee for a ^{amended} gaming beverage license is ~~\$15,000~~. \$100.

LICENSED AREAS

A licensed area is a specific, limited and defined space within a gaming establishment wherein the sale, distribution, or storage of alcoholic beverages to be drunk on the premises is permitted pursuant to a gaming beverage license. A licensed area application on page 2 must be submitted for each area of the gaming establishment that the gaming licensee desires to have designated as a licensed area.

A floor plan of the gaming establishment indicating the location of each licensed area identified below, and a diagram of each licensed area, must accompany the submission of this application. If alcoholic beverages will be stored outside of a licensed area, storage areas must be identified on the floor plan.

PROOF OF INSURANCE

Please attach proof of insurance to this application demonstrating liquor liability insurance for bodily injury or death for a minimum amount of \$250,000 on account of injury to or death of 1 person, and \$500,000 on account of any 1 accident resulting in injury to or death of more than 1 person. The policy shall have no annual aggregate limit.

IMPORTANT INFORMATION

The Massachusetts Public Records Law (Law), <http://www.sec.state.ma.us/pre/preidx.htm> found in Chapter 66, Section 10 of the Massachusetts General Laws, applies to records made or received by a Massachusetts governmental entity. Unless the requested records fall under an exemption to the Law, the responsive documents must be made available to the requester. A list of exemptions may be found in Chapter 4, Section 7(26) of the Massachusetts General Laws.

LICENSED AREA APPLICATION

Please use a separate LICENSED AREA APPLICATION form for each licensed area and attach each sheet, along with a floor plan and licensed area diagrams to this application.

NAME OF LICENSED AREA (e.g. – function hall, XYZ Restaurant, gaming area, etc.)

See attached Appendix for Licensed Area identified as Number 18b (Additional Licensed Area) on the Table of Contents

DESCRIPTION OF LICENSED AREA

DESCRIPTION OF THE LICENSED AREA INCLUDING BUT NOT LIMITED TO: BUSINESS CONCEPT, DESCRIPTION OF AREA INCLUDING WHETHER THE AREA IS CLOSED OR OPEN SPACE, NUMBER AND LOCATION OF ALCOHOLIC BEVERAGE DISPENSING AREAS, AND PLACEMENT OF EXITS.

(NOTE: A FLOOR PLAN OF THE LICENSED AREA DEPICTING THESE INDIVIDUAL ELEMENTS SHALL BE ATTACHED).

NUMBER AND/OR COLOR OF AREA ON FLOOR PLAN: 18b on attached Appendix

See attached Appendix for Licensed Area identified as Number 18b (Additional Licensed Area) on the Table of Contents and as depicted on the Ground Floor (1 of 2).

The Licensed Area is further described on its corresponding individual diagram included in the Appendix.

HOURS OF OPERATION

See attached Appendix

CAPACITY OF LICENSE AREA

See attached Appendix

WILL YOU PROVIDE BOTTLE SERVICE? YES NO IF YES, PLEASE ELABORATE

In certain Licensed Areas only.

See attached Appendix for details.

ALCOHOL STORAGE

DESCRIBE THE MANNER IN WHICH ALCOHOLIC BEVERAGES WILL BE STORED AND SECURED WHEN LICENSED AREA IS NOT IN USE. (IF STORAGE AREA IS OUTSIDE OF LICENSED AREA, THIS STORAGE AREA SHALL BE DEPICTED ON THE FLOOR PLAN).

See attached Appendix

NAME AND EMPLOYEE LICENSE/REGISTRATION NUMBER OF MANAGER OF LICENSED AREA

Anthony Caratozzolo, Vice President, Hospitality / MGC License No. N GSKS0008


JOINTLY RESPONSIBLE PERSON

IDENTIFY THE JOINTLY RESPONSIBLE PERSON (IF ANY) FOR THE LICENSED AREA BY NAME, CONTACT INFORMATION, VENDOR LICENSE OR REGISTRATION NUMBER, AND ATTACH EVIDENCE THAT THE LICENSEE MAINTAINS AUTHORITY OVER THE JOINTLY RESPONSIBLE PERSON.

None

ATTESTATION

I Seth N. Stratton, hereby affirm under the pains and penalties of perjury that the information contained in this application, including all attachments, is true and accurate to the best of my knowledge and understanding.


Signature

Seth N. Stratton
Print Name

Vice President & Legal Counsel
Title

9/20/19
Date

Amendment to Gaming
Average License
Application – September 20, 2019



Table of Contents

Licensed Areas

First Floor Licensed Areas

Cal Mare
The Chandler Steakhouse
Lobby Bar
Casino Walk Up Bar
The Knox Bar
Commonwealth
The South End Market
Casino Beverage
Spa & Salon
TAP Sports Bar
Outdoor Screen Viewing Area
Armory
Armory Marketplace
Top Golf
Indian Motor Cycle
Plaza Bar
Kringle Candle
Guac This Way and Man! Buns
Casino Island Bar
VIP Lounge

Second Floor Licensed Areas

19. Banquet Space
20. Pool
21. In-Room Dining
22. Movie Theater

On-site Alcohol Storage Areas

23. Secure Liquor Pump Room
24. Secure Beer Pump Room
25. Secure Beer Cooler
26. Secure Banquet Liquor and Beer Storage

Bottle Service

27. Liquor Bottle Service

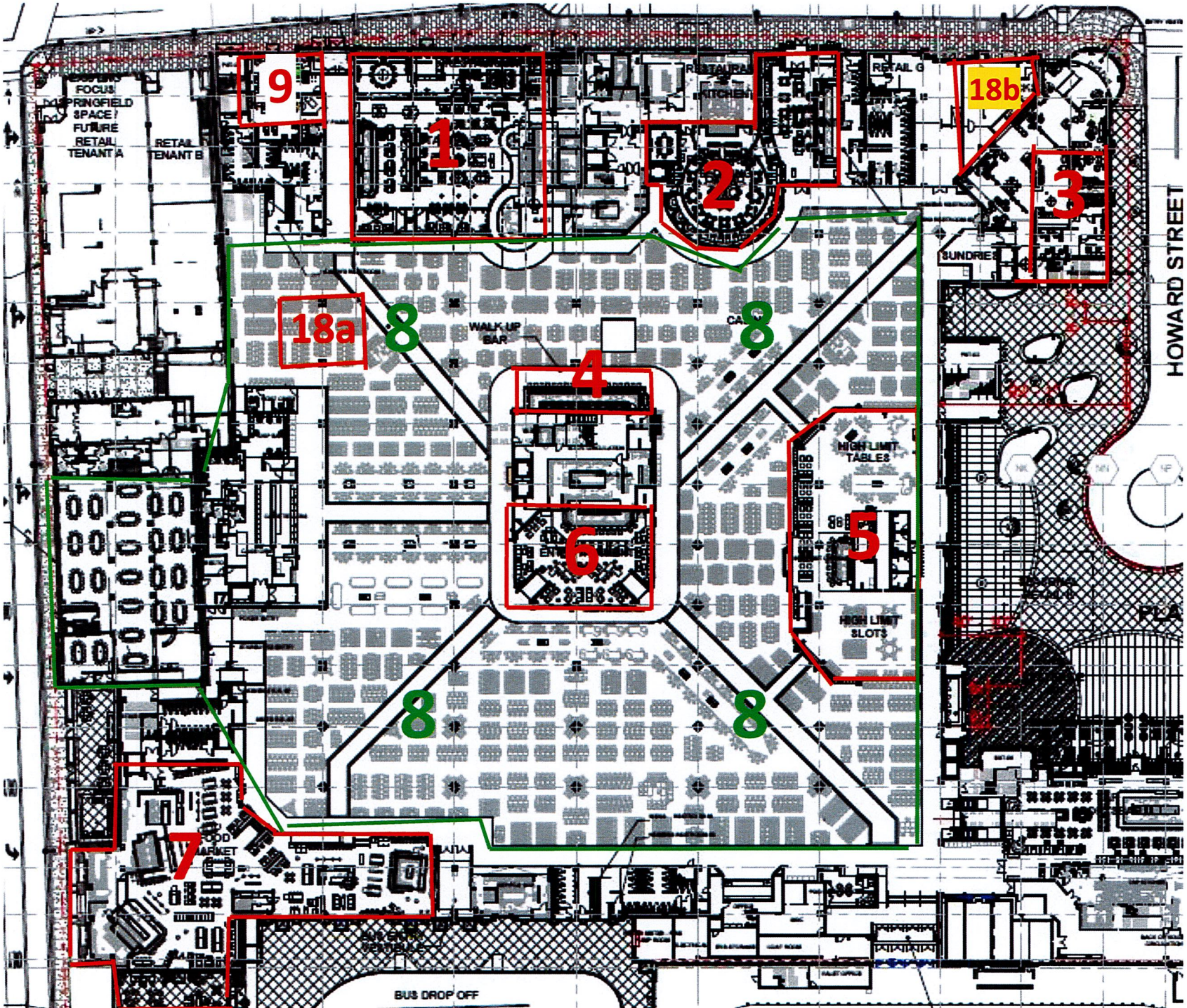
Limitations on Consumption within Gaming Establishment

28. Garage/Parking Lots
29. Outdoor Plaza

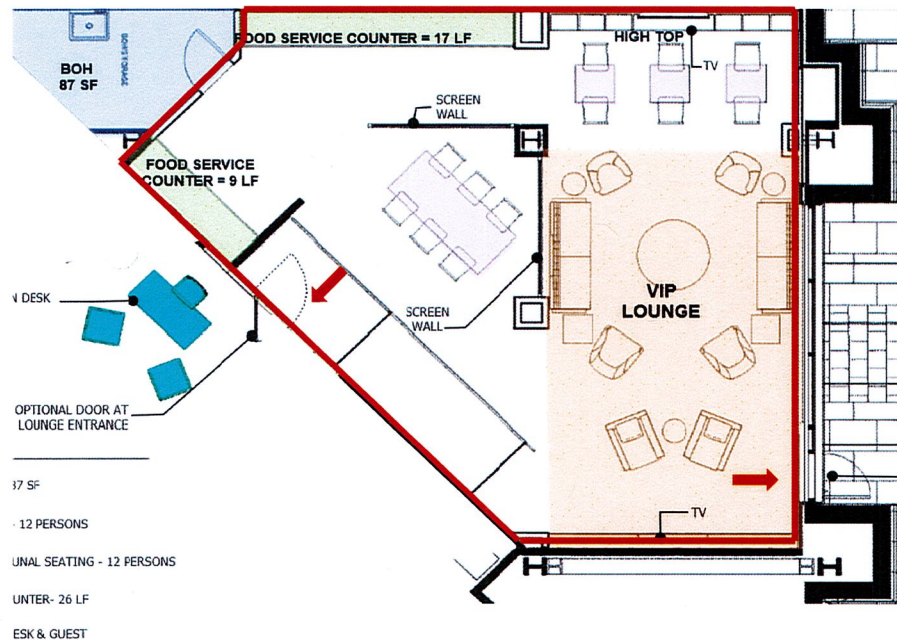
Proposed Conditions

30. Conditions for Approval

oor



18b) VIP Lounge

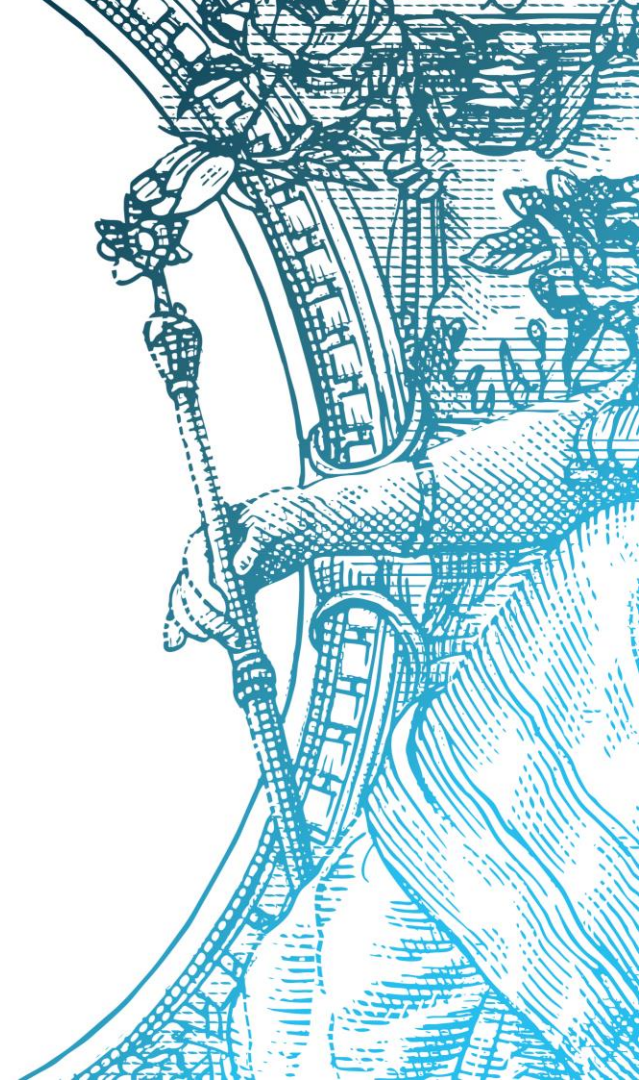


- **Name:** VIP Lounge
- **Business Concept:** VIP Customer Lounge
- **Description:** VIP Lounge for VIP guests
- **Capacity:** Total 49
- **Normal Hours of Operation:**
Sunday – Thursday: 7am – 11pm;
Friday & Saturday: 7am – 1am
- **Hours of Permitted Alcohol Service:** 8am – 2am
- **Alcohol Distribution Area:** From smart-bar/lobby bar from attendant
- **Bottle Service:** Yes
- **Storage and Security:** Alcohol stored and locked BOH under 24 hour surveillance.
- **Manager of Licensed Area:** Anthony Caratozzo
MGC Lic. (N GKS00080).

Q2 2019 Report

Massachusetts Gaming Commission

September 26, 2019



FIRST ANNIVERSARY
AUGUST 24, 2019



First Anniversary



First Anniversary



First Anniversary



MGM Springfield's Summer Concert Series

May 11 DOKKEN & LAST IN LINE • June 1 COLLECTIVE SOUL & GIN BLOSSOMS
 June 8 HANSON • June 21 MATT + KIM • June 29 VILLAGE PEOPLE
 July 5 THE FAB FOUR: THE ULTIMATE TRIBUTE • July 20 MISTERWIVES
 July 27 WARRANT & FIREHOUSE • Aug. 16 BILLY CURRINGTON • Aug. 23 LOCASH
 Sept. 13 CRASH TEST DUMMIES, SPIN DOCTORS & THE VERVE PIPE

Plus these free shows! TRAILER TRASH • FAT • KUNG FU • SOUL SOUND REVUE • GARY HOEY • SHOKAZOBA • USUALLY NORMAL
 LIVIO GRAVINI & THE FREE SPIRIT SOCIETY / THE KINGS • BLUE EYED BLACKBIRD • NICK FRADAMI • BOSHD • MATT MARATEA
 THE ALCHEMYSTICS / DORREN PIERRE • MICHELLE BROOKS THOMPSON • JOON • JASON INGRESSELLI • CONSIDER THE SOURCE
 SAVAGE BROTHERS • NINE DAYS • DUPPY CONQUERORS • THE GLEN CAMPBELL & FRIENDS GOODTIME SHOW • SUGARHILL GANG

THANKS TO OUR 2019 MGM LIVE SPONSORS

Smart Start @ STCC Remy Cointreau
 Corona PREMIER
 97.7 WMAZ
 mix 103.9
 KIX 100.3

MGMSpringfield.com
 for tickets and more information




Ice Rink



First Anniversary



Cal Mare Brunch



Casino Bar



\$26,000 Indian Side Car cocktail



Food Truck Fridays

First Anniversary



Red Sox partnership



Stadium gaming



Line run bus service



First Anniversary

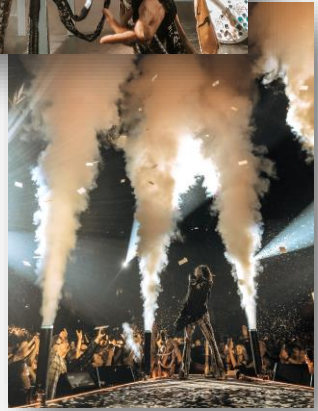
ONE-derful Celebration: Saturday, August 24



First Anniversary



First Anniversary



REVENUE, TAXES, LOTTERY & COMPLIANCE



Q2 2019 Gaming Revenue & Taxes

Month	Gaming Revenue	MA Taxes
April	\$21,818,086	\$5,454,522
May	\$22,285,566	\$5,571,391
June	\$19,954,469	\$4,988,617
TOTAL	\$64,058,121	\$16,014,530

Lottery



Month	Lottery Sales at MGM Springfield
April	\$100,280
May	\$91,759
June	\$170,942



Jackpots



Hong Mu drove away with a brand-new Cadillac XT4.



Guest walked away with \$2,500 in Promotional Chips.



Grand prize winner of Cold Hard Cash drawing walked away with \$20,000.



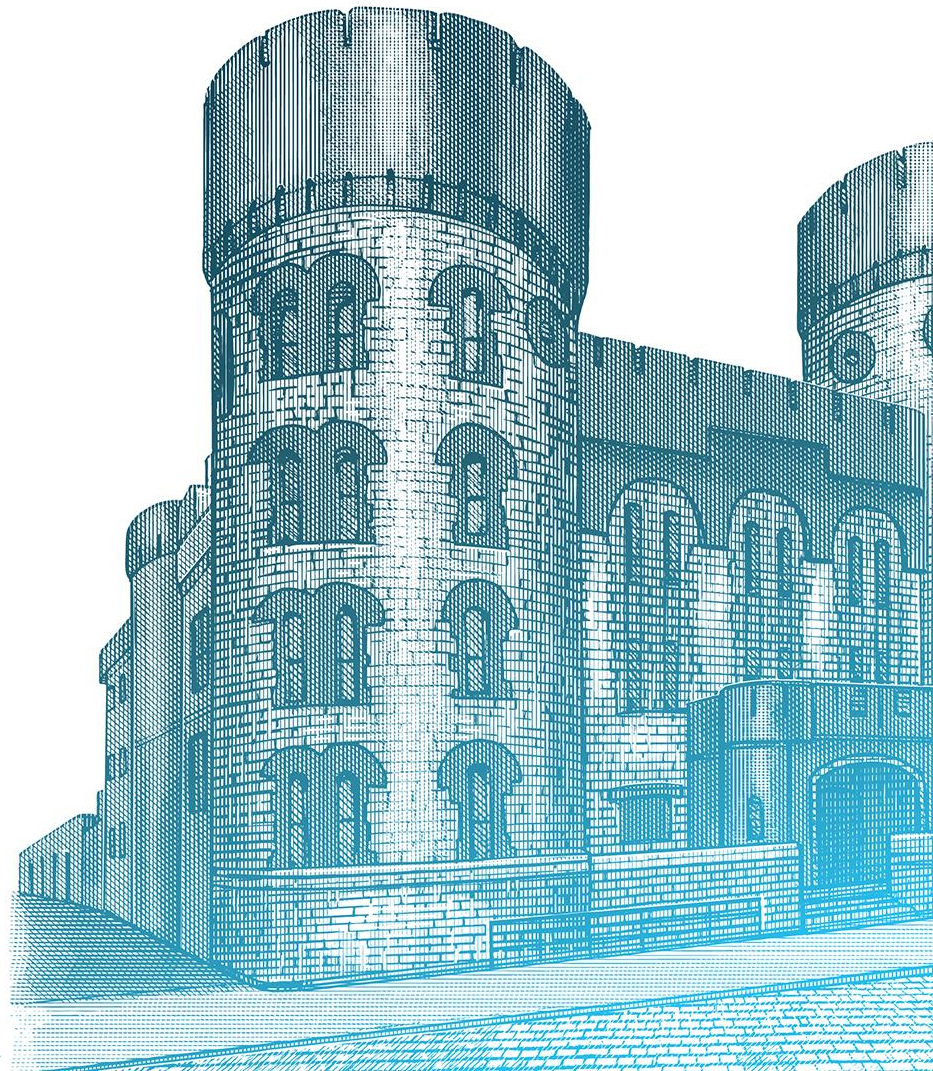
"Winners Celebration" Grand Prize Winner received \$10,000 in FREEPLAY to enjoy.

Compliance



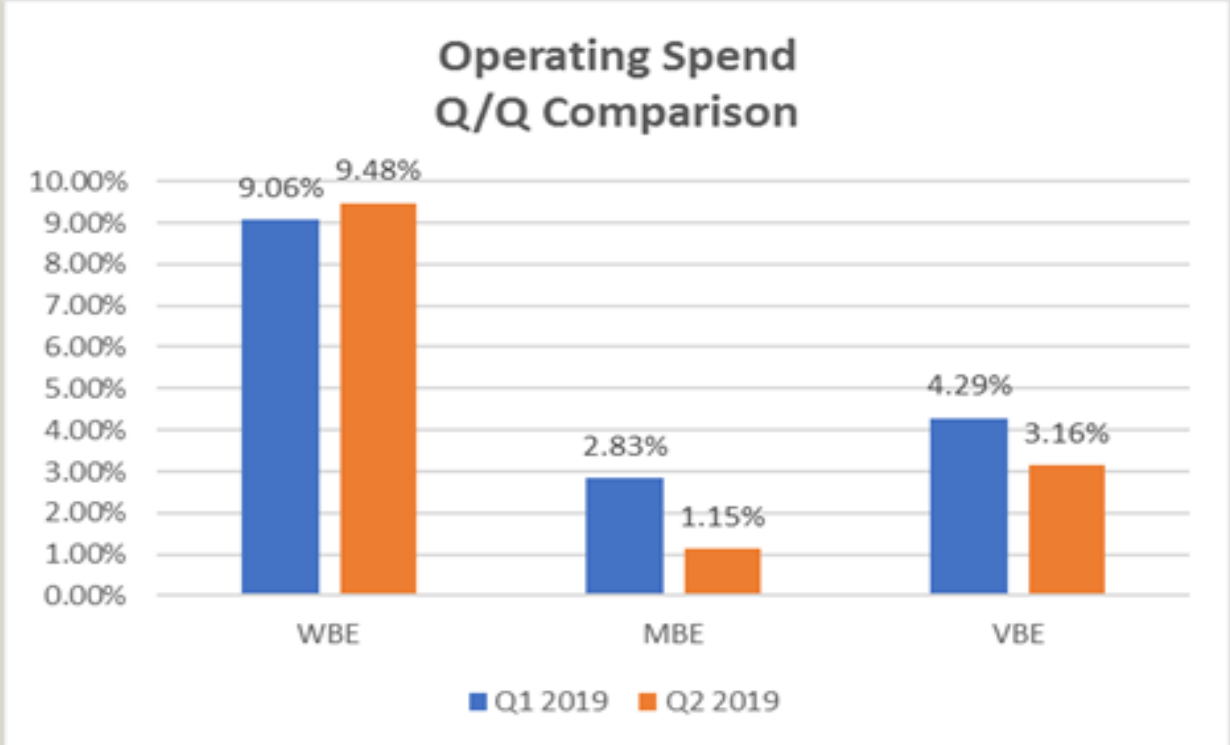
Month	Minors intercepted in Gaming Area and prevented from Gaming (% of visitation)	Minors intercepted gaming (% of visitation)	Minors intercepted consuming alcohol (% of visitation)
April	113(0.025%)	10(0.002%)	1(0.0002%)
May	158(0.032%)	11(0.002%)	2(0.0004%)
June	179 (0.039%)	14(0.003%)	3(0.0007%)

SPEND UPDATE



Q2 2019 Operating Spend

Diversity Spend



- Notes:
- Total Biddable Spend for Q2 2019 was \$9.3M
 - Diversity categories defined as;
 - WBE – Women-Owned Business Enterprise
 - MBE – Minority-Owned Business Enterprise
 - VBE – Veteran-Owned Business Enterprise
 - Diversity spend goals defined as;
 - WBE – 15% of Biddable Spend
 - MBE – 10% of Biddable Spend
 - VBE – 2% of Biddable Spend

\$9.3M identified as Biddable Spend
\$1.3M in payments to Diversity Suppliers (13.8%)

MBE Spotlight



C&D ELECTRONICS INC.

MBE Spotlight

Company Overview

- Incorporated in 1984
- Corporate office: Holyoke, MA
 - Additional Sales Support:
 - Long Island, NY
 - Minneapolis, MN
 - Myrtle Beach, SC
 - Phoenix, AZ
- 150k square foot distribution facility
- Certified Small Business MBE/WBE
- Certified HubZone supplier, certification #48913
- ISO 9001:2008 & AS9120 Certified
- ITAR Registered
- Non-Gaming Vendor Certification
- Cage Code ORF16



MBE Spotlight

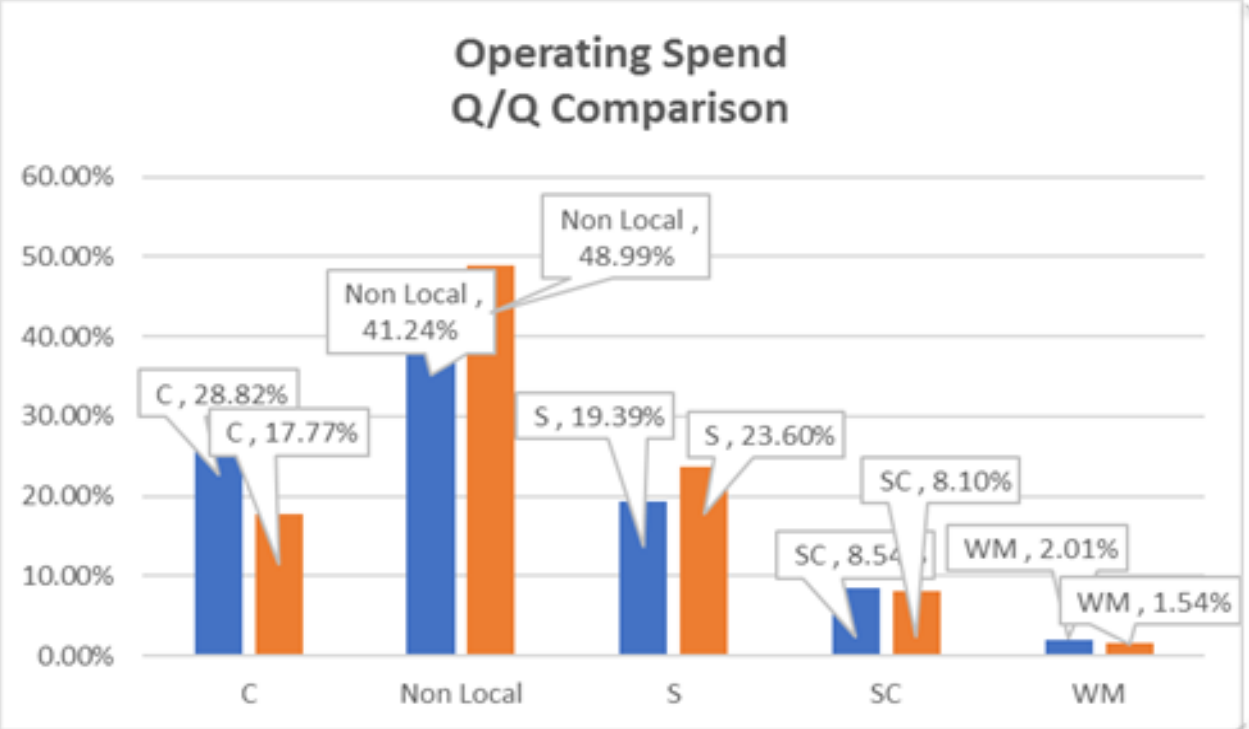


2019 GNEMSDC Annual Expo hosted by MGM Springfield

- Began providing MGM Springfield MRO products in June 2018.
- Services MGM's national Grainger contract
- Services MGM's national FilterWorks contract
- Recently expanded to support MGM National Harbor
- Currently working with additional MGM properties
- Nominated by MGM for GNEMSDC Supplier of the Year Award

Q2 2019 Operating Spend

Local Spend



Notes:
 - Total Spend for Q2 2019 was \$14.7M
 - Spend segments defined as;
 Commonwealth (C)
 Non-Local
 Springfield (S)
 Surrounding Communities (SC)
 Western Massachusetts (WM)

\$7.5M in payments to Mass. Suppliers (51.0%)
\$4.9M in payments to Western Mass. Suppliers (33.2%)



Vendor Outreach

Date	Event	Location
4/11/2019	J. Polep Food Show	West Springfield, MA
4/24/2019	GNEMSDC Annual Meeting	Webinar
4/30/2019	PFPG Food Show	West Springfield, MA
5/21/2019	Holyoke Chamber Meeting	Holyoke, MA
6/5/2019	GNEMSDC Matchmaking Event	Boston, MA



J. Polep Food Show



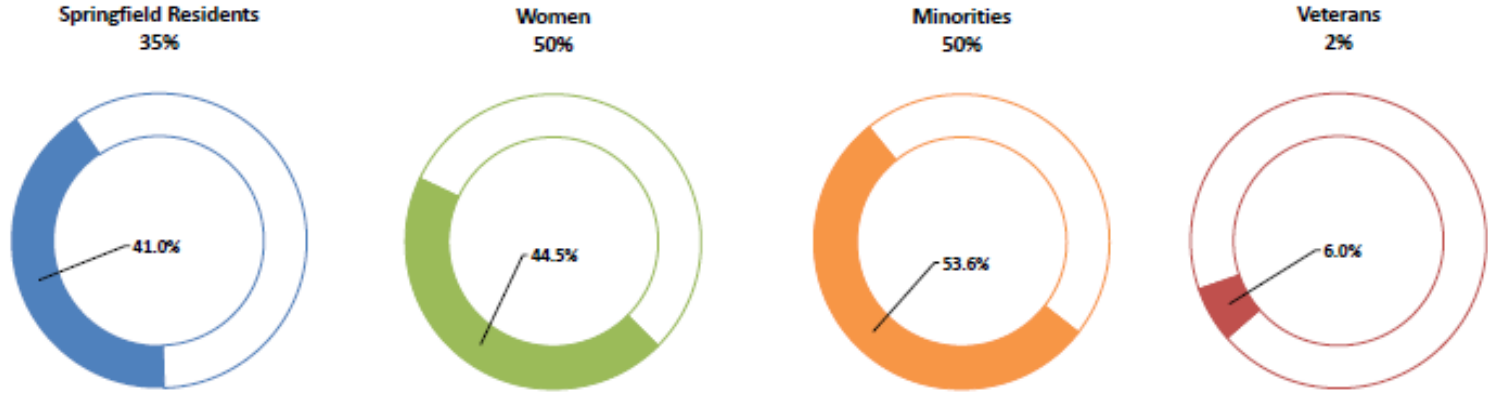
EMPLOYMENT



MGM Springfield
Employees Make The
S.H.O.W.



Progress on Hiring Goals



*Represents 2,054 active employees as of 06/30/2019 (Does not include Campus, Tenants, Vendors)

Employment Numbers

	Employees	Full-Time	Part-Time
Totals	2,054	1,563	491
% of Total	100%	76.1%	23.9%

2019	Goals	Q1 %	Q1 #	Q2 %	Q2 #
MINORITY	50%	54.6%	1,258	53.6%	1,100
VETERAN	2%	6.1%	141	6.0%	124
WOMEN	50%	44.3%	1,021	44.5%	914
SPRINGFIELD	35%	39.3%	906	40.9%	841
WESTERN MA RESIDENTS		73.3%	1,687	76.1%	1,564
MA RESIDENTS		75.3%	1,734	77.8%	1,599
TOTAL # OF MGM EMPLOYEES			2,303		2,054
TOTAL # OF EMPLOYEES OF VENDORS			81		80
TOTAL # OF EMPLOYEES @GAMING ESTABLISHMENT			2,384		2,134
ADDITIONAL EMPLOYMENT (describe)					

2019 Q2 Recruitment Efforts

- *Student Tours:* UMASS Amherst, Manchester CC, LaSalle University, HCC Culinary
- *Mock Interviews:* Dress for Success, TRAIN Culinary Program (HCC)
- Career Fairs/Workshops:
 - MassHire Holyoke Hot Jobs
 - Urban League of Greater Hartford
 - Western New England University
 - East Springfield Neighborhood Council Fair
 - ROCA



Employee Stories

The Republican.



MONDAY, AUGUST 26, 2019

MASS LIVE

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SPRINGFIELD 'Eye-opening' experience

MGM Springfield employees see casino as oasis of opportunity

By **PETER GOONAN**
pgoonan@repub.com

For employees like Carlos Mateo and Sarah Jones, working at MGM Springfield has been a life-changing and "eye-opening" experience. The two are among an estimated 2,500 employees now working at the MGM Springfield campus as the casino celebrates its one-year anniversary.

Mateo, who has lived most of his life in Springfield, said it has been tough finding jobs over the years. "Once MGM got here, I really, really wanted to see what MGM was all about," Mateo said. "I've never limited myself. If opportunity knocks, I'm answering the door."

Mateo began as assistant executive to stewarding in the food and beverage department and was promoted eight months later to director of stewardship. The job involves overseeing dishwashing, polishing and other

SEE **EMPLOYEES**, PAGE A2



Pastry chef Sarah Jones at work at MGM Springfield.
(HOANG LEON NGUYEN / THE REPUBLICAN)

cleaning tasks. Now, he is happy to build his career, save money — and someday help put his 12-year-old daughter through college, Mateo said.

Other employees at the casino, which opened Aug. 24, 2018, tell similar stories. Jones moved to Springfield after living and working in Louisiana and Mississippi, including a job as a line cook at MGM's Beau Rivage Resort and Casino in Biloxi, Mississippi. She was drawn to Springfield in part by the lure of the region's mountains and scenery. Her passion for cooking and pastry comes from watching family members, such as during the holidays, she said. At MGM Springfield, she was promoted in late November to pastry chef. "It's been eye-opening — moving up from being a line

Employees

CONTINUED FROM PAGE A1

Updated figures will be made public in September when shared with the Gaming Commission, Mathis said.

Luis Rivera, who was born in Atlantic City and whose family has a history of working in the casino industry, began working at MGM as a security officer, and has since been promoted to hotel operations manager.

He had been working for security at Tower Square in Springfield, and saw the MGM company as a great opportunity. "I always knew that a company with a name like that in a small community would make a big impact," Rivera said. "That's the type of impact I

wanted to be a part of. I didn't want to be left out."



Luis Rivera at the MGM hotel's front desk. (HOANG LEON NGUYEN / THE REPUBLICAN)

cook to being a baker to being head baker to being pastry chef," Jones said. MGM Springfield has approximately 2,500 employees working on the casino campus, including 2,200 directly employed by MGM. The balance work for other casino tenants such as Regal Cinemas, Kringle Candle and Hannouah Jewelers, MGM Springfield President Michael Mathis said. The casino build-



Carlos Mateo is director of stewardship at MGM Springfield. (HOANG LEON NGUYEN / THE REPUBLICAN)

ing project also created about 2,000 construction jobs. The number is significantly below the 3,000 employees the company pledged to use its "best efforts to employ" in its Host Community Agreement with the city.

Of the MGM-hired employees, about 80 percent are full-time — 44.0 fewer than the number cited in the Host

Community Agreement between MGM and the city for hiring of Springfield residents, minorities, women and veterans, Mathis said.

"The employees at MGM Springfield reflect our company's commitment to diversity and inclusion, as well as the rich cultural diversity of Springfield and New England," Mathis said.

According to statistics MGM Springfield shared with the Massachusetts Gaming Commission in May — the most recent available — 54.6% of employees are minorities, compared to the goal of 50%, and 6.1% are veterans, compared to the goal of 2%.

The hiring of women was at 44.3 percent, as compared to the goal of 50 percent, and the company will continue to strive to increase those num-

"Once MGM got here, I really, really wanted to see what MGM was all about. I've never limited myself. If opportunity knocks, I'm answering the door."

Carlos Mateo, director of stewardship

bers, Mathis said. "Because I was there to help that guy, it made me a better person inside and out," Rivera said. "It still stays with me."

He came to Springfield in 2005, worked in security and warehouse jobs, and started work at MGM in May of 2018, watching the casino "just come together."

He called his new front desk job in hospitality a "bunch of wonders," and enjoys dealing with multiple departments and many people.

Cindy Olivio, of West Springfield, said she loves her job as assistant manager of the South End Market, which provides a variety of dining options for patrons. Her job also involves overseeing the food trucks at MGM.

"I always knew that a company with a name like that in a small community would make a big impact. That's the type of impact I wanted to be a part of. I didn't want to be left out."

Luis Rivera, hotel operations manager

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Cindy Olivio is assistant manager at MGM Springfield's South End Market. (HOANG LEON NGUYEN / THE REPUBLICAN)

"I love my job, it's very rewarding, not only helping the staff but ensuring the guests have a great time and enjoy their meals and their overall stay on the property," Olivio said.

She is originally from Florida but has lived in the area for nine years. It was a risk moving from human resources to food and beverages, but it's a move she is glad she made.

"MGM has allowed me to grow and enhance my career in ways I wouldn't think possible prior to the property opening," Olivio said. "Honestly, it was not a field I saw myself in, but it's been quite a ride."

Azaria Martinez, of Springfield, has risen in the ranks in security, and is currently assistant shift manager in security. She was originally from Puerto Rico, coming to Springfield in 2012, "waiting for an opportunity, and this is it."

She had served in the U.S. Army for eight years as a reservist, while also working as a certified nursing assistant. The interview process at MGM was "amazing, everyone so excited and welcoming," Martinez said.

"Everyone was so loved," she said. "For me, it's not just a job here. I have a family."

She also referred to the experience at MGM Springfield as "eye opening," with so many opportunities available in many fields, and for promotion.

"MGM has allowed me to grow and enhance my career in ways I wouldn't think possible prior to the property opening. Honestly, it was not a field I saw myself in, but it's been quite a ride."

Cindy Olivio, assistant manager, South End Market



Employee Stories



AMANDA ANTAYA

K9 SECURITY OFFICER

While "must love dogs" might not have been a formal qualification listed on Amanda Antaya's job description, the trait helped her land a job at MGM Springfield.

"You could say I was 'scouted out' for this role," she shared. "I was contacted by an employee who knew I was great with dogs, people and 'ruff' around the edges. He thought I'd be a perfect fit for the position and I couldn't pass up the challenge."

Of the four handlers on the K9 Explosive Detection unit, Amanda is the only female - so is her trusty partner, Esmeralda Mae Casino (best known as "Essie"). The true definition of "girl power", this dynamo patrol pair is not afraid of a little hard work.

"Our dogs are continuously trained to detect and alert us of explosive odors," she said. "We patrol and secure all of the properties MGM Springfield owns or runs. I am lucky to have the best partner by my side to get it done with."

Anyone who witnesses the bond between Amanda and Essie can speak to its strength, and there's another special lady she credits for bringing them together.

"Over three years ago I met a dog named Maggie," she recalled. "She became my very first dog sitting client and stole my heart. She inspired me to spread the love to other dogs and put me on the path to a career I love."

For many, the end of a shift signifies a time to unwind and disconnect. A concept Amanda admittedly finds difficult.

"As a handler, I'm responsible for everything from the training and well-being to the daily care and grooming of not just Essie, but all four dogs," she said. "It's a 24/7 job. I never stop thinking about them."

Even then, turning it off isn't the biggest challenge she faces in her role.

"Believe it or not, the uniforms are a big obstacle when you work in a predominantly male industry," she said. "The companies who make them definitely aren't focused on 'ladylike' figures. I can't tell you how hard it was to find pants and boots for woman - especially one with size seven feet."

That aside, Amanda's work ethic, experience and passion make her confident in her ability to do anything her male teammates can. Except lift something "wicked heavy" she joked.

"It's a dog-eat-dog world out there, but I've learned I have all the attributes to get the job done," she shared. "Knowing if you want it, you can get it has gotten me where I am today. When I've thought of giving up, or feel challenged, I remind myself to take a deep breath and regroup because all the answers I need are within myself."

It's a surprise to many that Amanda has no dogs of her own. In fact, she has cats! Nevertheless, she aspires to provide Essie, and the other canines she works with, with the same unconditional love.

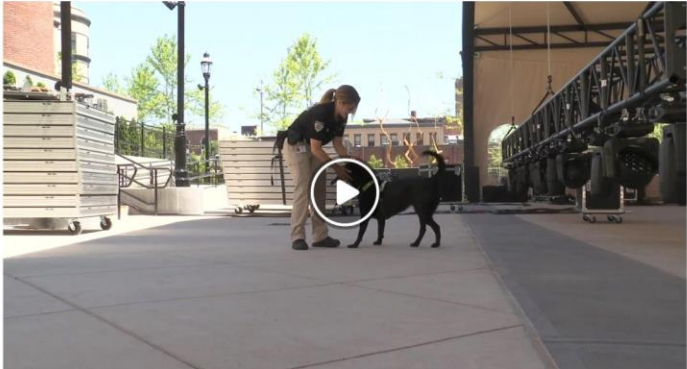
"I couldn't imagine going through life without a voice," she said. "We become all they know and, in return, are recipients of loyalty, compassion, smarts and love unlike any other. If I can give back, even a fraction, by giving them a good life through this career then I feel successful."



MGM Springfield looking for women to fill unconventional roles

Morgyn Joubert, Beth Ward

Posted Jun 26, 2019 | 0



Employee Stories



'I've never met another woman locksmith': Women fill unconventional roles at MGM Springfield

Updated Jul 22, 2019; Posted Jul 22, 2019



Janee Mays is a locksmith at MGM Springfield. (Don Treeger / The Republican)



JANEE MAYS

LOCKSMITH

There is only one Locksmith at MGM Springfield, and she is a bona fide superwoman. No pun intended, the day MGM Springfield opened its doors was the most transformative moment of her career – but her journey with the Company did not start there.

"I am originally from Idaho," she shared. "Moving to Las Vegas was a complete 180, but I looked forward to the energy and opportunity. Safe to say it worked out, as I have been with the Company for 23 years."

If maintaining all locks throughout the casino, hotel and offices was not enough, Janee also oversees key control, making and issuing hard keys, installing new locks and rekeying property locks. While her expertise makes her a go to for many, she finds she is still solidifying her position as the immediate first choice for all.

"One difficulty I'm still trying to overcome is not being considered the point person on property," she said. "Most people ask my male colleagues for assistance before turning to me even though I have more experience and training."

Something Janee has come to recognize over the years is her ability to accomplish anything asked of her.

"I am thorough, emphatic about follow through and pride myself on consistently completing the task at hand to the best of my ability," she said. "That said, I enjoy getting to learn something new every day. In my opinion, you can never run out of new knowledge."

Crediting her former leader at MGM Grand for always allowing her the opportunity to grow, she hopes to inspire aspiring young women in the same manner.

"Experience, enjoy and learn as much as you can in life," she advised. "And, never forget, it's important to have fun in whatever path you take."

The Republican.

Business Monday

D | The Republican | MONDAY, JULY 22, 2019

Power of women

Women make up 44.3% of workforce at MGM Springfield, Page D8



D8 | MONDAY, JULY 22, 2019 BUSINESS MONDAY THE REPUBLICAN | MASSVILLE.COM



Ashley Nash is an inventory control supervisor at MGM Springfield. She started at an MGM casino in Mississippi as a summer employee, working in the arcade eight years ago. She came north with her husband, also an MGM employee, to work in the downtown casino.

No such thing as 'women's work'

Women make up 44.3% of workforce at MGM Springfield

BY ELIZABETH ROMAN
romana@republican.com

ance Mays spends her days making sure employees at MGM Springfield can get in and out of buildings with their key cards. She fixes broken locks and installs new locks and doors. As the only locksmith at the downtown casino, Mays is pretty busy.

"I see what I do, I like working with my hands and doing something different every day, and with this job there is always a new challenge," says Mays, one of many women at MGM Springfield working in casino industry jobs that have typically been held by men.

Mays started as an administrative assistant for the director of security at a casino in Las Vegas more than 20 years ago. "The locksmith at that casino quit and my supervisor asked me if I wanted to do it, and I said absolutely," she explains.

Many responsibilities include installing locks, programming all the employee IDs for access into the building and more. She also had the task of rekeying the entire property before it opened, to change the locks over from those that offered access to the construction team.

"I take care of the whole door — from the door closer, to the panic hardware, to the



Jane Mays began working in the casino industry as an administrative assistant at a casino in Las Vegas. She is now a locksmith at MGM Springfield.

lock and the hinges," she says.

Of all the casinos she has worked at, none have employed another female locksmith — but the men on the job have always been welcoming, she says.

"I've never met another woman locksmith, but it's a great job. When I started I didn't know anything about it so I went to local lock shops and asked all the guys questions and they were tremendous. They helped me out a lot," Mays says.

It's from the casino opened, MGM Springfield had a goal of hiring women for at least



Brittany Boone is head banquet chef at MGM Springfield. While thankful for the opportunities she has received at MGM, the industry is still male dominated, according to Boone, and in most places she worked, she was the only woman.

times and if there is a suspicious package or unattended bag we take care of it," she says.

Antaya says guests love the dogs. "The dogs make people feel safe. They are very friendly dogs. I'm sure having them around brightens a lot of people's days; it does with me," she says.

Unlike police K-9s, Esiee does not go home with Antaya. She stays on the property with the other three dogs. "Even with everything we have to do and how busy it can be, the hardest part of my day is always leaving her," Antaya says. "I worry about her life as she was my own kid."

Even though she misses her, she knows Esiee lives comfortably. "Generally she is pretty spoiled. She goes on field trips and gets along great with the other dogs," she says.

Ashley Nash is an inven-

Women

CONTINUED FROM PAGE D8

employees at MGM Springfield reflect our company's commitment to diversity and inclusion, as well as the rich cultural diversity of Springfield and New England."

According to a 2017 survey conducted by the Pew Research Center and information from the U.S. Department of Labor, the occupations with the highest concentrations of women are in the fields of health care, teaching or caregiving. Among preschool or kindergarten teachers, 98% are women. The majority of child care workers (96%) and registered nurses (90%) are women.

The jobs with the highest concentrations of men tend to involve traditionally blue-collar fields such as heavy equipment operation and repair or construction, as well as computer and engineering occupations. For example, roughly 99% of automotive service technicians and mechanics are men, as are 98% of carpenters. About nine-in-ten mechanical engineers and roughly eight-in-ten computer programmers are male, the survey found.

Antaya says to one of her K-9 security officers at the Springfield field office, she's the only woman in her group, she's the only woman, a 2-year-old black American Labrador retriever. "One job is to patrol and secure the entire property with their teams," she says.

tor control supervisor who oversees MGM's warehouse stock. She supervises two inventory clerks and works with the supervisor of the warehouse staff to make sure every item at MGM — from office supplies to salt and pepper shakers for each server — is accounted for. "Anything you see in the casino, I track it in some way," she says.

"I have an office, but I sit at the checkout in the warehouse so people can come and ask me questions," she said. "I'm very hands-on."



Ashley Nash is an inventory control supervisor who oversees MGM's warehouse stock. She supervises two inventory clerks and works with the supervisor of the warehouse staff to make sure every item at MGM — from office supplies to salt and pepper shakers for each server — is accounted for.

ment change I make sure the product and the cost is accounted for," she says.

Nash has a business degree from the University of Southern Mississippi. She started at an MGM casino in Mississippi as a summer employee, working in the arcade eight years ago. "After my first summer I knew I wanted to work for MGM full-time," she adds.

Nash worked in the poker room for several years and then moved on to office services, which deals with UPS and FedEx packages and shipping. Then, she got a job in inventory control.

When MGM Springfield opened, Nash and her husband, who also worked for MGM in Mississippi, both applied and got positions here. An added benefit is that they are now 10 minutes away from Blounts Hospital, where their daughter receives care.

Business Monday

MONDAY, JULY 22, 2019 D9

Back home we were six hours away from the nearest Shermans, so this has been a great move for our careers, but more importantly for our family," Nash says.

Although the warehouse has mostly male employees, Nash says she works well with everyone and finds the job challenging — but fun, too.



Brittany Boone is head banquet chef at MGM Springfield. While thankful for the opportunities she has received at MGM, the industry is still male dominated, according to Boone, and in most places she worked, she was the only woman.

never thought that I would have the opportunities that I have had with MGM and this is the first time I can say I really like what I do and who I work for."

While there are some standard menu options, Boone also has room for creativity and needs the wedding and special events, where customers might want specific themes or menu items.

"We do all the cooking for all of the functions that we have in the casino from breakfast, to the evening wedding and any special events," Boone explains.

Boone said while she is thankful for the opportunities she has received at MGM, the industry is still male dominated. "She took me under her wing and taught me everything she knew," Nash says.

Nash works with employees like Brittany Boone, who is the head banquet chef at MGM Springfield.

A graduate of Massachusetts Community College in Concord, with a degree in food service management and culinary arts, Boone learned to cook from her grandmother.

"I used to cook with her when I was a kid and then I took some courses in high school, but it wasn't until I went to college and started working in the industry that I developed a passion for it," she says.

Boone worked in casual restaurants, some chain and upscale dining spots, and in a bakery making wedding cakes. "I was feeling stagnant in it. I was fed that when I saw MGM was hiring, I overlooked it many times, but finally I decided to apply," she says.

She was originally hired as a sous-chef for the employee dining room. She was quickly promoted to head chef of the dining room and, a month ago, she was promoted to head banquet chef. The super-vises six employees.

"The hardest part is not necessarily the cooking, but managing the people and their individual learning styles, work habits and personalities," she says. "There's also a lot of planning and organization that goes into it. You always have to be 10 steps ahead of what's going on."



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ment change I make sure the product and the cost is accounted for," she says.

Nash has a business degree from the University of Southern Mississippi. She started at an MGM casino in Mississippi as a summer employee, working in the arcade eight years ago. "After my first summer I knew I wanted to work for MGM full-time," she adds.

Nash worked in the poker room for several years and then moved on to office services, which deals with UPS and FedEx packages and shipping. Then, she got a job in inventory control.

When MGM Springfield opened, Nash and her husband, who also worked for MGM in Mississippi, both applied and got positions here. An added benefit is that they are now 10 minutes away from Blounts Hospital, where their daughter receives care.



Opportunities: MGMSpringfield.com

Spa Attendant (MGM Springfield)

MGM Springfield | 141829 | Posted 2 Days Ago

Tap Sports Bar Busperson - Full Time (MGM Springfield)

MGM Springfield | 127890 | Posted 2 Days Ago

Spa Attendant - Part-time (MGM Springfield)

MGM Springfield | 138627 | Posted 2 Days Ago

Steakhouse Sommelier (MGM Springfield)

MGM Springfield | 141521 | Posted 3 Days Ago

Security Officer - Full time/Part time (MGM Springfield)

MGM Springfield | 129796 | Posted 3 Days Ago

Manicurist (MGM Springfield)

MGM Springfield | 138641 | Posted 4 Days Ago

Manicurist - Part-time (MGM Springfield)

MGM Springfield | 93795 | Posted 4 Days Ago

Steakhouse Apprentice Bartender - Part time (MGM Springfield)

MGM Springfield | 89666 | Posted 6 Days Ago

Steakhouse Bus/Runner

MGM Springfield | 125755 | Posted 6 Days Ago

Utility Porter/Cleaner (MGM Springfield)

129125 | Posted 30+ Days Ago

Banquet Cook (MGM Springfield)

MGM Springfield | 110280 | Posted 30+ Days Ago

Steakhouse Pantry Worker (MGM Springfield)

MGM Springfield | 110978 | Posted 30+ Days Ago

Steakhouse Server (MGM Springfield)

MGM Springfield | 93839 | Posted 6 Days Ago

Surveillance Technician (MGM Springfield)

MGM Springfield | 141250 | Posted 9 Days Ago

Italian Restaurant Cook (MGM Springfield)

MGM Springfield | 110289 | Posted 9 Days Ago

Steakhouse Cook (MGM Springfield)

MGM Springfield | 110287 | Posted 9 Days Ago

Garde Manger Cook (MGM Springfield)

MGM Springfield | 140029 | Posted 9 Days Ago

Cal Mare Fountain Worker - Part Time (MGM Springfield)

MGM Springfield | 140498 | Posted 12 Days Ago

VIP Services Representative (MGM Springfield)

MGM Springfield | 140583 | Posted 12 Days Ago

Guest Services Representative (MGM Springfield)

MGM Springfield | 140833 | Posted 12 Days Ago

Employee Dining Room Bus Person (MGM Springfield)

MGM Springfield | 140789 | Posted 12 Days Ago

Table Games Dealer - Part Time (MGM Springfield)

MGM Springfield | 134836 | Posted 12 Days Ago

Table Games Dealer - Full Time (MGM Springfield)

MGM Springfield | 134835 | Posted 12 Days Ago

Entertainment Manager - (MGM Springfield)

MGM Springfield | 135692 | Posted 17 Days Ago

Baker (MGM Springfield)

MGM Springfield | 139459 | Posted 18 Days Ago

Banquet Server - On Call (MGM Springfield)

MGM Springfield | 138854 | Posted 19 Days Ago

Italian Restaurant Bus Person (MGM Springfield)

MGM Springfield | 129994 | Posted 19 Days Ago

Model Bus/Runner Commonwealth Lounge - Part-Time (MGM Springfield)

MGM Springfield | 120083 | Posted 19 Days Ago

Nightlife Apprentice Model Bartender - Part Time (MGM Springfield)

MGM Springfield | 139104 | Posted 19 Days Ago

Nightlife Model Bartender - Part Time (MGM Springfield)

MGM Springfield | 139096 | Posted 30+ Days Ago

Special Events Representative - On-Call (MGM Springfield)

MGM Springfield | 122918 | Posted 30+ Days Ago

Count Team (MGM Springfield)

MGM Springfield | 91363 | Posted 30+ Days Ago

South End Market Cook - Part Time (MGM Springfield)

MGM Springfield | 125968 | Posted 30+ Days Ago

Claims Representative Risk Management (MGM Springfield)

MGM Springfield | 136628 | Posted 30+ Days Ago

Esthetician - Part Time (MGM Springfield)

MGM Springfield | 138639 | Posted 30+ Days Ago

Massage Therapist (MGM Springfield)

MGM Springfield | 132593 | Posted 30+ Days Ago

Massage Therapist - Part-time (MGM Springfield)

MGM Springfield | 138634 | Posted 30+ Days Ago

Italian Restaurant Executive Sous Chef (MGM Springfield)

MGM Springfield | 132440 | Posted 30+ Days Ago

Italian Restaurant Host Person (MGM Springfield)

MGM Springfield | 101078 | Posted 30+ Days Ago

Tap Sports Bar Cook (MGM Springfield)

MGM Springfield | 110284 | Posted 30+ Days Ago

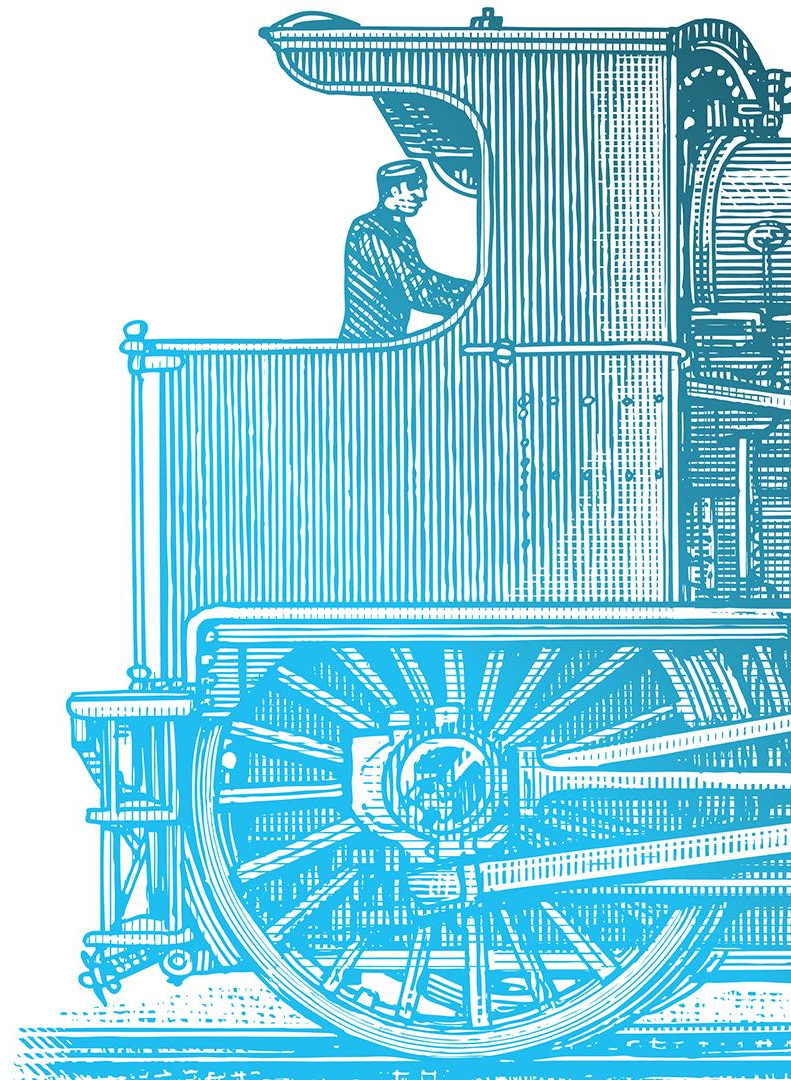
Fountain Workers (MGM Springfield)

MGM Springfield | 137828 | Posted 30+ Days Ago

Walk-up Casino Bar, Bartender - Part time (MGM Springfield)

MGM Springfield | 135787 | Posted 30+ Days Ago

MARKETING, EVENTS & ENTERTAINMENT



Marketing Calendar Highlights

April Promotions

THE DOWNTOWN ROAR
April 2019

MGM'S GREAT OUTDOOR GIVEAWAY

\$250,000 IN PRIZES

WIN BIG IN APRIL & MAY!

- 1x INDYCAR RIG
- 2x INDIAN SCOUT MOTORCYCLES
- 1x ATV
- 1x ELECTRIC GOLF CART
- 1x HOT TUB
- 1x BOING LAWNMOWER

BONUS ENTRIES ENDING 5:00 P.M. 5/15/19
On Mondays, Tuesdays and Wednesdays, M life Rewards members will earn 5x drawing entries from 8:00 a.m. to 5:59 p.m. Thursday! Participants will earn one electronic entry for every one slot point or table play Tier Credit.

SWIPE & WIN FRIDAYS-SATURDAYS, APRIL 5 TO MAY 25
Visit any M life Rewards promotional kiosk for your complimentary daily swipe. Receive one additional swipe for every 100 slot points or 500 tier credits from table play daily. Maximum two swipes per day. Must swipe at any promotional kiosk located on the casino floor to participate. WIN FREELAP® or bonus drawing entries when you swipe each day!

SATURDAY DRAWINGS EVERY SATURDAY, APRIL 27 & MAY 11 & 18
Activate your entries from 8:00 p.m. to 9:59 p.m. by playing in any slot machine on your M life Rewards card or by swiping at any promotional kiosk. Be one of five hourly winners from 8:00 p.m. to 9:00 p.m., to win up to \$1,000 in FREELAP or Promo Chips! One of the five winners chosen at the 10:00 p.m. drawing will win their choice of a hot tub, golf cart, ATV or \$1,000 in FREELAP!

GRAND FINALE DRAWINGS Thursday, April 27 & Sunday, May 26
At the big Grand Finale Drawings, you can activate your entries beginning at 8:00 p.m., just like the regular Saturday Drawing, but at 10:00 p.m., the final \$1,000 over-the-top. These five finalists will compete for prizes including a hot tub, golf cart, riding lawn mower, or the Grand Prize of a 2019 Indian Scout Motorcycles. The Grand Prize will be chosen at the 10:00 p.m. drawing. The grand prize winner may also choose the alternate prize of \$10,000 in FREELAP or \$10,000 cash.

MONDAYS IN APRIL - 12:00 a.m. to 11:59 p.m.
M life Rewards members can swipe at any promotional kiosk on Mondays in April to activate a Tier Credit Multiplier and earn Bonus Tier Credits all day long!

Visit the M life Rewards desk for more details.

WIN BIG IN APRIL & MAY!

Enjoy the great outdoors... inside at MGM Springfield!

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M life Rewards members can swipe at any promotional kiosk on Mondays in April to activate a Tier Credit Multiplier and earn Bonus Tier Credits all day long!

Visit the M life Rewards desk for more details.

WEDNESDAYS

TIER CREDIT MULTIPLIER

- 5X Platinum & NOR
- 4X Gold
- 3X Fast
- 2X Sapphire

MONDAYS IN APRIL - 12:00 a.m. to 11:59 p.m.
M life Rewards members can swipe at any promotional kiosk on Mondays in April to activate a Tier Credit Multiplier and earn Bonus Tier Credits all day long!

Visit the M life Rewards desk for more details.

May Promotions

THE DOWNTOWN ROAR
May 2019

MGM'S GREAT OUTDOOR GIVEAWAY

\$250,000 IN CASH & PRIZES

NOW THROUGH MAY 26

BONUS ENTRIES ENDING 5:00 P.M. 5/15/19
On Mondays, Tuesdays and Wednesdays, M life Rewards members will earn 5x drawing entries from 8:00 a.m. to 5:59 p.m. Thursday! Participants will earn one electronic entry for every one slot point or table play Tier Credit.

SWIPE & WIN FRIDAYS-SATURDAYS, APRIL 5 TO MAY 25
Visit any M life Rewards promotional kiosk for your complimentary daily swipe. Receive one additional swipe for every 100 slot points or 500 tier credits from table play daily. Maximum two swipes per day. Must swipe at any promotional kiosk located on the casino floor to participate. WIN FREELAP® or bonus drawing entries when you swipe each day!

SATURDAY DRAWINGS EVERY SATURDAY, APRIL 27 & MAY 11 & 18
Activate your entries from 8:00 p.m. to 9:59 p.m. by playing in any slot machine on your M life Rewards card or by swiping at any promotional kiosk. Be one of five hourly winners from 8:00 p.m. to 9:00 p.m., to win up to \$1,000 in FREELAP or Promo Chips! One of the five winners chosen at the 10:00 p.m. drawing will win their choice of a hot tub, golf cart, ATV or \$1,000 in FREELAP!

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At the big Grand Finale Drawings, you can activate your entries beginning at 8:00 p.m., just like the regular Saturday Drawing, but at 10:00 p.m., the final \$1,000 over-the-top. These five finalists will compete for prizes including a hot tub, golf cart, riding lawn mower, or the Grand Prize of a 2019 Indian Scout Motorcycles. The Grand Prize will be chosen at the 10:00 p.m. drawing. The grand prize winner may also choose the alternate prize of \$10,000 in FREELAP or \$10,000 cash.

MONDAYS IN APRIL - 12:00 a.m. to 11:59 p.m.
M life Rewards members can swipe at any promotional kiosk on Mondays in April to activate a Tier Credit Multiplier and earn Bonus Tier Credits all day long!

Visit the M life Rewards desk for more details.

\$10,000 SLOT TOURNAMENT

SATURDAY, MAY 25 - 2:00 to 8:00 p.m.

M life Rewards members and up to three friends can try their luck for the chance to win a share of our \$10,000 FREELAP prize pool!

Visit the M life Rewards desk for more details.

WIN BIG IN MAY!

Enjoy the great outdoors... inside at MGM Springfield!

BONUS ENTRIES MONDAYS-WEDNESDAYS, THROUGH MAY 22
On Mondays, Tuesdays and Wednesdays, M life Rewards members will earn 5x drawing entries from 8:00 a.m. to 5:59 p.m. Thursday! Participants will earn one electronic entry for every one slot point or table play Tier Credit.

SWIPE & WIN FRIDAYS-SATURDAYS, THROUGH MAY 25
Visit any M life Rewards promotional kiosk for your complimentary daily swipe. Receive one additional swipe for every 100 slot points or 500 tier credits from table play daily. Maximum two swipes per day. Must swipe at any promotional kiosk located on the casino floor to participate. WIN FREELAP® or bonus drawing entries when you swipe each day!

SATURDAY DRAWINGS May 4, 11, 18, 25
Activate your entries from 8:00 p.m. to 9:59 p.m. by playing in any slot machine on your M life Rewards card or by swiping at any promotional kiosk. Be one of five hourly winners from 8:00 p.m. to 9:00 p.m., to win up to \$1,000 in FREELAP or Promo Chips! One of the five winners chosen at the 10:00 p.m. drawing will win their choice of a hot tub, golf cart, ATV or \$1,000 in FREELAP!

GRAND FINALE DRAWINGS Saturday, April 27 & Sunday, May 26
At the big Grand Finale Drawings, you can activate your entries beginning at 8:00 p.m., just like the regular Saturday Drawing, but at 10:00 p.m., the final \$1,000 over-the-top. These five finalists will compete for prizes including a hot tub, golf cart, riding lawn mower, or the Grand Prize of a 2019 Indian Scout Motorcycles. The Grand Prize will be chosen at the 10:00 p.m. drawing. The grand prize winner may also choose the alternate prize of \$10,000 in FREELAP or \$10,000 cash.

MONDAYS IN APRIL - 12:00 a.m. to 11:59 p.m.
M life Rewards members can swipe at any promotional kiosk on Mondays in April to activate a Tier Credit Multiplier and earn Bonus Tier Credits all day long!

Visit the M life Rewards desk for more details.

June Promotions

THE DOWNTOWN ROAR
June 2019

MGM MILLIONS

You could win \$1,000,000!

TIER CREDIT MULTIPLIER

SPIN & WIN

MYSTERYPOINT MULTIPLIER

OVER 20 ORDERS

MGM

WEDNESDAYS

SPIN & WIN

WEDNESDAYS IN JUNE
10:00 a.m. to 4:00 p.m.

Earn one electronic entry for every slot point or Tier Credit from table play. Then beginning at 10:00 a.m., an entry will be chosen every 20 minutes to Spin & Win our prize wheel for either \$50 or \$300 in FREELAP or Promo Chips.

Visit the M life Rewards desk for more details.

MGM MILLIONS

You could win \$1,000,000!

May 27 to July 27

EARNING PERIOD: May 27 to July 27

M life Rewards members can swipe their card at any promotional kiosk and receive one complimentary set of ten numbers for that week's MGM Millions drawing. Earn 1,000 slot points or 2,000 Tier Credits from table play and receive a second entry. Maximum of five entries allowed per promotional kiosk. Drawing periods run from 8:00 p.m. Saturday to 10:00 p.m. the following Saturday.

SATURDAY DRAWINGS: Every Saturday at 8:00 p.m.
Participants must swipe at any promotional kiosk starting at 4:00 p.m. to include their numbers for the 8:00 p.m. drawing. Match was one number and win a prize.

Match 5 Numbers = \$100,000 in FREELAP!
Match 4 Numbers = \$10,000 in FREELAP!
Match 3 Numbers = \$1,000 in FREELAP!
Match 2 Numbers = \$100 in FREELAP!
Match 1 Number = \$10 in FREELAP!

Grand \$1,000,000 in Cash!

SECOND-CHANCE DRAWINGS: Every Saturday at 10:00 p.m.
If you didn't match any of your numbers in the 8:00 p.m. drawing, don't worry. Just drop your tickets into the drawing drum at the Promotions Desk. You could be one of five people chosen to each win \$10,000 in FREELAP!

Visit the M life Rewards desk for more details.

Community Engagement



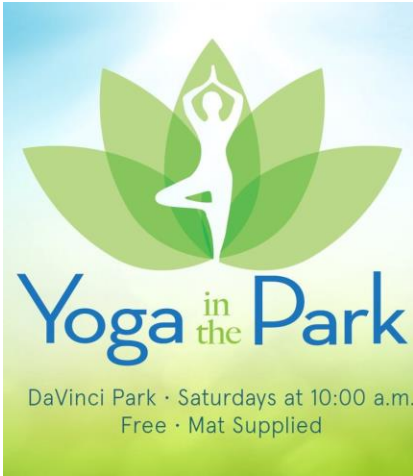
- Bowls for Kids Sake
- Springfield Dragon Boat Race
- Northampton Pride Festival



Meetings & Groups



Plaza & Armory Activations



Entertainment & Nightlife



- Cher
- Murphy's Boxing
- Rob Gronkowski Birthday
- Terry Fator
- Air Supply

Upcoming Entertainment Calendar – October 2019

Date	Event	Venue
10/4/2019	Thunder From Down Under	Aria Ballroom
10/6/2019	Patriots Parties on the Plaza	Armory Square
10/11 - 10/12/2019	ROAR! - Leonard Ouzts	Armory
10/12/2019	ROAR! - Roger Howarth, Michael Easton & Rebecca Budig	Armory
10/13/2019	Jason Bishop: Straight Up Magic	Armory
10/18/2019	Smokey Robinson	Symphony Hall
10/21/2019	Patriots Parties on the Plaza	Armory Square
10/24 - 10/26/2019	ROAR! - Corey Rodrigues	Armory
10/25/2019	Family Feud Live	Symphony Hall
10/25 - 11/26/2019	ROAR! - Corey Rodrigues	Armory
10/27/2019	ROAR! - Righteous & Ratchet	Armory
10/27/2019	Patriots Parties on the Plaza	Armory Square

Upcoming Entertainment Calendar – November 2019

Date	Event	Location
11/3/2019	ROAR! - Joe Dombrowski	Armory
11/7 - 11/8/2019	ROAR! - Mark Normand	Armory
11/8/2019	Slayer & Primus	MMC
11/9/2019	Funny As Ish Tour: Mike Epps	MMC
11/9/2019	Michael Carbonaro Live	Symphony Hall
11/14 - 11/16/2019	ROAR! - Donnell Rawlings	Armory
11/21/2019	Brian Setzer Orchestra Christmas Rocks	Symphony Hall
TBD	MGM Tree Lighting Ceremony	Armory Square
TBD	MGM Ice Rink Grand Opening	Armory Square

Upcoming Entertainment Calendar – December 2019

Date	Event	Location
12/5 - 12/7/2019	ROAR! - Ryan Niemiller	Armory
12/7/2019	Lewis Black	Aria Ballroom
12/19 - 12/21/2019	ROAR! - Matt Braunger	Armory
12/26 - 12/28/2019	ROAR! - Jared Freid	Armory
12/29 - 12/31/2019	ROAR! - Jamie Kennedy	Armory
12/14 - 12/16/2019	ROAR! - Donnell Rawlings	Armory
All Month	MGM Ice Rink	Plaza

ECONOMIC IMPACT & FUTURE DEVELOPMENT



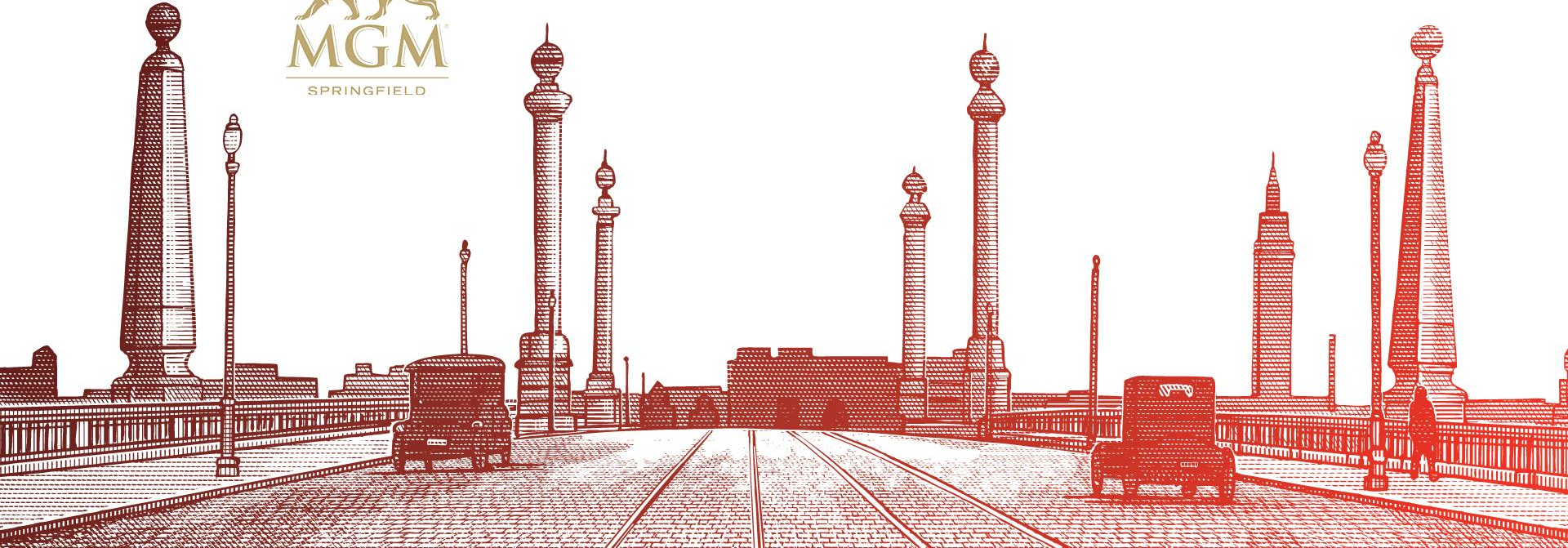


Future Development Update

- Residential Development Update
- Wahlburgers
- Armory Plans
- VIP Lounge
- Sports Wagering



THANK YOU

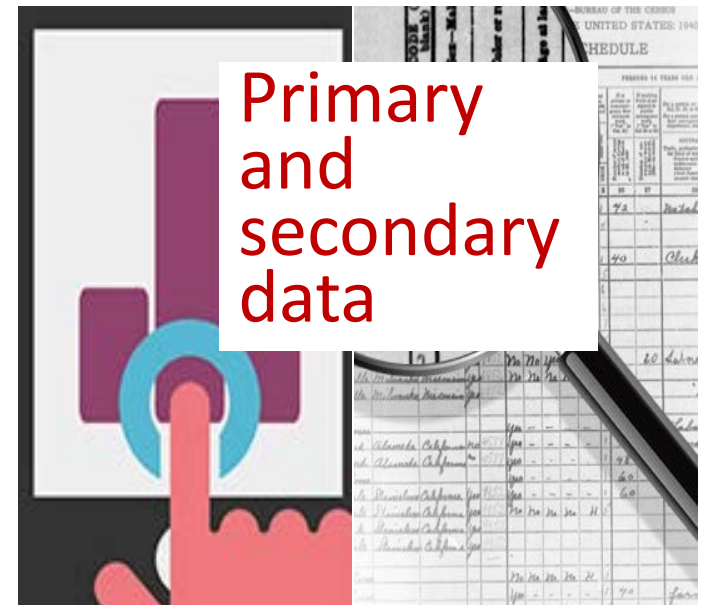


Economic and Fiscal Research Agenda: Major Activities and Recent Springfield Research

Dr. Mark Melnik, Director
Economic and Public Policy Research
UMass Donahue Institute

Goals of the Economic Research

- Measure and determine economic and fiscal impacts of casino facilities at the local, regional, and state level:
 - Business dynamics
 - Labor market conditions
 - Government finance
 - Real estate trends
 - Other issues



Analytical Framework

Economic and Fiscal Research



Analytical Framework Economic and Fiscal Research

Economic & Community Impacts

- Local Business Indicators
- Resident Indicators
- Labor Force Indicators
- Real Estate & Housing
- Community Comparisons



Analytical Framework

Economic and Fiscal Research



Casino Industry Impacts

- Casino Workforce
- Casino Operating & Construction Spending
- Patrons
- Government & Fiscal Impacts (GGR; HSC Payments)
- Lottery



Analytical Framework Economic and Fiscal Research



Special Topics

- Tourism & impacted live entertainment venues
- Impacts on small businesses
- Workforce development & job quality
- Sports betting

Phases of Economic Analysis

- **Baseline analyses**
 - Tracking economic and fiscal conditions before gaming facilities
- **Development/Construction**
 - Measuring impacts as construction occurs at each gaming facility
- **Operations**
 - Measuring and monitoring impacts from operations of gaming facilities

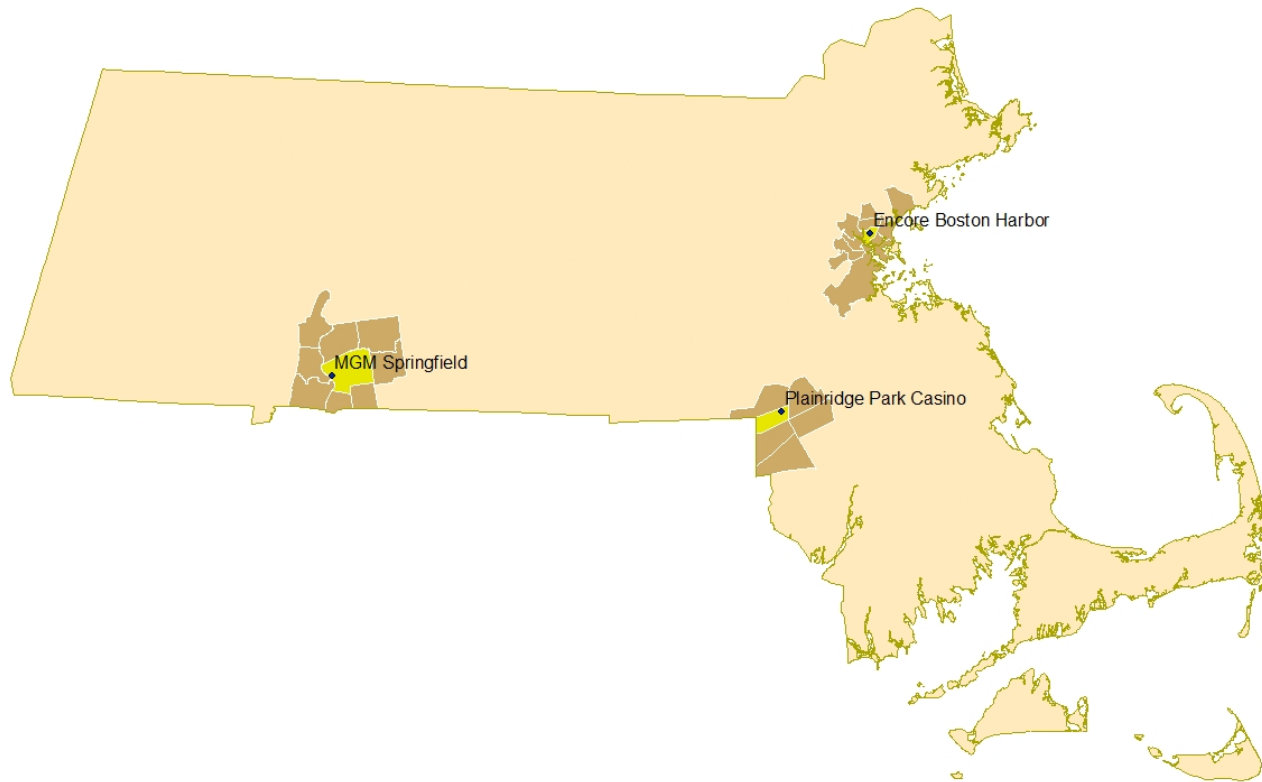
Measuring Impacts Geographically



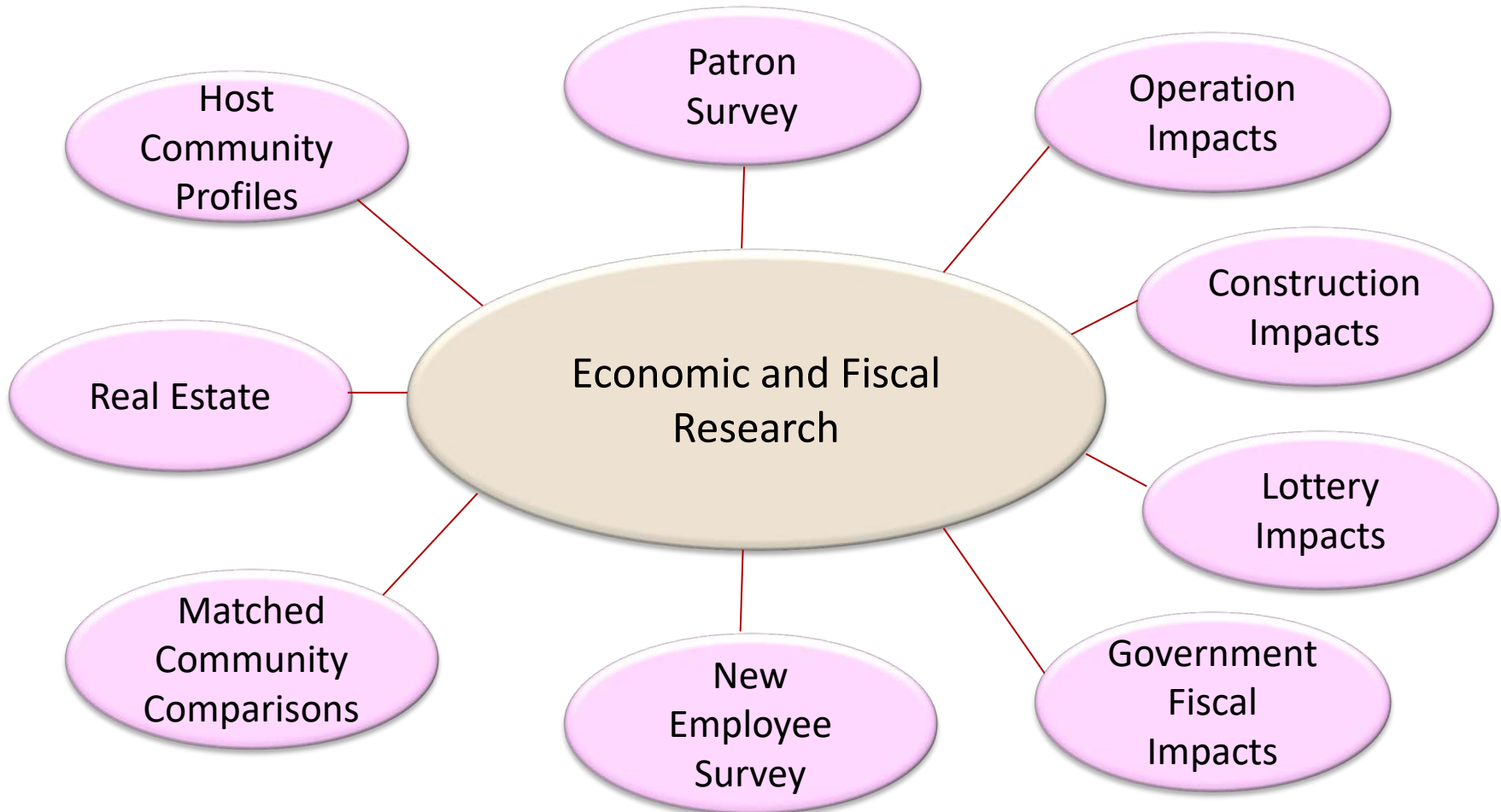
Measuring Impacts Geographically



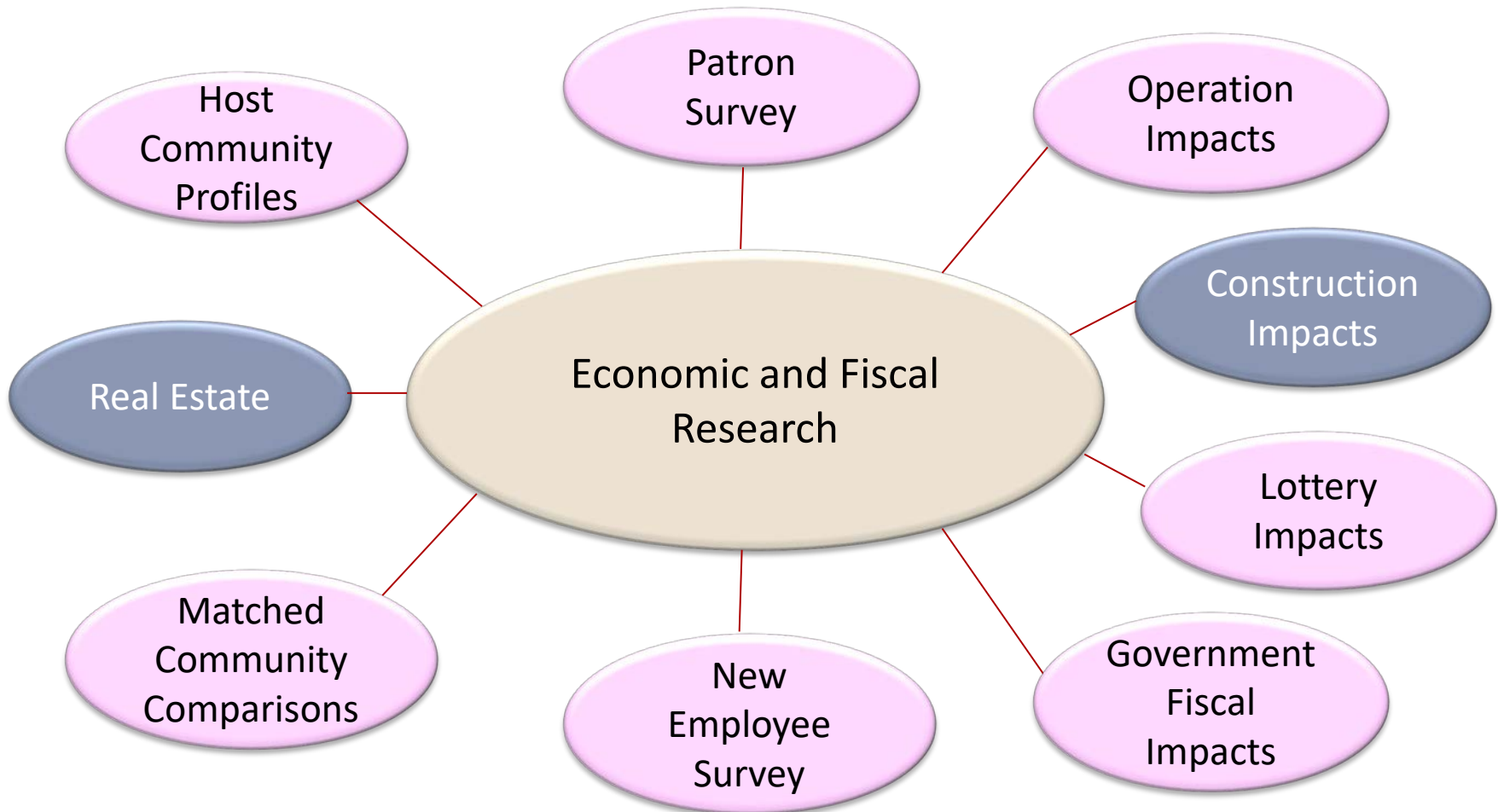
Measuring Impacts Geographically



Economic and Fiscal Research: Springfield



Economic and Fiscal Research: Springfield



ECONOMIC & FISCAL IMPACTS: RECENT SPRINGFIELD RESEARCH

Real Estate Impacts of the MGM Springfield Casino

Dr. Henry Renski

University of Massachusetts Amherst

Study Purpose & Scope

Document changes in real estate market following the licensing of MGM Springfield in 2014 through 2018

- Too soon to measure impacts post-opening for some measures

Two major components

1. Residential Properties (Number of sales, price, rents)
2. Commercial/Industrial Properties (Inventory, vacancy, lease rates)

Analysis of secondary data and stakeholder interviewers

- Springfield Housing, Regional Planning Authority, Community Advocates

Before-After / Comparative Approach

- Compare host and surrounding communities to rest of Hampden/Hampshire counties and the state as a whole

Caveats

Timing lag in key data sources

Casino opened relatively recently

Difficult to distinguish MGM impacts from other activities

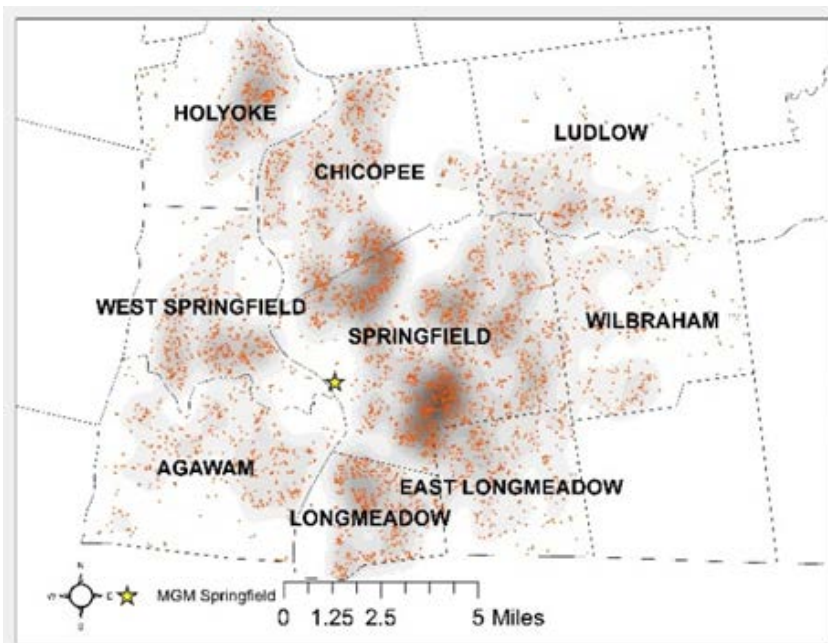


Real Estate Impacts in Context

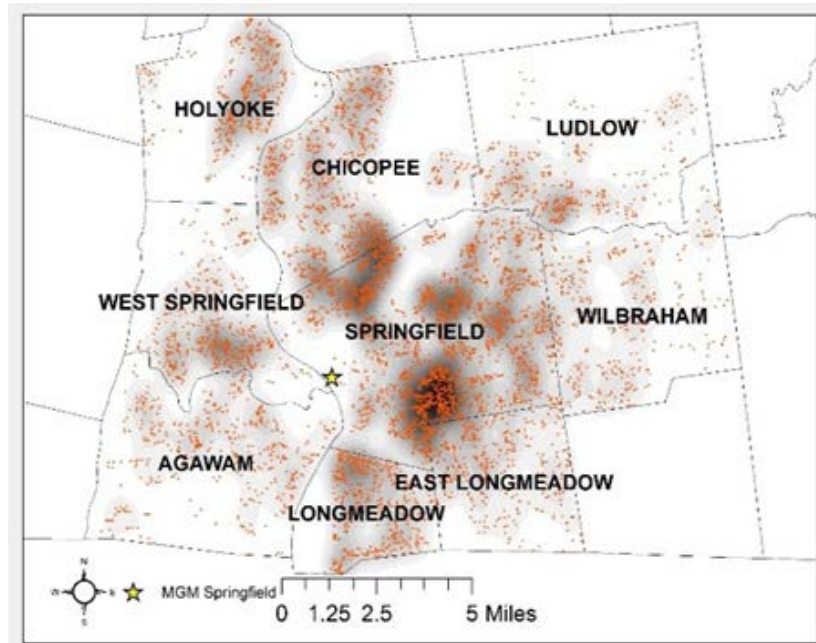
- Greater Springfield is experiencing a **strengthening real estate market** associated with economic recovery and more robust economic conditions in the state.
 - Rising rents, sales prices, increased sales, jobs growth
- Growth also creates challenges, such as tighter housing market conditions that impact vulnerable populations.
 - Key informants from Springfield are observing increased pressure in the housing market, rising rental costs, and more evictions
 - Although not attributing all the changes to the Casino
- We are noting these concerns and will continue to track these issues to fully understand the effect expanded gambling has on residents in the Greater Springfield community.

Single-Family Home Sales before and after license was awarded

2012 and 2013



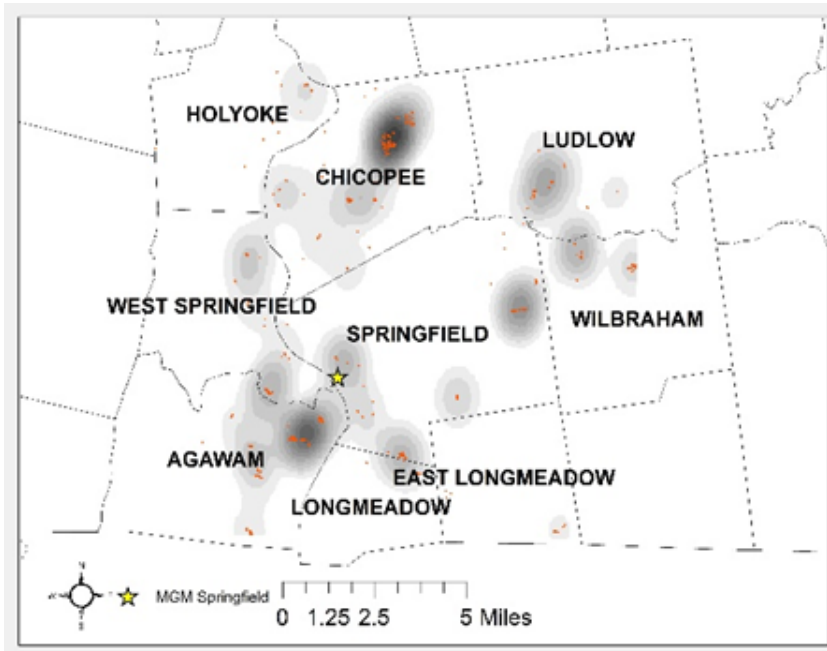
2017 and 2018



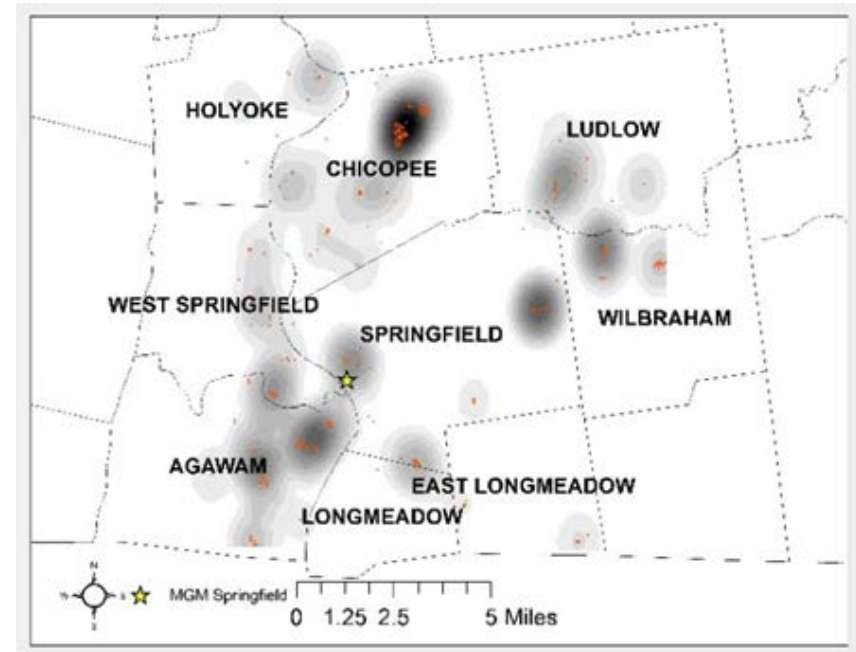
Source: MLS

Condominium Sales before and after license was awarded

2012 and 2013



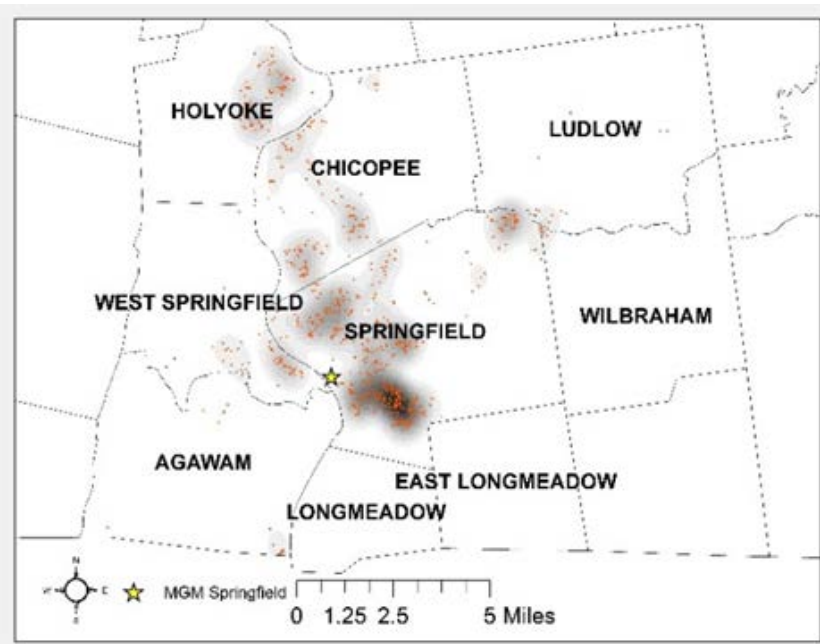
2017 and 2018



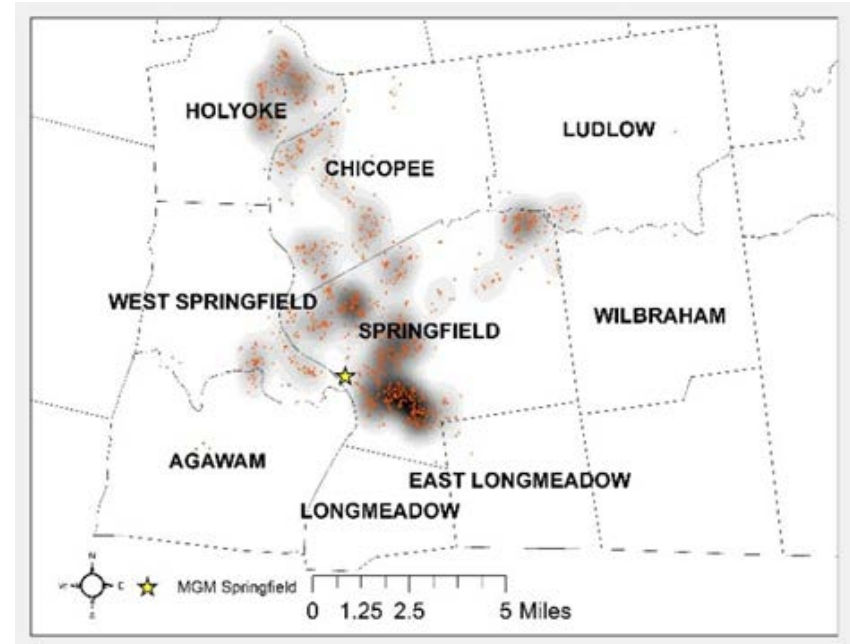
Source: MLS

Multi-Family Sales before and after license was awarded

2012 and 2013



2017 and 2018

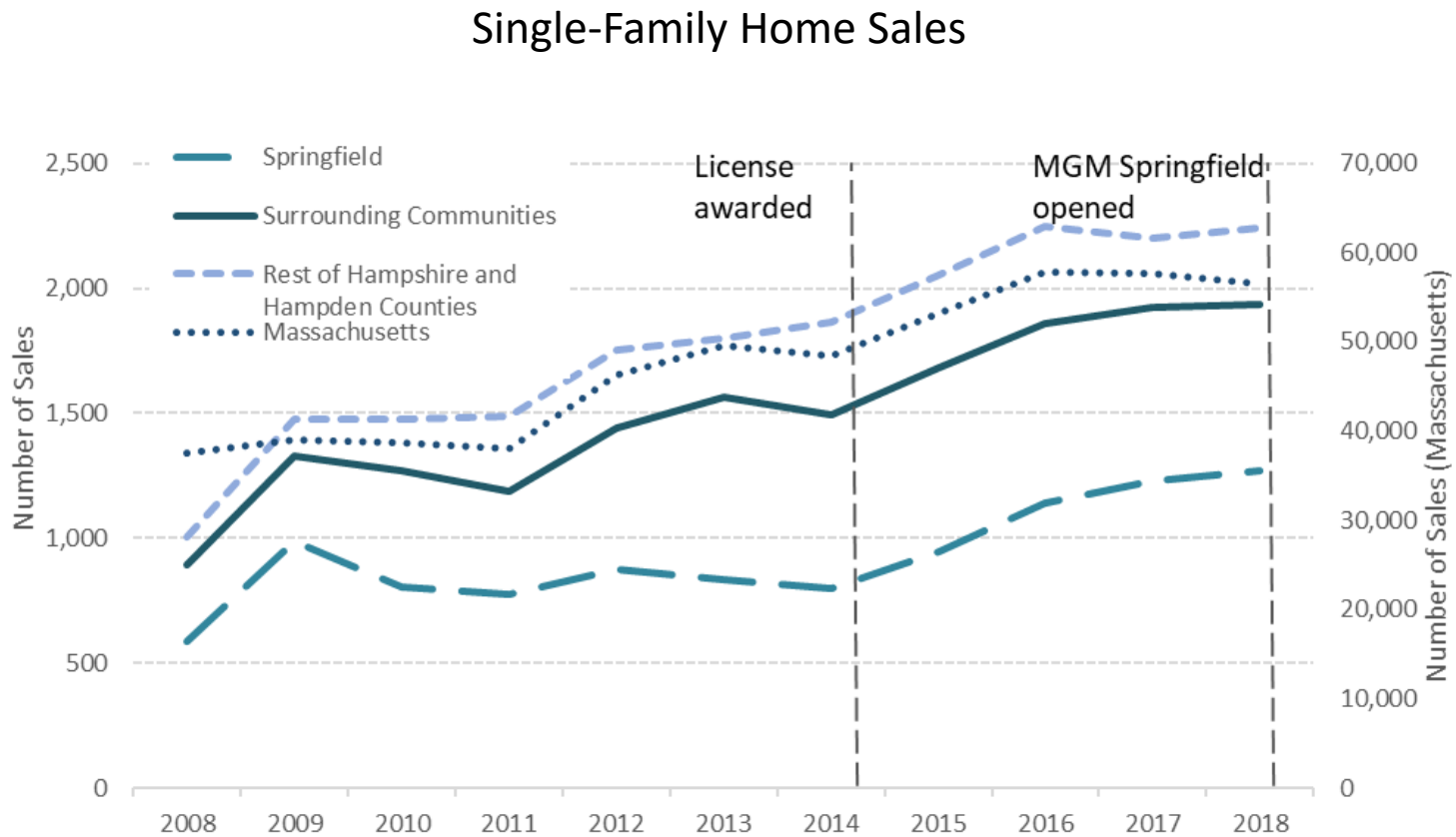


Source: MLS

Residential Impacts

Main Findings: Home Sales

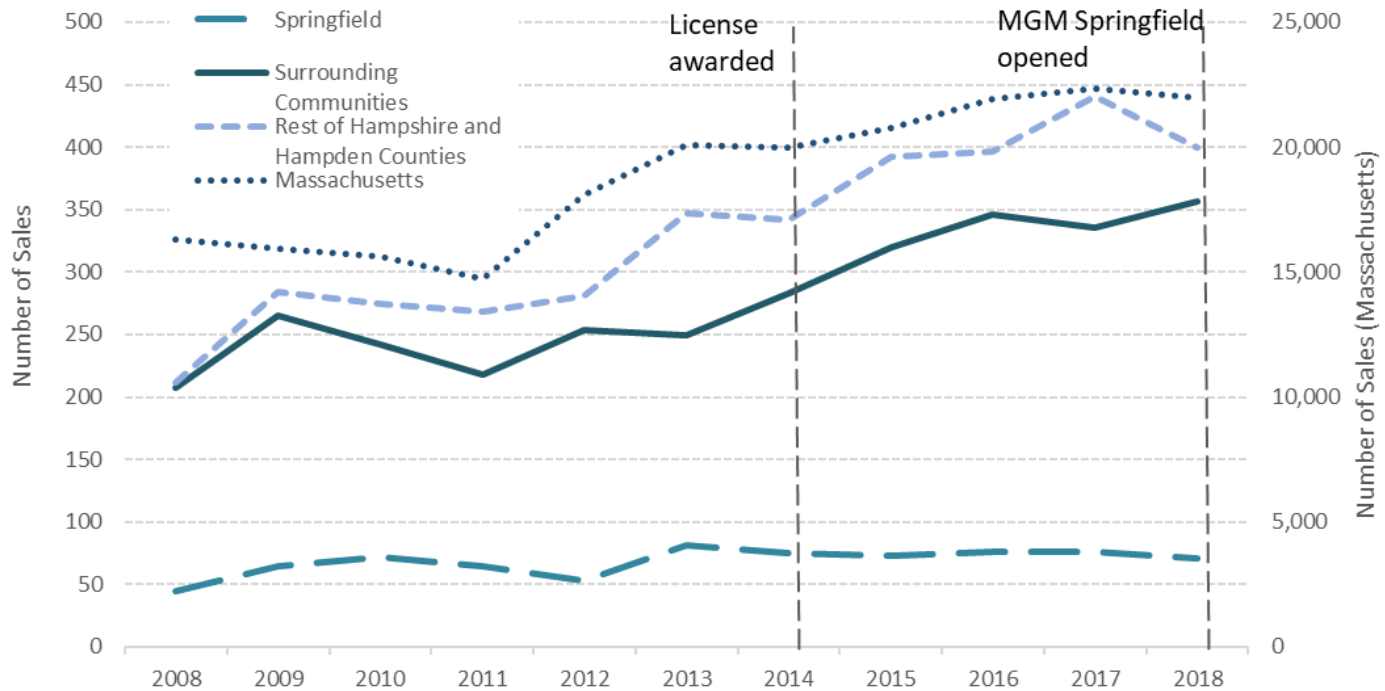
Recent increase in single-family home sales, but consistent with broader trends



Main Findings: Home Sales

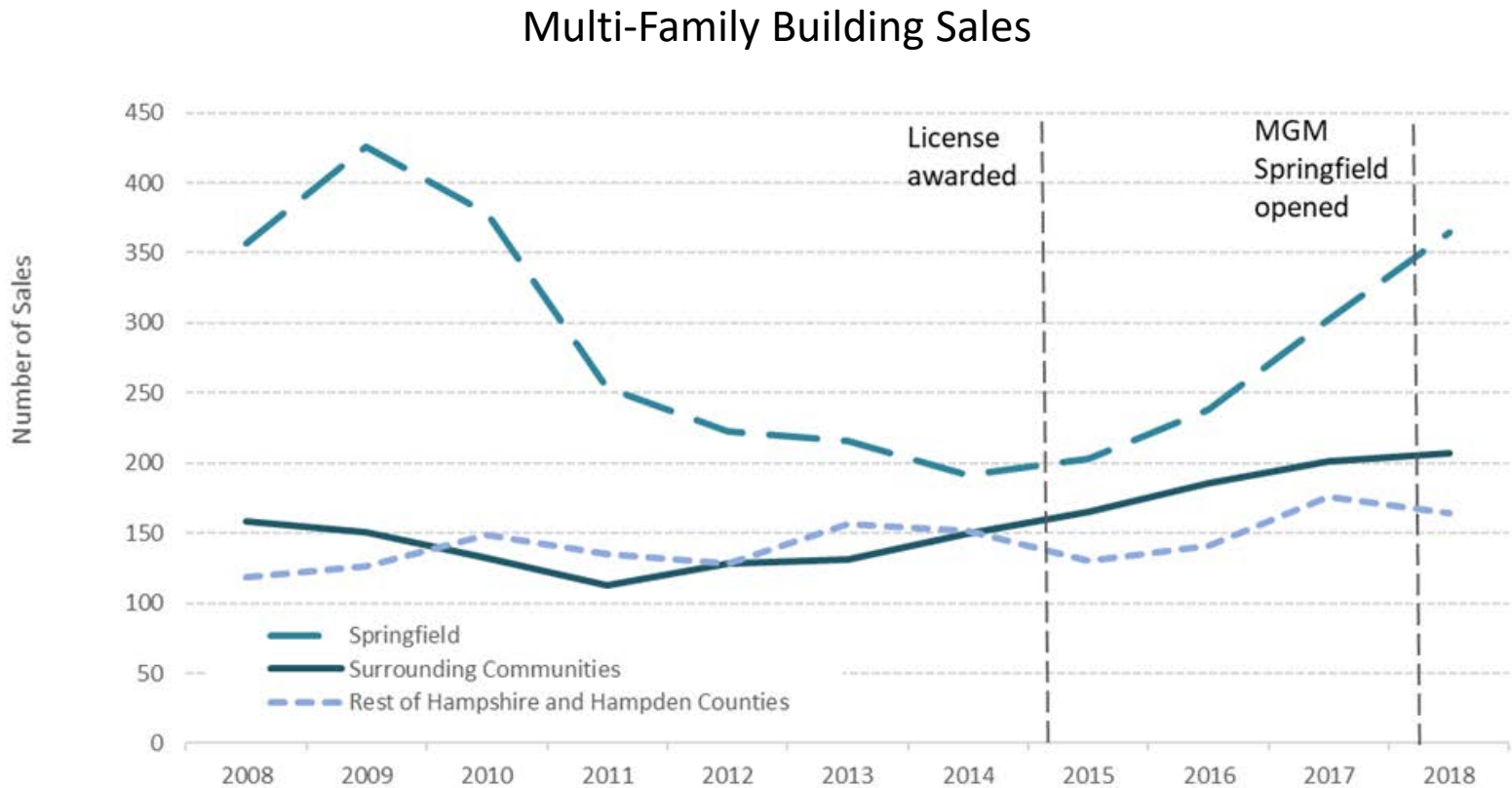
Condominium sales flat

Condominium Sales



Main Findings: Home Sales

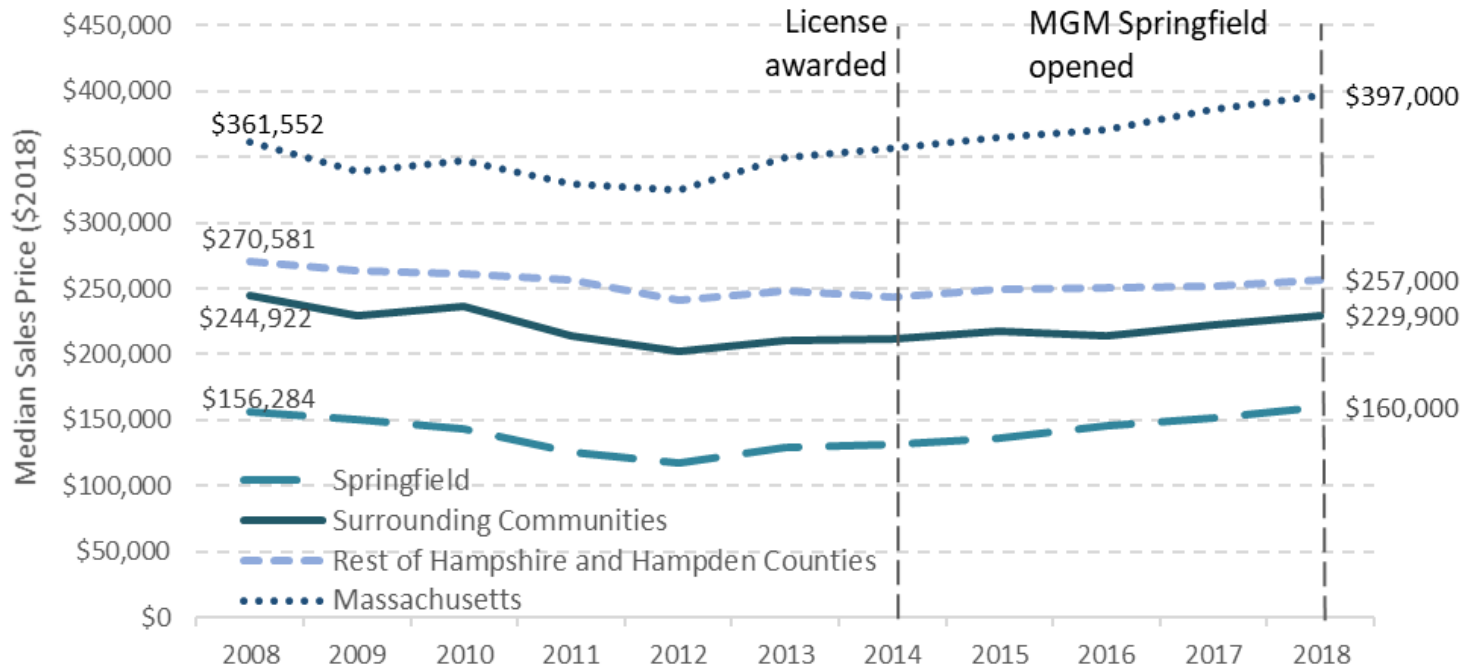
Notable increase in multi-family home sales



Main Findings: Home Sale Prices

MGM had little impact on single-family home sale prices

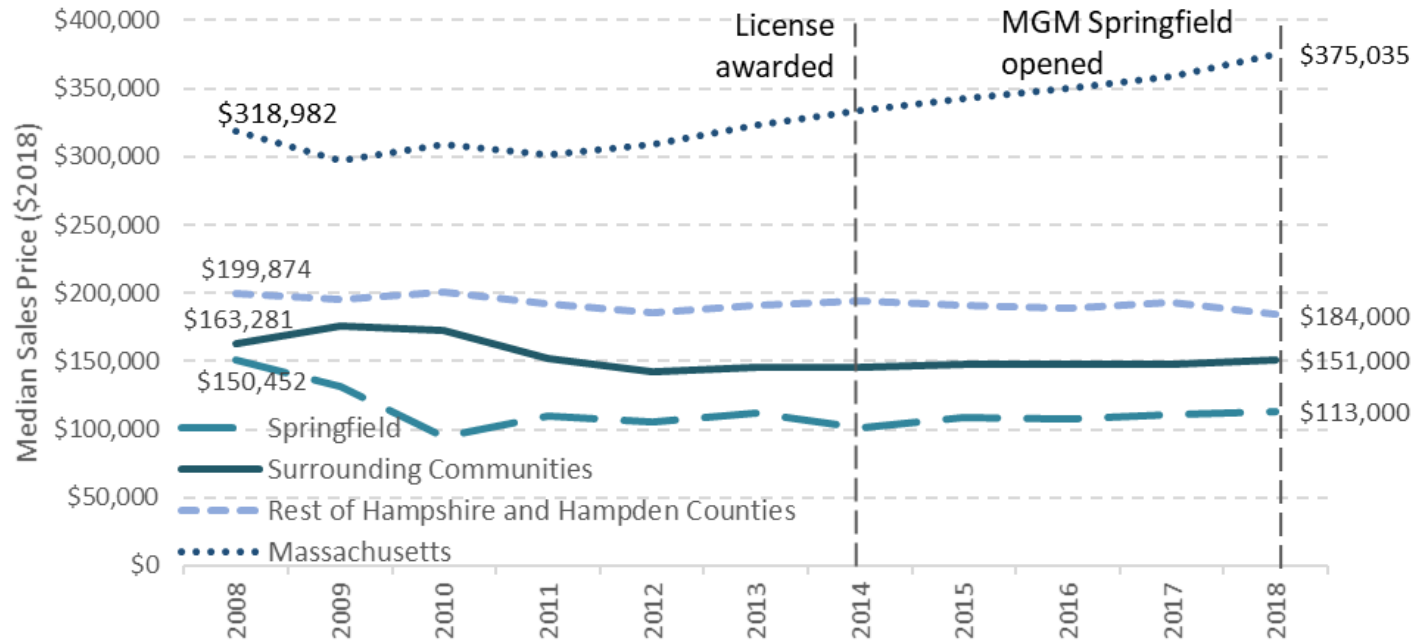
Single-Family Home Sale Prices



Main Findings: Home Sale Prices

MGM had little impact on condominium prices

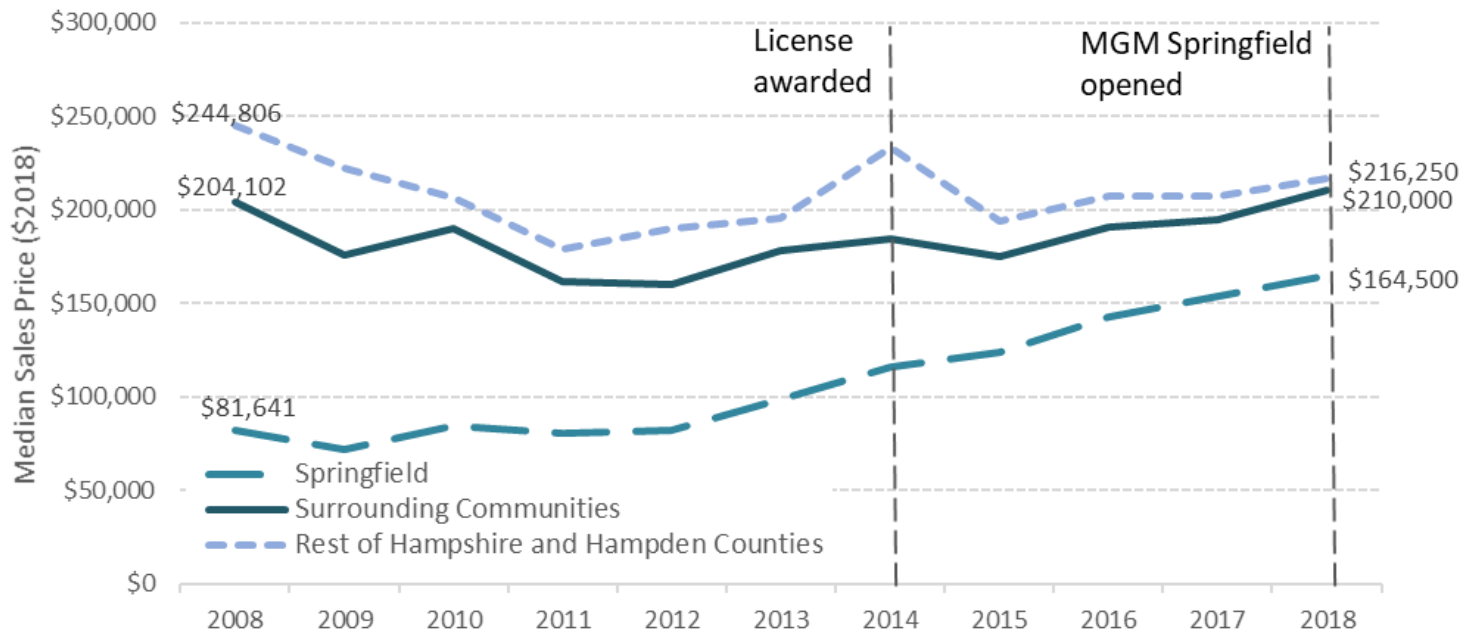
Condominium Sale Prices



Main Findings: Home Sales Prices

Prices for multi-family buildings rising, following pre-award and regional trends

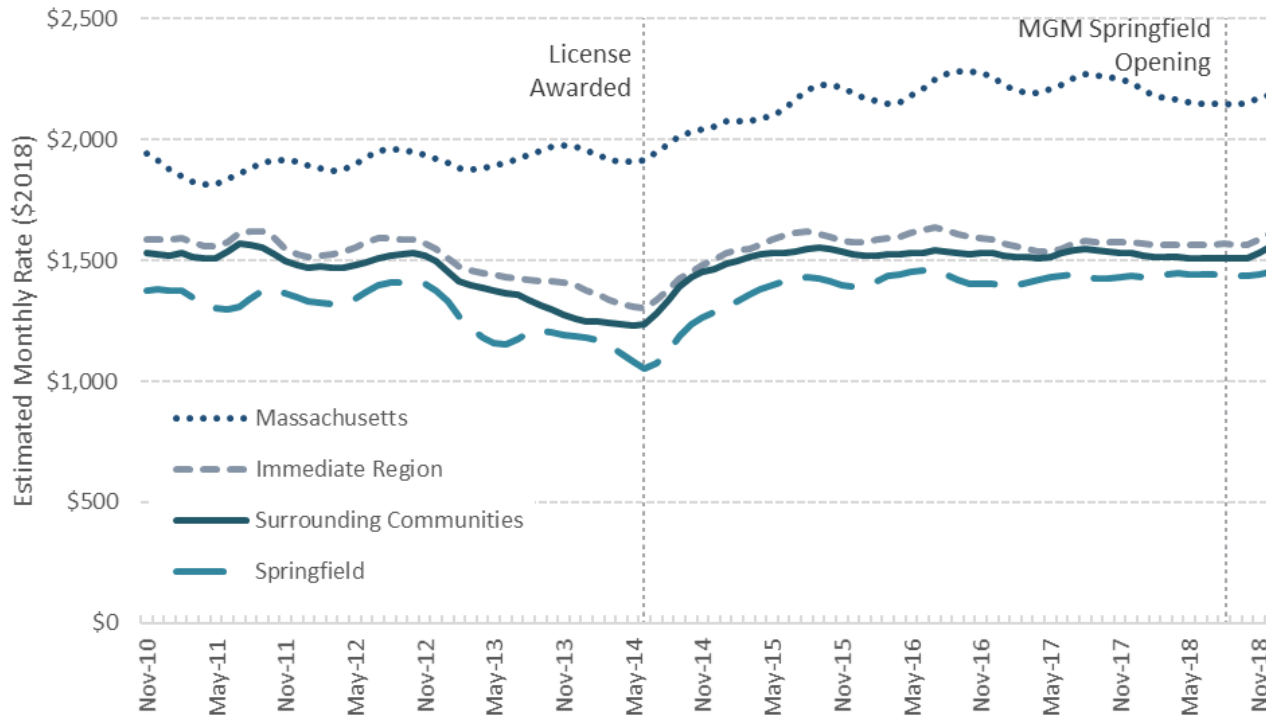
Multi-Family Building Sale Prices



Main Findings: Rental Rates

Rents rose following announcement, but consistent with area trends

Estimated Median Monthly Rents



Rising rents

“We have seen some upward pressure on the housing market [...] but it is impossible for me to say how much of that is attributable to the casino [...] there have been so many development projects going on here. The casino is one high profile one among several.”

—Geraldine McCafferty, Director of Housing, City of Springfield

“In 2013, you could get a 2-3 bedroom for \$950. Now you’re looking at \$1,400-\$1,600.”

—Rose Webster-Smith, Lead Community Organizer, Springfield No One Leaves

“You can still buy a house for really affordable prices, but rentals are really high.”

—Catherine Ratté, Principal Planner—environment and land use, Pioneer Valley Planning Commission

Speculation

“We’ve had some more outside investors coming in, buying a lot of multi-family housing and raising rents. And there is a feeling that it is speculative and is likely tied to the casino.”

—Geraldine McCafferty, Director of Housing, City of Springfield

“...there is a lot of speculative buying with the hope of getting high rents. But then they realize, they really can’t get those rents. [...] They are still holding, sitting on them and waiting to see if that is still to come...”

—Geraldine McCafferty, Director of Housing, City of Springfield

“I am aware of some speculation. You can see the block right across from MGM, there is a lot of waiting and hoping that ‘we are going to sell for more’[...] people are waiting thinking they are going to make a mint.”

—Catherine Ratté, Principal Planner—environment and land use, Pioneer Valley Planning Commission

Evictions and displacement

“It is difficult to say whether it’s the result of the casino or not but there has definitely been an uptick in evictions [...] I’ve been keeping track of the number of cases going to housing court versus district court in Springfield, and the number of cases overall is climbing.”

—Liz Bewsee, Housing and Economic Justice Organizer, Arise for Social Justice

“[...] there is a lot of concern on city council about displacement but there is not much they can do about it at this point because the market is coming in and renovating properties and they are not protected.”

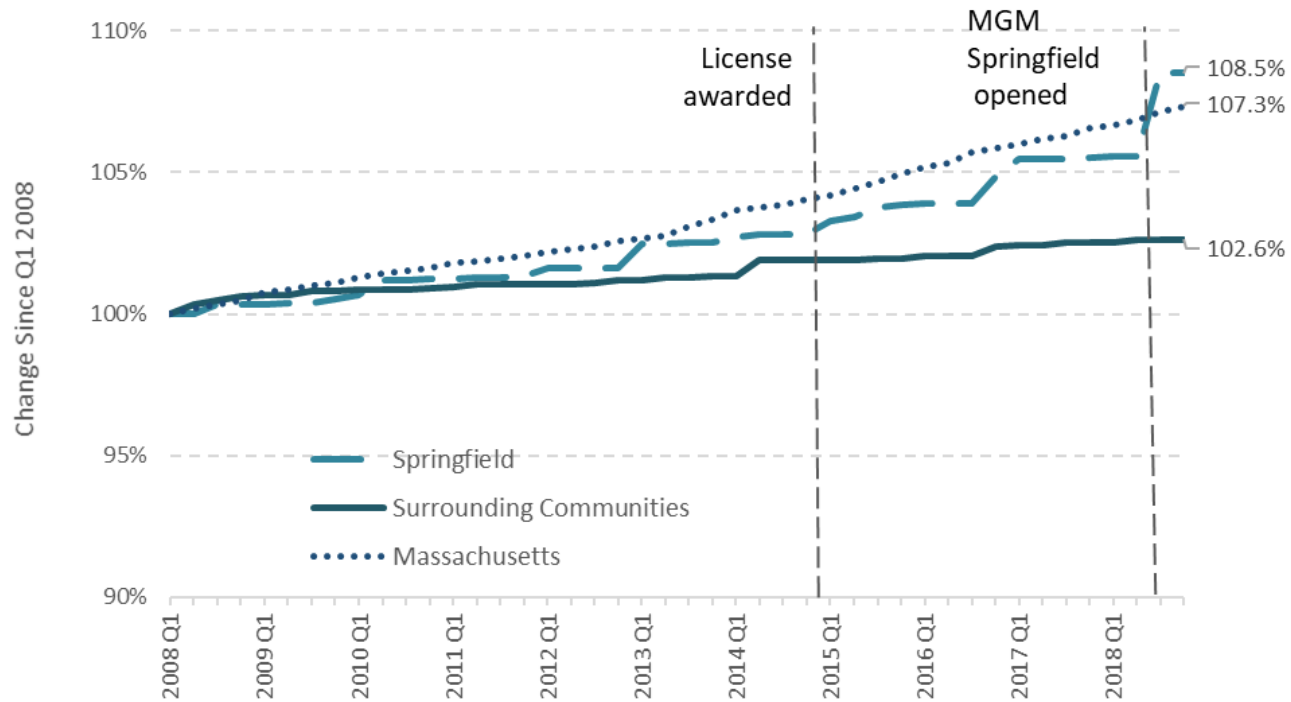
—Catherine Ratté, Principal Planner—environment and land use, Pioneer Valley Planning Commission

Commercial Impacts

Main Findings: Commercial and Industrial Buildings

Slight growth in the number and size of commercial and industrial buildings

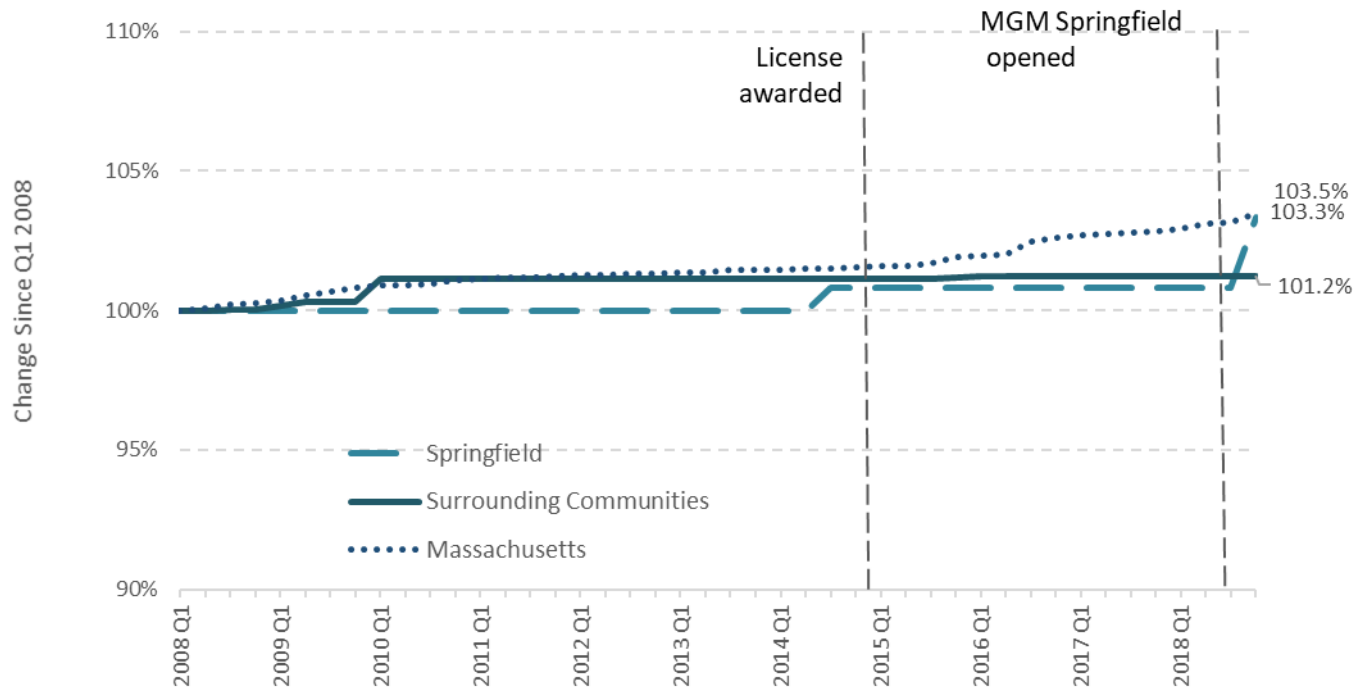
Change in Commercial Rentable Building Area since 2008



Main Findings: Commercial and Industrial

Slight growth in the number and size of commercial and industrial buildings

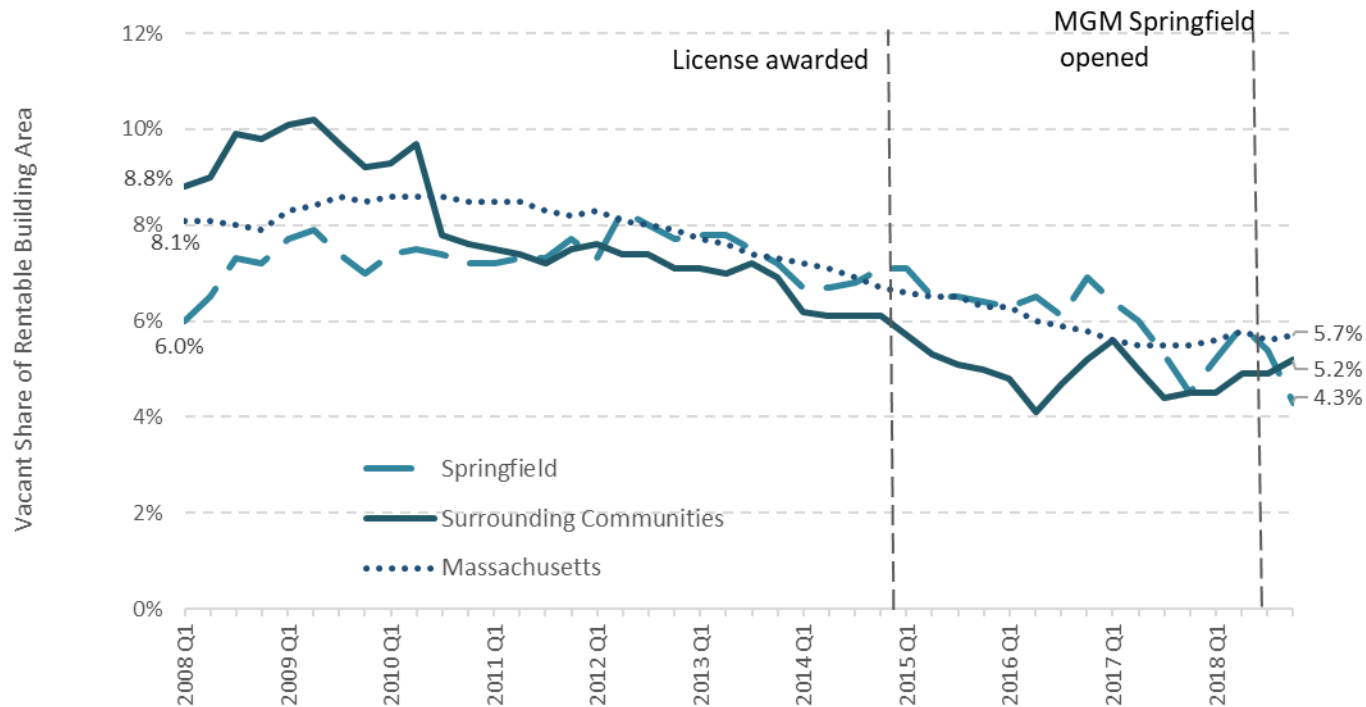
Change in Industrial Rentable Building Area since 2008



Main Findings: Commercial and Industrial

Commercial vacancy rates have fallen, in line with statewide and regional trends

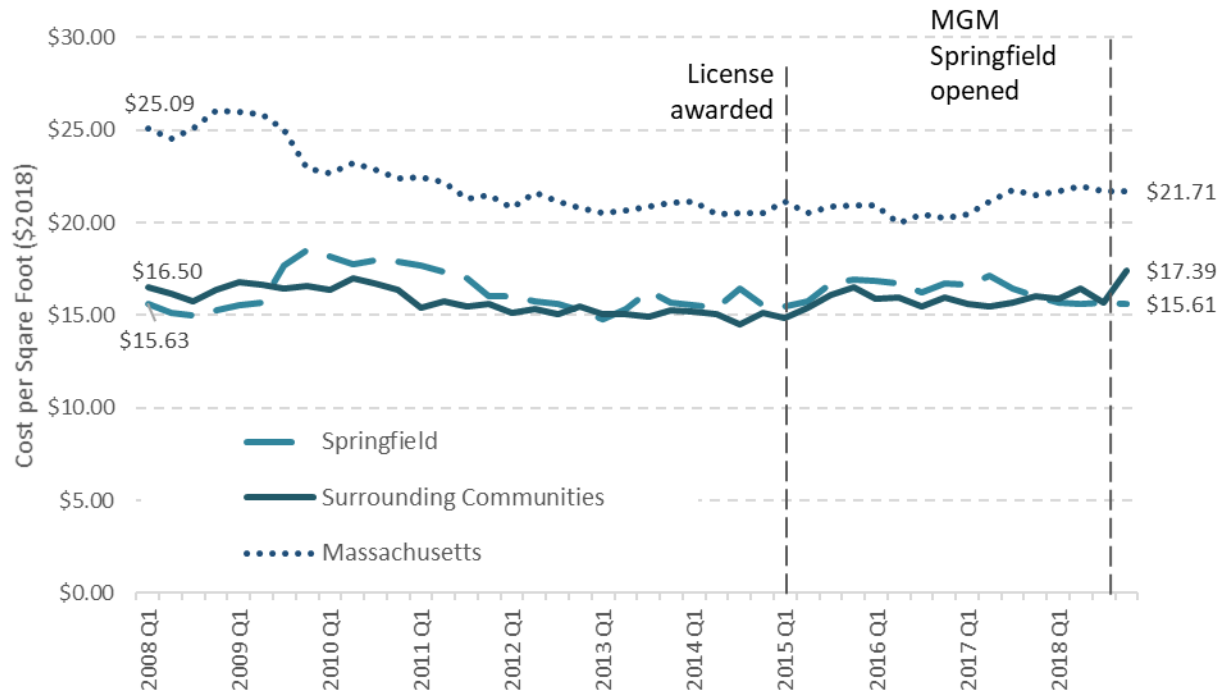
Commercial Vacancy Rates



Main Findings: Commercial and Industrial

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

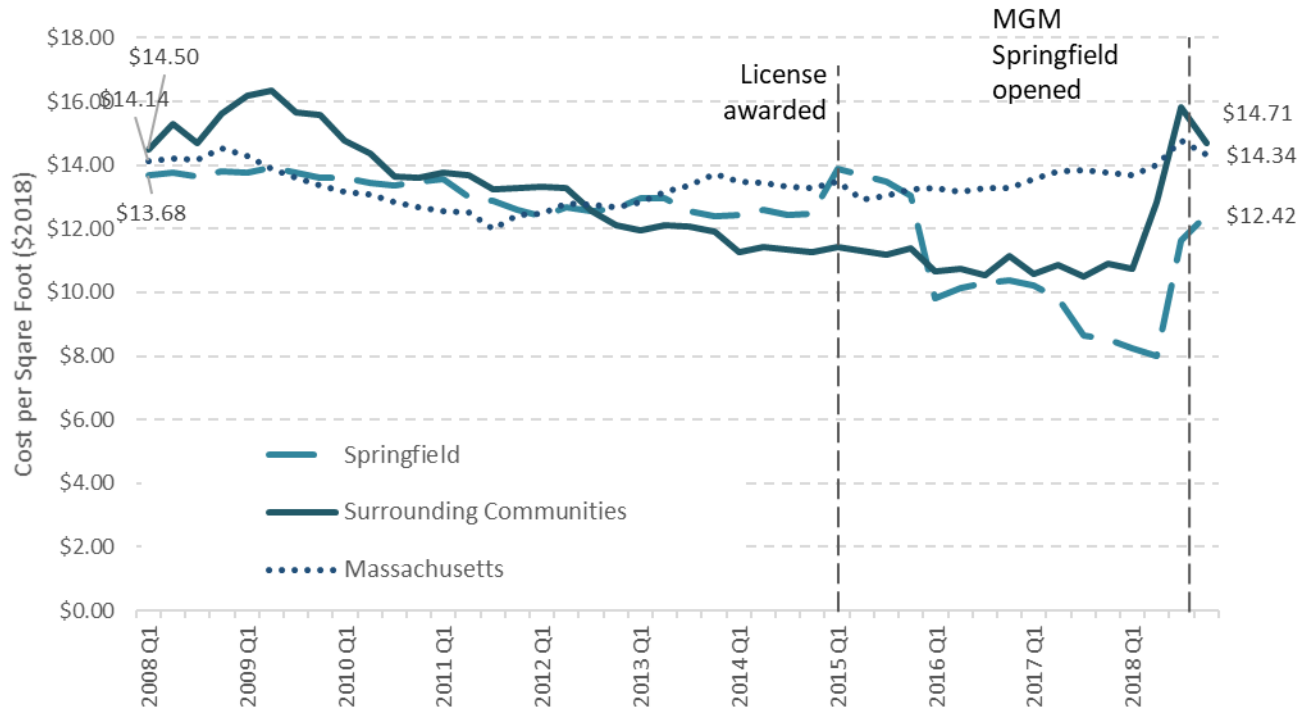
Average Lease Rates Office Commercial Space



Main Findings: Commercial and Industrial

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

Average Lease Rates Non-Office Commercial Space



New businesses

“MGM has had some impact on retail... There are a couple of restaurants that relocated downtown waiting for the casino to open.”

“Businesses aren’t really thriving outside of that casino district [...] My guess is that maybe in the summer time they may start coming away from the casino more toward metro downtown to the entertainment district.”

—Denise Jordan, Executive Director, Springfield Housing Authority

Increased foot traffic

“I have seen increased foot traffic around the venue and it does seem that there is spillover into downtown. How far? I can’t say. [...] There are more [people] around on main street in the evenings.”

—Geraldine McCafferty, Director of Housing, City of Springfield

“We were making lunch plans with people [...] and they were saying, ‘Where can we go where there’s isn’t a line anymore? There never used to be lines in Springfield.’ And the downtown in the evenings is also much livelier.”

—Catherine Ratté, Principal Planner—environment and land use, Pioneer Valley Planning Commission

Vibrancy and quality of life

“MGM Springfield has absolutely had a direct effect in the city of Springfield as it has catalyzed [...] some major improvements—bike lanes, better signage, and sidewalks—in the downtown.”

—Catherine Ratté, Principal Planner—environment and land use, Pioneer Valley Planning Commission

Conclusions

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

- Only a few months of post-opening data available
- Key informants raised concerns of speculative buying as well as rising rents and sales - but difficult to discern from general recovery
- Expanded tax base, new jobs, and place branding may yet have a long-term impact on the real estate market

Conclusions

MGM Springfield has a major footprint in downtown Springfield, but spin-off commercial development remains limited

- New restaurants, area improvements, increased foot traffic
- Thus far, limited to area immediately adjacent to Casino

Thank you!

The UMass research team would like to extend a special thanks to the key informants from Springfield who agreed to take the time to speak with us about the impacts MGM Springfield has had on housing and real estate in the community.

Interviews were conducted with [Geraldine McCafferty](#), Director of Housing, City of Springfield; [Liz Bewsee](#), Housing and Economic Justice Organizer, Arise for Social Justice; [Catherine Ratté](#), Principal Planner—environment and land use, Pioneer Valley Planning Commission; [Rose Webster-Smith](#), Lead Community Organizer, Springfield No One Leaves; and [Denise Jordan](#), Executive Director, Springfield Housing Authority.

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Real Estate Impacts of MGM Springfield in Springfield and Surrounding Communities

July 3, 2019

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Executive Summary

Key Findings: Residential Real Estate Indicators

- Sales of single-family homes in Springfield, Massachusetts flattened in the wake of the Great Recession of 2009. However, home sales picked up in 2014, just before the license was awarded to MGM and continued through 2018 when MGM Springfield opened. Since the economic recovery matched the awarding of the MGM Springfield casino license, it is difficult to truly distinguish the impact of the casino from the more general economic recovery on sales of single-family homes.
- Between 2009 and 2011, Springfield's single-family home sales saw decreasing growth rates. After 2011, Springfield's rates were below those of the surrounding communities and the rest of Hampshire and Hampden Counties. However, all three experienced steady growth after the license was awarded to MGM in 2014, although this growth could be interpreted as being due to broader market conditions.
- Between licensing and opening of MGM Springfield, condominium sales in the rest of Hampshire and Hampden Counties experienced quicker growth rates than both Springfield and its surrounding communities.
- Inflation-adjusted median sales prices in Springfield have increased slightly or remained flat for single-family homes and condominiums between the casino's licensing and opening. Only multi-family home prices have increased dramatically during that time. Key informant interviews suggest that this phenomenon could be due to investors buying up multi-family homes.
- Median sales prices in Springfield's surrounding communities and the rest of Hampden and Hampshire Counties experienced very little change during that time for single-family homes, condominiums, and multi-family homes.
- Median gross rents in Springfield, the surrounding communities, Hampden and Hampshire Counties, and the state as a whole increased in the period prior to and following the awarding of the MGM Springfield license. This suggests that increases in the study region could be following larger state trends.
- Springfield's residential vacancy rate saw a 1.2% decrease in the most recent years of data following the license award while the combined surrounding communities and the rest of Hampden and Hampshire Counties saw their vacancy rates increase at rates of 0.6% and 1.5%, respectively.
- Key informants from Springfield noted the increasing pressure on the housing market and increasing rental costs. Key informants were unsure whether these trends could be attributed to the licensing and opening of MGM Springfield and teased out from larger market forces and other development projects.
- Springfield key informants raised concerns regarding the speculative buying of properties in Springfield. For instance, many of the key informants discussed investors buying multi-family buildings and raising rents and/or buying a property and leaving it vacant with the hope of selling higher. Key informants also discussed concerns regarding displacement and an increase in evictions.

Key Findings: Commercial and Industrial Real Estate Indicators

- For most of the study period (2008-2018), Springfield added new commercial space at a slightly faster rate than the Commonwealth as a whole, but lagged in terms of industrial buildings. That trend reversed at the end of 2018 with the addition of a very large industrial facility.
- Vacancy rates—or the share of rentable building area which is listed on the market—have fallen in Springfield over the last 11 years and were lower than the statewide rates at the end of 2018. It is difficult to determine how much potentially rentable building area remains off the market.

- Average lease rates for office and industrial properties were consistently much lower in Springfield and its surrounding communities than in the Commonwealth as a whole. Lease rates in Springfield and its surrounding communities were more comparable to the state for non-office commercial properties.
- The development and opening of MGM Springfield introduced a substantial amount of new commercial space to the Springfield real estate market and may have contributed to a fall in commercial vacancy rates. Otherwise, there were few obvious breaks from past trends that could plausibly be attributed to the casino.
- Springfield key informants discussed the increased patronage of downtown Springfield as a result of MGM Springfield. Key informants did note that increased foot traffic and spillover impacts onto businesses as a result of the casino are limited to businesses and restaurants adjacent to MGM Springfield.

Real Estate Conditions in Springfield: Initial Impacts

This report details the Social and Economic Impacts of Gambling in Massachusetts (SEIGMA) research team’s examination of the initial impacts of MGM Springfield on the residential, commercial, and industrial real estate markets for Springfield and its surrounding communities. It follows the [Baseline Real Estate Conditions, Host Community Profile: Springfield](#) report that documented residential, commercial, and industrial real estate trends prior to the opening of MGM Springfield.¹

The purpose of this study is to document any notable changes to the Springfield area’s real estate market following the awarding of a casino license to MGM Springfield in February 2014 and the subsequent opening of the first resort-style casino in Massachusetts in August of 2018. Since MGM Springfield has been open for less than a year at the time of writing, there are some data sources which we had hoped to use, but which do not include any post-opening data due to lags in publication. For other measures, we were able to obtain more recent data, including real estate data from Zillow and the Multiple Listing Service (MLS), as opposed to the more dated L3 Assessors’ Data.

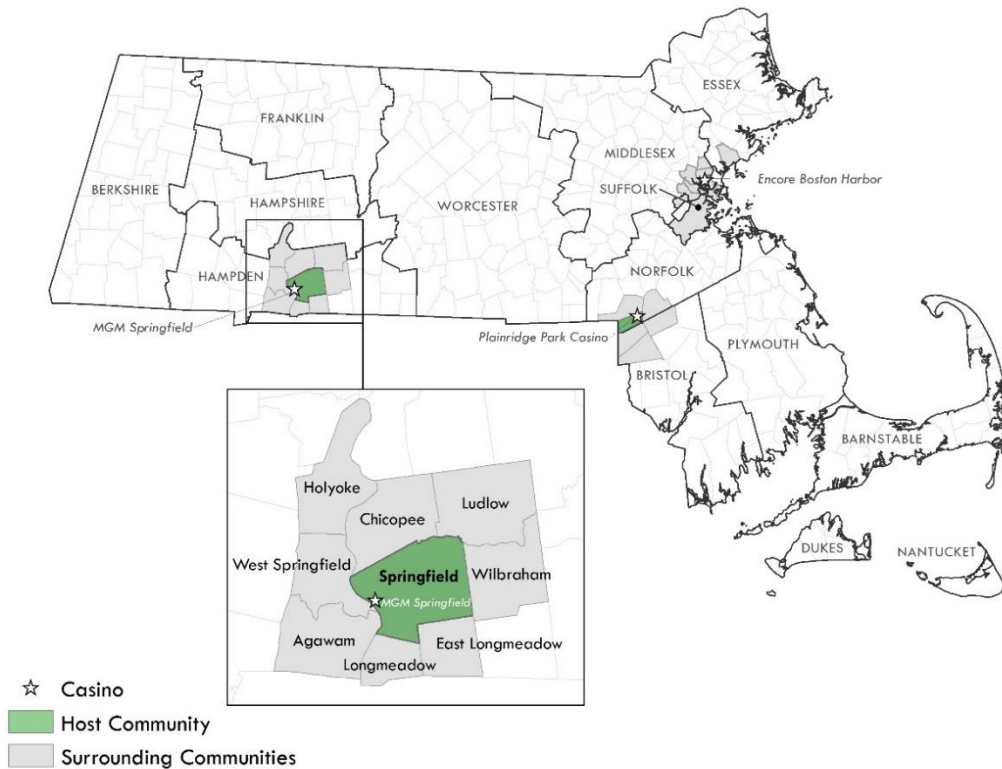
Our impact evaluation uses a comparative approach. It considers changes in the host communities before and after the opening of the casino. It then compares these observed changes to other areas that are facing similar market conditions but are unlikely to be impacted by the casino development. This 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.

The impact of a new casino facility may spill beyond the borders of its host community. Thus, in addition to Springfield, we also track market conditions among nearby areas designated as “official surrounding communities” by the Massachusetts Gaming Commission. There are eight surrounding communities in the Springfield region, making it impractical to report specific trends for each within the limited confines of this report.² For this report, we compare historic trends in Springfield and its surrounding communities to the rest of the communities in Hampden and Hampshire Counties, and against the Commonwealth as a whole (Figure 1). When working with data that prevented us from taking averages across communities, we present data from Hampden and Hampshire Counties to illustrate the broader region. We believe that these broader regions stretch beyond the likely sphere of influence of the casino on real estate conditions. Still, we recognize that these are not ideal comparison groups, and we err on the side of caution in our interpretation of the evidence.

¹ A copy of the *Baseline Real Estate Conditions* report is available for viewing and download from https://www.umass.edu/seigma/sites/default/files/Real%20Estate%20Profile%2C%20Springfield_2016-08-30%20%28final%29_0.pdf.

² For real estate trends of each surrounding community, please contact Dr. Mark Melnik, Director of Economic & Public Policy Research at the UMass Donahue Institute.

Figure 1. Massachusetts Host and Surrounding Communities



In January 2019, Dr. Rachel Volberg (SEIGMA Principal Investigator) and Dr. Alissa Mazar (SEIGMA Project Manager and Research Associate) also began interviewing key informants in Springfield with a specific focus on real estate conditions and housing and concerns surrounding gentrification and displacement. This is part of a larger effort to conduct key informant interviews with representatives—from community organizers to healthcare officials to economic development officers—in the casino host communities of Springfield, Everett, and Plainville. The goals of the qualitative interviews are to: (1) gain an on-the-ground understanding of the social and economic conditions in host communities prior to the development of a casino, during the process of constructing a casino, and while hosting a casino, (2) utilize qualitative data of impacts to triangulate findings from quantitative data, and (3) pinpoint mechanisms to explain quantitative trends and correlations.

The SEIGMA research team requested a single interview from potential key informants by contacting their professional offices by email and/or telephone. If a key informant agreed to an interview, formal consent was obtained. Interviews were not confidential as officials/representatives spoke in their professional capacity and in their area of expertise. Interviews were audio recorded and excerpts from the interviews are integrated into reports and presentations. Interviews were conducted with Geraldine McCafferty, Director of Housing, City of Springfield; Liz Bewsee, Housing and Economic Justice Organizer, Arise for Social Justice; Catherine Ratté, Principal Planner—environment and land use, Pioneer Valley Planning Commission; Rose Webster-Smith, Lead Community Organizer, Springfield No One Leaves; and Denise Jordan, Executive Director, Springfield Housing Authority.

Residential Real Estate

Residential Property Sales

Residential 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 occur as investors are willing to buy properties at higher prices. Conversely, a decline in property values may indicate negative impacts resulting from possible fears of increased traffic, crime, noise, or other negative externalities.

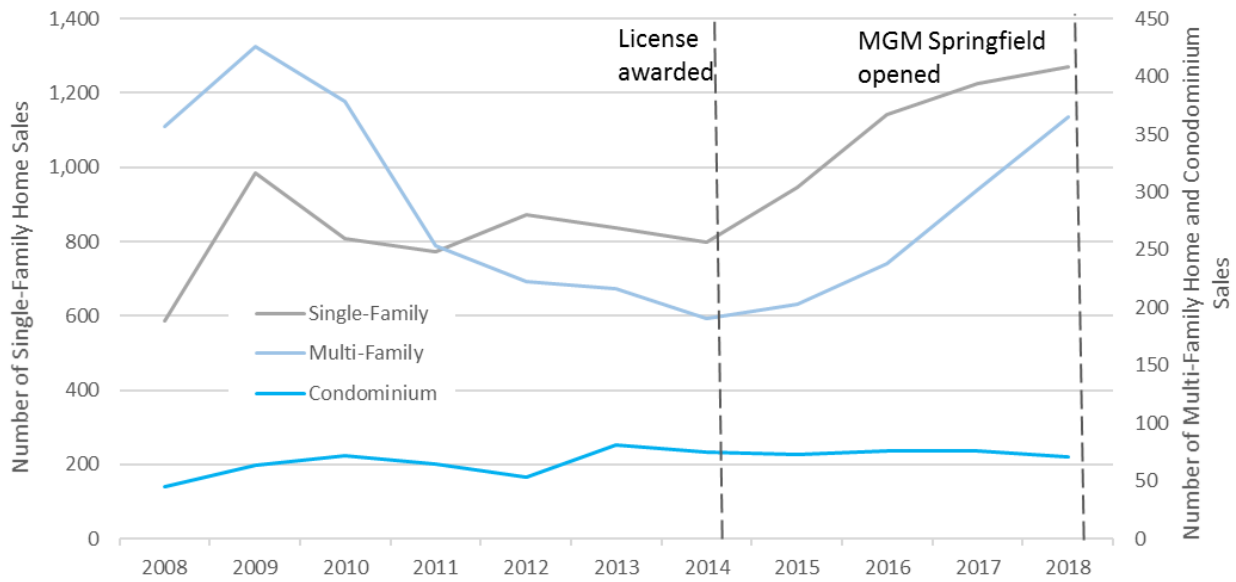
Our analysis uses property sales reported by the proprietary Multiple Listings Service (MLS). The MLS is used by real estate brokers to share information with other brokers about listed properties and potential buyers and is frequently used by analysts to measure market conditions. The MLS includes property sales of all types but this analysis only includes those classified as “arms-length” transactions. This excludes sales between family members and other situations where the sales price is not a clear reflection of market value. We focus on several general types of residential properties, namely: single-family residential, condominiums, and multi-family residential. We ignore other types of residential land uses, such as mobile homes and vacant lots as they are relatively rare.

We use the MLS to track the number and market value of property sales in Springfield and its surrounding communities compared to the state and the remainder of Hampden and Hampshire Counties. We begin tracking market conditions starting in 2008 through 2018, the year in which MGM Springfield opened and the most recent full-year for which data were available at the time of writing. We also use the detailed address data in the MLS to examine sales trends at varying distances from the site of the casino.

Impacts on Residential Property Sales

Known as the “City of Homes,” it should come as no surprise that single-family home sales dominate Springfield’s residential market (Figure 2). There were 1,272 single-family homes sold in Springfield in 2018, accounting for 74 percent of all residential property sales. Multi-family homes comprise most of the remaining residential property sales. There were a total of 365 multi-family homes sold in 2018, or 21 percent of total residential property sales in Springfield. Condominiums represented four percent of total residential property sales in 2018 with 71 total sales. Therefore, our analysis focuses on single-family homes, condominiums, and multi-family homes.

Figure 2. Number of Residential Property Sales by Type, Springfield, 2008-2018

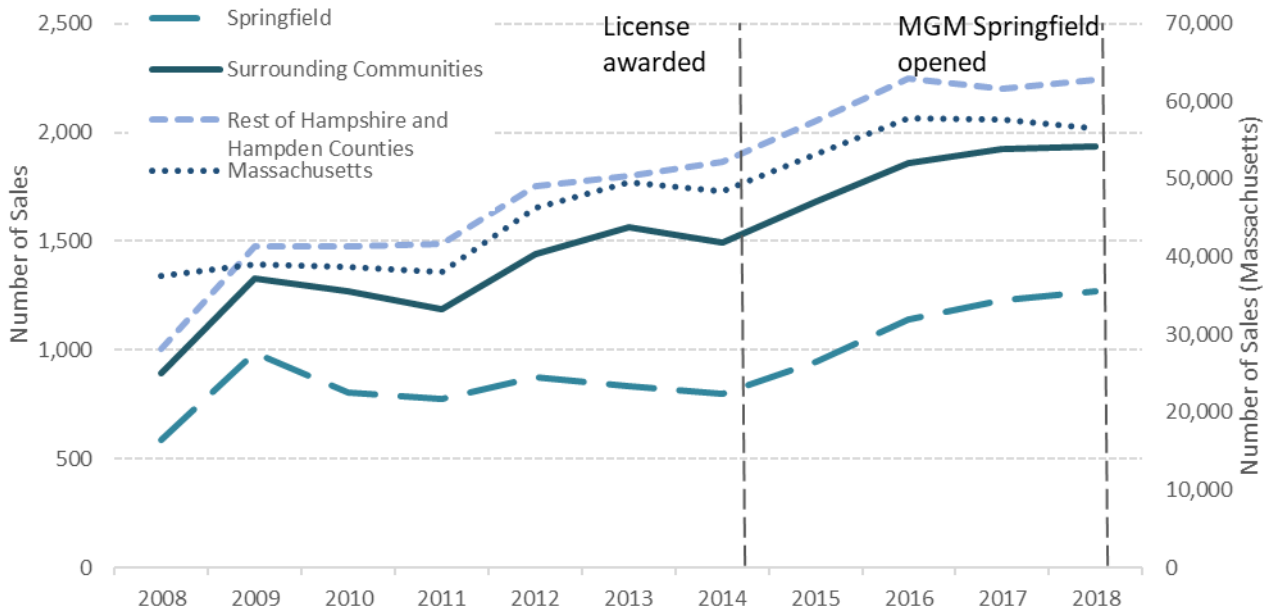


Source: MLS and Massachusetts Association of Realtors

Comparing Springfield to more distant communities in the region can help us determine whether the observed change in sales is due to local factors (namely the opening of MGM Springfield) as opposed to broader market trends.³ There has been a steady rise in single-family home sales in Springfield and the surrounding communities since 2014 (Figure 3). This is also the year that MGM Springfield was awarded its license. However, we cannot attribute all of this growth to MGM Springfield. Single-family home sales also grew for the state and the outlying areas of Hampshire and Hampden—areas where it is doubtful that the casino could have had a noticeable impact. It does appear, however, that single-family home sales grew slightly faster in Springfield and the surrounding communities post-2014. This is especially true in the two years since 2016, where the state and outlying areas (e.g., Agawam, East Longmeadow, Holyoke, and West Springfield) began to slow relative to Springfield. While not definitive, the evidence suggests that the construction and opening of MGM Springfield may have had a positive influence on the market for single-family home sales in Springfield and its surrounding communities. At a minimum, it is safe to say that MGM Springfield has not, thus far, had a noticeably dampening effect on the volume of local home sales.

³ We assume that, although Springfield and its neighbors might be impacted by MGM Springfield, more distant communities in Hampden and Hampshire Counties would be less so, and thus provide a benchmark for measuring casino-related impacts. However, the further away, the more likely the housing market is subject to different market dynamics and may not necessarily make a good basis for comparison. It is particularly important to note that Springfield and its surrounding communities tend to be far more urban than outlying communities in Hampden and Hampshire Counties, and the housing market in Hampshire County (in particular) is highly influenced by the large population of college students and faculty.

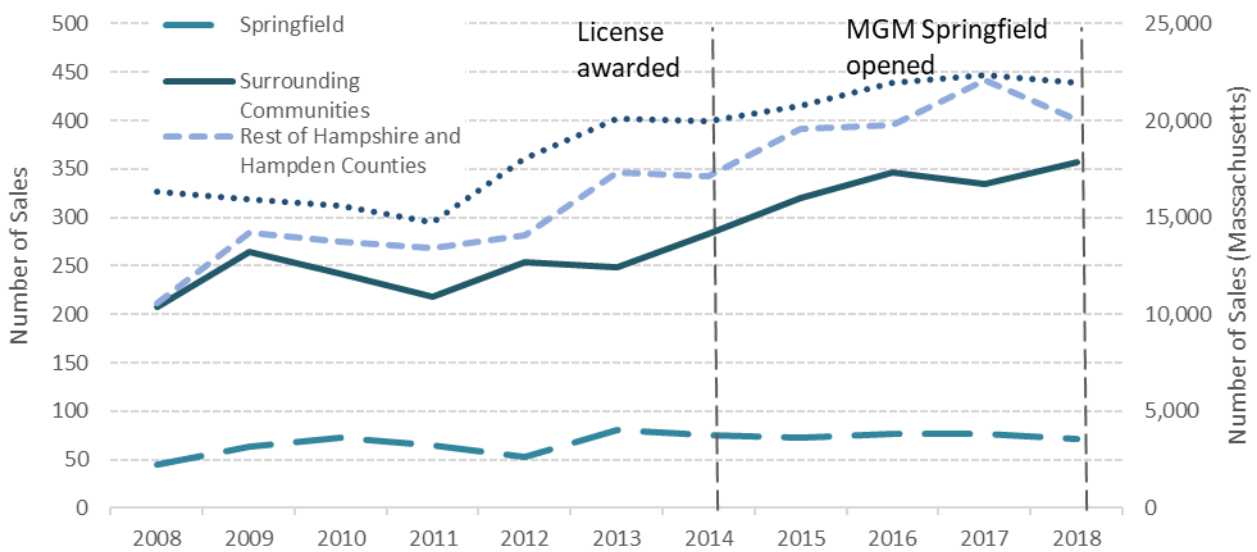
Figure 3. Single-Family Home Sales in Springfield vs. the Region and State, 2008-2018



Source: Multiple Listing Service and Massachusetts Association of Realtors

The relatively small number of condominium sales makes it difficult to identify trends. Nevertheless, we find little evidence that condo sales in Springfield were at all affected by the awarding of the casino license or opening of MGM Springfield. Springfield condominium sales peaked in 2013 (before the license was announced) and have remained relatively flat since (Figure 4). There has been an uptick in condominium sales in the surrounding communities, but this also does not appear to be related to MGM Springfield. Instead, it appears to be part of larger regional sales trends which began several years before the casino license was awarded to MGM Springfield.

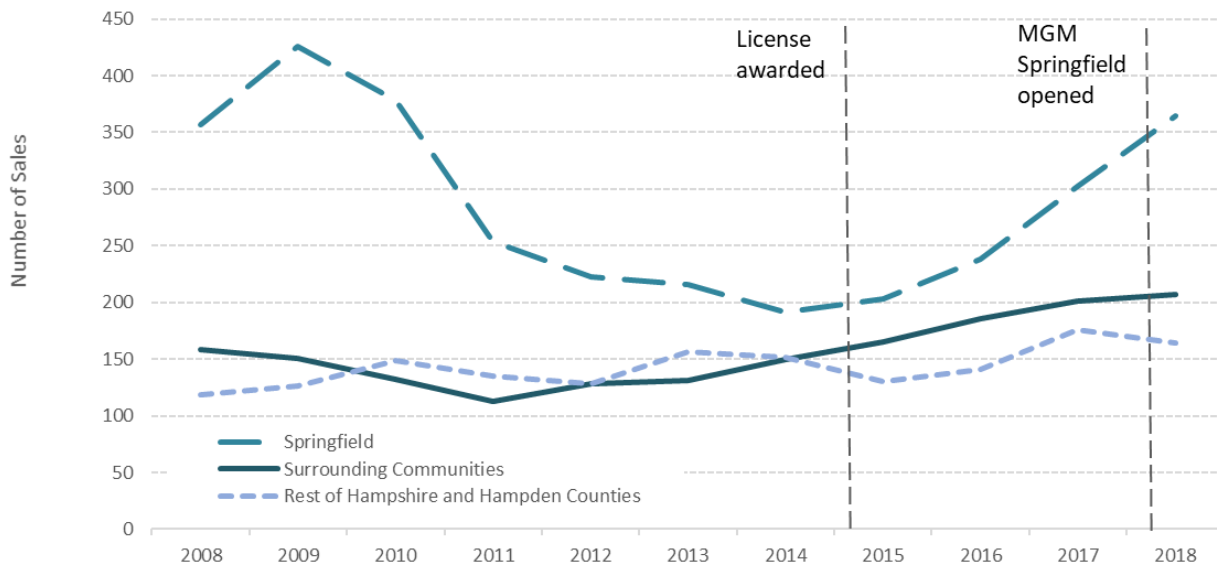
Figure 4. Condominium Sales in Springfield vs. the Region and State, 2008-2018



Source: Multiple Listing Service and Massachusetts Association of Realtors

Multi-family home sales show a marked increase in Springfield since 2014, when the license was awarded (Figure 5). The surrounding communities, and the rest of Hampshire and Hampden Counties to a lesser extent, also show an increase in multi-family sales during that same period. However, sales of multi-family homes appear to have slowed in 2017. Before the award, multi-family home sales in Springfield had been trending downward since 2009. It is possible that MGM Springfield played a role in reversing that trend, although we cannot know definitively whether that rise was due to MGM Springfield. The pattern of sales in multi-family homes in the surrounding communities and rest of the region, in contrast, was rather flat prior to the license award. With more data we will be able to track trends in multi-family home sales beyond 2018.

Figure 5. Multi-Family Sales in Springfield vs. the Region and State, 2008-2018



Source: Multiple Listing Service

We also consider whether the relative location of home sales has shifted before and after the opening of MGM Springfield. With the aid of Geographic Information System (GIS) software, we identified the location of nearly all residential property sales in Springfield and its surrounding communities.⁴ Figure 6 shows where single-family home sales were concentrated in 2012-2013 (prior to the announcement of the casino license) compared to the two most-recent post-award years of 2017-18. Darker shading in the maps represents heavier sales concentrations. Although there is a greater overall level of sales activity in 2017-2018, there does not appear to be a major shift in the relative location of the sales of single-family homes after the license was awarded. There are very few single-family home sales in the immediate vicinity of MGM Springfield to begin with, and most of the heaviest concentrations are several miles away. Given that closer neighborhoods are more likely to feel the direct impacts of development, it should come as no surprise that our initial analysis is one of muted or negligible impacts on area home sales. It would likely be several years before the casino might influence residential location and development decisions on a scale

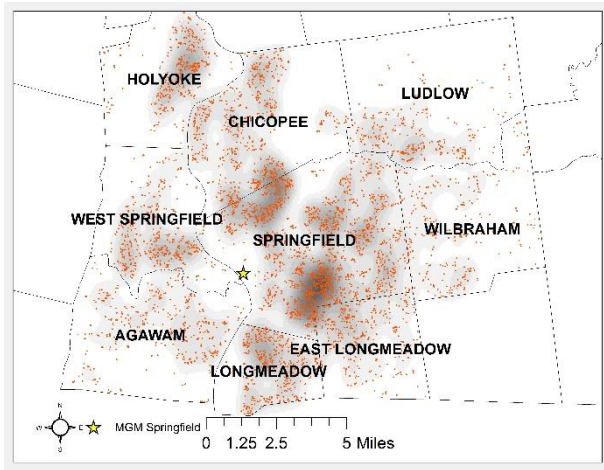
⁴ The location matching process involves joining the MLS to GIS databases of individual parcels produced by MassGIS and the Boston Redevelopment Authority. These GIS databases are based on digitized parcel maps, which are linked to assessors' data, and can be used to identify the latitude and longitude coordinates of every matched parcel. The vast majority (roughly 98 percent) 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 percent, which is a very high match rate for this type of work.

large enough to trigger changes in the spatial pattern of development or have a noticeable impact on more distant parcels.

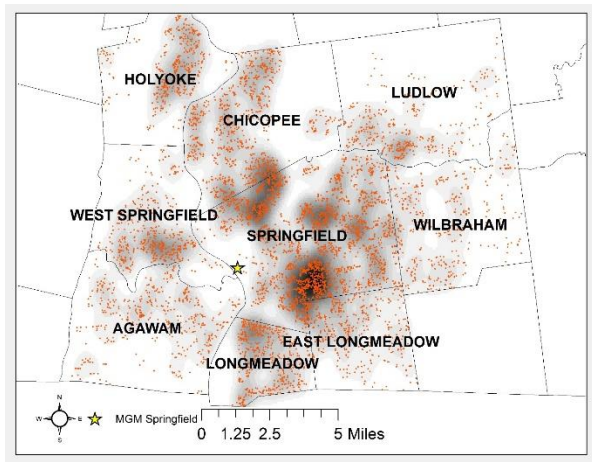
Figure 7 provides a similar analysis of condominium sales. As with single-family homes, we do not see a large locational shift. However, there does appear to be at least some increase in the number of condominium sales in neighboring areas. There is an increase in condominium sales in the immediate area surrounding MGM Springfield as well, but it is not overwhelming. Finally, Figure 8 represents the location of multi-family home sales before and after MGM Springfield was awarded its casino license. Like single-family and condominium sales, there is an increase in sales activity, but there is no noticeable shift in the location of these sales. The bulk of the increase in multi-family sales look to be concentrated in Springfield and Holyoke. There do not seem to be any direct impacts of MGM Springfield on the location of single-family, condominium, or multi-family home sales. However, we do see a general uptick in overall sales activity which may or may not be a result of the new casino.

Figure 6. Location of Single-Family Homes Sales, before and after MGM Springfield License Awarded

2012 and 2013



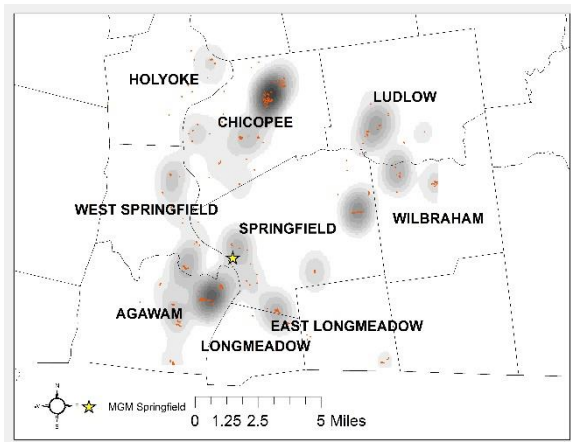
2017 and 2018



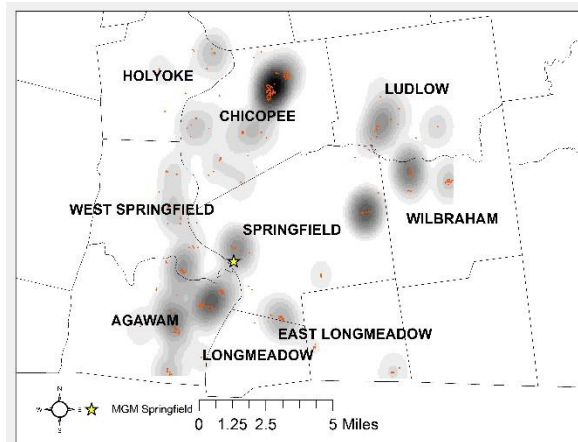
Source: MLS

Figure 7. Location of Condominium Sales, before and after MGM Springfield License Awarded

2012 and 2013



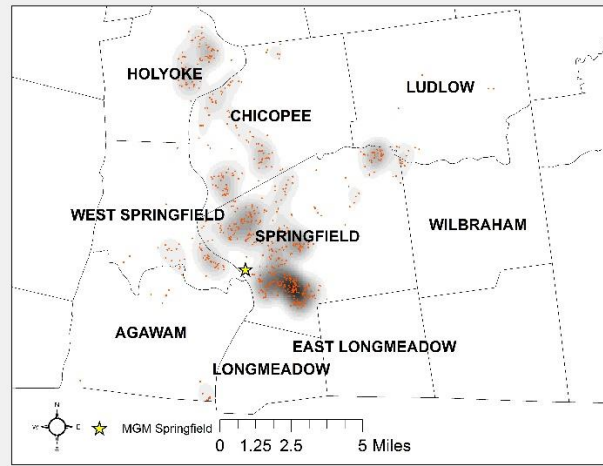
2017 and 2018



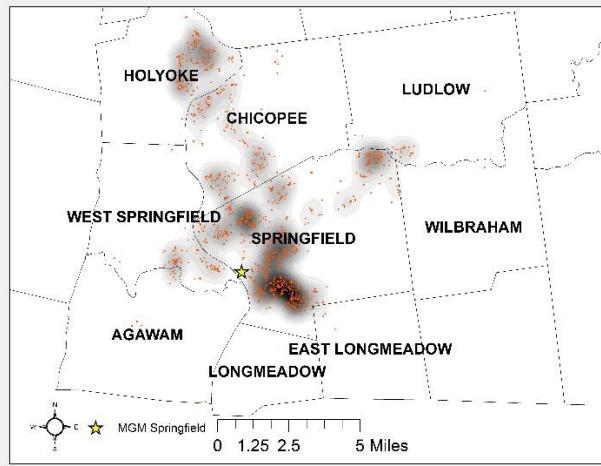
Source: MLS

Figure 8. Location of Multi-Family Sales, before and after MGM Springfield License Awarded

2012 and 2013



2017 and 2018



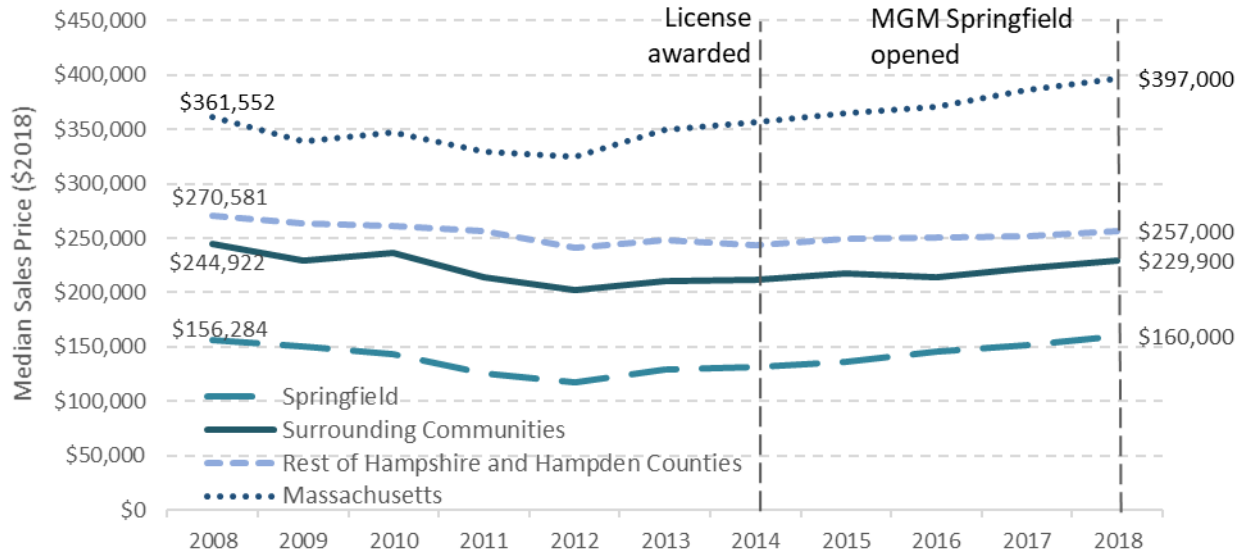
Source: MLS

Impacts on Median Sales Price of Residential Properties

If the MGM Springfield casino has 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—at least in the short term. Yet, the possible impacts on sale prices are unclear. On the one hand, the new facility may diminish home values if it leads to increased traffic, noise, fear of crime, etc. On the other hand, the casino may cause home prices to rise if redevelopment encourages more people to move into the area.

It is difficult to separate the influence of MGM Springfield from the overall improvement in the housing market, which has experienced a steady climb since 2012. Single-family homes in Springfield typically cost far less than the rest of the region or the state (Figure 9). The Springfield average home sold for \$160,000 in 2018—roughly \$70,000 less than its surrounding communities and nearly \$100,000 less than the outlying communities of Hampden and Hampshire Counties. However, the median sale price for a single-family home in Springfield has grown faster than the region or the state average in recent years. Between 2014 and 2018, the median price of a single-family home in Springfield grew by 22 percent, compared to 8 percent for the surrounding communities and 5 percent for the remainder of Hampden and Hampshire Counties. To put this in perspective, if the sales price of housing in Springfield grew at the same rate as the outlying communities, the typical Springfield home would have sold for about \$140,000 instead of \$160,000 in 2018—a modest, but noticeable difference. This is also faster than the overall Commonwealth (11 percent), which is heavily influenced by Boston region market.

Figure 9. Single-Family Homes, Median Sales Price (2018 Dollars), 2008-2018

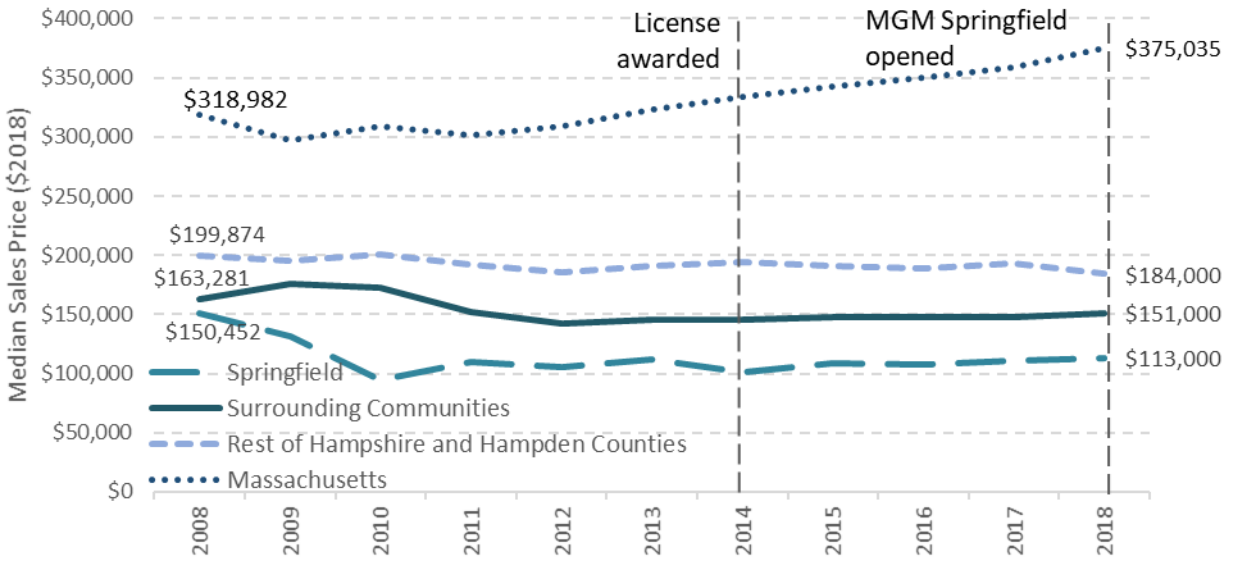


Source: MLS and Massachusetts Association of Realtors

While the overall trend is positive, we must be cautious in attributing this change purely to MGM Springfield. The upward trend of Springfield and its surrounding communities began several years before the announcement of the license, and we see no noticeable bump in the years following the announcement. There has not been enough time to determine whether there has been an increase in home values in the period following the grand opening of the casino in August 2018. Given that the median incomes of some of these communities are lower than the state average, it is also important to note that rising residential property values could contribute to gentrification. We will continue to track local and regional trends in real estate and housing affordability to answer these questions. Indeed, while it appears that the Springfield market is doing relatively well, we cannot purely attribute this growth to MGM Springfield or determine yet whether low-income residents are becoming displaced.

We find little evidence that the awarding of the casino license has had much impact (positive or negative) on the sales price of condominiums in the region. The real sales price for a Springfield condominium has been essentially flat since 2012 (Figure 10) and remains lower than it was just prior to the recession in 2008. The same is basically true for condominium sales in the surrounding communities as well as the remainder of Hampden and Hampshire Counties.

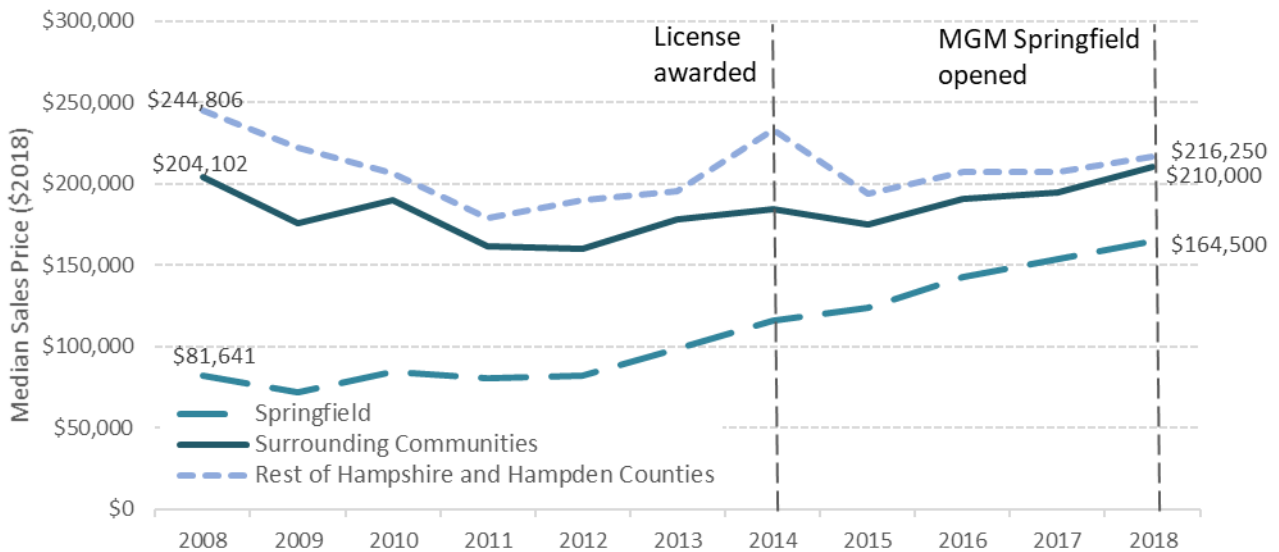
Figure 10. Condominiums, Median Sales Price (2018 Dollars), 2008-2018



Source: MLS and Massachusetts Association of Realtors

The median sales prices of multi-family homes in Springfield appear to have been trending upward since 2012, two years prior to the awarding of the casino license (Figure 11). For Springfield’s surrounding communities, multi-family home sales prices have slightly increased since 2015 and reached \$210,000 in 2018—their highest point in 10 years. Multi-family home prices in the rest of Hampden and Hampshire Counties rose in 2014 but seemed to resume their pre-award levels starting in 2015. MGM Springfield’s presence may have played a role in these trends, although it is still unclear from the available MLS data whether MGM Springfield had any impact on multi-family home prices in this region.

Figure 11. Multi-Family Homes, Median Sales Price (2018 Dollars), 2008-2018



Source: MLS

Table 1 provides a summary of single-family home, condominium, and multi-family home sales for the host community (Springfield) as well as the eight officially designated surrounding communities, as compared to the immediate region and state. There is no consistent pattern of changes in property sales of single-family, condominiums, or multi-family homes in Springfield and its surrounding communities before and after the awarding of the license and opening of MGM Springfield. Single-family home prices increased in Springfield from 2008 to 2018 but decreased in each of the surrounding communities as well as the rest of Hampden and Hampshire Counties. Only Ludlow and Wilbraham experienced an increase in condominium prices, while multi-family home prices rose in half of the surrounding communities, particularly in East Longmeadow and West Springfield where price increases exceeded \$20,000. Meanwhile, the total number of sales for the three main residential housing types increased since 2014, when the license was awarded.

Table 1. Residential Housing Sales Summary, Springfield and Surrounding Communities, 2008-2018

	Single-Family Homes			Condominiums			Multi-Family Homes		
	Number of	Median	Change in	Number of	Median	Change in	Number of	Median	Change in
	Sales in	Sales Price	Real Median	Sales in	Sales Price	Real Median	Sales in	Sales Price	Real Median
	2018	(\$2018)	2008-2018	2018	(\$2018)	2008-2018	2018	(\$2018)	2008-2018
Massachusetts	56,562	\$397,000	\$35,448	21,981	\$375,035	\$56,053	**	**	**
Springfield	1,272	\$160,000	\$3,716	71	\$113,000	-\$37,452	365	\$113,000	-\$109,401
Surrounding Communities	1,935	\$231,700	-\$19,054	357	\$157,000	-\$17,944	207	\$210,000	\$5,898
Agawam	221	\$230,000	-\$34,749	92	\$155,000	-\$37,730	8	\$217,750	-\$3,846
Chicopee	427	\$185,000	-\$12,629	106	\$127,000	-\$20,245	84	\$211,500	-\$1,932
East Longmeadow	205	\$260,000	-\$7,082	8	\$325,500	-\$30,220	2	\$227,250	\$63,969
Holyoke	197	\$205,000	-\$7,849	25	\$79,900	-\$33,172	79	\$196,000	\$3,561
Longmeadow	255	\$334,000	-\$10,057	6	\$272,725	-\$84,265*	**	**	**
Ludlow	199	\$217,900	-\$20,316	35	\$245,000	\$68,889	12	\$216,000	\$11,898
West Springfield	242	\$220,000	-\$10,927	48	\$70,250	-\$56,876	21	\$223,000	\$24,730
Wilbraham	189	\$302,500	-\$14,149	37	\$331,750	\$110,154	1	\$218,800	-\$3,587
Rest of Hampden and Hampshire Counties	2,243	\$252,000	-\$16,131	400	\$176,000	-\$7,983	164	\$216,250	-\$28,556

Source: MLS and Massachusetts Association of Realtors

Note: *This change is from 2009 since no condominiums were sold in Longmeadow in 2008. **State-level housing sales and housing price data are available only for single-family homes and condominiums. No multi-family homes were sold in Longmeadow in either 2008 or 2018.

The Residential Rental Market

Rentals are a relatively large component of Springfield’s housing market, with 29,999 rental units comprising roughly 53 percent of occupied housing units compared to the statewide average of 37 percent. Springfield makes up 34 percent of the entire stock of rental units in the rest of Hampden and Hampshire Counties. Rental units are also the dominant form of housing closest to MGM Springfield. Ninety-three percent of housing units in the census tracts surrounding MGM Springfield are renter-occupied and these tenants are the most likely to feel the immediate impact of any change in the housing market.

Unfortunately, the data on rental market conditions is not as robust as property sales. The most comprehensive source of community-level rental data is the American Community Survey (ACS), which is produced by the U.S. Census Bureau. The ACS collects data annually and pools the data across multiple years to ensure a sufficient sample size for reporting smaller areas. The data for most Massachusetts municipalities is available only in five-year periods, the most recent release being data pooled from 2013 to 2017. As a result, these data cannot show year-to-year changes in market conditions. Nor can they be used to directly show the effects of the opening of MGM Springfield in Springfield or its neighboring communities. However, the data can help illustrate the changes that have taken place following the casino’s award of the license and leading up to its opening.

Table 2 shows median gross rents in the two most recent five-year periods adjusted for inflation.⁵ Although lower than Hampden County and the state, Springfield’s median gross rent of \$879 per month is similar to most of its neighbors—with the exception of Longmeadow where rent is notably higher. Monthly rents in Springfield also have not risen as fast as most other communities, although they are still generally consistent with area trends. In the period from 2008/12 to 2013/17, there was only a \$26 increase in median gross rents in Springfield, which is just below trends in the state and Hampshire Counties. Wilbraham was the only surrounding community to experience a decrease since the 2008/12 period whereas communities such as East Longmeadow and Longmeadow experienced an increase of more than \$200.

Table 2. Real Median Rents (2018 Dollars), 2008/12 and 2013/17

	Gross Rent (\$2018)		
	2008/12	2013/17	Change
Massachusetts	\$1,155	\$1,202	\$47
Springfield	\$853	\$879	\$26
Surrounding Communities			
Agawam	\$924	\$998	\$74
Chicopee	\$850	\$907	\$57
East Longmeadow	\$722	\$951	\$229
Holyoke	\$728	\$814	\$86
Longmeadow	\$1,219	\$1,429	\$210
Ludlow	\$926	\$945	\$18
West Springfield	\$856	\$870	\$13
Wilbraham	\$876	\$794	-\$82
Immediate Region			
Hampshire County	\$849	\$887	\$38
Hampden County	\$991	\$1,065	\$75

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

There is some evidence that the rental market in Springfield has been tightening in the past few years, although this has yet to translate into notably higher rents as there remains ample supply. Table 3 shows five-year vacancy rates for Massachusetts, Springfield, and its surrounding communities, specifically for 2008-2012 and 2013-2017. Although its rental vacancy rate of nine percent is higher than most other communities in the region, Springfield’s vacancy rate declined by 1.2 percentage points between 2008/12 and 2013/17. Only Wilbraham saw a greater drop in its vacancy rate, while outlying towns in Hampden and Hampshire saw a net increase in vacancy rates.

⁵ The ACS reports both contract rents, the amount that tenants pay each month to their landlords, as well as gross rents, which account for the fact that some contract rents include utilities while others do not. This analysis focuses on median gross rents, which are more likely to indicate the true costs of rental housing.

Table 3. Vacancy Rates, 2008/12 and 2013/17

	5-Year Vacancy Rates (%)		
	2008/12	2013/17	Percentage Point Change
Massachusetts	9.9%	9.7%	-0.2
Springfield	10.3%	9.0%	-1.2
Surrounding Communities	5.3%	5.7%	0.4
Agawam	4.2%	3.6%	-0.6
Chicopee	7.2%	6.9%	-0.3
East Longmeadow	3.4%	2.9%	-0.5
Holyoke	5.8%	9.6%	3.8
Longmeadow	2.5%	2.3%	-0.2
Ludlow	4.6%	6.4%	1.8
West Springfield	4.9%	3.8%	-1.1
Wilbraham	4.7%	2.1%	-2.6
Rest of Hampden and Hampshire Counties	6.6%	8.0%	1.4

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

Residential Rent Prices over Time

To track changes in the cost of rental housing, we use the Zillow Rent Index. Zillow is an extensive online real estate database that consists of more than 110 million homes which they use to produce various measures and data. The Zillow Rent Index tracks the median rent in a specific geographic area. Through their proprietary models, Zillow has created an index for estimating rent that is unaffected by the mix and stock of homes at a specific time. Their models observe recent rental listings, prior sales transactions, tax assessment information, and geographic location to generate estimated rental values for homes in the area. The Zillow Rent Index reports the median estimated rent prices monthly which allows for close monitoring of the changing rental housing prices over time. The data is available back to November 2010. Further explanation for the Rent Index can be found on Zillow's methodology page.⁶

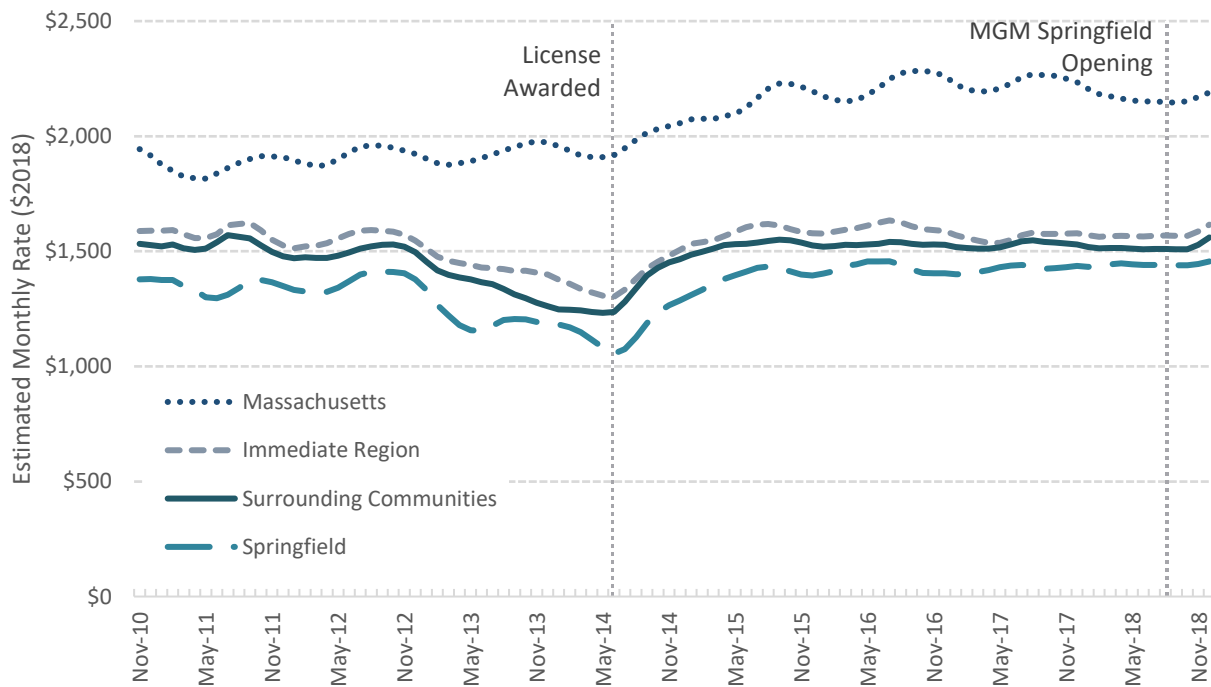
The Zillow Rent Index is not a representative sample like the ACS. The ACS data is taken from the U.S. Census bureau where tenants are asked how much they pay for rent, which may be less than the market rate. The Zillow Rent Index is instead an estimation of the median rent where proprietary models take in various measures of rental houses and produce an estimate of median rent at that time in a specific location. While the actual rent prices of the Zillow Rent Index may differ from the ACS gross rents, the Zillow Rent Index is useful for analyzing trends over time because it tracks a constant stock of rental houses, which is unaffected by the rental houses currently on the market. The Zillow Rent Index acts as a measure of the overall rental market in a specific location, compared to the ACS data which takes into account the actual gross rent paid by the tenants at that time. The Zillow Rent Index takes into account all rental properties in the area for which it has an estimate, whether the rental house is occupied or not. The ACS data only includes rental houses that are occupied and paying rent. This may cause differences in the Zillow Rent Index and the ACS gross rent data if the unoccupied rental houses are on average more expensive or

⁶ Zillow Rent Index: Methodology <https://www.zillow.com/research/zillow-rent-index-methodology-2393/>.

less expensive than the occupied rental houses. Zillow states that it has estimates for 138,200 homes in Hampden County and 50,400 homes in Hampshire County.⁷

There has been a notable rise in rental rates in Springfield and its surrounding communities after MGM Springfield was awarded the Western Massachusetts casino license.^{8,9} However, it is unclear how much of this increase is due to the casino independent from broader market trends. Between November 2010 and 2014, real rents in Springfield were in decline—as were those for surrounding communities and the remainder of Hampden and Hampshire Counties (Figure 12). In the year immediately following the announcement of the MGM Springfield license, median rents rose quickly, rising by nearly \$360 between June 2014 to June 2015 in Springfield. Rents in surrounding and outlying regional communities also grew, but by a somewhat lesser amount—closer to a \$300 increase in the year following the announcement of MGM Springfield. So while Springfield residents may have noticed higher prices coinciding with the award of the MGM Springfield license, similar hikes were felt in other areas where MGM Springfield was unlikely to have had much of an influence. Regardless, these accelerated growth rates were not sustained. Real median rents remained almost unchanged since June 2015. There has been a small increase in rents in the months since the grand opening of MGM Springfield, but it is premature to tell whether this is a temporary or sustained trend.

Figure 12. Median Estimated Rent Price in Springfield vs. the Surrounding Region and State (2018 Dollars), 2008-2018



Source: Zillow Rent Index Time Series: Multifamily, SFR, Condo/Co-op by City, <https://www.zillow.com/research/data/>

⁷ The accuracy of the Zillow Rent Estimate and the actual rental price of a unit can be seen here: <https://www.zillow.com/howto/DataCoverageRentZestimateAccuracyMA.htm>.

⁸ The median rent for the immediate region was estimated as a weighted average by rental unit counts for individual communities using data reported by Zillow. Due to availability constraints, the immediate region for the Zillow data is the entirety of Hampshire and Hampden County including Springfield and the surrounding communities.

⁹ The median rent for the surrounding communities was estimated as a weighted average of rental units of the officially recognized Massachusetts Gaming Commission surrounding communities which include Agawam, Chicopee, East Longmeadow, Holyoke, Longmeadow, Ludlow, West Springfield, and Wilbraham.

Key informants from Springfield discussed their perceptions of the impacts of MGM Springfield on the housing and rental markets in Springfield. Key informants discussed the increasing pressure on the housing market and rising rental costs, though not attributing all of it to the casino:

We have seen some upward pressure on the housing market [...] but it is impossible for me to say how much of that is attributable to the casino [...] there have been so many development projects going on here. The casino is one high profile one among several. –Geraldine McCafferty, Director of Housing, City of Springfield

In 2013, you could get a 2-3 bedroom for \$950. Now you're looking at \$1,400-\$1,600. –Rose Webster-Smith, Lead Community Organizer, Springfield No One Leaves

You can still buy a house for really affordable prices, but rentals are really high. –Catherine Ratté, Principal Planner—environment and land use, Pioneer Valley Planning Commission

Springfield key informants also raised concerns regarding the speculative buying of properties in Springfield and evictions and displacement:

We've had some more outside investors coming in, buying a lot of multi-family housing and raising rents. And there is a feeling that it is speculative and is likely tied to the casino. [...] Regarding rent prices, there seems to be some upward pressure as a result of speculation. [...] There is a lot of speculative buying with the hope of getting high rents. But then they realize, they really can't get those rents. [...] They are still holding, sitting on them and waiting to see if that is still to come. — Geraldine McCafferty, Director of Housing, City of Springfield

MGM has impacted property values and rental prices because they are attracting investors, which is pushing up the rental costs. [...] People are getting pushed to Chicopee, they are getting pushed to Holyoke, because if you get evicted right now, there are no apartments to rent. It is so hard to find a place to rent here in Springfield without paying out the nose. –Rose Webster-Smith, Lead Community Organizer, Springfield No One Leaves

I am aware of some speculation. You can see the block right across from MGM Springfield, there is a lot of waiting and hoping that "we are going to sell for more" [...] people are waiting thinking they are going to make a mint.—Catherine Ratté, Principal Planner—environment and land use, Pioneer Valley Planning Commission

In 2011, we lost 365 units of affordable housing and very few of them were replaced. And that was right around the time they started talking about the casino. And it was pretty obvious that landlords were looking for ways to get tenants out of properties in the South End and in Metro Center because they expected to get more money once the casino opened.—Liz Bewsee, Housing and Economic Justice Organizer, Arise for Social Justice

It is difficult to say whether it's the result of the casino or not but there has definitely been an uptick in evictions. [...] I've been keeping track of the number of cases going to Housing Court versus District Court in Springfield, and the number of cases overall is climbing. —Liz Bewsee, Housing and Economic Justice Organizer, Arise for Social Justice

[...] there is a lot of concern on City Council about displacement but there is not much they can do about it at this point because the market is coming in and renovating properties and they are not protected. —Catherine Ratté, Principal Planner—environment and land use, Pioneer Valley Planning Commission

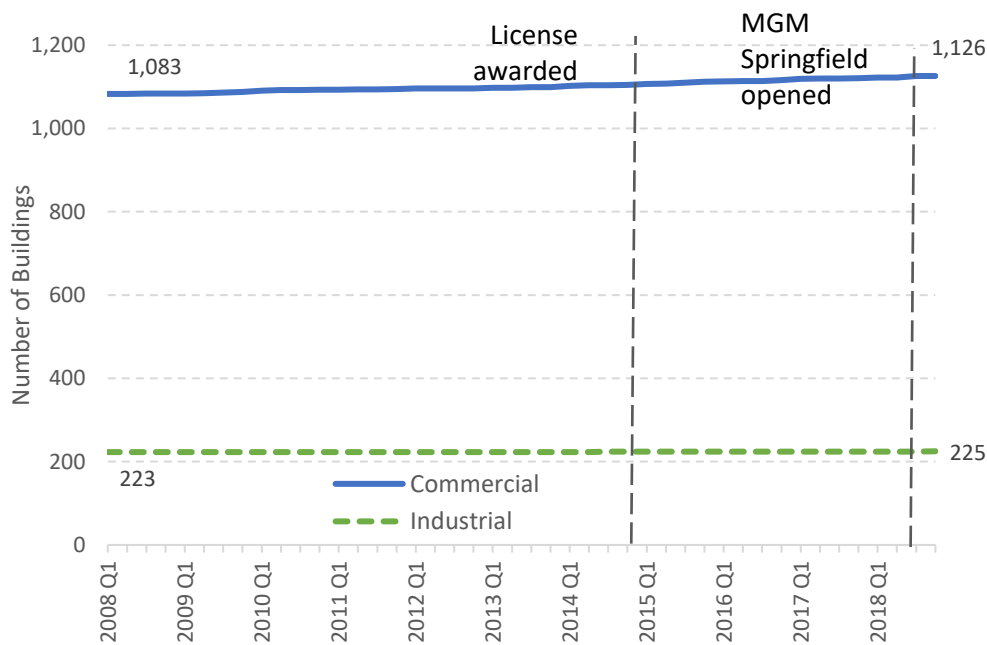
Commercial and Industrial Real Estate

Inventory

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 Springfield'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 license award and opening of MGM Springfield.

The section makes extensive use of data from CoStar 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.¹⁰ This analysis will cover the 10-year period between the 1st quarter of 2008 and the last quarter of 2018.¹¹

Figure 13. Number of Commercial and Industrial Buildings, Springfield, 2008-2018



Source: The CoStar Group Inc.

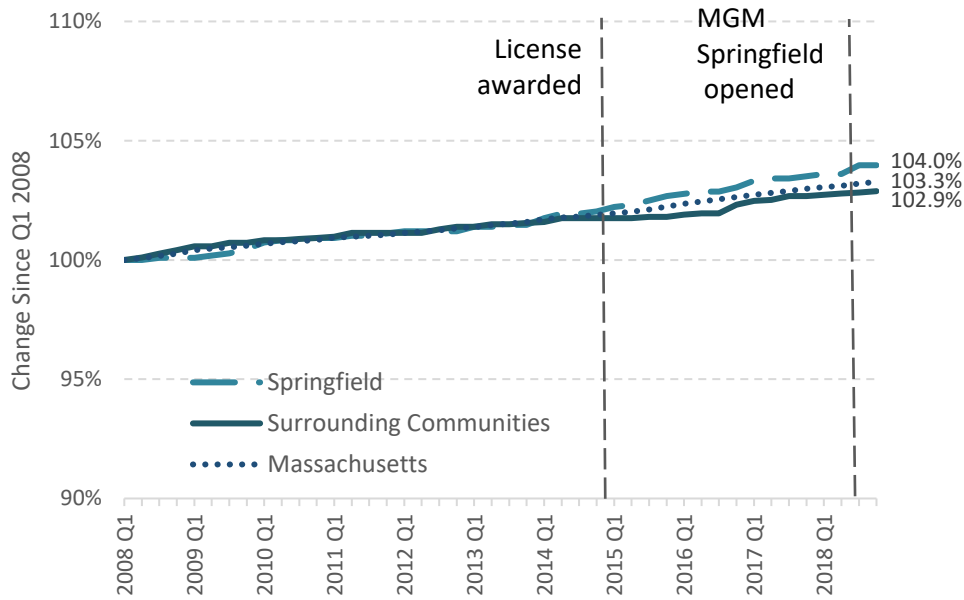
The commercial building stock of Springfield has increased somewhat over the years, while the industrial stock has stayed almost the same. The city had a total of 1,351 commercial and industrial buildings at the end of 2018. Over the 10 years studied, Springfield's commercial building stock rose from 1,083 to 1,126 buildings, while its industrial building stock increased from 223 to 225 buildings (Figure 13).

¹⁰ 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.

¹¹ 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 Department of Revenue classifications.

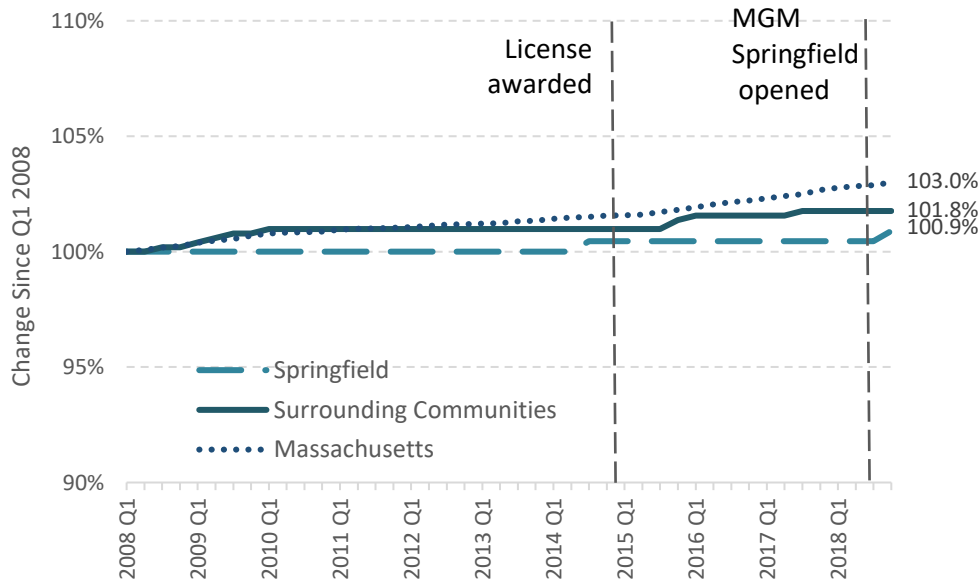
Springfield experienced slightly faster growth in number of commercial buildings than either the Commonwealth or the surrounding communities (Figure 14). This appears to be a continuation of historic trends statewide rather than being associated with the awarding of the MGM Springfield casino license or opening, per se. While Springfield outpaced both the state and its surrounding communities in commercial buildings, it lagged in the growth of industrial buildings (Figure 15).

Figure 14. Change in Number of Commercial Buildings, 2008-2018



Source: The CoStar Group Inc.

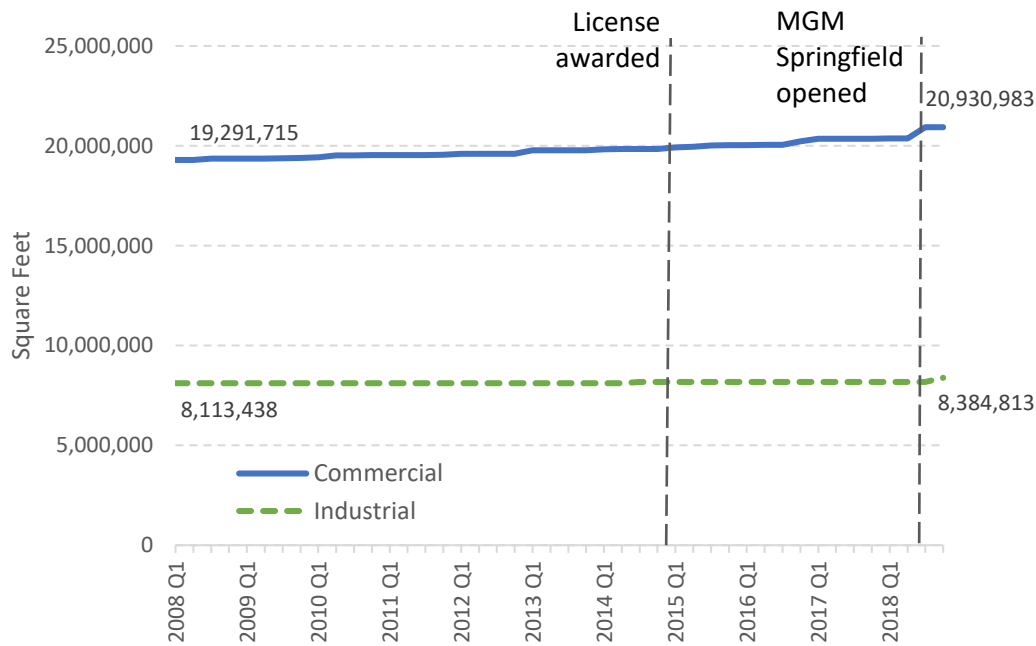
Figure 15. Change in Number of Industrial Buildings, 2008-2018



Source: The CoStar Group Inc.

Another measure of an area’s building inventory is *rentable building area* (RBA), measured as the usable area (in square feet) of an area’s building stock. Unlike changes in the number of buildings, the RBA accounts for the sometimes dramatic size differences in buildings. Although commercial buildings comprise a larger share of Springfield’s RBA, the typical industrial building is much larger. For example, while industrial buildings make up only 17.3 percent of the commercial and industrial building stock, they account for 27.6 percent of the RBA in Springfield.

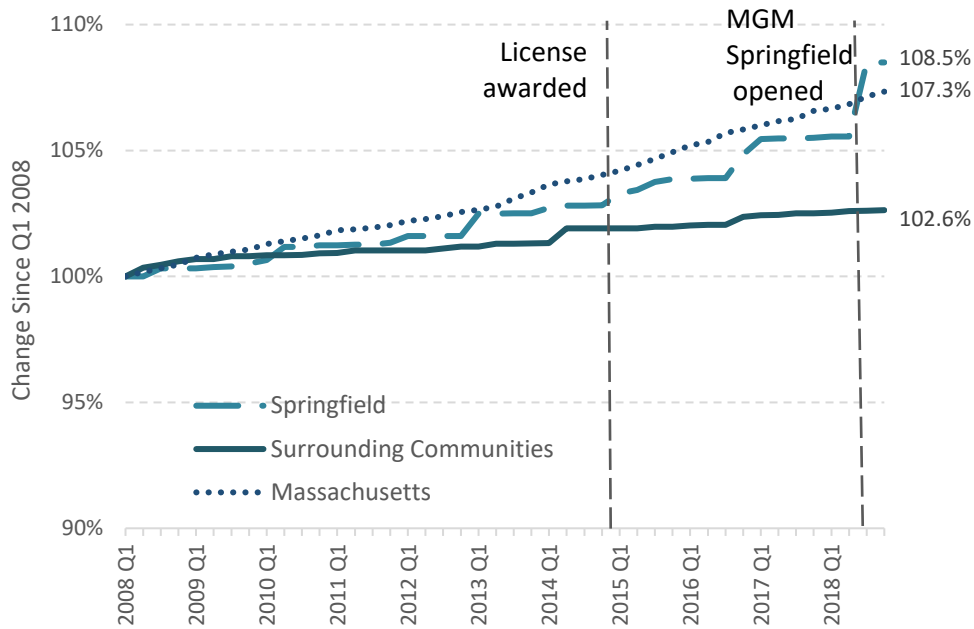
Figure 16. Springfield Rentable Building Area, 2008-2018



Source: The CoStar Group Inc.

Springfield’s growth in commercial RBA outpaced its surrounding communities but lagged behind the Commonwealth until the third quarter of 2018 (Figure 17). The opening of MGM Springfield was almost certainly one of the main drivers of this growth. In future years, we look forward to examining whether MGM Springfield will trigger spillover commercial development.

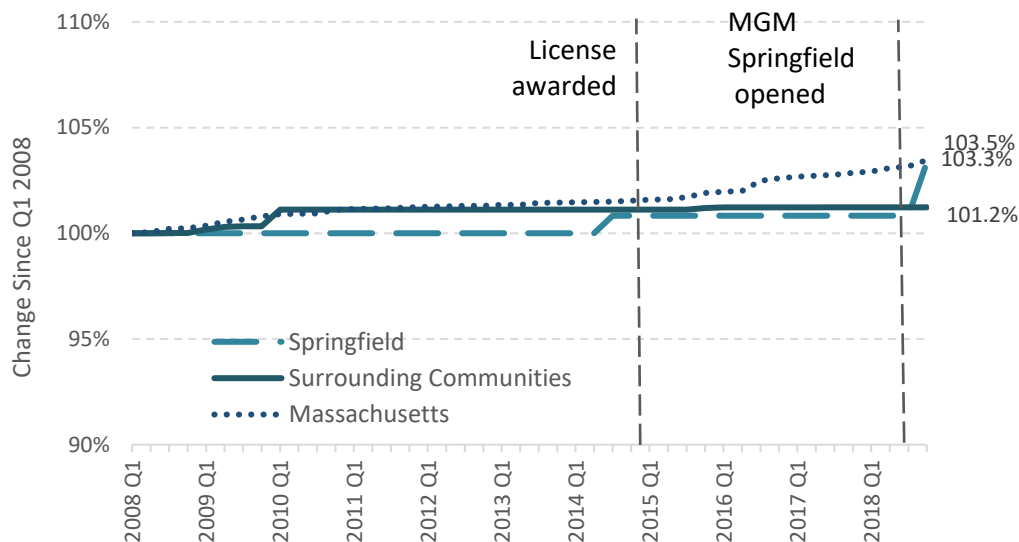
Figure 17. Commercial Rentable Building Area, 2008-2018



Source: The CoStar Group Inc.

Springfield only increased its industrial building inventory by two buildings since 2008, leaving few opportunities for growth in industrial RBA (Figure 18). That said, the two new industrial buildings did account for enough growth in RBA to almost match the Commonwealth’s growth rate over the same time period. An analysis of the CoStar records suggests that neither of these new buildings were related to the development of the casino. The CRRC MA rail car factory in East Springfield is one of the other new buildings in Springfield’s economy. This is a reminder of the importance of caution when attributing changes in Springfield’s economy to the opening of MGM Springfield.

Figure 18. Industrial Rentable Building Area, 2008-2018



Source: The CoStar Group Inc.

Table 4 reports changes in the number of commercial buildings and RBA for Massachusetts, Springfield, and individual surrounding communities. At four percent, Springfield is one of only three area communities to exceed the Commonwealth’s growth in commercial buildings since 2008. Since MGM Springfield was awarded their casino license in the 2nd quarter of 2014, Springfield’s growth in terms of both buildings and rentable building area exceeds that of the Commonwealth, with Springfield’s RBA growth rate exceeding every one of the surrounding communities between Q2 2014 and Q4 2018.

Table 4. Commercial Inventory, Massachusetts, Springfield, and Surrounding Communities, 2008-2018

	Number of Buildings (Q4 2018)	Percent Change, Q1 2008-Q4 2018	Percent Change, Q2 2014-Q4 2018	Rentable Building Area (Square Feet, Q4 2018)	Percent Change, Q1 2008-Q4 2018	Percent Change, Q2 2014-Q4 2018
Massachusetts	53,457	3.3%	1.5%	1,100,574,338	7.3%	3.4%
Springfield	1,126	4.0%	2.0%	20,930,983	8.5%	5.5%
Surrounding Communities	1,998	2.9%	1.1%	28,077,102	2.6%	0.7%
Agawam	226	6.6%	2.7%	2,439,333	4.7%	1.0%
Chicopee	525	1.7%	0.4%	5,003,232	1.9%	0.6%
East Longmeadow	110	1.9%	0.9%	1,342,493	1.9%	1.4%
Holyoke	565	2.0%	0.9%	10,099,722	1.1%	0.5%
Longmeadow	35	2.9%	2.9%	854,723	2.5%	2.5%
Ludlow	93	3.3%	1.1%	1,208,451	7.8%	0.5%
West Springfield	366	3.4%	1.7%	6,031,323	1.8%	0.8%
Wilbraham	78	5.4%	0.0%	1,097,825	18.5%	0.0%
Rest of Hampden and Hampshire Counties	1,827	3.5%	1.1%	22,824,985	6.8%	1.3%

Source: The CoStar Group Inc.

Springfield experienced a slower rate of growth in industrial buildings but a higher rate of growth in industrial RBA from 2008 to 2018 (Table 5). Most of the large developments in the surrounding communities, either in terms of buildings or RBA, occurred prior to MGM Springfield’s license award in 2014. From Q1 2008 to Q4 2018, the less densely populated areas in Hampden and Hampshire Counties actually saw a faster rate of growth in both industrial buildings and industrial RBA than did Springfield, Springfield’s surrounding communities, or the Commonwealth as a whole.

Table 5. Industrial Inventory, Springfield and Surrounding Communities, 2008-2018

	Number of Buildings (Q4 2018)	Percent Change, Q1 2008-Q4 2018	Percent Change, Q2 2014-Q4 2018	Rentable Building Area (Square Feet, Q4 2018)	Percent Change, Q1 2008-Q4 2018	Percent Change, Q2 2014-Q4 2018
Massachusetts	11,171	3.0%	1.5%	419,177,835	3.5%	2.0%
Springfield	225	0.9%	0.9%	8,384,813	3.3%	3.3%
Surrounding Communities	520	1.8%	0.8%	25,427,620	1.2%	0.1%
Agawam	64	0.0%	0.0%	2,066,720	0.0%	0.0%
Chicopee	129	1.6%	0.0%	7,677,157	0.9%	0.0%
East Longmeadow	31	3.3%	3.3%	3,289,791	0.1%	0.1%
Holyoke	181	1.1%	1.1%	8,633,600	0.2%	0.2%
Longmeadow	1	0.0%	0.0%	253	0.0%	0.0%
Ludlow	26	0.0%	0.0%	526,203	0.0%	0.0%
West Springfield	79	3.9%	1.3%	2,580,222	8.9%	0.2%
Wilbraham	9	12.5%	0.0%	722,367	0.4%	0.0%
Rest of Hampden and Hampshire Counties	330	4.8%	0.9%	15,241,944	6.7%	0.5%

Source: The CoStar Group Inc.

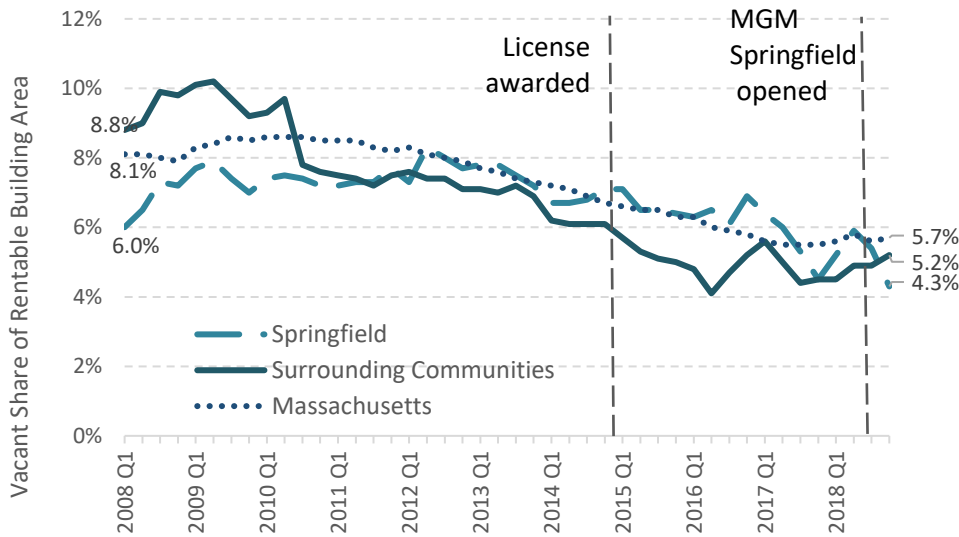
Vacancy and Absorption

The 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.¹²

Figure 19 shows commercial vacancy rates in Springfield, its surrounding communities, and Massachusetts. Owing to the smaller number of total buildings, it is to be expected that the trends for Springfield and its surrounding communities are more volatile than the statewide trend. While many factors, including nationwide economic growth, have likely effected this trend, it is noteworthy that Springfield’s commercial vacancy rate has fallen to its lowest level in the study period. As the construction of the casino displaced existing commercial tenants, it is likely that many of those tenants moved to previously vacant space elsewhere in Springfield or in the surrounding communities.

¹² CoStar vacancy rates do not take into account abandoned buildings that are not on the market and thus may underestimate true vacancy rates in communities with considerable economic blight.

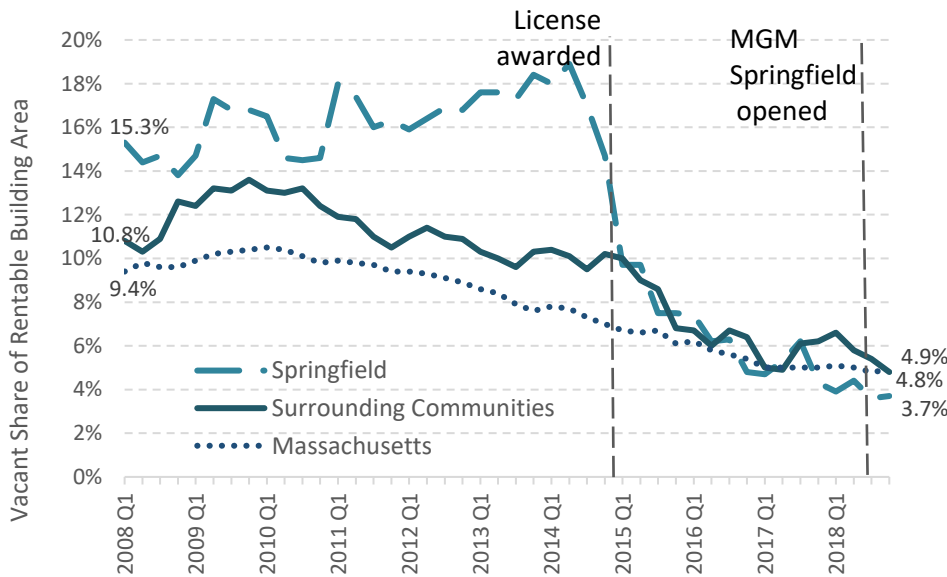
Figure 19. Commercial Vacancy Rates, 2008-2018



Source: The CoStar Group Inc.

Springfield’s industrial vacancy rate has fallen precipitously since 2014 (Figure 20). However, this fall actually started a few quarters before the award of the license and continued through the end of 2018. This makes it doubtful that the casino had any direct role in this decline.

Figure 20. Industrial Vacancy Rates, 2008-2018



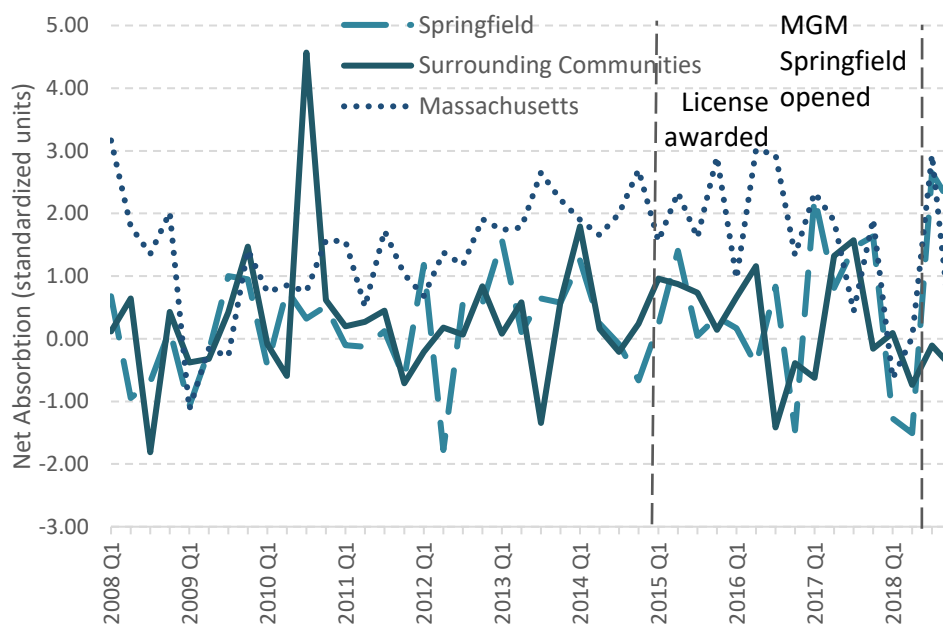
Source: The CoStar Group Inc.

Next, we consider *net absorption*, or the net change in occupied space in an area’s rentable building area from one quarter to the next. Net absorption 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. Since net absorption is presented in terms of square feet instead of 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 21 and Figure 22 report net absorption in standardized units (i.e., each divided by its standard deviation) to allow for comparison across Springfield, its surrounding communities, and the Commonwealth.

Springfield, like its surrounding communities and the Commonwealth, saw a good deal of volatility in its commercial net absorption over the course of the study period. One difference is that, while all three geographies experienced more quarters of positive net absorption than negative net absorption, Springfield and its surrounding communities experienced less of those quarters than the Commonwealth as a whole (Figure 21). While Massachusetts experienced 40 out of 44 quarters of positive net absorption, Springfield and its surrounding communities experienced only 29 and 28 quarters of positive net absorption, respectively.

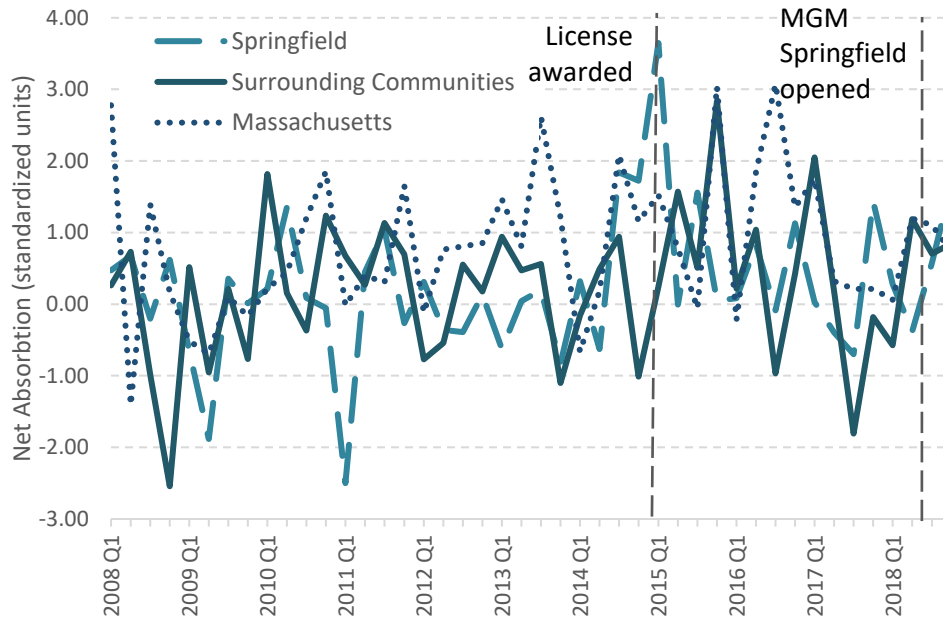
Figure 21. Commercial Net Absorption, 2008-2018



Source: The CoStar Group Inc.

Massachusetts also had more quarters of positive industrial net absorption than Springfield or its surrounding communities (35 in Massachusetts versus 28 in Springfield and 30 in the surrounding communities), although the discrepancy was not quite as pronounced. The industrial data shows more very large changes in net absorption, which is to be expected given the very large rentable area of many industrial properties.

Figure 22. Industrial Net Absorption, 2008-2018



Source: The CoStar Group Inc.

Springfield and most of its surrounding communities had a lower commercial vacancy rate than that of the Commonwealth in the fourth quarter of 2018 (Table 6). Every geography being studied saw their commercial vacancy rate fall and their net absorption rise between Q1 2008 and Q4 2018. Some, however, have experienced a small increase in vacancy rates since MGM Springfield’s gaming license award in Q2 2014.

Table 6. Commercial Vacancy and Absorption, Springfield and Surrounding Communities, 2008-2018

	Vacancy Rate (Q4 2018)	Change, Q1 2008- Q4 2018	Change, Q2 2014- Q4 2018	Net Absorption (Q1 2008- Q4 2018)	Net Absorption (Q2 2014- Q4 2018)
Massachusetts	5.7%	-2.4%	-1.4%	74,791,217	39,558,013
Springfield	4.3%	-1.7%	-2.4%	1,154,425	438,180
Surrounding Communities	5.2%	-3.6%	-0.9%	1,087,827	745,835
Agawam	1.4%	-3.6%	-3.1%	207,001	54,665
Chicopee	2.0%	-5.8%	-2.3%	96,568	53,010
East Longmeadow	5.8%	-2.6%	-0.1%	277,177	271,445
Holyoke	4.4%	-2.9%	2.6%	35,987	29,653
Longmeadow	3.5%	-2.9%	-0.6%	35,563	25,708
Ludlow	8.1%	-4.4%	0.2%	108,985	71,018
West Springfield	2.9%	-3.1%	-0.5%	124,490	120,308
Wilbraham	3.9%	-2.9%	-1.2%	1,674,176	1,340,983
Rest of Hampden and Hampshire Counties	6.0%	-3.8%	-4.0%	453,982	53,831

Source: The CoStar Group Inc.

Springfield and the surrounding communities' industrial vacancy rate was also lower than that for the Commonwealth at the end of 2018. Within the surrounding communities, Agawam and East Longmeadow have industrial vacancy rates quite a bit higher than that of the Commonwealth. Springfield and all of its surrounding communities, except for East Longmeadow and Longmeadow (which CoStar indicates only has one industrial facility), experienced positive net absorption over the 11-year study period. Springfield joined East Longmeadow in experiencing negative industrial net absorption between the award of the MGM Springfield's casino license and the end of 2018.

Table 7. Industrial Vacancy and Absorption, Springfield and Surrounding Communities, 2008-2018

	Vacancy Rate (Q4 2018)	Change, Q1 2008-Q4 2018	Change, Q2 2014-Q4 2018	Net Absorption (Q1 2008-Q4 2018)	Net Absorption, (Q2 2014-Q4 2018)
Massachusetts	4.9%	-4.5%	-2.8%	34,600,255	15,116,933
Springfield	3.7%	-11.6%	-15.2%	1,253,651	-236,854
Surrounding Communities	4.8%	-6.0%	-5.3%	1,837,832	458,947
Agawam	14.4%	2.2%	0.5%	52,696	61,759
Chicopee	1.8%	-13.9%	-9.5%	962,374	232,384
East Longmeadow	16.5%	13.7%	-0.6%	-401,205	-424,394
Holyoke	1.8%	-8.0%	-6.5%	746,403	164,040
Longmeadow	0.0%	0.0%	0.0%	0	0
Ludlow	3.0%	-8.9%	2.1%	66,850	78,100
West Springfield	2.8%	-3.7%	-0.8%	338,964	313,808
Wilbraham	0.4%	-13.7%	-5.4%	71,750	33,250
Rest of Hampden and Hampshire Counties	3.2%	-5.9%	-12.1%	2,105,941	201,575

Source: The CoStar Group Inc.

Table 8 presents an alternative concept of vacancy rates, taken from Valassis Lists, a direct mail marketing firm that supplies United States Postal Service vacancy data to the web-based mapping company PolicyMap. As mentioned above, CoStar's vacancy rates capture properties that are currently on the market but not occupied. Commercial or industrial buildings that have been abandoned altogether, or whose owners have chosen not to put them on the market, are not included. Valassis' vacancy rate measures the share of vacant addresses. It considers all buildings, but is based on a share of buildings and not square footage. This measure also does not 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 industrial vacancy in the host and surrounding communities.

With a Valassis vacancy rate of 12.9 percent, Springfield joins Holyoke (19.4 percent) and West Springfield (13.5 percent) in possessing a rate higher than that of the Commonwealth as a whole. While these figures reflect a different concept of vacancy than the concept presented by CoStar, they do suggest that many communities in the region have a relatively high business vacancy rate, and that Springfield is no exception.

Table 8. Valassis Vacancy Rates, Springfield and Surrounding Communities, 2008-2018

	Valassis Vacancy Rate, All Businesses, Q4 2018
Massachusetts	10.6%
Springfield	12.9%
Surrounding Communities	
Agawam	8.2%
Chicopee	9.7%
East Longmeadow	N/A
Holyoke	19.4%
Longmeadow	5.2%
Ludlow	N/A
West Springfield	13.5%
Wilbraham	8.1%
Hampden County	11.8%
Hampshire County	10.0%

Source: Valassis Lists

Notes: Vacancy rates from Valassis Lists are defined as the share of vacant addresses according to the U.S. 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 property owners can charge in rent, it stands to reason that those areas with higher lease rates are seen as more desirable by businesses and organizations seeking rental space. However, there are a few caveats. First, some organizations own the real estate that they occupy, and those properties are not included in the CoStar lease rate data. Second, individual buildings may possess characteristics that make them particularly valuable to certain types of businesses and organizations. For example, on-site security, three-phase power, or easy access to the highway may be essential for the operations of some businesses but unimportant for others. This can make a direct comparison difficult. In this respect, the difference in lease rates between municipalities may say as much about the industry mix and business activities of those municipalities as it does about their relative economic health.

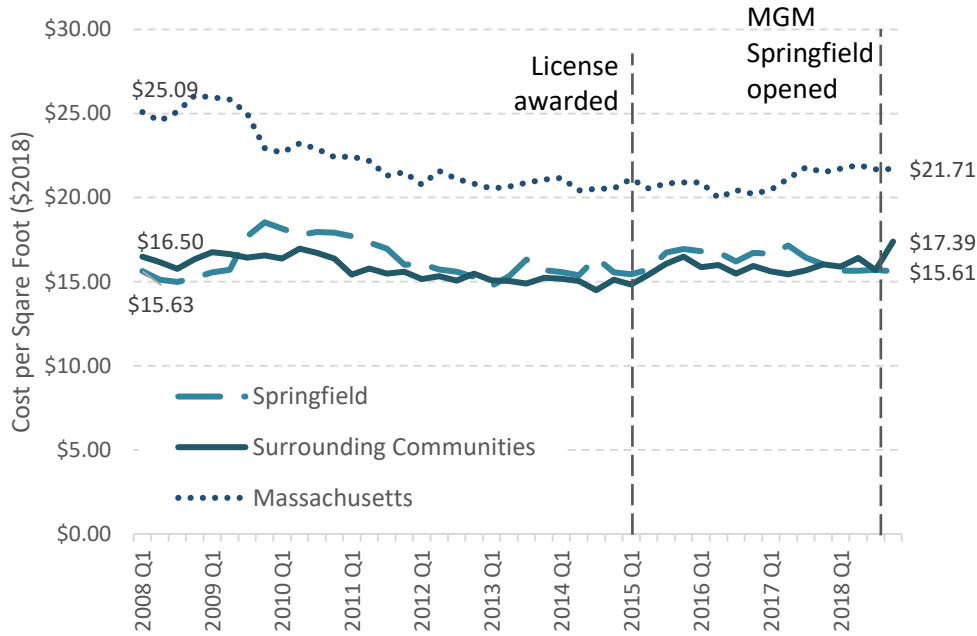
We analyze lease rates separately for industrial and commercial space, dividing commercial leases into two groups: office and non-office real estate. This is because there are often significant differences in the lease rates between office and non-office real estate.¹³

Commercial lease rates in Springfield and its surrounding communities are far lower than the Massachusetts average—which is heavily influenced by the high priced Boston area market (Figure 23). Regardless, we see little evidence that the announcement of MGM Springfield has had a large influence on commercial lease rates in the area. There was a slight increase in lease rates in the months following the

¹³ Office commercial real estate often includes the offices of professional service firms (e.g., 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 presented separately.

announcement—but the differences are marginal and the natural volatility in the data makes it difficult to establish clear patterns.

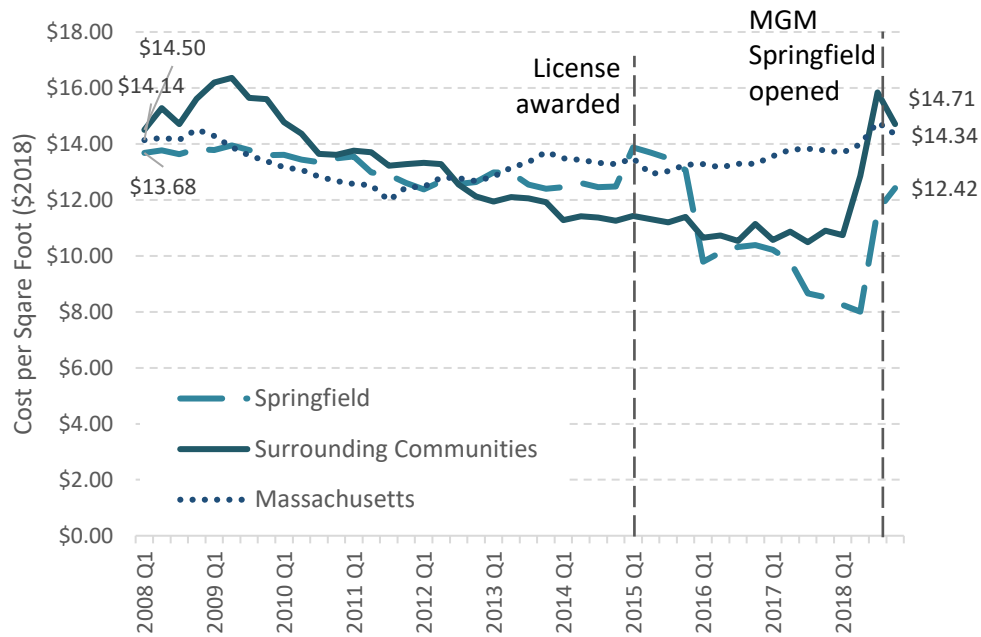
Figure 23. Office Commercial Lease Rates (2018 Dollars), 2008-2018



Source: The CoStar Group Inc.

There is less discrepancy between Springfield and the Commonwealth when examining non-office commercial lease rates. Aside from some volatility over the last few years, lease rates for all three geographies have tended to track fairly closely with one another (Figure 24). Springfield saw commercial non-office lease rates fall rather dramatically between the award of MGM Springfield’s casino license and MGM Springfield’s opening day. The rapid growth in lease rates towards the end of 2018, however, has made up for much of that loss. Springfield’s surrounding communities experienced a similar pattern of decline followed by rapid growth in lease rates, although that decline took place over a longer span of time than in Springfield.

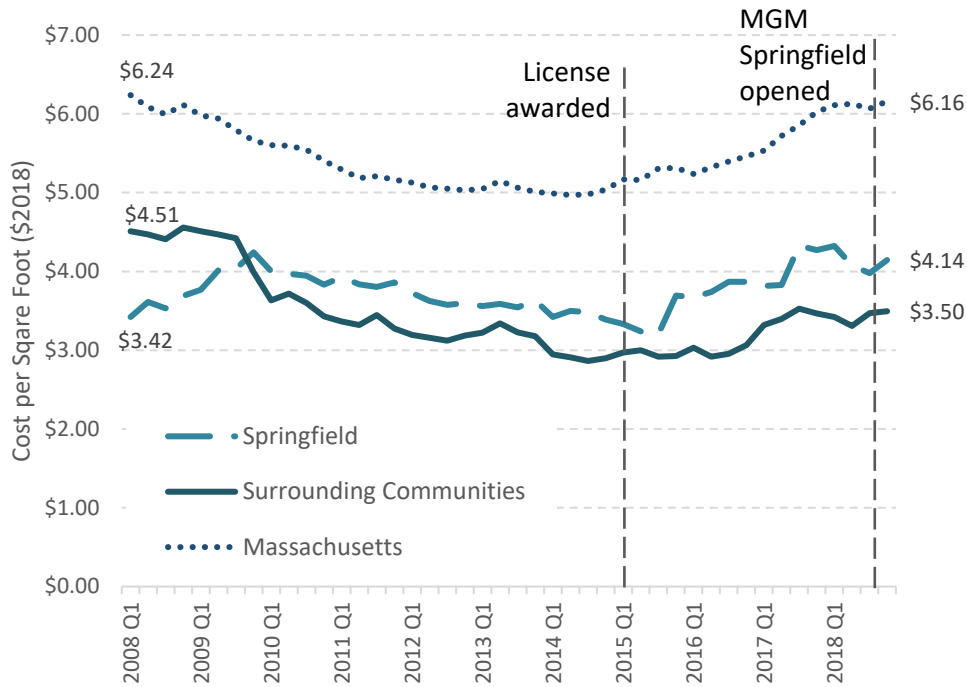
Figure 24. Non-Office Commercial Lease Rates (2018 Dollars), 2008-2018



Source: The CoStar Group Inc.

Lease rates for industrial properties in Springfield and its surrounding communities were also consistently lower than those in the Commonwealth as a whole (Figure 25). Adjusted for inflation, Springfield’s average industrial lease rate rose by 72 cents over the study period, while the average in the surrounding communities fell by \$1.01. Neither reached the state average, which started and ended the study period above \$6, adjusted for inflation, and only briefly fell below \$5. This may reflect different types of industrial activity occurring in Greater Springfield versus other parts of the Commonwealth. For example, certain industries (manufacturing; warehousing; shipping) may prefer lower cost facilities in Western Massachusetts over Eastern Massachusetts properties with higher lease rates and specialized facilities.

Figure 25. Industrial Lease Rates (2018 Dollars), 2008-2018



Source: The CoStar Group Inc.

Table 9 shows lease rates in Springfield, its surrounding communities, and Massachusetts. Even within its region, Springfield’s average office lease rates are low, with only Chicopee being lower. Adjusted for inflation, office lease rates have risen in most of Springfield’s surrounding communities, but have very slightly decreased in Springfield itself. Only Longmeadow and Wilbraham have average office lease rates in excess of the Commonwealth’s average rate. Non-office commercial lease rates, which can cover a fairly diverse group of properties, tend to be more diverse as well, with rates as low as \$8.95/square foot in Agawam to as high as \$29.17/square foot in Longmeadow. While data are unavailable for Longmeadow and Wilbraham, average industrial lease rates tend to be similar to the Springfield lease rate in Q4 2018. The large changes observed over the 11-year period, however, suggest that may not have always been the case. Of the surrounding communities, Ludlow is an outlier in having an average industrial lease rate in excess of the Commonwealth’s average rate.

Table 9. Commercial and Industrial Lease Rates, Springfield and Surrounding Communities, 2008-2018

	Office Lease Rates			Non-Office Lease Rates			Industrial Lease Rates		
	Q4 2018 Rate Per Sq. Ft (\$2014)	Percent	Percent	Q4 2018 Rate Per Sq. Ft (\$2014)	Percent	Percent	Q4 2018 Rate Per Sq. Ft (\$2014)	Percent	Percent
		Change,	Change,		Change,	Change,		Change,	
		Q1 2008- Q4 2018	Q2 2014- Q4 2018		Q1 2008- Q4 2018	Q2 2014- Q4 2018		Q1 2008- Q4 2018	
Massachusetts	\$21.71	-13.5%	6.3%	\$14.34	1.5%	6.8%	\$6.16	-1.3%	15.7%
Springfield	\$15.61	-0.1%	1.4%	\$12.42	-9.2%	-1.5%	\$4.14	21.1%	10.8%
Surrounding Communities	\$17.39	5.4%	15.5%	\$14.71	1.4%	28.8%	\$3.50	-22.5%	19.8%
Agawam	\$16.11	-14.2%	3.8%	\$8.95	-33.4%	-17.0%	\$4.41	-51.2%	11.0%
Chicopee	\$13.90	6.3%	-5.3%	\$15.00	1.5%	22.9%	\$4.70	12.1%	12.2%
East Longmeadow	\$17.60	-8.8%	5.5%	\$24.49	44.2%	12.5%	\$2.47	-53.3%	4.7%
Holyoke	\$16.34	18.7%	40.1%	\$15.30	19.7%	45.8%	\$3.97	38.3%	71.7%
Longmeadow	\$28.63	42.8%	37.0%	\$29.17	-12.7%	31.2%	N/A	N/A	N/A
Ludlow	\$18.74	50.5%	13.6%	\$17.88	69.0%	32.9%	\$9.75	94.5%	149.4%
West Springfield	\$17.37	-0.3%	7.1%	\$15.08	3.3%	35.7%	\$4.96	-35.9%	104.6%
Wilbraham	\$22.95	N/A	60.0%	N/A	N/A	N/A	N/A	N/A	N/A
Rest of Hampden and Hampshire Counties	\$19.78	-0.6%	9.1%	\$12.92	3.3%	3.7%	\$4.34	-0.4%	32.1%

Source: The CoStar Group Inc.

The desirability and value of commercial and industrial real estate in Springfield may also be impacted if MGM Springfield results in increased patronage of the downtown area. Springfield key informants discussed increased foot traffic in downtown Springfield as a result of MGM Springfield. In particular, key informants noted that increased foot traffic and spillover impacts onto businesses as a result of the casino are currently limited to businesses and restaurants near MGM Springfield:

MGM has had some impact on retail because there are a number of local businesses that are now downtown. There are a couple of restaurants that relocated downtown waiting for the casino to open. But businesses aren't really thriving outside of that casino district. [...] My guess is that maybe in the summer time they may start coming away from the casino more toward metro downtown to the entertainment district. —Denise Jordan, Executive Director, Springfield Housing Authority

I have seen increased foot traffic around the venue and it does seem that there is spillover into downtown. How far? I can't say. [...] There are more [people] around on Main Street in the evenings. —Geraldine McCafferty, Director of Housing, City of Springfield

The restaurants around the casino, the new ones and existing ones, there is definitely spillover. We were making lunch plans with people that used to work for the city and they were saying, "where can we go where there's isn't a line anymore? There never used to be lines in Springfield." And the downtown in the evenings is also much livelier. —Catherine Ratté, Principal Planner—environment and land use, Pioneer Valley Planning Commission

Conclusion

Springfield is the fourth largest city in New England and the largest city in its metro area of over half a million people. It is by far the largest community to currently host a casino in New England, and that size certainly plays a role in how the casino affects the real estate market in the community. For example, while MGM Springfield's reported plan to hire roughly 3,000 employees would likely create a serious need for housing in much smaller communities like Plainville, Springfield may be more able to meet those numbers, both in terms of labor force and housing stock. In fact, the Executive Office of Labor and Workforce Development reported that in 2018, Springfield already hosted 7 employers with 1,000-4,999 employees each, in addition to one employer (Baystate Medical Center) with 5,000-9,999 employees.

Another factor affecting Springfield's housing dynamics may be unused space. Much of the data collected for this study is collected during the course of various commercial transactions, and while that data is timely and useful, there is a sense that, at least in Springfield's downtown, there may be large amounts of space that is unutilized. Census data shows that the Springfield in 1960 housed roughly 20,000 more residents than the Springfield in 2010, suggesting that there may be underutilized residential space in the city as well.

While there were few major developments in the Springfield real estate market that could confidently be ascribed to the casino beyond an increase in the amount of commercial space in the city and a corresponding decline in the commercial vacancy rate, that does not necessarily mean that other impacts will not become apparent over time. The timeliest data available to us reported up to December 2018. As the casino continues to operate, its effect on the labor market, municipal finances, and the general feel of the city might create impacts that could not be seen four months out from opening. It is also possible that the effects of the casino will become clearer as less timely data, such as data on building permits and evictions, becomes more available for research. At this time, however, the available data does seem to indicate that the award of a casino license to MGM Springfield, and the subsequent opening of the casino, have not affected Springfield's real estate market, or that of the surrounding communities, in any major way.

Springfield key informants raised concerns regarding the increasing pressure on the housing market and increasing rental costs. Key informants did note that they were unsure whether and how much of this trend could be attributed to the licensing and opening of MGM Springfield compared to other market forces. Springfield key informants also raised concerns over the speculative buying of properties in Springfield and were quite confident that this was related to the licensing and opening of MGM Springfield. For instance, many of the key informants discussed investors buying multi-family buildings and raising rents and/or buying a property and leaving it vacant with the hope of selling higher. Key informants also discussed concerns regarding displacement and an increase in evictions. Finally, Springfield key informants discussed increased foot traffic in downtown Springfield as a result of MGM Springfield but noted that these spillover impacts are currently limited to businesses and restaurants close to MGM Springfield.

MGM Construction Overview: Spending, Employment, and Economic Impacts

Presented by Rod Motamedi, MBA
Senior Research Manager, Economic and Public Policy
Research
UMass Donahue Institute

Property Background

- Construction period was March 2015 through August 2018
- First integrated resort casino in the Commonwealth
- Urban casino in the middle of downtown

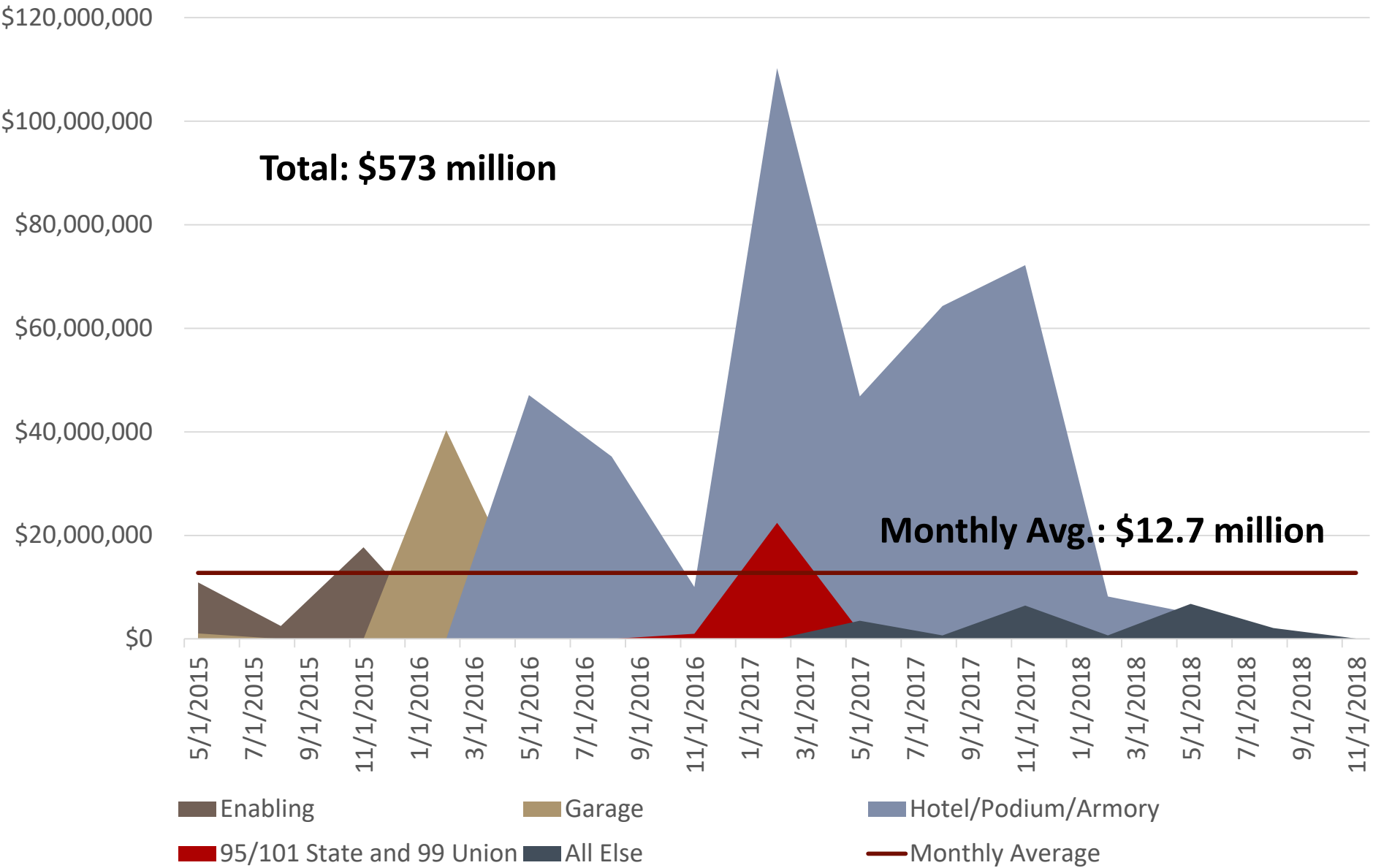
The Data

- MGM provided us the data at the conclusion of each contract. In some cases, the data was in draft form.
- Contract summaries included
 - Worker hours, wages, ZIP, and limited demographics
 - Company ZIP, total contract value, subcontractors, and payment schedule

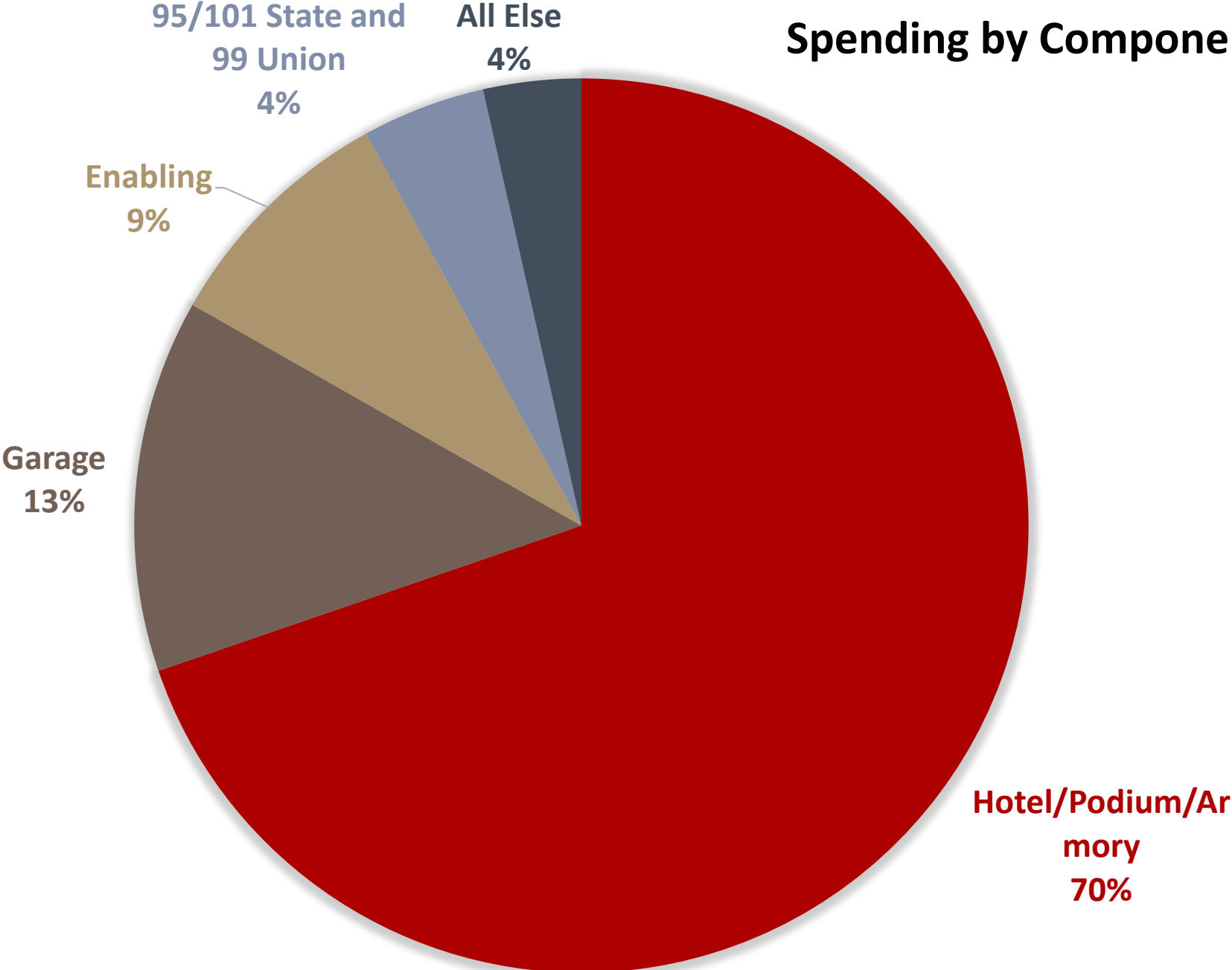
Construction Components

- Hotel/Podium/Armory
- Enabling
- Garage
- Daycare and Church
- Offsite improvements
- Signage
- 95 and 101 State Street and 99 Union projects

Construction Spending by Quarter

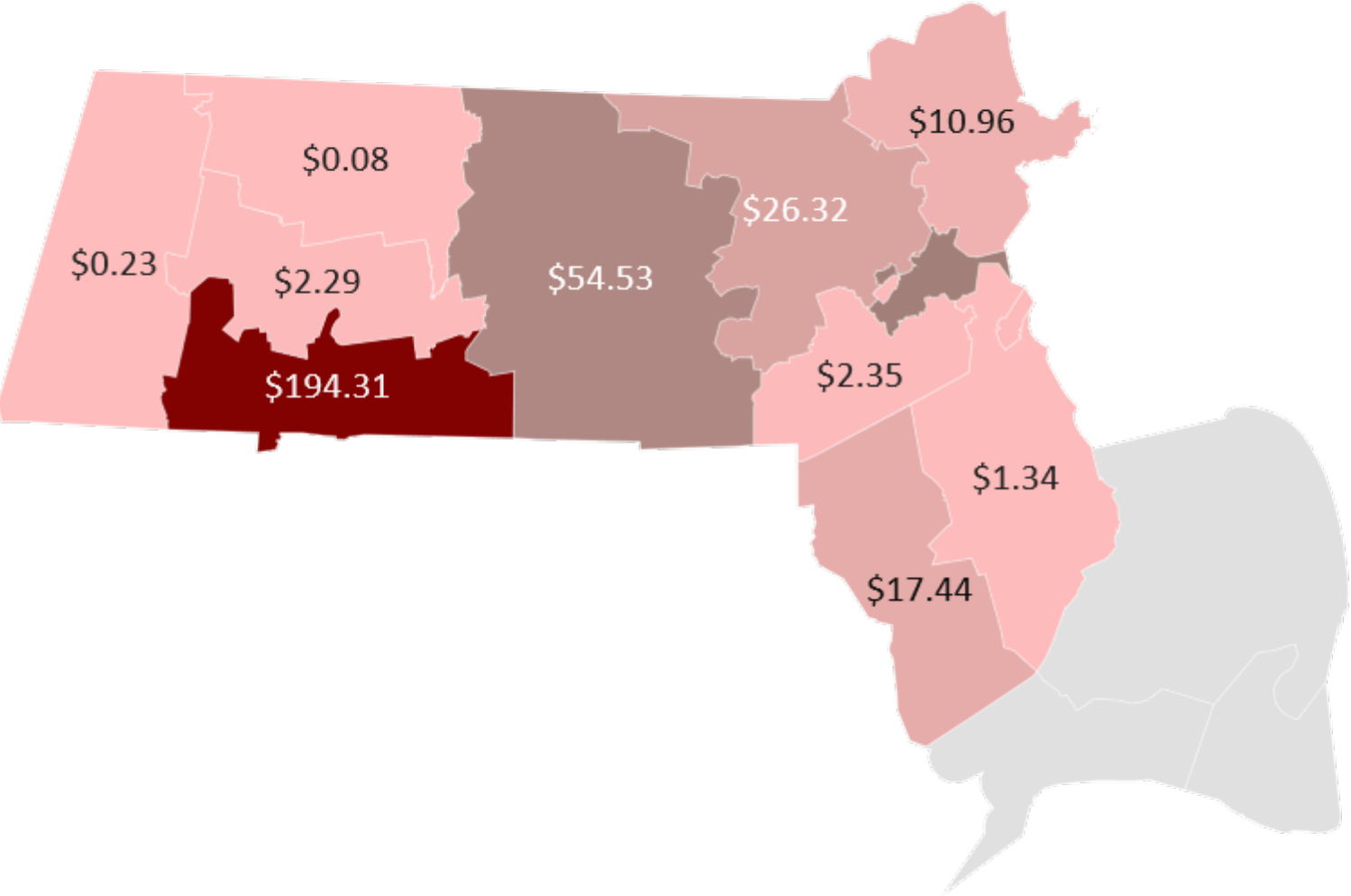


Spending by Component

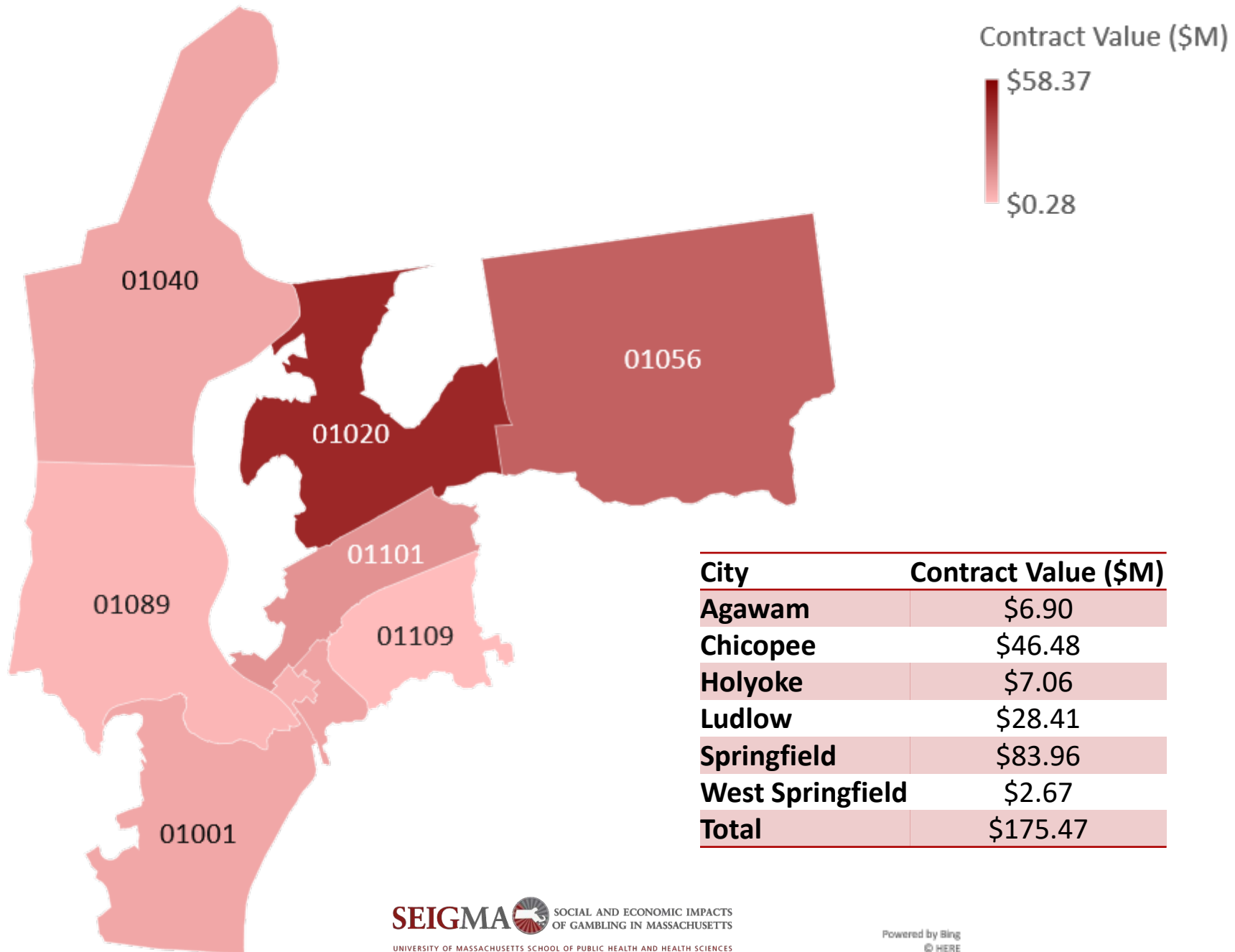


Spending by County

Contract Value (\$M)



Spending by H&SC ZIP Code

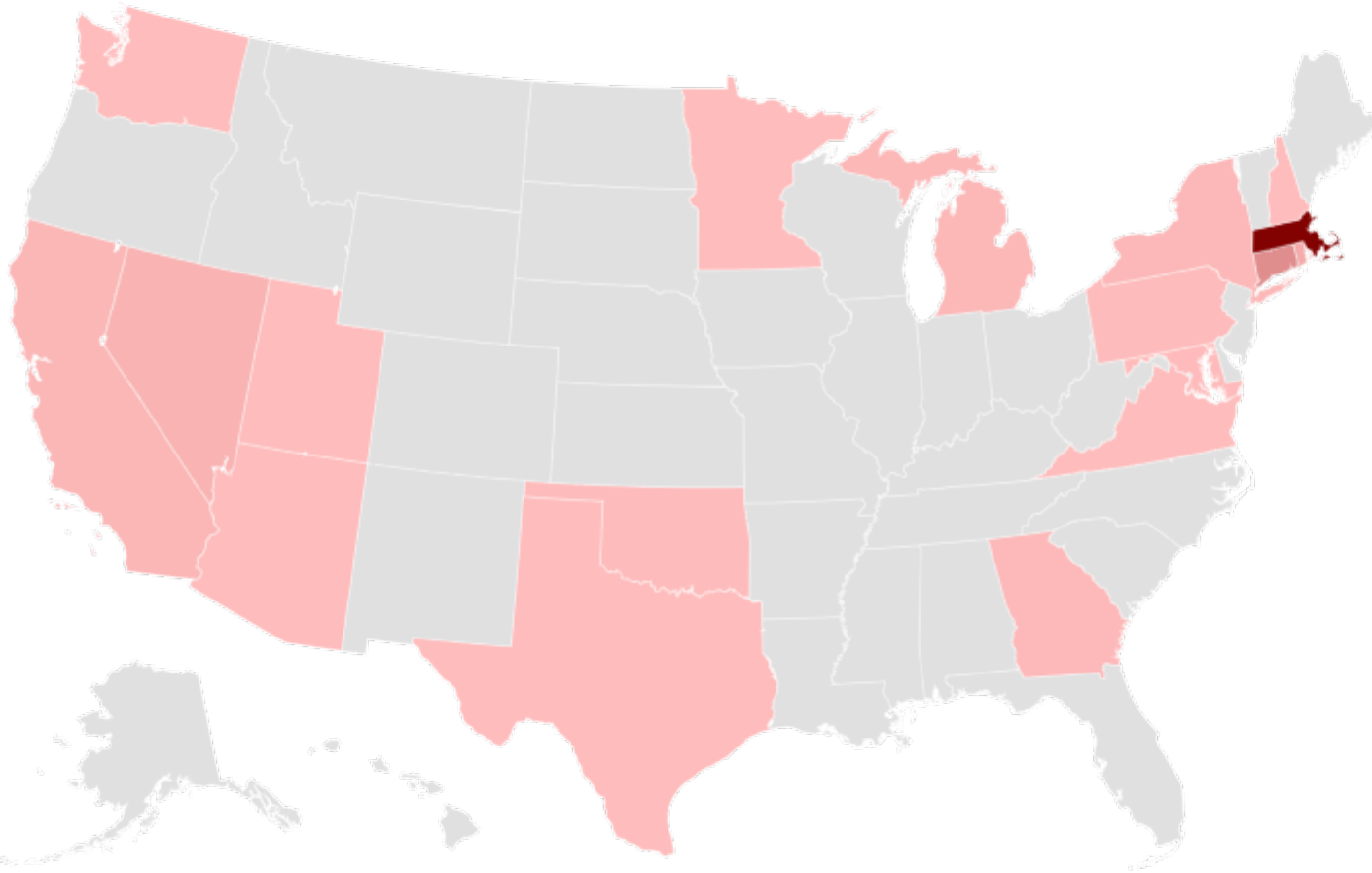


Spending by State

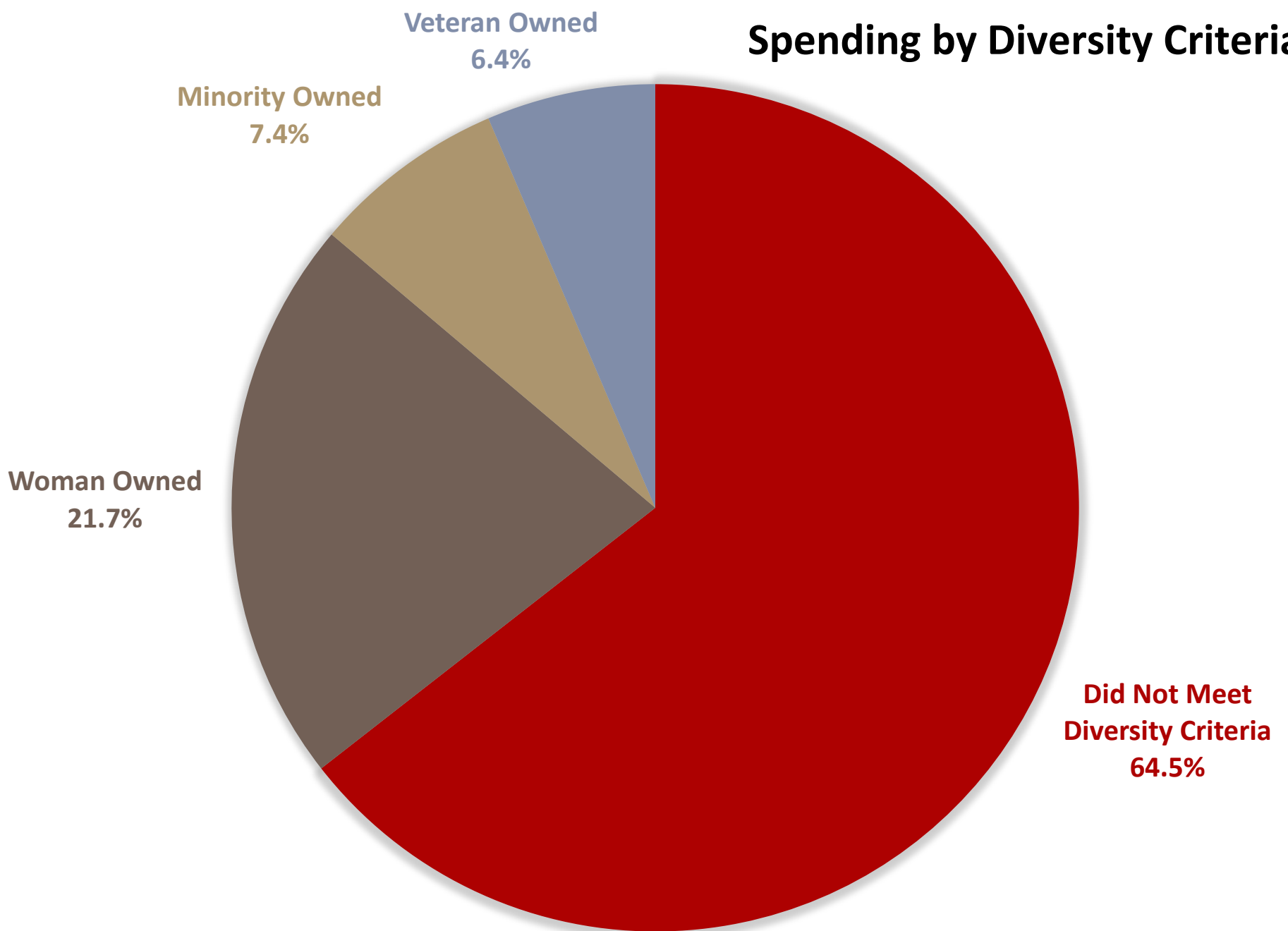
Contract Value (\$M)

\$373.75

\$0.02



Spending by Diversity Criteria



Workers and Wages

We estimate there were about **4,250 workers** who worked **2.6 million hours** over **16 quarters** and were compensated **\$173 million**.

FTEs: 1,251

Avg. Hours/Worker: 612 (approx. 15 weeks @ 40 hrs./week)

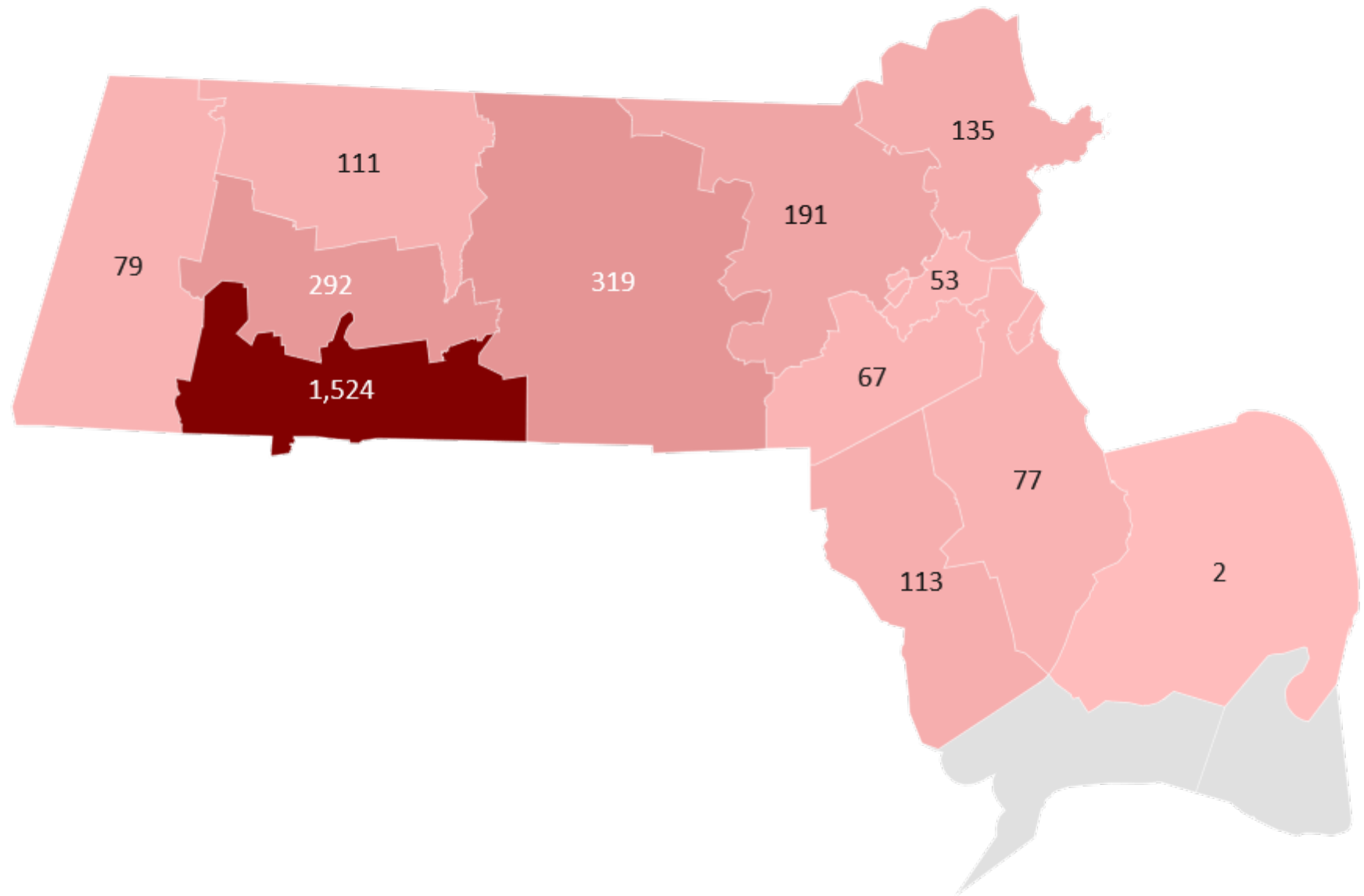
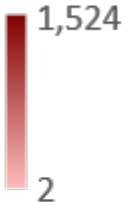
Avg. Hourly Comp/Worker: \$66

H&SC Summary Hours and Compensation

Geography	Average Hours	Average Compensation
Springfield	806	\$45,212
Surrounding Communities	769	\$47,640

Workers by County

Workers

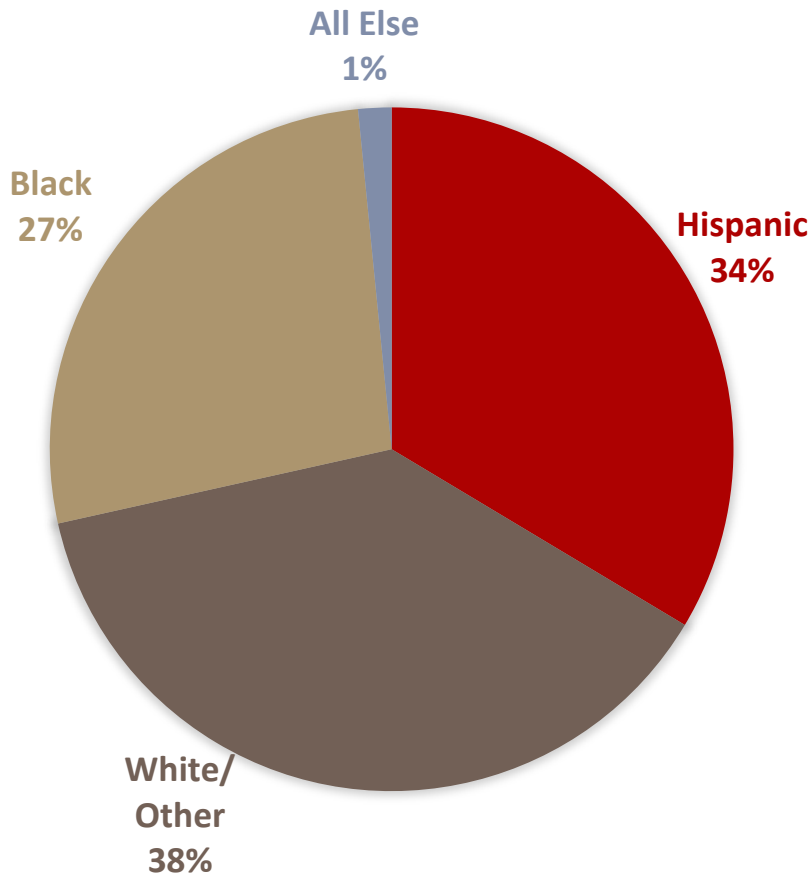


Workers by H&SC

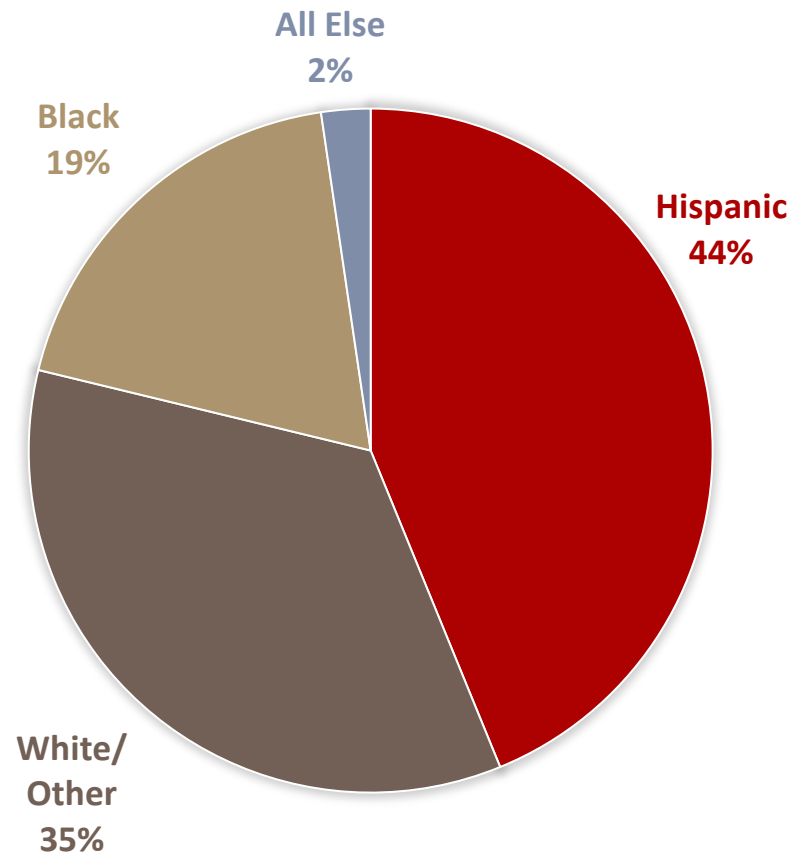
Town/City	Workers
Agawam	54
Chicopee	185
East Longmeadow	44
Holyoke	81
Longmeadow	8
Ludlow	125
Springfield	509
West Springfield	84
Wilbraham	30
Total	1,120

Race/Ethnicity of Workers

SPRINGFIELD WORKERS

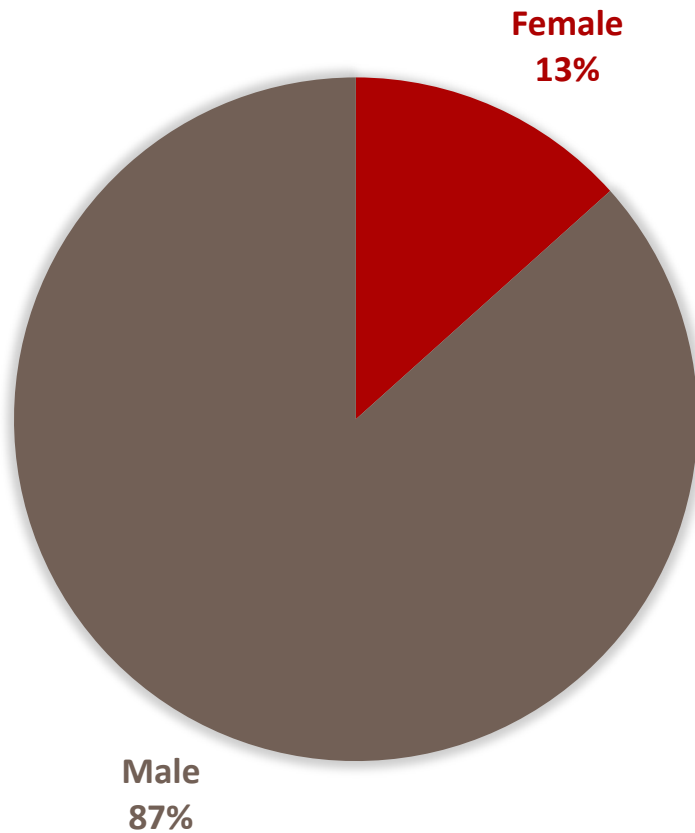


SPRINGFIELD POPULATION

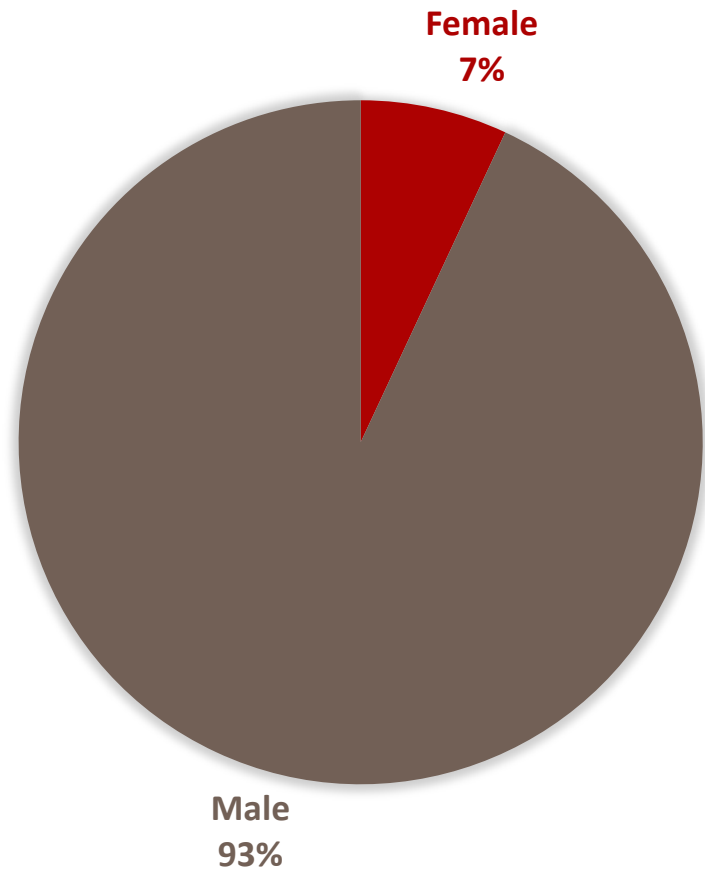


Gender of Workers

SPRINGFIELD WORKERS

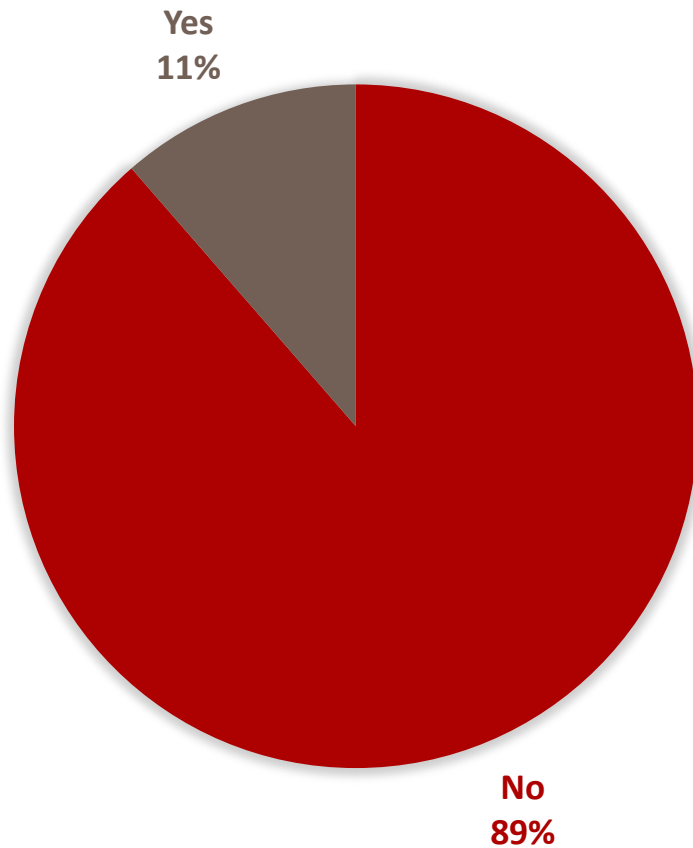


MA WORKERS

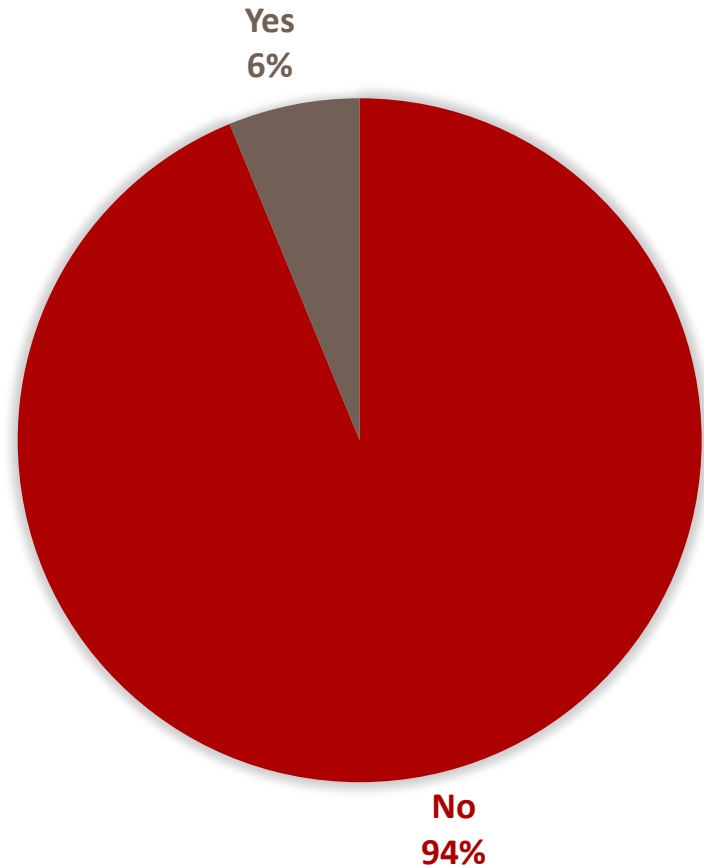


Veteran Status

SPRINGFIELD WORKERS



MA WORKERS

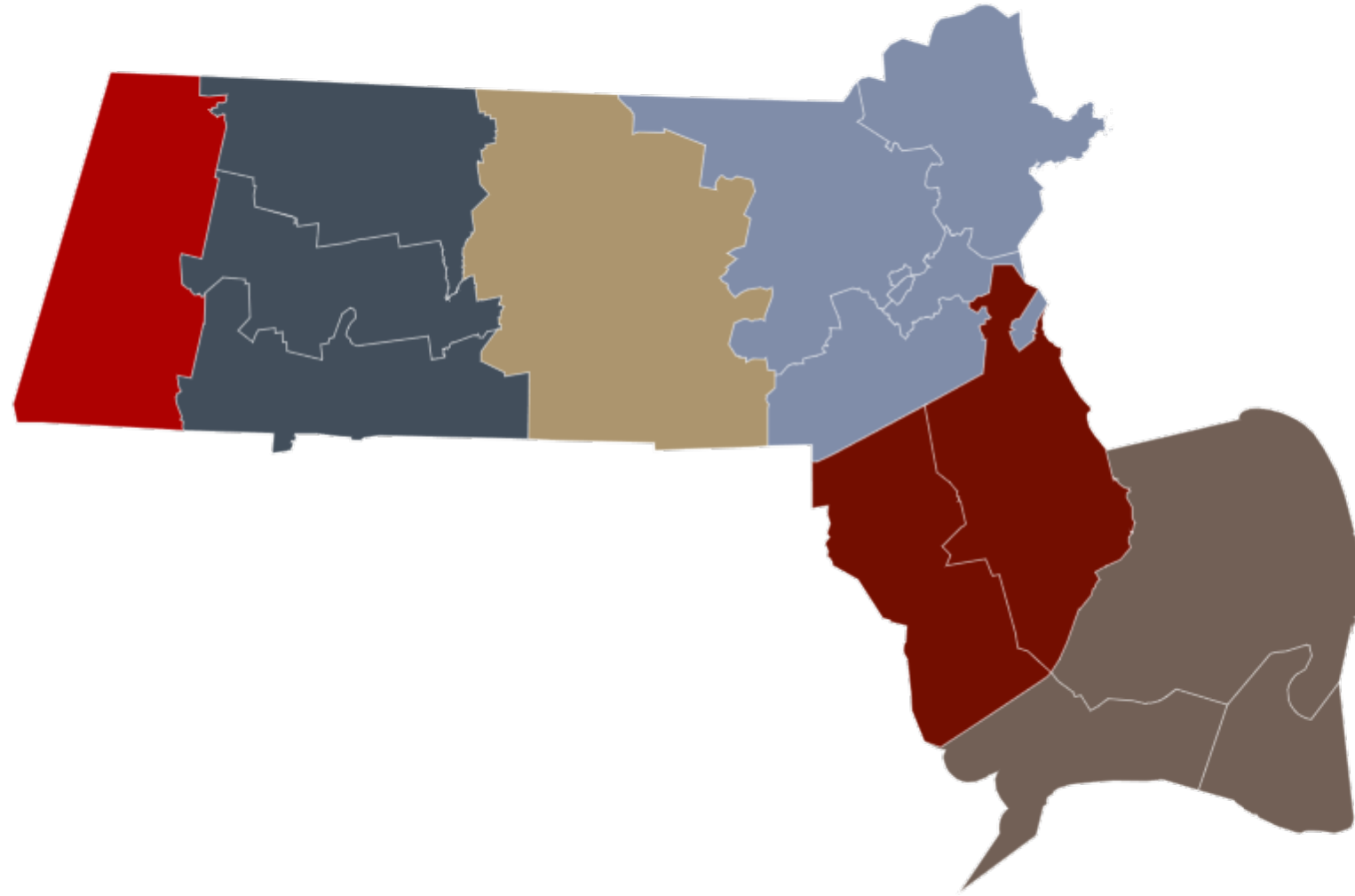


Key Concepts for Economic Impacts

- How do economic models work? What are their structure and methods?
- What are the key results and how are they defined:
 - Employment
 - Output
 - Value Added

REMI Regions

- Berkshire
- Cape and Islands
- Central
- Metro Boston
- Pioneer Valley
- Southeast



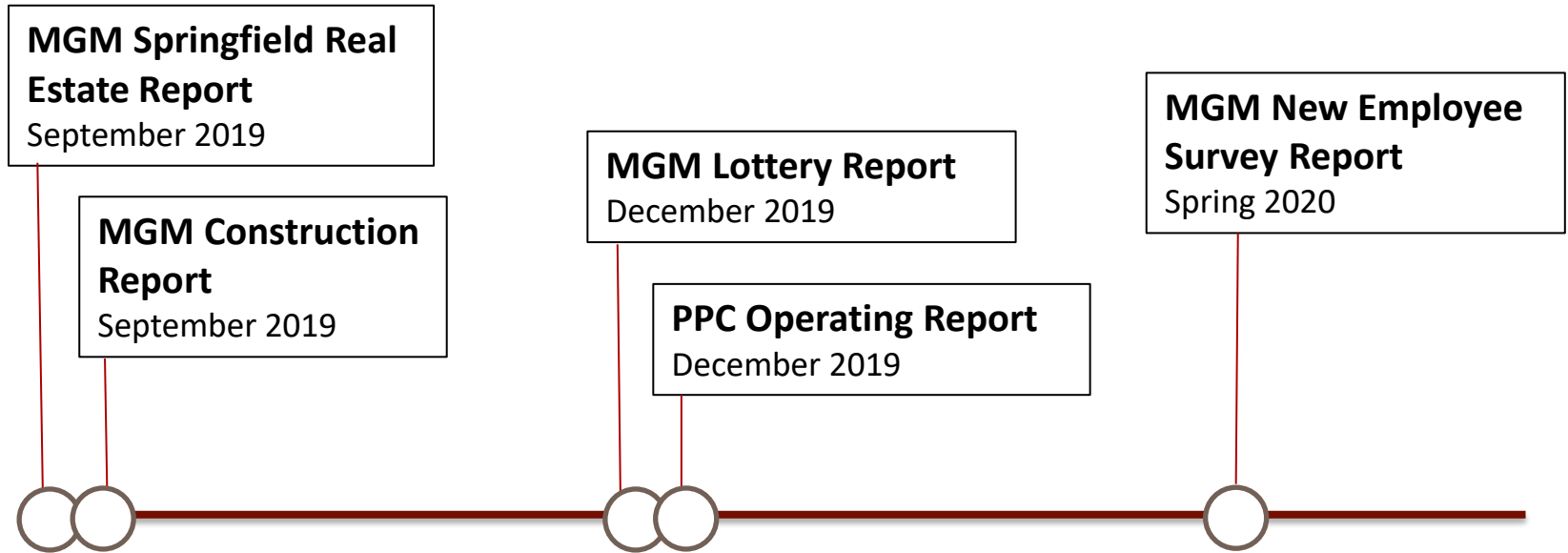
Summary of Employment Impacts

Total Employment	2015	2016	2017	2018	2019	Avg.
Direct	189	697	1,629	447	1	593
Business to Business (Indirect)	40	85	145	10	5	57
Total Induced	133	446	1,000	338	83	400
<i>Consumption-Based Induced</i>	77	255	560	134	32	212
<i>Other Induced</i>	56	191	440	204	51	188
Total	362	1,229	2,774	795	89	1,050

New Economic Activity (\$M)

Economic Activity	Total (Output)		Net New (Value Added)	
	Annual Avg.	Cum.	Annual Avg.	Cum.
Metro Boston	\$52	\$259	\$32	\$158
Southeast	\$9	\$47	\$6	\$28
Pioneer Valley	\$82	\$409	\$49	\$246
Central	\$23	\$115	\$14	\$69
Berkshires	\$2	\$12	\$2	\$8
Cape and Islands	\$1	\$6	\$1	\$4
MA	\$170	\$849	\$102	\$512

Timeline of Upcoming Products



Thank you!

For more information, contact:

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Executive Summary

The UMass Donahue Institute ([UMDI](#)) is a member of the Social and Economic Impacts of Gambling in Massachusetts ([SEIGMA](#)) research team charged with carrying out aspects of the research agenda of the Massachusetts Gaming Commission (MGC). This report seeks to inform stakeholders about the construction of MGM Springfield casino and its economic contribution to the Commonwealth. Over the course of the casino’s construction, UMDI worked with the MGC and MGM Springfield to obtain data on the spending, employment, and wages related to the construction of MGM Springfield. These data are summarized here along with an estimate of the total economic impacts to the Commonwealth of Massachusetts resulting from the casino construction.

MGM Resorts International spent \$573.3 million to build the MGM Springfield casino. This amount differs from the larger amount that is commonly reported in the press. The larger amount represents total investment of which construction is a component. The difference between investment and construction includes design fees; furniture, fixtures, and equipment (FF&E); operating supplies and equipment (OSE); license/application fees; and pre-opening expenses.

Where were the construction dollars spent?

- Two-thirds of the construction budget (\$373.8M of \$573.2M) went to firms based in Massachusetts. Half of that (\$194.3M) (or a third of the total) remained in Hampden County.
- Nearly \$84 million went to firms based in the City of Springfield.
- Of the remaining third that went out of state (\$199.5M), about half went to firms in nearby Connecticut with the remainder spread across 16 other states and Canada.
- About one-third of the total contract value went to firms that met at least one element of the diversity criteria.

Table 1: Construction Contract Payments by MA County and Out of State (\$M)

Massachusetts County	Payment Value	Payment Share of Total Construction Budget
Barnstable, Dukes, Nantucket	\$0	0%
Berkshire County	\$0.2	<0.5%
Bristol County	\$17.4	3%
Essex County	\$11.0	2%
Franklin County	\$0.1	<0.5%
Hampden County	\$194.3	34%
Hampshire County	\$2.3	<0.5%
Middlesex County	\$26.3	5%
Norfolk County	\$2.4	<0.5%
Plymouth County	\$1.3	<0.5%
Suffolk County	\$63.9	11%
Worcester County	\$54.5	10%
MA Total	\$373.8	65%
Out of State	\$199.5	35%
Total	\$573.3	100%

Source: MGM Springfield and UMDI calculations

Table 2: Summary of Contractor Diversity (\$M)

Diversity Category	Amount	Share
Woman-, Minority-, or Veteran-Owned Business	\$204	36%
Did Not Meet Diversity Criteria	\$369	64%
Total	\$573	100%

Source: MGM Springfield and UMDI calculations

Where did construction workers reside and was it a diverse workforce?

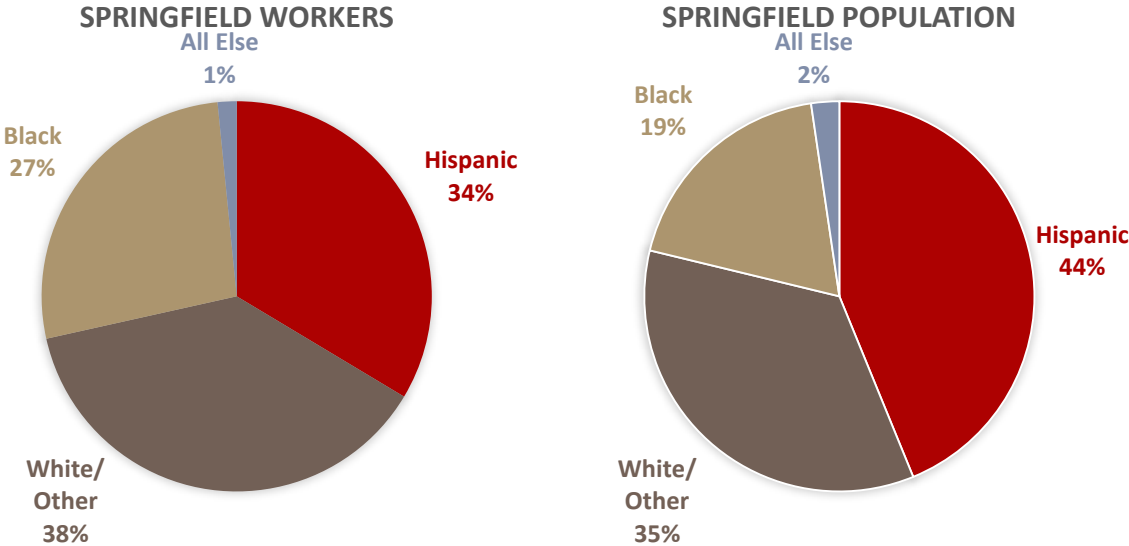
- Over two-thirds (2,963 of 4,249) of the construction workers were Massachusetts residents. Most of the remainder were from Connecticut.
- In total, the most common place of residence was Hampden County, where 36 percent (1,524 of 4,249) of the workers resided. Of this 36 percent, 509 were Springfield residents.
- Workforce diversity statistics suggest that the MGM Springfield construction workforce largely reflects the composition of the populations from which they are drawn.
- One-quarter of Massachusetts-resident construction workers employed during the construction of MGM Springfield were minorities, which is similar to the minority share of the statewide population. Overall, the construction workers were over 90 percent male and non-veteran.
- In Springfield, the population is majority minority. Overall, the shares of White and minority MGM Springfield construction workers who were from Springfield are similar to their shares of the city's population. Within the minority workers, Black MGM Springfield construction workers from Springfield were overrepresented and Hispanic MGM Springfield construction workers from Springfield were underrepresented compared to their shares of the Springfield population. See Figure 1 on the next page for the shares.

Table 3: Construction Workers by MA County and Out of State

Massachusetts County	Worker Count	Worker Share of Total
Barnstable	2	0%
Berkshire	109	2%
Bristol	117	2%
Essex	150	3%
Franklin	167	3%
Hampden	2,283	40%
Hampshire	459	8%
Middlesex	201	4%
Norfolk	76	1%
Plymouth	78	1%
Suffolk	56	1%
Worcester	403	7%
MA Total	4,101	72%
Out of State	1,585	28%
Total	5,686	100%

Source: MGM Springfield and UMDI calculations

Figure 1: Race/Ethnicity of MGM Springfield Construction Workers in Springfield and Springfield's Population



Source: MGM Springfield, UMDI calculations, and American Community Survey 5yr 2013-2017

What were the total statewide economic impacts of constructing MGM Springfield?

- Increases in company revenues and employment drive larger changes in the economy.
- Overall, total statewide economic activity (also known as output) increased by \$849 million over the five-year construction period.
- Net new economic activity (i.e., value added or gross state product) totaled \$512 million.
- About 1,000 jobs were created or supported by this economic activity. These jobs accrued \$397 million of income.
- Every \$2 of construction spending created \$1 of additional activity in Massachusetts. Every \$1 of compensation to construction workers created an additional \$1.29 of income to others in Massachusetts.

Table 4: Summary Statewide Economic Impacts (\$M)

Category	Annual Average	Cumulative
Total Economic Impact	\$170	\$849
Net Economic Impact	\$102	\$512
Employment	1,050	N/A
Income	\$79	\$397

Source: MGM Springfield, UMDI calculations, and Regional Economic Models, Inc.



TO: Chair Judd-Stein, MGC Commissioners

FROM: Jill Lacey Griffin

CC: Catherine Blue, Edward R. Bedrosian

DATE: September 16, 2019

RE: Update on Upcoming Summit on Diversity in Construction

Practical applications and proven strategies will be the focus of a “Summit on Diversity in Construction” presented by the Massachusetts Gaming Commission and partners on Tuesday, Oct. 8, beginning at 12:30 p.m. at Smith College in Northampton. The Conference is intended to focus on the construction industry in Central and Western MA which is under accessed by women and people of color. The event will feature diversity best practices from the construction of our Category 1 licensees MGM Springfield and Encore Boston Harbor along with other construction projects that have successfully been inclusive of women and people of color in the construction trades workforce and diverse business ownership. We will also showcase the “Build a Life” Campaign, a recruitment and outreach strategy launched by the Commission and its partners in 2017 designed to increase diversity in the union trades with a goal of increasing tradeswomen in the MA union building trades to 20% by the year 2020.

Lt. Gov. Karyn Polito will give the keynote address at the summit, followed by panel discussions to include Vice President of Development and Construction for MGM Springfield, Brian Packer; Diversity Consultant to Encore Boston Harbor/Suffolk Construction, Shelley Webster; President of Building Pathways/Build A Life Campaign Board Member, Mary Vogel; New England Regional Council of Carpenters - Director of Strategic Partnerships, Lisa Clauson. Additional panelists include Worcester City Manager, Ed Augustus; and Compliance Analyst of the UMass Building Authority, Maggie Drouineaud and others.



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Program goals include inspiring Central and Western MA building owners and institutions to commit to build with a diverse workforce and contractor base; communicating that they can play a critical role in creating opportunity for women and people of color who want and need careers in the construction industry; Giving owners the steps/tools/people to connect with if they are interested in increasing diversity on their construction projects; An additional important goal is retaining the pool of women and people of color brought on for the MGM project – the industry will lose them if they are not kept employed in the industry.

Invited guests include representatives from: **Higher and Secondary Education** – Presidents, Vice Presidents of Finance, Facility Directors, Inclusion and Diversity Specialists, Government Relations Directors; **Government** – State and Local Officials, Municipal Managers, Legislators; **Construction and Development** – Owners, Project Managers, Construction Managers, Architects; **Other** – Hospitals, non-profit organizations, any institutions that engage in construction.

Background

The Massachusetts Gaming Commission oversaw two major construction projects that launched the careers of hundreds of minority tradespeople and tradeswomen statewide. One of the projects is said to have had the most tradeswomen on a single construction project in U.S. history. These projects also greatly expanded opportunities for workers of color, veterans, and MBE, WBE and VBE businesses and suppliers. Construction remains an industry under-accessed by women and people of color, particularly in central and western Massachusetts. Summit attendees can learn from the successes of other institutions, including casinos, several local colleges, public construction projects, and nonprofit organizations. Presentations will include best practices from the Northeast Center for Tradeswomen’s Equity.

For more information, visit [massgaming.com/news-events/community-calendar/save-the-date-summit-on-diversity-in-construction](https://www.massgaming.com/news-events/community-calendar/save-the-date-summit-on-diversity-in-construction)



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DRAFT FOR DISCUSSION PURPOSES ONLY

Review of Policy Questions to be discussed by the Local Community Mitigation Advisory Committees and the Subcommittee on Community Mitigation Relative to The 2020 Community Mitigation Fund (“CMF”) Guidelines

1. Should the Commission place an overall limit on grants for the 2020 CMF?

Background: Because MGM Springfield opened on August 24, 2018 and Encore Boston Harbor opened on June 23, 2019, the CMF will have significant additional funding in the near term. In the 2019 Community Mitigation Fund Guidelines, the Commission determined that revenues generated by the facility in each Category 1 region would be allocated for awards in that gaming region, provided that slots related impacts are funded from all regions and provided that unused allocations revert back to statewide use after three years.

2019 Results: The Commission anticipated authorizing no more than \$6.7 million out of the 2019 CMF. The Commission awarded a total of \$3,682,946.50 of new grant funding. It also authorized \$75,000 from a previously awarded reserve and \$200,000 carryover from a prior year approved use (Tribal casino technical assistance) for an expended total of \$15,874,524.85 of the original \$17.5 million (placed into the CMF from a portion of the license fees). In addition to the approximate \$1.6 million in authorization available from the original \$17.5 million CMF, MGM Springfield revenues resulted in the placement of approximately \$1.65 million into the CMF by December 31, 2018. Furthermore, approximately \$2.3 million in additional funding was placed into the CMF in 2019 from fines issued by the Commission.

2. Should the Commission place a per grant limit for 2020 CMF awards?

Background: As noted above, with both casinos now open and generating tax revenue there will be more available dollars for these awards. Region A will have approximately 6 months of revenue from Encore Boston Harbor and Region B will have a year of revenue.

2019 Results: The Guidelines set specific limits for grant requests \$500,000 for Specific Impact Grants; \$200,000 for Transportation Planning Grants; \$300,000 for each Region A and B for Workforce Development; \$50,000 Non-Transportation Planning and \$200,000 for Tribal Technical Assistance and \$500,000 for Transit Project(s) of Regional Significance for each region. However, the Commission reserved its ability to authorize funding beyond the amounts. Communities have expressed an interest in more funding for some



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grants. In 2018, certain applications involving multiple communities were allowed to request additional funding beyond the base funding limits.

3. Should the Commission continue to place a limit on grants in each gaming region based on the projected tax revenues generated for the CMF by the gaming facility in that region?

Background: Both MGM Springfield and Encore Boston Harbor are now operational and will generate new funds into the CMF by the February 1, 2020 deadline. If a limit on grants is established now based on revenue generated, only approximately 6 months' worth of contributions into the fund would be available for Region A by the February 1, 2020 application deadline. Large scale projects may require more funding than one region may have available and require funding from federal and other state agencies. In 2019 Region A used \$2,750,489 from its portion (\$2,600,000) of the 2019 CMF allocation. Region B used \$1,132,458 from its \$4,100,000. Funding for the Region C SRPEDD grant of \$200,000 would be split by region A and B as the Category 2 casino does not pay into the Community Mitigation Fund.

2019 Results: The 2019 CMF Guidelines stated that: “[t]he Commission intends to allocate 2019 CMF funding based on need in the regions that reflects the proportion of funds paid into the Community Mitigation Fund from the taxes generated by the MGM Springfield or Encore Boston Harbor facilities. This allocation takes into account mitigation needs outside Region A and Region B, and includes a method to utilize unspent allocations.

For the 2019 year, the Commission plans to allocate the \$5.2 million remaining CMF funds equally between the two regions, Region A and Region B, after accounting for grants that will be made for Category 2 impacts. Thus, by way of example, if the Commission awards \$200,000 for Category 2 impacts in 2019, \$5 million would be available to be split equally between Region A and Region B (i.e. \$2.5million for each region). Please note that these Guidelines establish a maximum target of \$500K for Category 2 impacts. Therefore, for another example, at the Category 2 maximum, approximately \$4.7 million would be available to be split between Region A and B (\$5.2 million - \$500K Category 2 impacts = \$4.7 million (\$2.35 million for Region A and \$2.35 million for Region B)).

In addition to the funds remaining in the account, as noted, it is expected that MGM Springfield will generate an additional \$1.5 million by December 31, 2018. It is the Commission’s intention to allocate these MGM Springfield generated funds to Region B. It is the Commission’s further intention that any unused funds allocated to each Category 1 Region will be set aside for that Region for a period of three years. After the three-year period, the funds shall be allocated back into a combined general fund for all regions and for Category 2 impacts.”

4. Should the 2020 CMF continue to be used to support and leverage resources to help residents of the Springfield or Everett areas obtain their high school or work readiness credentials to be eligible for employment? If so, at what level

Background: The Expanded Gaming Act places a priority on the hiring of the unemployed, underemployed, minority individuals, women and veterans at the gaming facilities. It had

been estimated that 21,000 individuals were on wait lists in MA seeking admission into Adult Basic Education Classes and English Learning language programs, with significant needs for resources in MA Gateway Cities like Springfield and Everett. Both the union construction and the casino operational jobs require a high school diploma or equivalency. The 2019 CMF Guidelines did include a specific allocation for funding work readiness programs related to the gaming facilities. Workforce training, economic development, and other job promotion activities are eligible activities under the state appropriated Gaming Economic Development Fund, which is funded through gaming taxes from Category 1 facilities when they are operational.

2019 Results: The Guidelines allowed these applications. Two workforce programs in Region A (totaling \$513,400) and one in Region B (totaling \$300,000) are being initiated. The Commission approved more funding than specified in the Guidelines, given the pressing need for such funding.

5. Should the Commission allow funding to pay for a portion of the construction costs of transportation projects? Should the Guidelines require collaboration with MassDOT in transportation planning grants or any construction?

Background: To date, the Commission has only authorized funding for the planning or design of transportation projects.

6. Should the Commission authorize the use of funds for large transportation projects or economic development projects? If so, what would be the limit per application and per region? Should such grants require a dollar for dollar match (waivable by the Commission)? There are several funding streams for gaming related needs of communities including, but not limited to, the Community Mitigation Fund and the Gaming Economic Development Fund.

Background: See the language for these two funds attached.

7. How should the Commission approach issues that may arise in late 2019 resulting from the operations of the Category 1 casinos (public safety, hiring, education, business issues)?

Background: The Commission has not witnessed large scale potential impacts resulting from the Plainridge facility. However, planning is necessary now to be able to evaluate mitigation applications involving any operational impacts at the full casino facilities. It is unclear if some impacts from the Encore Boston Harbor and MGM Springfield facility will be fully understood by the February 1, 2020 application deadline.

M.G.L. c. 23K §68 states that “funds may be expended from the Community Mitigation Fund, ...including, but not limited to, the impact on local resources as a result of new housing construction and potential necessary changes to affordable housing laws, increased education costs and curriculum changes due to population changes in the region, development and maintenance of infrastructure related to increased population and utilization in the region and public safety impacts resulting from the facility and ways to address that impact.” In regard to impacts on businesses, should the

Commission now or in future years consider funding requests from communities to assist (e.g. through promotion activities) all businesses / large groups of businesses in close proximity to the gaming facility? Will operational impacts from the two Category 1 casinos become readily apparent and quantifiable by the application deadline?

8. Should the Commission authorize partial reimbursement or reimbursement for police patrols as part of the 2020 Guidelines?

Background: In 2019 the Commission received one request for a grant for “late night/early morning peak days of week patrol mitigation ...to prevent driving under the influence during the previously unanticipated hours (between 2:00 AM – 4:00 AM ...) during which customers may leave the casino after consuming alcohol.” Because only grants for construction related impacts were authorized in Region A in 2019, this funding request was deemed ineligible for funding under the Guidelines. However, since now casinos in both regions A and B are open, operational related impacts will be evaluated under the 2020 Community Mitigation Fund Guidelines. The Commission would need to determine how requests for specific patrols (e.g. patrols between 2:00 a.m. and 4:00 a.m.) and for general public safety requests will be evaluated.

9. How should the Commission use the information received from the annual look back studies, traffic studies, housing studies and research studies that have not been conducted by the Commission in any determination of mitigation requests?

Background: Many studies and reports relative to Plainridge Park, MGM Springfield, and Encore Boston Harbor will be completed by the Commission’s research team in the near term. More information on the status of the Commission’s research can be found at <https://massgaming.com/about/research-agenda/>. In addition to the Commission’s research, other research mandated under surrounding community agreements will also soon be completed. Further research mandated under applicable MEPA reviews will also be completed in the near term. Individual communities and entities have also commissioned their own gaming related research.

10. How should the status of Region C and current litigation involving the potential tribal casino impact the 2020 CMF Guidelines?

Background: It may be unlikely that communities in Region C will experience significant construction or operational impacts by February 1, 2020, the statutory CMF deadline. Communities have expressed the need for technical assistance funding to help evaluate potential impacts.

2019 Results: \$200,000 of funding was set aside for use in Fiscal Year 2019 if there is a more clear determination on Region C / Tribal Casino status.

11. Should the Commission require a dollar for dollar match for its CMF grants?

Background: The 2019 CMF Guidelines only required an in-kind match for Workforce Development applicants.

2019 Results: In-kind services or funds were required of the Workforce Development Projects and require the applicant to provide detail on in-kind services or workforce funds.

12. Should the Commission extend the previously authorized reserves for the 2020 Community Mitigation Fund program and allow communities to continue to access whatever portion of the original \$100,000 that remains unexpended.

Background: Some communities have expended some or all of their reserves. In Region A, 9 communities have allocated their entire reserve and 2 have not requested funding. In Region B, currently 6 have allocated their entire reserve, 1 has used a portion and 4 have not requested funding. For Category 2 communities, 3 have allocated their reserve, 2 have used a portion of their reserve and 1 has not requested any funding.

13. Should the Commission continue to authorize more funding for non-transportation related planning for those communities that have expended their reserves?

Background: In 2017, communities could apply for transportation planning. However, no general planning application (except for uses of reserve funds for planning) was authorized under the Guidelines. In 2018 and 2019, the Commission authorized funding for non-transportation planning. Some communities have fully utilized their reserves and thus cannot use reserve for additional planning.

14. The Commission determined that communities are not eligible for reimbursement of administrative costs related to the preparation of Community Mitigation Fund applications. Workforce Program applications, due to the nature of the programs, are eligible for such costs.

Background: Payment of such costs was not allowed under the 2016 CMF Guidelines, which instead required an in-kind match by communities.

2019 Results: In the 2019 Guidelines, administrative costs were allowed for Workforce Pilot Program applications only.

15. Should the Commission revisit its guideline regarding grants involving private parties?

Background: The 2016 Community Mitigation Fund (“CMF”) Guidelines specified that “[p]rivate non-governmental parties may not directly apply for Community Mitigation Funds. However, governmental entities may apply to the Commission for funds to mitigate impacts to private parties provided that such funding is for a ‘public purpose’ and not for the direct benefit or maintenance of the private party.” The 2016 CMF Guidelines also specified that the Commission did not anticipate awarding any grants involving private non-governmental parties unless the applicant governmental entity, licensee, or both provided significant funds. Questions about this guideline involve the difficulty of ensuring that funding requests are for a public purpose and that any awards would be consistent with the Commonwealth’s Constitution. Further, the funding matching requirement also is potentially difficult.

2019 Results: The 2019 Guidelines stated that “[t]he Commission will not fund any applications for assistance to non-governmental entities.”

16. Should the Commission continue to expressly authorize joint applications by communities?

Background: In 2019 the Commission authorized Joint Transportation, Non-Transportation Planning and Transit Project(s) of Regional Significance applications.

2019 Results: During the CMF Review of applications by the Commission, it was requested that a similar incentive program be evaluated for joint Workforce Development Applications. The Commission mentioned the benefit of one integrated whole workforce development program for each region and creating joint applications may ensure that there is no duplicity in the use of resources.

17. Should communities be limited to only one (1) Specific Impact Grant?

Background: The 2019 Guidelines specified that Specific Impact Grants were limited to \$500,000 and specified that only one application was allowed, subject to a waiver. There was no prohibition against requesting funding for multiple areas within the \$500,000 limit.

18. Are the same general analysis factors used in 2019 going to be used for 2020 evaluation? Understanding that there can be delays in implementation of some of the grants projects, and some communities anticipate yearly grant applications for completion of certain projects, should the Commission authorize unspent, unallocated funds which remain in one region to be moved to a general fund after a certain number of years?

Background: The Commission will evaluate any funding requests in the context of any host or surrounding community agreements. Factors used by the Commission to evaluate grant applications may include but not be limited to:

- A demonstration that the impact is being caused by the proposed gaming facility;
- The significance of the impact to be remedied;
- The potential for the proposed mitigation measure to address the impact;
- The feasibility and reasonableness of the proposed mitigation measure;
- A demonstration that any program to assist non-governmental entities is for a demonstrated public purpose and not for the benefit or maintenance of a private party;
- The significance of any matching funds for workforce development pilot program activities or planning efforts, including but not limited to the ability to compete for state or federal workforce, transportation or other funds;
- Any demonstration of regional benefits from a mitigation award;
- A demonstration that other funds from host or surrounding community agreements are not available to fund the proposed mitigation measure;
- A demonstration that such mitigation measure is not already required to be completed by the licensee pursuant to any regulatory requirements or pursuant to any agreements between such licensee and applicant; and

- The inclusion of a detailed scope, budget, and timetable for each mitigation request.

Supplemental Guidelines Used To Evaluate Workforce Development Applications

- ❖ Does the application develop a pilot program that seeks to address any claimed impacts?
- ❖ Does the proposal include a program in Region A or Region B that structures intentional connections among adult basic education, occupational training, and post-secondary education programs?
- ❖ Does the proposal seek to assist low-skilled adults in obtaining education and career training to enable them to join the regional labor market?
- ❖ Does the proposal seek to address the anticipated goals of the program (see pages 12 and 13 of these Guidelines)?
- ❖ Will the participants receive industry-recognized or academic credentials needed to work in the most in-demand casino –related occupations within the region?
- ❖ A governmental entity applying for workforce development funds will also need to provide detail on what it will contribute to the workforce development project such as in-kind services or workforce development funds
- ❖ Is the Applicant collaborating with others to provide a regional approach?
- ❖ Does the Applicant address issues related to a gaming facility?

Background: The factors used in 2020 may need further refinement.

Section 59: Gaming Economic Development Fund

Section 2DDDD. There shall be established and set up on the books of the commonwealth a separate fund to be known as the Gaming Economic Development Fund. The fund shall be credited with revenues transferred to it from the Gaming Revenue Fund established in section 59 of chapter 23K. Amounts credited to the fund shall be expended, subject to appropriation, to support economic development and job growth including, but not limited to: (1) workforce training, including transfers to the Workforce Competitiveness Trust Fund established in section 2WWW of chapter 29; (2) tourism promotion, including regional tourism promotion agencies and cultural and recreational attraction promotion; (3) summer jobs; (4) the Massachusetts marketing partnership established in section 13A of chapter 23A; (5) higher education scholarships; (6) regional economic development initiatives; (7) support for small businesses, including small business lending; (8) green jobs promotion; (9) science, technology, engineering and mathematics career pipeline initiatives; and (10) agricultural development programs, including youth agricultural education.

Section 61: Community Mitigation Fund

Section 61. (a) There shall be established and set up on the books of the commonwealth a separate fund to be known as the Community Mitigation Fund. The fund shall consist of monies transferred under section 59 and all other monies credited or transferred to the fund from any other fund or source.

(b) The commission shall administer the fund and, without further appropriation, shall expend monies in the fund to assist the host community and surrounding communities in offsetting costs related to the construction and operation of a gaming establishment including, but not limited to, communities and water and sewer districts in the vicinity of a gaming establishment, local and regional education, transportation, infrastructure, housing, environmental issues and public safety, including the office of the county district attorney, police, fire and emergency services. The commission may, at its discretion, distribute funds to a governmental entity or district other than a single municipality in order to implement a mitigation measure that affects more than 1 municipality; provided, however, that such entity or district shall submit a written request for funding in the same manner as a municipality would be required to submit such a request under subsection (c).

(c) Parties requesting appropriations from the fund shall submit a written request for funding to the commission before February 1 of each year. The commission may hold a public hearing in the region of a gaming establishment to provide parties with the opportunity to provide further information about their request for funds and shall distribute funds to requesting parties based on demonstrated need.



MEMORANDUM

TO: Massachusetts Gaming Commission
FROM: Todd Grossman, Deputy General Counsel
RE: Renewal of a gaming license
DATE: September 12, 2019

I. Introduction

The two Category 1 gaming licenses awarded by the Commission are issued for a term of 15 years. See G.L. c.23K, §19(b). The single Category 2 gaming license awarded by the Commission is valid for a term of 5 years. See G.L. c.23K, §20(f). Per the documents awarding the respective licenses, the term of the licenses began upon the Commission’s approval to commence operations of the gaming establishments. Chapter 23K includes some provisions relative to the renewal of these licenses at the expiration of the initial terms, but the Commission will have to develop and implement new regulations to effectively govern the renewal process. Prior to doing so, however, a number of broad policy questions should be discussed in order to lend guidance to the process. Some of those questions are outlined below. Prior to contemplating those questions though, it will be useful to review the relevant statutory provisions, as well as the approaches employed by other gaming jurisdictions.

II. Statutory Renewal Provisions

The governing provisions included in G.L. c.23K grant broad discretion to the Commission to develop a renewal process for the gaming licenses it issues. Aside from directing that the Commission develop such a process that includes some sort of renewal fee, the statutes do not themselves establish many requirements.

The law requires the Commission to “establish procedures” for the renewal of the Category 1 and Category 2 licenses. G.L. c.23K, §§19(b)¹ and 20(f).² There is no other indication in the law as to what form the process must take. The renewal processes for each category of license must, however, include the assessment of a renewal fee. See id. The renewal fees must be

¹ G.L. c.23K, §19(b) provides: “The commission shall establish procedures for the renewal of a category 1 license, including a renewal fee, and submit to the clerks of the senate and house of representatives any legislative recommendations that may be necessary to implement those procedures, not less than 180 days before the expiration of the first license granted pursuant to this chapter.”

² G.L. c.23K, §20(f) provides: “The commission shall establish procedures for renewal and set the renewal fee no. Any renewal fees shall be deposited into the Gaming Revenue Fund.”



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“based on the cost of fees associated with the evaluation of” each licensee . See G.L. c.23K, §§10(d)³ and 20(f). As for the Category 2 license, the law provides that the fee “shall not be less than \$100,000.” G.L. c.23K, §20(f). There are otherwise no statutorily prescribed minimum or maximum renewal fees associated with the Category 1 licenses. All renewal fees “shall be deposited into the Gaming Revenue Fund.” G.L. c.23K, §§10(d) and 20(f).

The only other reference in Chapter 23K to the renewal process is included in section 17(b) which mandates that “[a] gaming licensee's compliance with [ILEV] agreements shall be considered upon a gaming licensee's application for renewal of the gaming license.”

III. Other jurisdictions

Though each is unique, it may be helpful to consider the manner in which some of the other jurisdictions that allow expanded gaming address renewal or review of gaming licenses. This is a high level overview:

New Jersey- Casino licenses are issued for 5 year terms. After an initial grant, there is a resubmission, rather than renewal, process. This means that a full investigation into the entities and individuals as to their suitability as well as a full financial review of the operations is conducted, but if there are no issues of concern a hearing before the Casino Control Commission is not required. It is essentially a call-forward process, i.e. - the license continues unless the Division of Gaming Enforcement seeks to bring forth an issue for hearing.

Nevada- Casino licenses in Nevada are not issued for any set period of time. Accordingly there is no formal renewal process; nor is there any formal periodic review process. However, gaming licensees and executives are required to appear before the Commission regularly for a variety of different approvals (e.g.- financial audits, changes in employment, amendments to “Order of Registration”). This affords the Commission an opportunity to effectively maintain oversight of its licensees.

Mississippi- Casino licenses are issued for a 3 year term. A shorter license term can be imposed if there are concerns about the company, but generally all licenses are for 3 years. The commission may simply “continue” the license at its expiration if there has not been any “substantial changes” in the applicant’s information since initial licensure. However, at the end of a 3 year license period the commission does not typically “continue” the license but

³ G.L. c.23K, §10(d) provides: “The commission shall set any renewal fee for such license based on the cost of fees associated with the evaluation of a category 1 licensee under this chapter which shall be deposited into the Gaming Revenue Fund. Such renewal fee shall be exclusive of any subsequent licensing fees under this section.”

rather reissues the license for another 3 years if the applicant is found to be in good standing. There is frequently substantial change in a company over the course of three years. So when it comes time for re-licensure, a casino submits an application again on the same “Mississippi Addendum” form for an initial applicant and just updates its information. The review/investigation for a renewal is not quite as arduous as an initial application as the Commission already has a history of the company. However, updated financial information, changes in ownership, changes in officers, etc. are reviewed (officers and owners of a company get a suitability approval for 9 years, so if they are still with the company they do not have to be renewed every time the company does and only new officers or owners have to submit new fingerprint forms and be investigated). The information required to be submitted by the applicant is the same at the time of initial licensure and at renewal (including things like terms and conditions of outstanding loans or indebtedness, balance sheets for the preceding 3 years, and profit loss statements for at least 3 years).

Supplementary information is also reviewed depending on the applicant. The Commission’s primary concerns involve things like whether the company still has sufficient capital to continue adequate operations in the state, and whether there are any active investigations or significant litigation involving the company. The licensees are generally required to keep the Commission updated on significant information during the course of their license period, so there are not usually many surprises.

Pennsylvania- Initially, casino operators were identified as Slot Machine Licensees and the initial term of their license was 1-year. Following that initial 1-year renewal term, all subsequent renewals were on a 3-year term. More recently, however, Pennsylvania’s General Assembly passed a gambling expansion bill signed into law in October 2017. One provision of that bill was to extend the license renewal term for all categories of licenses to 5 years. A few other characteristics of the Slot Machine License renewal process are the following:

1. A renewal application must be submitted by the casino 180 days prior to the expiration of the license.
2. Renewal application fees are to be included with the renewal application.
3. Once the renewal application is deemed complete, a public input renewal hearing is scheduled in the municipality where the casino is located. This hearing includes testimony from casino management as well as any government officials, community groups and members of the public who register in advance to speak. There are time limits on all persons who wish to speak.
4. Two or three months later, a license renewal hearing is held for one of the Board’s regularly scheduled public meetings. At this time, the casino makes a presentation and answers any questions from the Board members. During this regularly scheduled public meeting, the Board will make a motion and take a vote on the renewal application.

Michigan- Casino licenses are subject to annual renewal. An abbreviated form of a business entity disclosure form and personal disclosure (including a net worth statement) for each individual qualifier are required. There is a \$25,000 annual renewal fee.

IV. Policy questions

In order to effectively craft regulations governing the renewal process for gaming licenses, the Commission should first address some threshold policy questions. The answers to the following non-exhaustive list of questions will help shape the resulting regulations.

1. *What should the license renewal fee be?* The initial license fees for the Category 1 and Category 2 licenses were \$85 million and \$25 million respectively. See G.L. c.23K, §§10(d) and 11(b). In setting the initial licensing fee, the Commission took a long view, and elected to set the fees at the statutory minimums (as opposed to setting up a bidding process or increasing the fee to a higher amount) in order to enable the licensee to put as many funds as feasible into the construction and operation of the respective gaming establishments.
2. *What will the term of the renewal be?* The law clearly sets the initial terms of the Category 1 and Category 2 gaming licenses as 15 years and 5 years, respectively. See G.L. c.23K, §§19(b) and 20(f) (“A category 1 license issued by the commission in any region shall be valid for an initial period of 15 years” G.L. c.23K, §19(b); “A category 2 license issued pursuant to this chapter shall be for a period of 5 years.” G.L. c.23K, §20(f)). By its reference to the term as an “initial period of 15 years,” section 19(b) left open the question as to whether a term of renewal of a Category 1 gaming license would similarly be required to be 15 years. By contrast, the language applicable to the term of a Category 2 license provides no such opening in that it makes clear that the license “shall be for a period of 5 years.” G.L. c.23K, §20(f).
3. *What issues should the renewal process focus on?* As part of the initial RFA-2 process, the Commission comprehensively reviewed and considered nearly every component of the construction and operation of each gaming establishment. While the Commission may elect not to engage in such a comprehensive review as part of the renewal process, it will have to determine which elements will be part of the renewal review. For example, it may include any or all of the following:
 - Review of compliance with existing conditions of gaming license;
 - Review of status and compliance with host community agreements;
 - Review of status and compliance with surrounding community agreements;
 - Review of status and compliance with ILEV agreements;

- Review of capital expenditure plan;
- Review of suitability of individual qualifiers (filing of Multi-jurisdictional Personal History Disclosure Form and Massachusetts Supplement);
- Review of suitability of entity qualifiers (filing of Business Entity Disclosure Form);
- Review of existing conditions of gaming license and associated commitments and requirements including onsite and offsite mitigation;
- Review of financial suitability (overall health, debt/equity ratio, debt obligations); and
- Review of business ability to operate a successful gaming establishment.

4. *Are any amendments to G.L. c.23K needed in order to implement the renewal process?* Pursuant to G.L. c.23K, §19(b), the Commission shall “submit to the clerks of the senate and house of representatives any legislative recommendations that may be necessary to implement those procedures, not less than 180 days before the expiration of the first license granted pursuant to this chapter.” This language appears in the section pertaining to the Category 1 gaming licenses, so does not seem to apply to the renewal of the Category 2 license. However, it provides an opening to make such recommendations in the near term if deemed helpful.