

COMMONWEALTH OF MASSACHUSETTS

HAMPDEN, ss.

MASSACHUSETTS GAMING COMMISSION

In the Matter of:)
)
)
 Application of Blue Tarp reDevelopment, LLC for a)
 License to Operate a Category 1 Gaming Establishment)
 In Region B)
)

**DECISION AWARDING A LICENSE TO OPERATE A
CATEGORY 1 GAMING ESTABLISHMENT IN REGION B**

I. Introduction

Blue Tarp reDevelopment, LLC, (hereinafter “Blue Tarp” or “Applicant”)¹ submitted to the Massachusetts Gaming Commission (hereinafter “Commission” or “MGC”) an RFA- 2 application for a Category 1 Gaming License to operate a Gaming Establishment in Region B. The Commission has the authority to issue a single Category 1 Gaming License (“License”) in Region B pursuant to G.L. c.23K, §19(a). For the following reasons, the Commission hereby awards the License to Blue Tarp.

II. Background

On or before January 15, 2013, the Commission received an RFA-1 application, including the \$400,000 application fee, from Blue Tarp. See G.L. c.23K, §15(11).² Blue Tarp then underwent a thorough investigation by the Investigation and Enforcement Bureau (“IEB”). Pursuant to 205 CMR 101.01, an adjudicatory proceeding was conducted by the Commission on December 9, 2013 at the conclusion of the investigation to determine the suitability of Blue Tarp. See 205 CMR 115.04. By written decision dated December 23, 2013 the Commission issued a positive determination of suitability for Blue Tarp and its qualifiers deeming each suitable to hold a gaming license, and accordingly, rendering Blue Tarp eligible to file an RFA-2 application for a Category 1 gaming license. See 205 CMR 115.05.

Blue Tarp signed an agreement with the host community of Springfield, MA setting out the conditions under which a gaming establishment may be located within the host community and submitted the executed Host Community Agreement to the Commission in accordance with 205

¹ The parent company of Blue Tarp is MGM Resorts International (hereinafter, “MGM”). As such, the application was at times, where appropriate, evaluated based upon MGM’s experience, track record, and wherewithal.

² Blue Tarp paid all required investigatory costs and monies due relative to the host and surrounding community process. See G.L. c.23K, §15(4) and (11), and 205 CMR 114.00.

CMR 123.02(3). See G.L. c.23K, §15(8)³. A vote pursuant to G.L. 23K, §15(13) was held in the Host Community on July 16, 2013 relative to the Blue Tarp proposal. As a result, Blue Tarp “received a certified and binding vote on a ballot question at an election in the host community in favor of such license;” See G.L. c.23K §15(13).

Blue Tarp submitted an RFA-2 Application, in accordance with 205 CMR 118.01(2), to the Commission on December 31, 2013 (including all amendments and additions thereto, the “RFA-2 Application”). The Commission heard an informal presentation from Blue Tarp explaining its RFA-2 Application on January 23, 2014. See 205 CMR 118.04(1)(e). The Commission held a public hearing in West Springfield on March 3, 2013 in order to receive comments from residents of communities impacted by the proposed Gaming Establishment. See 205 CMR 118.04(1)(a). The Commission also accepted written submissions from the public. The Commission held a Host Community public hearing in Springfield, MA on April 1, 2014 and May 14, 2014 to receive comments from the residents of the Host Community. See G.L. c.23K, §17(c) and (d), and 205 CMR 118.05.

Blue Tarp has executed agreements with all designated Surrounding Communities and Impacted Live Entertainment Venues and has submitted those agreements to the Commission. See G.L. c.23K §§15(9) and (10).

Each of the five sections of Blue Tarp’s RFA-2 application was assigned to an individual Commissioner to conduct an evaluation. Each Commissioner was advised by professional consultants and independent evaluators. See 205 CMR 118.04(1)(b) and (c). Each Commissioner then presented a report and recommendation on his or her section. The Commissioners reviewed all of the reports and discussed the recommendations made by each Commissioner at public meetings of the Commission on June 10, 2014. The Commission made a determination on the issuance of the Category 1 gaming license in Region B on June 13, 2014. See 205 CMR 118.06.

III. Findings and Evaluation

In evaluating whether to issue the Category 1 license in Region B to Blue Tarp, the Commission considered all information in the RFA-1 and RFA-2 applications submitted by Blue Tarp and developed as part of the IEB investigation, the presentations made by Blue Tarp to the Commission, and the comments received by the Commission in writing and at the surrounding and host community hearings. The RFA-1 and RFA-2 applications, the Phase 1 Suitability Decision dated December 23, 2013, Blue Tarp’s presentation, and the evaluation reports created by the Commission, as referenced in the paragraph above, are incorporated into this Decision by reference.

In accordance with G.L. c.23K, §18, in determining whether to issue the License to Blue Tarp, the Commission also evaluated how Blue Tarp proposed to advance the following objectives:

³ The agreement provides for payment of a community impact fee. The contents of Blue Tarp’s application, including the applicable attestation provided in Section B of the RFA-2 application (Commitment to Community Mitigation), demonstrate that G.L. c.23K, §15(14) has been satisfied.

- (1) protecting the lottery from any adverse impacts due to expanded gaming including, but not limited to, developing cross-marketing strategies with the lottery and increasing ticket sales to out-of-state residents;
- (2) promoting local businesses in host and surrounding communities, including developing cross-marketing strategies with local restaurants, small businesses, hotels, retail outlets and impacted live entertainment venues;
- (3) realizing maximum capital investment exclusive of land acquisition and infrastructure improvements;
- (4) implementing a workforce development plan that utilizes the existing labor force, including the estimated number of construction jobs a proposed gaming establishment will generate, the development of workforce training programs that serve the unemployed and methods for accessing employment at the gaming establishment;
- (5) building a gaming establishment of high caliber with a variety of quality amenities to be included as part of the gaming establishment and operated in partnership with local hotels and dining, retail and entertainment facilities so that patrons experience the diversified regional tourism industry;
- (6) taking additional measures to address problem gambling including, but not limited to, training of gaming employees to identify patrons exhibiting problems with gambling and prevention programs targeted toward vulnerable populations;
- (7) providing a market analysis detailing the benefits of the site location of the gaming establishment and the estimated recapture rate of gaming-related spending by residents travelling to out-of-state gaming establishments;
- (8) utilizing sustainable development principles including, but not limited to: (i) being certified as gold or higher under the appropriate certification category in the Leadership in Environmental and Energy Design program created by the United States Green Building Council; (ii) meeting or exceeding the stretch energy code requirements contained in Appendix 120AA of the Massachusetts building energy code or equivalent commitment to advanced energy efficiency as determined by the secretary of energy and environmental affairs; (iii) efforts to mitigate vehicle trips; (iv) efforts to conserve water and manage storm water; (v) demonstrating that electrical and HVAC equipment and appliances will be EnergyStar labeled where available; (vi) procuring or generating on-site 10 per cent of its annual electricity consumption from renewable sources qualified by the department of energy resources under section 11F of chapter 25A; and (vii) developing an ongoing plan to submeter and monitor all major sources of energy consumption and undertake regular efforts to maintain and improve energy efficiency of buildings in their systems;
- (9) establishing, funding and maintaining human resource hiring and training practices that promote the development of a skilled and diverse workforce and access to promotion

- opportunities through a workforce training program that: (i) establishes transparent career paths with measurable criteria within the gaming establishment that lead to increased responsibility and higher pay grades that are designed to allow employees to pursue career advancement and promotion; (ii) provides employee access to additional resources, such as tuition reimbursement or stipend policies, to enable employees to acquire the education or job training needed to advance career paths based on increased responsibility and pay grades; and (iii) establishes an on-site child day-care program;
- (10) contracting with local business owners for the provision of goods and services to the gaming establishment, including developing plans designed to assist businesses in the commonwealth in identifying the needs for goods and services to the establishment;
 - (11) maximizing revenues received by the commonwealth;
 - (12) providing a high number of quality jobs in the gaming establishment;
 - (13) offering the highest and best value to create a secure and robust gaming market in the region and the commonwealth;
 - (14) mitigating potential impacts on host and surrounding communities which might result from the development or operation of the gaming establishment;
 - (15) purchasing, whenever possible, domestically manufactured slot machines for installation in the gaming establishment;
 - (16) implementing a marketing program that identifies specific goals, expressed as an overall program goal applicable to the total dollar amount of contracts, for the utilization of: (i) minority business enterprises, women business enterprises and veteran business enterprises to participate as contractors in the design of the gaming establishment; (ii) minority business enterprises, women business enterprises and veteran business enterprises to participate as contractors in the construction of the gaming establishment; and (iii) minority business enterprises, women business enterprises and veteran business enterprises to participate as vendors in the provision of goods and services procured by the gaming establishment and any businesses operated as part of the gaming establishment;
 - (17) implementing a workforce development plan that: (i) incorporates an affirmative action program of equal opportunity by which the applicant guarantees to provide equal employment opportunities to all employees qualified for licensure in all employment categories, including persons with disabilities; (ii) utilizes the existing labor force in the commonwealth; (iii) estimates the number of construction jobs a gaming establishment will generate and provides for equal employment opportunities and which includes specific goals for the utilization of minorities, women and veterans on those construction jobs; (iv) identifies workforce training programs offered by the gaming establishment; and (v) identifies the methods for accessing employment at the gaming establishment;

- (18) whether the applicant has a contract with organized labor, including hospitality services, and has the support of organized labor for its application, which specifies: (i) the number of employees to be employed at the gaming establishment, including detailed information on the pay rate and benefits for employees and contractors; (ii) the total amount of investment by the applicant in the gaming establishment and all infrastructure improvements related to the project; (iii) completed studies and reports as required by the commission, which shall include, but need not be limited to, an economic benefit study, both for the commonwealth and the region; and (iv) whether the applicant has included detailed plans for assuring labor harmony during all phases of the construction, reconstruction, renovation, development and operation of the gaming establishment; and
- (19) gaining public support in the host and surrounding communities which may be demonstrated through public comment received by the commission or gaming applicant.

In order to evaluate the above factors the Commission considered Blue Tarp’s overall response in accordance with 205 CMR 119.03 in each of the following general categories: Overview of the Project; Finance; Economic Development; Building and Site Design; and Mitigation. To those ends, the Commission generally adopts the following findings of fact and conclusions of law for Blue Tarp as they are set forth in each of the reports prepared by the individual commissioners as part of the deliberations. Those reports are hereby incorporated into this decision by reference. Ultimately, the commission is satisfied that the project set out by Blue Tarp in its RFA-2 application and included in the other referenced sources meets, and in many instances exceeds, the minimum requirements set forth in G.L. c.23K and 205 CMR. Further, the Commission is satisfied that Blue Tarp has met the eligibility requirements set forth in G.L. c.23K, §15.

We set out our findings in each of the five aforementioned categories below.

A. Overview of the Project

The Blue Tarp proposal is a genuinely ambitious and unusual effort to use the economic muscle of a casino development to drive redevelopment of an entire depressed urban area. The Blue Tarp proposal includes not only hotel, restaurants and retail, which is relatively standard, but also outdoor activity space, a skating rink, a luxury movie theater, a bowling alley, and 54 units of market priced housing. This demonstrates just how seriously Blue Tarp is taking this effort. The Blue Tarp proposal takes the concepts of a “city integrated resort” and an “inside-out” casino development to a dramatic and unique new level. Ultimately, the plan demonstrates an ability to “maximize[e] revenues received by the commonwealth” G.L. c.23K, §18(11).

Overall, Blue Tarp’s proposal, when viewed holistically, is very good.

SUMMARY OF EVALUATION BY CRITERIA	
Criteria	Findings
Massachusetts Brand	The Blue Tarp proposal demonstrates a strong commitment to the history of Springfield and promises to maintain a commitment to Massachusetts’ historic themes of “innovation, inclusion and

	<p>community” in its development. The proposal is responsive to sustaining the existing Springfield brand, built now on finance, health care and education, and to expanding it with arts and entertainment. With its repurposing of four or more historic buildings into the project site, Blue Tarp demonstrates its sensitivity to both the old and new branding of Springfield and Western Massachusetts.</p>
Destination Resort	<p>The Blue Tarp proposal is an ambitious attempt to develop a truly “city integrated resort”— a concept that drives mixed use development in a depressed urban area with the economic engine of a casino and the cash flow of slot machines. The proposal takes very seriously the integration with local venues, hotels, tourist attractions, restaurants and retail, with its permeable access and egress, trolley service to other city attractions, venue partnerships, and local hiring and purchasing.</p> <p>The project is appropriately realistic about attracting most of its customers from a relatively nearby radius, including many people from Massachusetts. But with the help of its international marketing network, the proposal is as attentive as possible to bringing in outside dollars, particularly attracting Connecticut customers, since Springfield is closer to Hartford than Mohegan Sun and Foxwoods is.</p>
Outward Looking	<p>The Blue Tarp proposal is perhaps uniquely “outward looking” in that the casino itself is surrounded by other attractions and amenities, including hotel, movie theater, outdoor spaces for skating and summer events, restaurants and retail. All amenities at the perimeter of the establishment have ready access from many points. The “live/work/play” concept is actually plausible because of the mixed use development, and the combined effort of Blue Tarp and the City of Springfield to drive further redevelopment in the area.</p> <p>A signature feature of the Blue Tarp proposal, that reinforces its “outward looking” commitment, is its reliance on existing performance venues and hotels for its success.</p>
Competitive Environment	<p>This proposal has a very realistic assessment of the competitive environment, and demonstrates a corporate history of successful performance in competitive markets. Blue Tarp has positioned itself as the only urban facility among its principal competitors, with a broader array of activities in the surrounding area, as a key competitive advantage. Blue Tarp reasonably promotes its proximity to Hartford for its ability to attract Connecticut patrons, as well as its plans to repatriate Massachusetts dollars.</p>
Meeting Unmet Needs	<p>The Blue Tarp proposal includes a number of entertainment attractions the likes of which are not otherwise readily available in the area, including an ice skating rink, bowling alley, and luxury movie theater. Blue Tarp will help to market unique new attractions in its partnerships with local performance venues, and is clearly committed to working with local attractions, chambers of commerce, convention and visitor</p>

	<p>bureaus, and the Massachusetts Office of Travel and Tourism, to broaden the impact of the casino audience on the whole Pioneer Valley.</p>
<p>Collaborative Marketing</p>	<p>Although the Blue Tarp proposal does not particularly position itself this way, it is distinctive in its approach to collaborative marketing because it is done out of a genuine need, rather than as window dressing. Blue Tarp’s competitive advantage will be its urban setting, and its access to the host of other attractions and amenities in Springfield and in the region. If people just want fancy casinos, there will be bigger and better ones at Foxwoods, Mohegan Sun, and Region A. But the MGM in Springfield can be positioned as a gateway to tourism and leisure in Western Massachusetts, something none of the other locations can offer. One measure of this mutual interdependence is Blue Tarp’s plan to run a subsidized trolley from its property to other Springfield attractions.</p> <p>Blue Tarp combines this intrinsic tie with other attractions in Springfield and the region with its global brand and global reach, established working relationships with many international travel and promotional organizations, and trade show strengths. A combination of the Blue Tarp marketing muscle with the appeal of a rejuvenating Springfield and the regional appeals of Western Massachusetts make for an extraordinary commitment to collaborative marketing.</p>
<p>Diverse Workforce and Supplier Base</p>	<p>Blue Tarp has an impressive track record for both supplier and employment diversity, and its inclusion and diversity training programs appear to be of high quality. Though the commitments tend to be only aspirational and best efforts, we recognize that the actual diversity plans for construction and operations are not formally due until after the award is made.</p>
<p>Broadening the Region’s Tourism Appeal</p>	<p>The Blue Tarp “inside-out” and “city integrated resort” strategies give Blue Tarp a unique differentiator to compete with Foxwoods and Mohegan Sun. This positioning and its location as a point of entry to the Pioneer Valley from the south, with ready highway and transit access, offers enormous potential to both retain Massachusetts travelers who now go to casinos out of state, as well as to pull tourists and guests from New York and Connecticut who now frequent Foxwoods and Mohegan Sun. The Blue Tarp proposal makes a very persuasive case for broadening the tourism base for Springfield and the entire Pioneer Valley region, a case articulated well in four areas: design, marketing, partner/community engagement, and brand. To be successful, Blue Tarp must successfully market the non-casino attractions and amenities in Springfield and the region.</p> <p>There is a real possibility that Blue Tarp will lift the fortunes of the entire region, especially the broader Springfield community.</p>

B. Finance

Blue Tarp has demonstrated that it has the financial capabilities and direct access to funds required to develop and operate a successful Category 1 gaming establishment. The RFA-2 submission demonstrated a full understanding of the current and future Massachusetts competitive marketplace. This understanding is reflected in the consistency (alignment) between the Investment, Market, and Operations plans submitted. Individually, the plans are well thought out and support the urban integration theme of the total development proposed.

While there are many examples of casinos located in urban environments, the level of integration that has been incorporated in Blue Tarp’s project plan is ambitious. Blue Tarp has acknowledged that its Springfield plan is complex and entails a level of integration that it has not implemented in the past and that the plan will likely require modifications as it advances through the development process. As the development evolves, modifications and adjustments will have to be assessed with regard to potential impacts on expected operational results (e.g. appeal of the broader site to attract potential customers and ability of the site to accommodate visitor volumes) and appropriate responses developed and implemented.

Overall, Blue Tarp’s proposal in the finance category is very good with outstanding elements.

SUMMARY OF EVALUATION BY CRITERIA	
Criteria	Findings
Financial and capital structure	<p>Blue Tarp, via MGM, has demonstrated that it possesses the financial stability and strength to develop and operate the proposed gaming establishment.</p> <p>Blue Tarp demonstrated the availability of adequate financing for the project. The total capital required for the project is \$825 million. Blue Tarp provided 2 options for the funding of the project:</p> <ul style="list-style-type: none"> • <i>Option 1</i> – the project would be funded through its corporate credit facility, existing cash, cash from existing operations as well as distributions received from existing subsidiaries; and • <i>Option 2</i>- the project would be funded by way of Blue Tarp contributing 25%-50% to the development with the remainder financed through project financing. <p>Either option would be satisfactory; as at December 31, 2013:</p> <ul style="list-style-type: none"> • MGM had \$1.2 billion of available borrowing capacity under its senior credit facility. • MGM had \$1.71 billion in EBITDA, \$857 million in interest expense and \$562 million in capital expenditures. • MGM’s current assets amounted to \$2.7 billion while current liabilities amounted to \$2.2 billion. • Two commitment letters provided by Barclays and Deutsche Bank proving financing in an amount up to \$619 million and \$770 respectively.

	<p>While MGM’s key financial ratios demonstrate financial stability and strength, it also reflects a proportion of debt relative to equity that is higher than preferable (if some convertible notes due in 2015 were converted today into equity, MGM’s debt to equity ratio would improve). Ultimately, though, Blue Tarp’s proposed financing plan produces a commercially reasonable return on investment, and a positive return on investment can be achieved even after applying a 15% discount rate.</p> <p>The contents of Blue Tarp’s application, including the applicable attestation provided in Section B of the RFA-2 application, demonstrate that G.L. c.23K, §15(5) has and will be satisfied.</p>
Investment Plan	<p>Eligible capital costs provided by Blue Tarp meet the minimum capital investment requirement. See G.L. c.23K, §10(a), G.L. c. 23K, §18(3), and 205 CMR 122.00 (governing the manner in which the capital investment is calculated.). The total eligible costs are \$515.8 million (Eligible Construction Cost: \$408.3 million plus eligible FF&E Cost: \$107.5 million). The contents of Blue Tarp’s application, including the applicable attestation provided in Section B of the RFA-2 application, demonstrate that G.L. c.23K, §15(2) has been satisfied.</p> <p>Blue Tarp has proposed a construction timeline of 27 months which is a reasonable timeline for opening the gaming establishment given the size, scope, and complexity of the development and the site location. The proposed size and scope of the gaming establishment is consistent with the business and financial plans submitted. Further, the proposed project, as comprised of the following elements, is consistent with archetypal North American regional casinos:</p> <ul style="list-style-type: none"> • <i>Gaming Floor</i> of 126,701 square feet containing 3000 slot machines⁴ and 100 table games • 250 room four star <i>hotel</i> • 8 <i>food and beverage</i> outlets containing 2,065 total seats • <i>Entertainment venues</i> including a bowling alley, movie theater, and radio/TV studio • 3,853 <i>parking</i> spaces • 19,388 square feet of <i>exhibition and meeting space</i> • 8,000 square feet of <i>branded retail</i> space in the form of 3 small internal stores, and • 33,300 square feet of <i>outdoor retail</i> space
Market Assessment	<p>Gaming revenue projections are within the likely market performance range with reasonable inflow expectations that are consistent with the marketing programs submitted by Blue Tarp.</p>

⁴ The Commission finds that Blue Tarp has met the statutory requirements regarding the purchase of domestically manufactured slot machines. See G.L. c.23K, §18(15).

	<p><u>Projected Gross Gaming Revenue for Year 3 (net of free play):</u></p> <ul style="list-style-type: none"> • Defined market area: \$436.7 million • Outside the defined market area (Inflow): \$62.9 million • Total: \$499.6 million <p>Blue Tarp has satisfied its obligation to provide “a market analysis detailing the benefits of the site location of the gaming establishment and the estimated recapture rate of gaming-related spending by residents travelling to out-of-state gaming establishments” See G.L. c. 23K, §18(7).</p>
Operations Plan	<p>Blue Tarp has recognized the importance of internal controls and has extensive experience operating in a highly regulated environment. MGM presently operates in 4 jurisdictions (Nevada, Mississippi, Michigan and Macau). Further, MGM is a publically traded company subject to detailed public disclosure requirements.</p> <p>All operational and marketing plans submitted by Blue Tarp were clearly articulated and represent a cohesive strategy that aligns with an archetypal North American regional casino facility in Springfield. The submissions included plans for slot machine products, table game products, food and beverage, hotel, retail, parking, and marketing (including the M-Life program containing a database which includes 60 million worldwide customers and 430,000 customers within 100 miles of Springfield).</p> <p>Financial projections are consistent with Blue Tarp’s market expectations, its proposed facility plans, and the business/marketing plans submitted.</p>

C. Economic Development

Blue Tarp provided a detailed description of workforce development plans including numerous examples of existing employee career paths within MGM. Further, Blue Tarp has entered into MOUs with both the Massachusetts Casino Career Training Institute and American International College in Springfield, thus demonstrating an awareness of the workforce landscape in Massachusetts. Blue Tarp also provided detail on on-boarding, training and development initiatives (e.g., “Aspire,” “Leadership Institute”) and intend to provide a strong employee benefits package at an average of 51.1% of wages/salaries per Full Time Employee (including: medical/dental, employee meals, 401k, tuition reimbursement, moving/relocation). Blue Tarp referenced the low turnover rates (16%) at existing MGM facilities and detailed its experience with diversity in hiring and employee progression practices (63.65% minority hiring companywide, and 37.7% of management positions being held by minorities companywide).

Blue Tarp provided a description of the vendor outreach process (e.g., research, attendance at vendor fairs, advertisements, vendor requirements) and process for contracting for goods and services (i.e., prior to launch, project launch) as well as identifying several local businesses with whom Blue Tarp has already entered into agreements. Though Blue Tarp could have provided additional detail on the strategies/plans to be developed to reach local business enterprises once operational on the whole the plans provided by Blue Tarp relative to vendor spending are satisfactory.

With respect to vendor diversity targets, Blue Tarp identified targets for Minority Business Enterprises/Women Business Enterprises/Veteran Business Enterprise participation and provided an extensive plan detailing the manner in which it intends to build awareness, strategies for involvement and development, joint ventures and mentorships, monitoring process, and project operations training.

Blue Tarp expressed an intention to cross-market with local partners and provided evidence of a number of agreements executed with local entities (e.g., Six Flags, golf courses, ski resorts, MassMutual Center, Symphony Hall/CityStage). However, there was a general lack of detail surrounding strategies/implementation (e.g., shared customer database, education/mentorship of smaller, local tourism organizations). While Blue Tarp identified international marketing initiatives (e.g., China, M-life members in Montreal & Toronto, and capitalizing on train service between New York and Springfield), Blue Tarp did not provide detail on how it plans to work with various local/regional groups to bring these target markets to the gaming establishment. Further, though it did provide a plan for a variety of other, non-gaming amenities (e.g. cinema, bowling alley, and ice rink) it did not provide a description or detailed plan on how Blue Tarp intends to use these “other amenity” elements to drive visitation to the gaming establishment. Blue Tarp did, however, demonstrate strong linkages to regional economic plans (e.g., Rebuild Springfield, Pioneer Valley) and commitment to non-competition with local entertainment venues.

Blue Tarp has expressed an intent to employ union labor and ensure labor harmony during the construction and operation of the gaming establishment as it has with the other resorts it has developed. MGM has signed work agreements (Project Labor Agreements (“PLA”)/Work Continuation Agreements (“WCA”)) with the Pioneer Valley Building and Construction Trades Council and with Carpenter’s Local No. 108. Further, MGM has entered into neutrality agreements with UNITE HERE Local 26, the International Union of Operating Engineers Local 877, the International Brotherhood of Teamsters Local 25 and the International Alliance of Theatrical Stage Employees and Moving Picture Technicians, Artists and Allied Crafts of the United States and Canada, which provide for a process by which employees employed in the hotel/casino operations will have the opportunity to select Union representation through a non-adversarial card check process. See G.L. c.23K, § 18(18).

Overall, Blue Tarp’s proposal in the economic development category is very good.

SUMMARY OF EVALUATION BY CRITERIA	
Criteria	Findings
Job Creation	Blue Tarp demonstrated a broad-based understanding of workforce

	<p>development needs and related these to an awareness of the Springfield landscape. Additionally, MGM has established policies and procedures which guide training and development initiatives and contribute to a company-wide low turnover rate (16%). Blue Tarp has demonstrated its commitment to “establishing, funding and maintaining human resource hiring and training practices that promote the development of a skilled and diverse workforce and access to promotion opportunities” G.L. c. 23K, §18(9).</p> <p>Blue Tarp has also demonstrated outreach to unemployed/underemployed groups and demonstrated MGM’s history of diversity hiring including a 37.7% of management jobs being held by minorities companywide.</p> <p>Blue Tarp’s reliance on a yet-to-be-engaged general contractor to follow through on diversity commitments for construction is an area of a concern, but one that can be monitored via mandatory status reports to the Commission.</p> <p>Ultimately, though, the information before the Commission demonstrates Blue Tarp’s commitment to implement a comprehensive workforce development plan that utilizes the existing labor force, including the creation of approximately 2,600 direct FTE jobs and approximately 4,640 total FTE jobs including indirect and induced jobs during the construction period, providing a high number of quality jobs in the gaming establishment with the anticipated creation of approximately 3000 direct permanent jobs upon opening, and the development of workforce training programs that will serve the unemployed and provide methods for accessing employment at the gaming establishment. <u>See</u> G.L. c. 23K §§18(4), (12), and (17).</p>
<p>Support for External Business Components</p>	<p>Blue Tarp identified the significant direct (e.g., construction costs, goods purchased, on-site payroll) and indirect economic benefits (e.g., marketing relationships with local businesses) it projects to have on the host community and region.</p> <p>Blue Tarp recognized the importance of buying locally and maintaining diversity in its supplier base. Through the Host Community Agreement, Blue Tarp committed to buy-local and set supplier diversity targets. While it has plans to work with Springfield’s entertainment and cultural institutions, plans to reach out to other Massachusetts businesses were relatively underdeveloped (although such plans might be considered premature at this point in the development process).</p> <p>Blue Tarp expressed an intention to involve local businesses as tenants and contractors in the project’s retail and food and beverage offerings which is commendable. Given the factors involved in this type of outcome, though, the interest level is largely unknown at this point.</p>

	<p>The Commission finds that Blue Tarp has provided satisfactory evidence relative to its plans to “promot[e] local businesses in host and surrounding communities, including developing cross-marketing strategies with local restaurants, small businesses, hotels, retail outlets and impacted live entertainment venues” G.L. c.23K §18(2); and of its plans to “contract[] with local business owners for the provision of goods and services to the gaming establishment, including developing plans designed to assist businesses in the commonwealth in identifying the needs for goods and services to the establishment” G.L. c.23K, §18(10).</p>
<p>Regional Tourism and Attractions</p>	<p>Blue Tarp identified a number of local and regional attractions, venues, and tourism organizations with which it has engaged or hopes to engage in cross-marketing and partnership opportunities. The marketing focus is, for the most part, regional with very limited emphasis placed on national or international visitation.</p> <p>Blue Tarp references relationships with target customers ranging from the International Gay and Lesbian Travel Association to MGM’s own “M Life” customers. More detail surrounding how Blue Tarp intends to use its existing customer database to drive visitation and support its cross-marketing efforts would have been useful.</p>

D. Building & Site Design

Blue Tarp has made a concerted and largely successful effort to integrate into downtown Springfield through its programming, site planning, and exterior architectural design. The proposal will redevelop multiple city blocks damaged by the 2011 tornado that ripped through the city. The proposed site is presently mostly characterized by underutilized buildings and open parking lots. The development will present a visually attractive venue of favorable proportion; include amenities that will draw individuals and families to enjoy a variety of non-gaming activities; provide lively and inviting open space; and create a project that works well with the Springfield city core. Further, it will preserve elements of some historical buildings on the site, including the 19th century Armory and the former Massachusetts Mutual Life Insurance Building. In addition it will relocate, preserve, and reuse the old French Congregational Church. All of this is accomplished within a commitment by Blue Tarp to obtain LEED Gold Certification. Key to Blue Tarp’s approach is a commitment to energy efficiency. The project is well into the MEPA process and no significant obstacles stand in the way of an opening in late 2016. If granted a license, MGM Springfield is anticipated to revitalize the urban core, energize adjacent businesses, add to the housing inventory, serve public wants and needs, and spawn new urban development that will continue to amplify the positive impacts of the project.

All of this is accomplished with few detriments. Highway access is greatly facilitated by the site’s proximity to the I-91 interchange, thus minimizing traffic impacts on downtown roadways. Reasonable measures funded by Blue Tarp are proposed to mitigate traffic impacts, promote

public transportation, and facilitate bicycle and pedestrian access. Demands on other public infrastructure (e.g., water, sewer, storm water) fit well within existing capacity. The project utilizes and in fact relies upon local amenities including the MassMutual Center (entertainment and conference venue), proximate hotels and restaurants (food, beverage, and accommodations), and nearby visitor attractions (e.g., Basketball Hall of Fame) to support its offerings creating an economic symbiosis.

There are concerns that demand continued attention through the subsequent review and permitting processes: the disposition of a number of historical properties now slated for demolition; treatment of the eight-story parking garage which presents an imposing utilitarian facade on some exposures; security and neighborliness especially with respect to the adjacent courthouse; shadows cast by the hotel tower; and construction impact on the surrounding community and adjacent properties. These issues are addressed in the conditions of licensure and Blue Tarp should make certain it maintains its vigilance in this regard.

A review of all of the information before the Commission supports a conclusion that Blue Tarp has proposed “building a gaming establishment of high caliber with a variety of quality amenities to be included as part of the gaming establishment and operated in partnership with local hotels and dining, retail and entertainment facilities so that patrons experience the diversified regional tourism industry” G.L. c.23K, §18(5).

Overall, Blue Tarp’s proposal in the Building and Site Design category is very good for its urban design excellence and its transformative potential. The execution of this ambitious concept will require careful attention during future phases of design and development.

SUMMARY OF EVALUATION BY CRITERIA	
Criteria	Findings
Creativity in design and overall concept excellence	Blue Tarp emphasizes the culture and history of the City of Springfield as an important part of its theme of integration. It presents a well-conceived overall design concept that has the potential to enliven and enhance a blighted section of its downtown. Its commendable site proposal respects the existing street edges, provides multiple entries for the casino, fronts restaurants and shops on the main commercial spine, and includes public outdoor amenities. A large above ground parking structure and central plant will occupy the back of the site and will provide free public parking but will also be visible from three sides of the site’s perimeter, including I-91. However, the visual impact of the structure is somewhat mitigated by the proposed masonry cladding of the facades and will be further mitigated by the cladding condition the Commission has imposed on the Licensee. The project’s parking demand will be adequately satisfied by the amount of parking provided. Additionally the project incorporates some of the on-site historic building fabric, but also disturbs much of this historic fabric. Blue Tarp is working with the historical commission to reduce that disturbance.

<p>Gaming establishment of high caliber with quality amenities in partnership with local facilities</p>	<p>Blue Tarp proposes an urban casino with quality levels of service, amenities, and design modeled after those of MGM Detroit. The project will be integrated into its surroundings and will encourage patrons to explore and patronize Springfield’s cultural, hospitality, and culinary offerings. It will introduce amenities that broaden the appeal of this downtown destination and will complement other area attractions by limiting the size of its hotel, conference space, and entertainment facilities and by working cooperatively with these other venues, including the adjacent MassMutual Center, to host trade shows and large events. Fifty four market rate apartments that will front on Main Street are also included in its program.</p>
<p>Compatibility with surroundings</p>	<p>The project site is easily accessible via multiple major highways and local roadways and is situated adjacent to existing public transit systems. Blue Tarp adequately described the potential routes to be used for access and egress. The overall traffic study area is also adequate. Although MassDOT is generally satisfied with Blue Tarp’s trip generation rate, this rate appears to be near the lower tier for a casino facility. Blue Tarp provided sufficient responses to mitigation questions which are explored more fully in the Mitigation section of this decision. The proposed garage will compensate for the displaced parking spaces and free parking is offered to the general public. However, additional parking demands that may result from free parking have not been examined by Blue Tarp.</p> <p>Blue Tarp submitted a comprehensive list of noise reduction techniques for both construction and operational phases although it did not specifically address minimizing construction noise impacts on the adjacent courthouse complex.</p> <p>A well-developed plan for working with local entertainment venues was presented along with a marketing strategy to promote casino patron and employee awareness of local and regional restaurant, retail, and recreational offerings. The centerpiece of this plan is a new trolley system that will transport patrons from the casino to other downtown attractions.</p>
<p>Sustainable development</p>	<p>Blue Tarp exhibited a thorough and thoughtful approach to sustainability emphasizing prior experience with LEED certification at the MGM Grand in Las Vegas and MGM’s corporate policies. Blue Tarp’s approach is enhanced by its specific commitment to pursue LEED Gold certification under the auspices of the U.S. Green Building Council and its willingness to explore a Net Zero Building approach for one (small) portion of the project. Additionally Blue Tarp has stated its commitment to comply with the Massachusetts Stretch Energy Code and to meet 10% of energy requirements by renewable energy. However, specifics related to the size and location of on-site renewables needs to be developed.</p> <p>Blue Tarp’s approach to site elements and ongoing operations are</p>

	<p>consistent with its overall sustainability strategies. Building envelope commissioning, building system commissioning, and the Central Utility Plant are positives as they reduce overall energy demand; and the potential for the central plant to shift peak loads should be further investigated by Blue Tarp.</p> <p>Additional sustainability commitments include provision of charging stations for alternative fuel vehicles, energy efficient lighting strategies, and public education on sustainable practices. However, Blue Tarp does not specifically commit to use of energy efficient gaming equipment, shifting peak energy use, or testing of clean energy technologies.</p> <p>Ultimately, Blue Tarp has committed to “utilizing sustainable development principles” in the development and operation of this project and has accordingly satisfied the requirements outlined in G.L. c.23K §18(8).</p>
Security, monitoring, surveillance and emergency procedures	<p>Blue Tarp has demonstrated its understanding, commitment to, and experience with, all of the requirements relative to security, monitoring, and emergency procedures. With respect to exclusion of minors, its approach is to train employees for spotting violators and utilize roaming patrols, but it also notes that it will staff all gaming access points with security officers. It provides a convincing discussion regarding meeting the Commission’s needs on data access and exchange for the central computerized accounting and auditing system and cites its experience with other gaming control boards and the IRS. Further, Blue Tarp has committed to providing adequate space to meet the Commission’s requirements for regulatory accommodations and surveillance. It has also committed to providing security presence in the parking garage. The application response engenders confidence that Blue Tarp has the experience and commitment to fully and cooperatively meet Commission requirements.</p>
Permitting including ENF, EIR, Local Permits, and Zoning	<p>Blue Tarp has documented its efforts to comply with MEPA and local, state, and federal permitting and is proceeding with good progress. Significantly, a Casino Overlay District has been added to the City Zoning Ordinance that is crafted to accommodate the development as proposed “as of right.” There are no significant obstacles to the completion of the MEPA process and obtaining the necessary permits such that construction can start in the 4th quarter of 2014 and be completed by the end of 2016. Although there has been concern expressed about historical buildings on the site slated for partial or complete demolition, it is expected that this can be resolved without significant delay to the projected completion date. Ultimately, Blue Tarp has provided sufficient evidence of its understanding and ability to obtain all necessary permits and comply with applicable codes. See G.L. c.23K, §15(12).</p>
Other	<p>Blue Tarp provided essentially all requested details on the multiple</p>

	parcels making up prospective project site. The response engenders confidence that Blue Tarp has land ownership and transfer issues well in hand. The contents of Blue Tarp’s application demonstrate that G.L. c.23K, §15(3) will be satisfied.
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E. Mitigation

Blue Tarp’s participation in a competitive process within the City of Springfield incorporated an extensive public outreach effort to seek support and feedback. This resulted in the development of a project design that is built upon strong partnerships with existing local and regional entertainment facilities and a proactive approach to developing agreements with surrounding communities.

The project location in downtown Springfield is well-served by an existing urban street network, regional transit routes, and multiple access/egress points to the interstate highway system. Blue Tarp has analyzed potential traffic impacts from the casino development and proposed a program of mitigation measures to improve traffic operations, bicycle/pedestrian accommodations and facilities for existing/enhanced transit routes. Blue Tarp is actively coordinating with MassDOT to mitigate potential parking and traffic management impacts during construction of the state’s improvements to the I-91 viaduct. Blue Tarp has agreed to provide shuttle service to off-site parking lots to mitigate the removal of surface parking from its site during construction and to advance construction of its garage facility to minimize impacts to court users and other downtown patrons.

Blue Tarp has agreed to comply with the American Gaming Association’s Code of Conduct and with the Commission’s regulations applicable to responsible gaming issue and to address problem gambling. Blue Tarp has been an active participant in discussions with the Commission and its staff to develop its Responsible Gaming Framework.

Blue Tarp has agreed to execute a formal agreement with the Massachusetts State Lottery upon award of the License; negotiations with the Lottery are ongoing. Lottery officials confirmed, however, that they are very impressed with Blue Tarp’s proposal to provide direct access to lottery sales through its gaming software and equipment. Such an agreement will serve to help “protect[] the lottery from any adverse impacts due to expanded gaming” G.L. c.23K, §18(1).

Overall, Blue Tarp’s proposal in the mitigation category is very good.

SUMMARY OF EVALUATION BY CRITERIA	
Criteria	Findings
Community Support	Public support at hearings and in the community has been strong, though opposition to this project and gaming generally is also evident. See G.L. c. 23K, §18(19). Blue Tarp’s approach to its project is designed to partner with and benefit from existing local and regional entertainment and cultural resources. Blue Tarp’s approach to

	<p>Surrounding Community Agreements included look back studies at future intervals to identify actual impacts and provide funds to mitigate identified impacts. Indeed, Blue Tarp has executed surrounding community agreements with each designated Surrounding Community to the project. <u>See</u> G.L. c.23K, §15(9). Further, Blue Tarp has submitted Impacted Live Entertainment Venue agreements with each designated venue. <u>See</u> G.L. c.23K, §15(10).</p> <p>The contents of Blue Tarp’s application, including the applicable attestations provided in Section B of the RFA-2 application, demonstrate that G.L. c.23K, §§15(6), (7), and (8) have been satisfied, and that measures have been put in place to “mitigat[e] potential impacts on host and surrounding communities which might result from the development or operation of the gaming establishment” G.L. c. 23K, §18(14).</p>
Mitigate traffic and Offsite Impacts	<p>Blue Tarp adequately identified the project’s infrastructure costs and projected potential traffic generation impacts to the region and has proposed a range of mitigation measures at various locations to improve traffic operations and/or pedestrian and bicycle accommodations. Mitigation will include a program to encourage the use of alternate modes of transportation. The mitigation measures proposed by Blue Tarp will address the anticipated impacts. The only special/large event to be hosted on-site is the Grand Opening and the nearby municipal parking garages will be utilized as additional off-site parking facilities for this event. The onsite garage provides enough parking for projected demands of patrons and Blue Tarp is actively coordinating with MassDOT to mitigate potential impacts during construction of the state’s improvements to the I-91 viaduct that may overlap with construction of the gaming establishment.</p>
Measures to Promote Responsible Gaming and Address Problem Gambling	<p>Blue Tarp demonstrated its experience in operating and integrating responsible gaming practices into its gaming operations. MGM currently meets minimum standards established by the American Gaming Association at its existing properties. Rather than demonstrating proactive and progressive measures to promote responsible gaming and address problem gambling MGM pointed to such compliance. Blue Tarp will work alongside the Commission to ensure that it takes “measures to address problem gambling including, but not limited to, training of gaming employees to identify patrons exhibiting problems with gambling and prevention programs targeted toward vulnerable populations” G.L. c. 23K, §18(6).</p> <p>The contents of Blue Tarp’s application, including the applicable attestation provided in Section B of the RFA-2 application, demonstrate that G.L. c.23K, §15(1) has been satisfied.</p>
Protect and Enhance the Lottery	<p>Although a formal agreement with the Massachusetts State Lottery has not been executed to date, extensive discussions between the parties</p>

	<p>have taken place. To that end, software engineers representing Blue Tarp and the Lottery have been analyzing respective technologies for compatibility for potential joint marketing and lottery ticket sales. Lottery officials have been impressed with Blue Tarp’s innovative proposal to provide direct access to Lottery sales for gaming establishment patrons through gaming equipment. The contents of Blue Tarp’s application, including the applicable attestation provided in Section B of the RFA-2 application, demonstrate that G.L. c.23K, §§ 15(1) and (6) have been satisfied.</p>
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V. Award

Having carefully reviewed and evaluated all of the materials submitted to the Commission as part of the RFA-1 and RFA-2 application processes, and gathered by the Commission as part of the review process including information and comments submitted by the public, the Commission finds that Blue Tarp has demonstrated “the business practices and the business ability [] to establish and maintain a successful gaming establishment” G.L. c. 23K, §12(a)(3). The information similarly demonstrates that Blue Tarp possesses an ability to maximize revenues to the Commonwealth, see G.L. c. 23K, §18(11), and to offer the highest and best value to create a secure and robust gaming market in Region B and the Commonwealth. See G.L. c.23K, §18(13). Accordingly, for all of the reasons articulated above, the Commission hereby **AWARDS** the Category 1 License in Region B to Blue Tarp reDevelopment, LLC.

The conditions agreed to by the Commission and Blue Tarp in the June 13, 2014 *Agreement to Award a Category 1 License to Blue Tarp reDevelopment, LLC* are hereby adopted and incorporated by reference as Exhibit A (attached) into this Award.⁵ Further, Blue Tarp shall abide by all conditions set forth in G.L. c.23K, §21.

The gaming establishment, as the term is defined by G.L. c.23K, §2, shall be as indicated on Exhibit B (attached).

SO ORDERED.

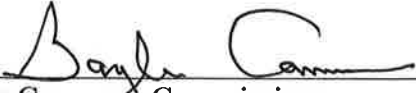
⁵ In sections 9(g), 10 and 11 of the *Agreement* Blue Tarp agreed to provide and abide by the marketing programs identified in G.L. c.23K, §21(21). Accordingly, G.L. c.23K, §§15(15) and 18(16) have been satisfied.

In sections 9(h) and 12 of the *Agreement* Blue Tarp agreed to provide and abide by the affirmative action programs identified in G.L. c.23K, §21(22). Accordingly, G.L. c.23K, §15(16) has been satisfied.

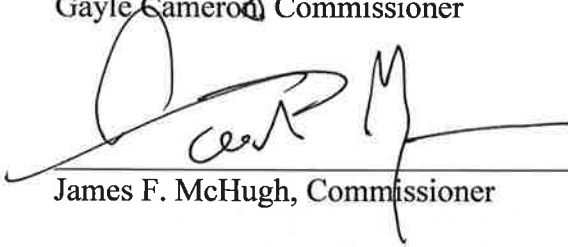
MASSACHUSETTS GAMING COMMISSION




Stephen P. Crosby, Chairman



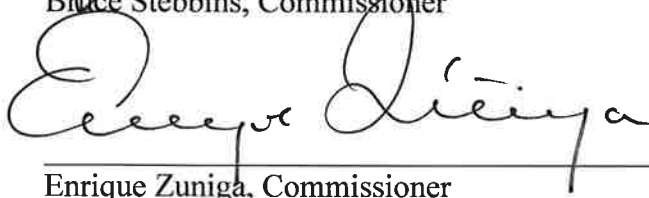
Gayle Cameron, Commissioner



James F. McHugh, Commissioner



Bruce Stebbins, Commissioner



Enrique Zuniga, Commissioner

DATED: 11/7/14

COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION

SUFFOLK, ss.

_____)
In the Matter of:)
)
Blue Tarp reDevelopment, LLC)
_____)

AGREEMENT TO AWARD A CATEGORY 1 LICENSE TO BLUE TARP REDEVELOPMENT, LLC

Upon reviewing all of the requirements of G.L c. 23K, the regulations under 205 CMR 101 et seq. and weighing the Applicant's RFA 1 and RFA 2 applications and information and comments submitted by the public, the Commission has determined that the Region B Category 1 gaming establishment license (the "license") will be awarded to Blue Tarp reDevelopment, LLC (the "Designated Licensee") pursuant to the terms and conditions of this Agreement to Award a Category 1 License to Blue Tarp reDevelopment LLC ("Agreement").

The gaming establishment will be defined in the license.

The term of the license awarded to Designated Licensee commences upon the Commission approval of the commencement of the operation of the gaming establishment and continues for a period of fifteen (15) years thereafter.

The Commission is taking action pursuant to 205 CMR 118.06(1)(d), and has determined that the Category 1 gaming establishment license will be awarded by a vote of the Commission and accepted by the Designated Licensee pursuant to G.L c. 23K, § 10 on the earlier of three (3) business days after (a) a finding by the Supreme Judicial Court invalidating the ballot initiative at issue in Case No. SJC-2013-00356, *Abdow, et. al. v. Attorney General and Secretary of the Commonwealth* or (b) the rejection of the repeal petition in the November 6, 2014 general election (hereinafter "Effective Date") subject to the following conditions:

1. Compliance with all of the requirements of M.G.L. c. 23K, as now in effect and as hereafter amended and 205 CMR 101 et seq., as now in effect and as hereafter amended.
2. Compliance with all applicable federal, state and local laws, rules and regulations, now in effect or as hereafter amended or promulgated.
3. Compliance with the debt equity requirements as established by the Commission's regulations.
4. Payment of the licensing fee as established in G.L c. 23K, § 10(d) and 205 CMR 121.01(1) on the later of June 30, 2014 or within five (5) business days of the Effective Date.

5. Payment of assessments made pursuant 205 CMR 121.00 on the later of June 30, 2014 or within five (5) business days of the Effective Date. Such assessments shall be offset by any installment payment made by the Designated Licensee under 205 CMR 121.02(1) and as described in paragraph 6, below.
6. Payment within five (5) business days of the Commission's vote to enter into this Agreement with the Designated Licensee as set forth above of an installment fee pursuant to 205 CMR 121.02(1) in the amount of \$4,967,000. This payment shall be considered an installment and credited to the Slot Assessment in the amount of \$1,800,000 and Commission's Annual Assessment in the amount of \$3,167,000 as set forth in G.L. c. 23K, § 56(a) and (c); 205 CMR 121.01(3) (a) and (3)(b); 205 CMR 121.02(2) and (3).
7. Secure a deposit bond in a form acceptable to the Commission equal to 10% of the capital investment calculated in accordance with 205 CMR 122 in the amount of \$51,579,200 within thirty (30) days of the Effective Date.
8. Compliance with the requirements of G.L. c. 23K, §15 (3) within 60 days of the Effective Date
9. Compliance with the terms and conditions of:
 - a. the host community agreement;
 - b. surrounding community agreements;
 - c. impacted live entertainment agreements;
 - d. lottery agreements;
 - e. any agreements related to the Designated Licensee's RFA 2 application signed with local partners as of the date of this Agreement including but not limited to the Greater Springfield Convention and Visitors Bureau;
 - f. the memorandum of understanding between the Commission and the Massachusetts Community College Casino Career Institute;
 - g. affirmative marketing programs for those businesses identified in c. 23K §21 (21) (i) (ii) and (iii) for design and construction of the gaming establishment;
 - h. affirmative action programs identified under c.23K §21 (22); and
 - i. all federal, state and local permits and approvals required to construct and operate the gaming establishment.
10. The provision of a plan within thirty (30) days of the Commission's request after the Effective Date for the Commission's review and approval creating an affirmative marketing program for those businesses identified in c.23K §21 (21) (i) and (ii) for design and construction.

11. The provision of a plan within ninety (90) days of the Commission's request after the Effective Date for the Commission's review and approval creating an affirmative marketing program for those businesses identified in c.23K §21 (21) (iii) for provision of goods and services procured by the gaming establishment.
12. The provision of a plan within thirty (30) days of the Commission's request after the Effective Date for the Commission's review and approval creating an affirmative action program for equal opportunity to those residents identified in c.23K §21 (22).
13. Compliance with the construction plans, specifications, and timelines as approved by the Commission in accordance with Commission regulations.
14. Compliance with the information included in the application filed by the Designated Licensee and the evaluation reports prepared by the Commission as part of the Commission's evaluation process which are incorporated by reference into this Agreement.
15. The provision of a plan within ninety (90) days of the Commission's request after the Effective Date to work with the Massachusetts Department of Labor and Workforce Development and related state and local agencies to create a plan for approval by the Commission in consultation with the Massachusetts Department of Labor and Workforce Development to identify and market employment opportunities to unemployed residents of Massachusetts.
16. In consultation with the regional tourism council and with the Massachusetts Office of Travel and Tourism, and subject to approval by the Commission, create a regional tourism marketing and hospitality plan. Such plan shall include, but is not limited to, making space available in the gaming establishment for state and regional tourism information, links on the Designated Licensee's website to the regional tourism council website, a joint marketing program with the regional tourism council and the Massachusetts Office of Travel and Tourism, staff training in regards to the plan and sharing of visitor data with the regional tourism council and the Massachusetts Office of Travel and Tourism. Such plan shall be provided to the Commission for its approval at least ninety (90) days prior to the anticipated commencement of operation of the gaming establishment.
17. In conjunction with the Massachusetts Gaming Commission Vendor Advisory Team and any local grant awardee, create a plan within ninety (90) days of the of the Commission's request after the Effective Date for the Commission's review and approval to assess Designated Licensee requirements and to identify potential local vendors.
18. Institute credit and collection practices that comply with Commission regulations.
19. Comply with any free play standards set by the Commission.
20. Other specific conditions:

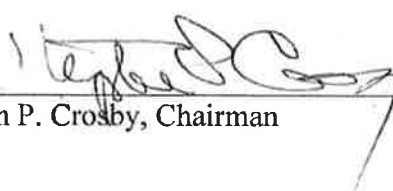
- a. The Designated Licensee shall file and update a list on a timely basis regarding the status of all pending litigation to which the Designated Licensee is presently a party, and promptly notify the Commission of any litigation commenced subsequent to the issuance of the license, with timely updates regarding the status of any new litigation. For the purposes of this condition, litigation is defined as any matter in which the damages may reasonably be expected to exceed \$100,000;
- b. The Designated Licensee shall promptly report any changes relating to its ownership, members, managers and/or directors; any new owners, members, managers and/or directors and pursuant to the Commission's regulations be required to submit a PHD and Mass Supp, or BED form to the Commission; and must be found suitable by the Commission;
- c. The Designated Licensee shall promptly report to the Commission as soon as it becomes aware that it intends to enter into a transaction which may result in any new financial backers, investors, mortgagees, bondholders, or holders of indentures, notes, or other evidences of indebtedness;
- d. The Designated Licensee shall promptly inform the Commission of any declared default or any material failure to meet any payment of interest or principal when due under any of its existing or future debt;
- e. The Designated Licensee shall notify the Commission if it intends to enter into a transaction to refinance its existing debt or incur any additional capital debt obligations of \$50,000,000 or more, whether in a single transaction or cumulative transactions during any 12-month period;
- f. The Designated Licensee shall submit annual audited financial statements to the Commission, if available; otherwise, it shall file consolidated audited financial statements with the Commission;
- g. The Bank Secrecy Act of 1970 ("BSA," or otherwise known as the Currency and Foreign Transactions Reporting Act) requires US financial institutions to assist US government agencies to detect and prevent money laundering. Specifically, the BSA requires financial institutions to keep records of cash purchases of negotiable instruments, file reports of cash transactions exceeding \$10,000 (daily aggregate amount), and to report suspicious activity indicative of money laundering, tax evasion, or other criminal activities. Originally applied only to financial institutions such as banks, reporting requirements have since broadened to include businesses such as casinos and check-cashing agencies. In that regard, a licensed casino qualifies as a "financial institution" subject to those filing requirements if it has more than \$1,000,000 in annual gross gaming revenue. This is a threshold any licensed gaming operation in Massachusetts should meet. The Designated Licensee is required to submit and adhere to a Plan for compliance with the United States Currency and Foreign Transactions Reporting Act.

- h. The Designated Licensee shall commit to being LEED Gold certified.
- i. The Designated Licensee shall adhere as reasonably practicable to the average wage scales provided in the Designated Licensee's RFA 2 application.
- j. The Designated Licensee shall apply for an alcoholic beverage license in accordance with the Commission's regulations.
- k. The Designated Licensee and its individual principals and principal entities shall refrain from any personal or business contact with Terry Christensen;
- l. Any contact with Terry Christensen shall be reported to the Commission within 10 days of the contact;
- m. The Designated Licensee shall provide the Commission in a timely manner with copies of regular or periodic reports on Macau operations that are required to be filed in any U.S. jurisdiction
- n. The Designated Licensee will provide the Commission with notice of any change in its corporate governance structure including but not limited to changes in the membership of the audit and/or compliance committees;
- o. Dubai World shall provide to the Commission in a timely manner copies of the quarterly certifications attested to by the principals regarding compliance with the delegation resolution and accompanying materials provided to Nevada Gaming Control Board.
- p. Dubai World shall submit annual consolidated audited financial statements (which themselves consolidate the results for Infinity World Holding Limited, Infinity World (Cayman) Holding, Infinity World (Cayman) LP, Infinity World (Cayman) Investments Corporation and Infinity World Investments LLC) prepared either in accordance with International Financial Reporting Standards or GAAP.
- q. During the period between the date of this Agreement and the Effective Date of the license, Designated Licensee agrees to take all reasonable steps necessary to obtain all required permits for commencement of the project, and to continue related design work, and to put in place all necessary contracts such that the Designated Licensee will be ready to commence work on the project as soon as practicable after the Effective Date. For the purposes of this paragraph, determination of reasonableness and practicability shall be determined through agreement between the Designated Licensee and the Commission. Designated Licensee shall report to the Commission on a monthly basis regarding its progress under this section.
- r. Except as further provided below, conditions 20(a-d), (f), (g), and (k-n) shall also apply to MGM Resorts International, Inc.:

- i. 20(a) shall not include litigation which involve claims which are fully and completely covered under an insurance policy with a licensed insurance carrier;
 - ii. 20(b) shall not include: those persons holding less than 5% of the common stock; in the case of institutional investors, if the institutional investor holds less than 15% of the stock of the applicant, holding, intermediary or subsidiary company or such higher threshold imposed by the Commission; and any owner granted a waiver pursuant to 205 CMR 116.03;
 - iii. 20(c) shall not apply to new financial backers, investors, mortgagees, bondholders, or holders of indentures, notes or other evidences of indebtedness unless these individuals or entities are required to qualify pursuant to 205 CMR 116.
21. To carry out Designated Licensee's plan for mitigating garage massing, ensure that the completed garage is masonry clad (or with materials approved by the Commission creating the appearance of masonry) and the Union Street expression is of the kind, quality and articulation shown for the Bliss Street façade at page 14 of Attachment 4-05-01.
22. The Designated Licensee shall coordinate with the Massachusetts Department of Transportation, the Trial Court of the Commonwealth and other interested parties plans designed to minimize noise and dust and disruption to parking and business operations during construction of MGM Springfield and the planned DOT I-91 Viaduct Project.
23. The Designated Licensee agrees to report to the Commission upon selection of General Contractor and meet to review MBE, WBE and VBE commitments.
24. The Designated Licensee agrees to report to the Commission on Designated Licensee's efforts to have appropriate representation of local and regional businesses in Designated Licensee's retail program.
25. The Designated Licensee agrees to report to the Commission regarding discussions with the City of Springfield to maintain workforce population in the City of Springfield.

SO ORDERED

MASSACHUSETTS GAMING COMMISSION




Stephen P. Crosby, Chairman


James F. McHugh, Commissioner


Bruce Stebbins, Commissioner


Gayle Cameron, Commissioner

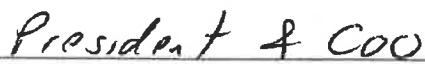

Enrique Zuniga, Commissioner

JUNE 13, 2014

ACCEPTED AND AGREED

Blue Tarp reDevelopment, LLC

By: 
Michael C. Mathis


Title:

Blue Tarp redevelopment (MGM Springfield) gaming establishment

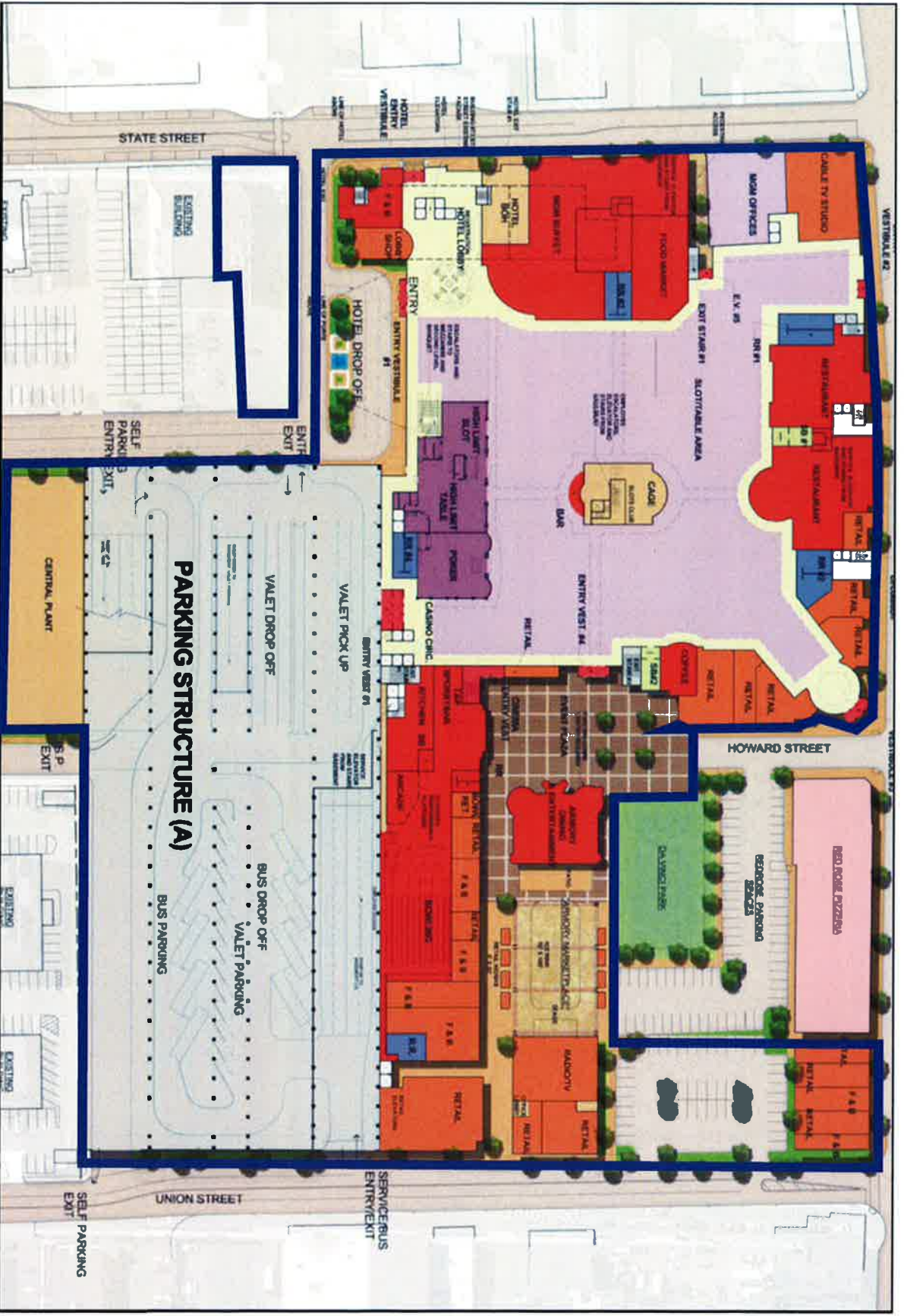


EXHIBIT B

(BOUNDARY INCLUDES ALL VERTICAL SPACE ABOVE AND BELOW)

Blue Tarp redevelopment (MGM Springfield) gaming establishment

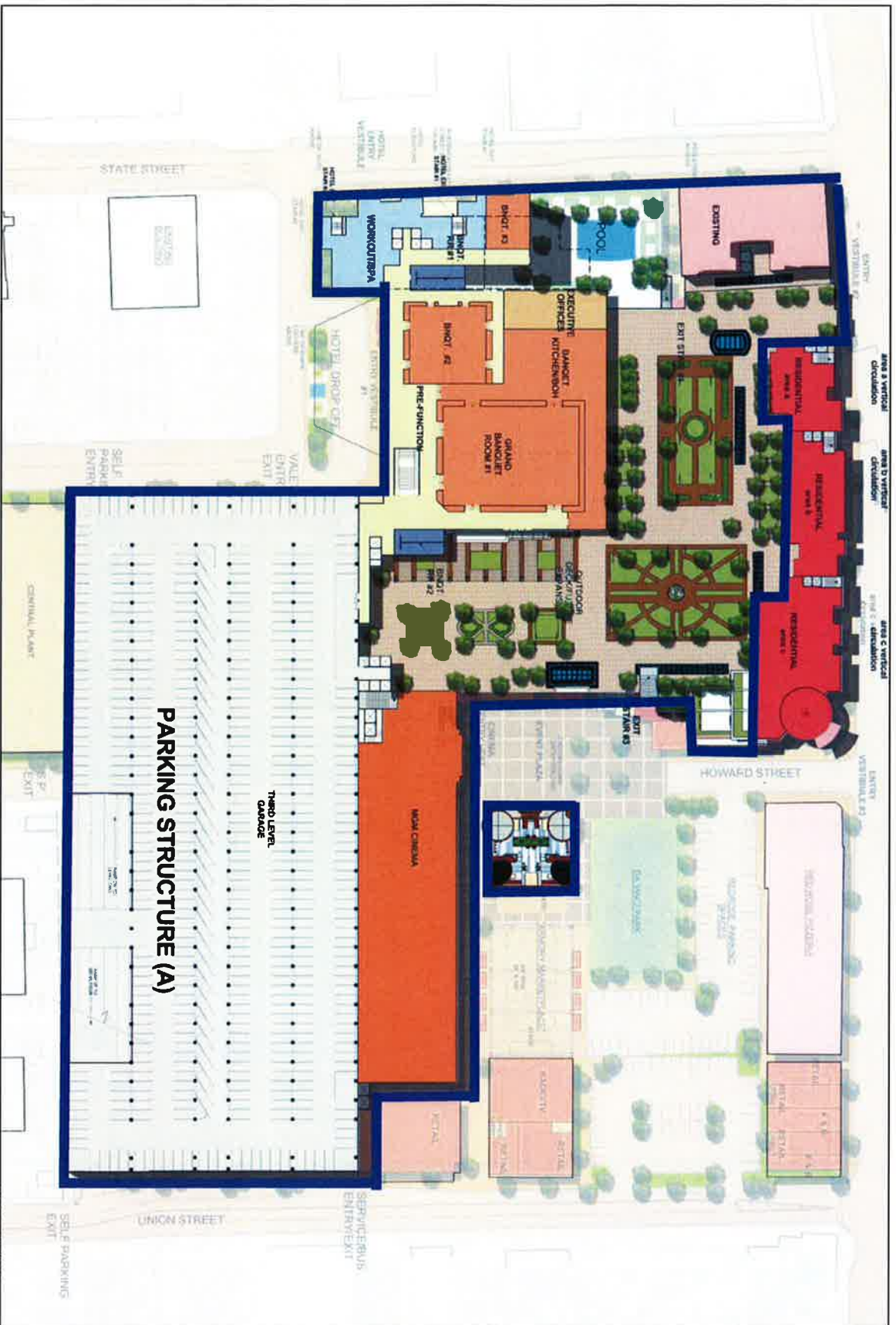


EXHIBIT B

(BOUNDARY INCLUDES ALL VERTICAL SPACE ABOVE AND BELOW)