



Subcommittee on Community Mitigation
Notice of Meeting and Agenda

Pursuant to the Massachusetts Open Meeting Law, G.L. c. 30A, §§ 18-25, notice is hereby given of a meeting of the ***Subcommittee on Community Mitigation*** established pursuant to M.G.L. c. 23K § 68.

The meeting will take place: Monday, December 18 @ 11:00 a.m.
Massachusetts Gaming Commission
101 Federal Street, 12th Floor
Boston, MA 02111

Public Meeting #3:

1. Welcome/Opening Comments
2. Approval of Minutes – November 29, 2016 – **Vote**
3. Annual Community Mitigation Fund Review
4. Discussion of 2018 Community Mitigation Fund Policy Issues and Guidelines
5. Next Steps
6. Other Business – reserved for matters not reasonably anticipated at the time of posting.

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

December 14, 2017
(date)



John S. Ziemba, Ombudsman

Date Posted to Website: Thursday, December 14, 2017



Massachusetts Gaming Commission



Subcommittee on Community Mitigation Minutes

Date/Time: November 29, 2016 – 9:30 p.m.
Place: Massachusetts Gaming Commission

Members Present:	Andrew Cade Stephen Cirillo Sean Cronin Eric Demas Carmina Fernandes Ron Hogan Lloyd Macdonald	Attendees: Stephen Crosby Ed Bedrosian Jill Griffin John Ziemba Joseph Delaney Mary Thurlow Jamie Ennis
Members Absent:	None	

Call to Order

John Ziemba called the meeting to order and asked the members to introduce themselves. He explained that the focus of this meeting would be to resume discussions regarding staff recommended changes to the 2017 Community Mitigation Fund Guidelines. At the Commission meeting scheduled for December 1st, the Commission is expected to review the draft guidelines for consideration. If the Commission has had all of its questions answered in this draft of the Guidelines, then the next subsequent meeting the Commission will vote on the Guidelines. The Commission will be informed about what is discussed and voted on at this meeting, the prior meetings of the LCMACs in Regions A and B, and the comments received from the public comment request.

Mr. Ziemba then asked if there were any other members seeking to be the Chair of this Subcommittee. There being none, Commissioner Macdonald gave a brief summary of his background and interest in the position of Chair of this Subcommittee. Upon motion made by Stephen Cirillo and seconded by Carmina Fernandes, the motion to elect Commissioner Macdonald, as Chair of the Subcommittee, was unanimously approved.

Commissioner Macdonald then moved to the minutes of the first meeting of the Subcommittee be approved. Upon motion made and duly seconded, the minutes to the first meeting were approved as written.

Mr. Cirillo asked about whether there were unspent funds from the Community Mitigation Fund and if the funds were rolled over into the following year.

Mr. Ziemba solicited comments from members on how CMF funds should be spent. He noted that the Commission could retain the authority to spend either below or above any proposed spending amount.

Gaming Commission Chair Crosby mentioned that the Commission can undo rules regarding hard caps placed on the CMF, this Subcommittee's focus is on providing policy guidance to the Commission.

Mr. Hogan stated that the proposed \$4M budget for the CMF is aggressive. Impacts will increase once the casinos are running. Impacts will be more quantifiable in later years. The amount of the targeted spending sends a message to the communities.

Mr. Ziemba mentioned that at previous meetings of the Local Community Mitigation Advisory Committee's members indicated that the Commission should target spending of the remaining 12 million at 25%, 25%, 50% over the next 3 years.

Mr. Hogan suggested reducing the amount from \$4M to \$3.6M.

Discussion continued regarding the Commission having a cap with exceptions. The Commission could set a target with some exceptions. Mr. Ziemba mentioned the possibility of a hard cap with built-in subcaps. The transportation planning grants could have a cap of \$800,000 to be conservative, with a \$150,000 limit on applicants for those dollars. The 2017 Guidelines will be brought up at Commission meeting for discussion. A question is how to do you evaluate applicants based on overall program limits. The Specific Grants could have a limit of \$400,000 per applicant. Transportation planning actually hits a direct impact. Commissioner Crosby mentioned that the Commission could change the limits if needed. Commissioner Macdonald suggested that there be a different amount with a balloon figure.

Mr. Ziemba then gave a brief summary of the proposed caps including a \$200,000 workforce development program. He noted that comments received indicated that additional dollars for the workforce education component may be necessary. After factoring all components this left more than \$2 million for specific grants for construction impacts.

Ms. Fernandes asked whether communities that would apply for the workforce development have to use 100% of their reserves. Mr. Ziemba noted that communities would only have to use \$50,000 of their reserve.

It was noted that the process of establishing the Guidelines assists the Commission's determination to keep the allocations flexible. It was thought that it makes sense to consider what message is being sent to the public regarding the funds and how they are managed and preserved.

Mr. Ziemba then suggested a robust discussion on each topic in order to organize conversations occurring during this meeting.

There was a discussion concerning the known impacts occurring later in the development of the casino. The building of a budget for this community mitigation fund in a new industry requires some instinctual decision making.

Ms. Fernandes likened the current situation to a full cake on the counter, everyone starts taking slices.

Mr. Ziemba then summarized some of the factors used by the Commission to evaluate the applications. He added that additional requirements for the specific impact grants require applicants to provide a match this year and a dollar of dollar match. Upon a waiver request could be changed. That additional municipal personnel will not be funded for the entire cost because a municipality cannot guarantee that the employee is using its time for 100% gaming related purposes. The Commission does not want to put municipal employees in the position of certifying that to the Commission.

A discussion developed regarding issues of funding personnel. It was felt that by required matching it tamps down the issue of the cap and that that Commission should not go to personnel at all. Another opinion was that if there is a significant match, personnel could be funded as the Commission could match funds for experts.

A discussion commenced on the oversight of expending of the funds from the grants and how the communities separate the CMF funding from their general funds. The Commission requires quarterly statements from each entity receiving funding and the requirements are in the grant documents.

Mr. Demas noted the ramp-up period prior to the casino opening and that impact costs are not negotiated costs. Ms. Fernandes noted that personnel need to be trained in advance of casino opening.

Mr. Hogan noted the struggle to achieve a balance with regard to the funding, limitations can make it easier or harder.

Mr. Ziemba noted the range of impacts and types of applications that have been received. The legislature clear is that communities should apply for funding before using local dollars.

Mr. Cronin noted that new growth property tax level increase; Springfield did as a pilot; increase in their operating budget; unfair as no new revenue to cover associated costs.

Mr. Ziemba then opened discussion concerning Question 3 of the policy questions. It was discussed that the current funding is for planning and design and construction related impacts including transportation. A concern was raised regarding an impact more severe than MEPA had estimated. Noted was the long lead time for transportation planning project and required mitigation. Mr. Ziemba stated that transportation grants would only cover planning and design costs now, not actual construction costs. Mr. Cronin asked when actual construction costs would be considered.

Mr. Ziemba stated that the Commission may need to fund actual construction projects if impacts are more severe than expected under MEPA. Transportation projects require a long lead time for planning. That is one of the purposes of the transportation planning grants. Mr. Cronin mentioned that a part of the future \$18 million a year in CMF funds could be for implementing transportation plans.

Question 5. How and when should the CMF Guidelines reflect the work of the Lower Mystic Regional Working Group? The status of the analysis from LMRWG and how that recommendation would be considered in the context of the CMF was discussed. It was felt that

the report would not be completed until late 2017. Financing methods to implement transportation plans was questioned. Mr. Ziemba noted that the funding would be similar to school building funding.

4. Should the Commission revisit its determination to authorize planning grants which require an in-kind match? A discussion commenced regarding how to determine a scoring system while balancing needs by region and the Host Community and Surrounding Community Agreements. A concern was raised whether matching be considered as part of application and would that potentially penalize an applicant. Mr. Hogan mentioned that the impact is either a mitigated or not mitigated impact. It was mentioned that an amount contributed by community takes into account commitment by that community. Mr. Hogan was concerned that some counties are in a better place than others or may provide a more detailed application. He likened it to the rich may get richer. He wanted to focus on what planning grants contained and that it was pro-active; contained economic planning activities.

6: Should the Commission revisit its guideline regarding grants involving private parties?

Mr. Ziemba noted that funding of non-profits cannot apply, communities must apply for the funding. Commissioner Macdonald asked Mr. Ziemba to use Caring Health as an example. Mr. Ziemba summarized issues regarding non-profits and the range of assistance. He noted that costs to employees in the parking differential; the reimbursement for consultants and utility disruptions was not a part of this grant. Mr. Cade asked if Caring Health thought about moving. Mr. Ziemba said no. The question had been asked previously whether the money goes to a person or program and what is a governmental entity.

It was noted that to target technical schools for backfilling of jobs created a benefit for the economic development of the area. The wide area training for workforce would reach is considered a regional benefit.

The question was asked about how utilities were handled? Mr. Ziemba noted that no payment for disruption of utilities was made as the city itself does not pay for utilities.

Mr. Hogan asked if the valet services would continue in perpetuity. Mr. Ziemba noted that it was just during the construction phase.

Commissioner Macdonald noted that increase costs could be seen as a plus for the area as the project is achieving economic stimulus and greater demand which is a statutory goal. The immediate needs are being directly addressed for a credible purpose. This fund is seen as a proxy new rule so that we hit impacts when they occur, and if it does not work, communities may apply for a waiver.

7: How should the 2017 CMF Guidelines treat multi-year grant requests? No comments from members.

How should the status of Region C and current litigation involving the potential tribal casino impact the 2017 CMF Guidelines?

If Commission makes a determination that construction will begin; timing issues for technical assistance. Commissioner Macdonald felt that due to the outcome of the election; whether or not it goes through this administration is very much up in the air. Mr. Cirillo questioned whether the money that remains in funding may be used for another purpose and whether that funding would remain for technical support. Mr. Ziemba explained that it would be a set aside.

9: Should the 2017 CMF be used to support and help leverage resources to address the financial constraints on access to programs that support residents of the Springfield or Everett areas trying to obtain their high school or work readiness credentials to be eligible for employment?

Is the current pre-employment amount sufficient? Mr. Ziemba summarized input from public questions and outline of the program which took a collaborative approach with a governmental entity. Priorities will be further refined by the pilot program and enhance local discussion by region.

Ms. Griffin mentioned that the language speak intentionally on broad terms to focus high demand areas and the interest in focusing on adults, under employed and unemployed. It would look at who partners are and who is doing recruitment. Mr. Cade asked whether this would be conducted by the Regional Employment Board? Ms. Griffin said that the entities would have to be regional employment boards.

Mr. Hogan asked how workforce development fits with the intention of the regulations? Commissioner Crosby noted that it was an ideal situation to help all three regions. Ms. Griffin noted that even a modest amount can act as a catalyst and to evaluate strain on labor market.

Ms. Fernandes noted that the communities have to be ready for first year of the casino being operational and allocate funds for this preparation. She also noted that the area is already feeling the impact. Commissioner Macdonald noted that this fund was to respond to initial impacts, respond to unanticipated impacts, and other identified issues under Section 61. It is to minimize construction created impacts and provide a vocational education.

Ms. Griffin noted that eastern Massachusetts too is feeling the impact. As casino may pay more, health care, hospitals and long-term care facility that provide food services to clients may experience shortage of help. Training would help backfill these positions. Mr. Cirillo noted that the funding level was fine for first year. Mr. Cade thought that \$100,000 per region seems low.

Ms. Griffin said that consultants have determined that it would serve around 50 people the first year. Mr. Hogan noted that it gives the opportunity to start a program; maybe a yearly increase every year from \$100,000, \$150,000, \$250,000.

Ms. Griffin noted that collaborative efforts by technical schools and vocational technical schools. The program could involve career centers for recruiting. Mr. Cronin noted that would include community colleges as well.

Question 10: Reauthorization of Reserves: No members had comment.

Question 11: Cost of application: No members had a comment.

Mr. Ziemba then asked about future meetings. There was a request for a breakdown by grant types.

Commissioner Macdonald then asked if there were any further questions. It was noted that this committee would conduct an annual review of the Community Mitigation Funds. Mr. Cronin asked what the desired expectation? When do you expect the awards to be made? Before July? Mr. Ziemba noted the desire to award the funding on a fiscal year basis. The 2017 can go out in the summer, for members to assess and prepare for future recommendations by late fall. Mr. Cronin asked whether that would be enough time to get information?

Mr. Ziemba explained the timeline as March or April to review grants and assess how are grants working. That would include review of guidelines; reports on implementation and summary of awarded grants. This would give an opportunity for a lookback review; Fall for 2017 Grants; July Fiscal Year 2018 we will have a good sense of impacts for the next year guidelines

Macdonald: Just to close the loop; report in hand how earlier grant have been implemented and used. Provisional report in February for grants; would like a bar chart on grants and completion dates.

Ms. Fernandes would like a clarification on the reserves and specific funding. The splitting of funding was left off the recommendations this year due to the uncertainties of Region C and the contribution into the fund was the same.

Commissioner Macdonald mentioned the concern about getting short- changed in due to eastern MA mitigation and Region C, he wanted to let members know that Region B and C will be protected.

Members mentioned the 25%, 25% and 50% alternative to Question 1 of the recommendations. They mentioned that after the Sheriff's lease assistance payment a breakdown of 25%, 33% and 42%.

Question 2 was voted on and unanimously accepted.

Question 3 was voted on and unanimously accepted.

Question 4 was voted on and unanimously accepted.

Question 5 was voted on and unanimously accepted.

Question 6 was voted on and unanimously accepted.

Question 7 was voted on and unanimously accepted.

Question 8 was voted on and unanimously accepted.

Question 9 was voted on and unanimously accepted with a suggestion of it being phase upwards in the future.

Question 10 was voted on and unanimously accepted.

Question 11 was voted on and unanimously accepted.

Mr. Ziemba then mentioned that the split regions would be a dialogue for maybe the year after when it's closer to the casino being operational.

Commissioner Macdonald thought February would be when the next meeting would be held.

A request was made for a list of the members and their phone numbers. Mary Thurlow acknowledged and said she would send out.

A motion was made to adjourn the meeting. The meeting was then adjourned at 12:06.

List of Documents and Other Items Used

1. Notice of meeting and agenda
2. Minutes to 1st meeting of the Subcommittee
3. M.G.L. c. 23K Section 68
4. M.G.L. c. 23K Section 61
5. 2017 Community Mitigation Guidelines
6. Redline of 2017 Community Mitigation Guidelines
7. Policy Questions for Discussion by the Local Community Mitigation Advisory Committees and the Subcommittee on Community Mitigation Relative to the 2017 Community Mitigation Fund (“CMF”) Guidelines
8. Potential Changes to the Guidelines for the 2017 Community Mitigation Fund (“CMF”) from the 2016 Guidelines

Subcommittee on Community Mitigation - 12 members

	Last Name	First Name	Title	Email	Street	Address	Phone	
Host Region A - Everett								
	10/24/16	Demas	Eric	CFO	Eric.Demas@ci.everett.ma.us	484 Broadway, Room 14	Everett, MA 02149	617-394-2210
Host Region B - Springfield	1/20/15	Kennedy, Jr.	Haskell		golfman72@comcast.net	40 Tallyho Dr.	Springfield, MA 01118	413 364-5546
Alternate	11/21/16	Cade	Andrew		andrew6503@aol.com	18 Wildwood Ave	Springfield, MA 01118	413 262-1429
Host Region C -								
Dept. of Revenue	4/23/15	Cronin	Sean	Sr. Dep. Commr. of the Div. of Local Svs.	scroninse@dor.state.ma.us	100 Cambridge St.	Boston, MA 02214	(617) 626-2381
Representative of the Commission	6/23/16	Macdonald	Lloyd	Commissioner	lloyd.macdonald@state.ma.us	101 Federal St., 12th Floor	Boston, MA 02110	617 979 8709
Governor App. experience in community mitigation gaming								
Governor Appointee (Sm. business owner in HC)								
Governor Appointee Cofc (chosen from 3 candidates)								
Mass. Municipal Association	11/22/17	Robertson	John	Legislative Director	jrobertson@mma.org	One Winthrop Squa	Boston, MA 02110	617-426-7272 x122
LCMAC Region A	10/18/16	Hogan	Ron	Strategic Planning Analyst, Malden	rhogan@cityofmalden.org	200 Pleasant Street	Malden, MA	(781) 397-7000
LCMAC Region B	10/20/16	Fernandes	Carmina	Esq. (Ludlow Representative)	attorneycarmina@happyblaw.biz	1 Swan Ave	Ludlow, MA	413-583-2060 Cell 413-949-3868
LCMAC Region C								



**Policy Recommendations for Inclusion in the
2018 Community Mitigation Fund ("CMF") Guideline Discussion Draft**

1. Should the Commission place an overall limit on grants for the 2018 CMF?

Background: Given that MGM Springfield is expected to open late in 2018 and that Wynn Boston Harbor is expected to open in mid-2019, the CMF will not see new revenues for a significant period of time. Approximately \$10 million in funding remains unallocated, assuming continuation of previously authorized reserves and further funding of prior awards.

2017 Results: The Commission anticipated authorizing no more than \$3.4M out of the 2017 CMF. The Commission awarded a total of \$2,207,106.03 of new grant funding. It also authorized \$298,397.92 in grants from the previous awarded reserves for a total of \$2,505,503.95.

Recommendation: The Commission should place an overall limit. Further dialogue is necessary to determine the amount.

2. Should the Commission place a per grant limit for 2018 CMF awards?

Background: As noted, given that MGM Springfield is expected to open late in 2018 and that Wynn Boston Harbor is expected to open in mid-2019, the CMF will not see new revenues for a significant period of time.

2017 Results: The Guidelines set specific limits for grant requests \$400,000 for Specific Impact Grants; \$150,000 for Transportation Planning Grants; \$200,000 for each Region A and B for Workforce Development; and \$200,000 for Tribal Technical Assistance. However, the Commission reserved their ability to authorize funding beyond the amounts.

Recommendation: It is recommended that the Commission set \$500,000 as the waivable limit for individual Specific Impact Grants. It is also recommended the Commission specify that only one application per community may be submitted (subject to waiver). The Workforce Pilot Program Grant is recommended to be set at \$300,000 for Region A and Region B, for a total of \$600,000. As no Region C license or Tribal facility has yet been fully authorized, it is recommended that the Commission maintain the \$200,000 for the Tribal Impact Grants. In regard



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to planning, it is recommended that the Commission increase the Transportation Planning Grant funding to \$200,000 and authorize a new non-transportation planning grant of \$50,000 discussed later.

Type	Proposed 2018 Amount	2017 Grant Amounts
Specific Impact Grants	\$500,000	\$400,000
Workforce Pilot Program	\$300,000 per region	\$200,000 per region
Transportation Planning	\$200,000	\$150,000
Tribal Impact Grant	\$200,000	\$200,000
Non-Transportation Planning Grant	\$50,000	N/A

3. If an overall limit is included, how should the Commission and staff evaluate competitive grants?

Background: It is difficult to make determinations between applications that may not be easily compared, given the wide range of potential mitigation requests.

2017 Results: The review team based their recommendations on specific criteria required of all applications and additional criteria depending upon the type of grant required.

Recommendation: Keep the same evaluation factors as last year with a slight modification. The Commission should include a new application question regarding how the proposed mitigation is connected to the casino. In the new application, communities would need to provide further specificity / evidence that the proposed mitigation addresses issues or impacts directly related to the gaming facility.

4. Should the Commission revisit its determination to authorize planning grants, which require an in-kind match?

Background: In recognition that transportation projects may take many years to plan, the Commission authorized first transportation planning grants in its 2016 CMF Guidelines and funded several projects. In addition, pursuant to its 2015 and 2016 CMF Guidelines, communities may utilize up to \$50,000 of their CMF reserves for planning purposes.

2017 Results: The Guidelines required in-kind services of planning funds.

Recommendation: It is recommended that the Commission establish a new \$50,000 Non-Transportation Planning Grant for non-transportation impacts

available to communities that qualified for the One-Time Reserve Grants. This grant solely would be for those communities that have allocated their One-Time Reserve and received Commission approval for the use of the Reserves. Any community applying for planning funds would also need to provide detail on what it will contribute to the planning project such as in-kind services or planning funds.

5. How and when should the CMF guidelines reflect the work of the Lower Mystic Regional Working Group?

Background: As a result of the Wynn MEPA review, the Massachusetts Department of Transportation established a working group to study the regional transportation needs of the Sullivan Square area and I-93 area near Sullivan Square. The recommendations of this group are purely advisory to all parties and are not expected until the late 2018, or early 2019 near the February 1 CMF application deadline.

2017 Results: The Lower Mystic Regional Workforce Group results were not reflected; because the report was not anticipated to be made by the February 1, 2017 deadline.

Recommendation: The Lower Mystic Regional Workforce Group report is not expected to be completed until too close to deadline of the CMF to be utilized in applications under the 2018 Community Mitigation Fund.

6. 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.

2017 Results: The 2017 Guidelines stated that “[t]he Commission will not fund any applications for assistance to non-governmental entities unless the applicant governmental entity or the licensee or both provide significant funding to match or partially match the assistance required from the 2017 Community Mitigation Fund. Any such application for assistance to non-governmental entities by a host community must demonstrate that the host community, the licensee, or both will match the assistance required from the 2017 Community Mitigation Fund.” There was one application

submitted on behalf of a private entity. However, no action was taken on that application as of this date.

Recommendation: Any application for assistance to non-governmental entities must demonstrate that the host community, the licensee, or a combination of the host community and licensee will match dollar for dollar the assistance required from the 2018 Community Mitigation Fund, subject to waiver by the Commission. Such applications for non-host communities would require a significant match.

7. How should the 2018 CMF Guidelines treat multi-year grant requests?

Background: Some 2016 and 2017 awards anticipate future grant requests. Some grants may not be able to be completed in a given fiscal year.

2017 Results: Not specifically addressed. Currently communities are required to apply each year. Each Grant has a 4-year contract limit, some grants were limited to one year, subject to a request for an extension that would be subject to Commission approval.

Recommendation: We do not recommend any change here.

8. How should the status of Region C and current litigation involving the potential tribal casino impact the 2018 CMF Guidelines?

Background: It may be unlikely that communities in Region C will experience significant construction or operational impacts by February 1, 2018, the statutory CMF deadline. Communities have expressed the need for technical assistance funding to help evaluate potential impacts.

2017 Results: \$200,000 of funding was set aside for use in Fiscal Year 2018 if there is a more clear determination on Region C status.

Recommendation: As the development of this Tribal casino is uncertain, maintenance of this \$200,000 set aside mitigation fund is recommended. SRPEDD would be required to submit another application this upcoming year.

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

Background: In recognition of local funding constraints and relative differences between host and surrounding community agreements, the 2016 CMF Guidelines only required an in-kind match for all communities.

2017 Results: In-kind services or funds were required for Transportation Grants; Workforce Development Projects need to provide detail on in-kind services or workforce funds; and applications involving non-governmental entities require the applicant

governmental entity or the licensee or both to provide significant funding to match or partially match.

Recommendation: It is recommended that the Guidelines require the applicant governmental entity or the licensee or both to provide a significant match for 2018 applications involving non-governmental entities, subject to waiver by the Commission. Such applications for host communities would require a dollar for dollar match.

10. Should communities be reimbursed for the cost of administering CMF grants?

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

2017 Results: In the 2017 Guidelines, Communities were not able to seek reimbursement.

Recommendation: No change is recommended.

11. Should the 2018 CMF be used to support and help 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 is estimated that 21,000 individuals are 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 2016 CMF Guidelines did not 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.

2017 Results: The Guidelines allowed these applications. Two educational programs in Region B (totaling \$371,833.03) and one in Region A (totaling \$200,000) are being initiated. The Commission approved more funding than specified in the guidelines, given the pressing need for such funding.

Recommendation: Recognizing the need for workforce development in both Region A and Region B, an increase in funding to \$300,000 per region for a total of \$600,000 is recommended. In weighing requests for workforce readiness funds, the Commission will carefully review both the availability of funding

through the host community agreement and what the host community has agreed to provide.

12. Should the Commission 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? If so, should such limit be instituted during the construction period or when the Category 1 facilities are operational?

Background: The 2016 CMF Guidelines placed no regional limitation on grants for Category 1 facilities but did state that “no more than \$500,000 may be expended for operational impacts related to the Category 2 gaming facility, unless otherwise determined by the Commission.” The CMF is currently funded through a percentage of the license fees paid by both Category 1 facilities (\$7.5 million each from MGM Springfield and Wynn Boston Harbor) and the Category 2 facility (\$2.5 million from Plainridge Park). Once operational, 6.5% of the revenues from the tax on the gross gaming revenues from each Category 1 facility will be placed into the CMF. Plainridge Park, now operational, is not required to pay into the CMF, instead paying into the Gaming Local Aid Fund and the Race Horse Development Fund. Any operational Tribal Facility in Taunton would also be required to pay 6.5% of the revenues from the tax on its gross gaming revenues into the CMF; it is not required to pay a license fee).

2017 Results: Not addressed in the Guidelines.

Recommendation: The Commission has been operating the Community Mitigation Fund out of the initial licensee fees for 3 years. Instead of initiating a new allocation mid-stream, we recommend the Commission express its intent to develop a regional allocation system once the Category 1 facilities are generating new funding for the CMF upon the commencement of operations. Such a system would need to accommodate mitigation needs throughout the Commonwealth and a method to utilize unused allocations. It is recommended that the Commission express its intention to establish such a system that would allocate funding based on the needs in the regions while instituting a regional limit based on the amount of contributions to the CMF by the licensee in each region. Such system should account for the mitigation needs of other regions or areas where there is no Category 1 gaming facility.

13. Should the Commission allow the Hampden County Sheriff’s Department to reapply for its FY17 lease assistance?

Background: The Commission awarded \$280,000 to HCSD in lease assistance from the Community Mitigation Fund in 2016 “for Fiscal Year 2017” which was further extended by the Commission into July 2017. Pursuant to the grant letter, “the Commission authorized up to \$280,000 in funding for the cost of the first year of lease assistance for

the Western Massachusetts Correctional Addiction Center ("WMCAC").... In order to access lease assistance funding in future years, HCSD would need to reapply for such future year's funding.... the Sheriff's Office will be eligible for no more than five years of lease assistance totaling no more than \$2,000,00."

2017 Results: Due to transitions at the Sheriff's Department, the Department missed the deadline for re-applying for its grant but expressed the continued need for assistance.

Recommendation: It is recommended that the Commission state its authority to award funding for both Fiscal Year 2018 and 2019 lease assistance for the Sheriff's Office in the Guidelines. No grant shall exceed \$400,000 per year.

2018 POLICIES TO BE ADDRESSED

1. Should the Commission expressly authorize joint applications by communities?

Background: In 2017 the Commission received and funded a joint grant application by Revere and Saugus. At that time, the 2017 Guidelines did not specify if and how joint applications could be funded. They were required to specify how they would each allocate their reserves to meet grant requirements.

Recommendation: The Commission should authorize joint applications. Any joint applications would need to specify how reserves are allocated, which community is the fiscal agent and specify that both communities shall be responsible under the Grant contract.

2. Should the Commission allow funding to pay for a portion of the construction costs of transportation projects?

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

Recommendation: The Category 1 facilities are not yet operational. In determining how to pay for transportation construction projects, the Commission would need to determine how any contribution it makes can leverage likely much larger contributions from other sources. Transportation construction projects usually require very significant funding which may not be available until the Category 1 facilities are operational and generating taxes. Given the outstanding issues and the current state of the projects, the Commission should not yet authorize funding for construction activities in the 2018 Guidelines.

3. How should the Commission approach issues that may arise in 2018 resulting from the operations of the first Category 1 casino (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 soon to be able to evaluate mitigation applications involving any operational impacts at the full casino facilities.

Recommendation: The Commission should engage even further in conversations with the advisory committees about these topics throughout calendar year 2018 and work closely with the Commission's research team.

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

Background: The 2017 guidelines specified that Specific Impact Grants were limited to \$400K but did not specify that only one application was allowed.

Recommendation: Yes. Because only one application would be allowed, the amount of the grant could be increased to \$500,000. As a reminder, the \$500,000 limit may be waived by the Commission. In addition, we recommend that the Commission continue to specify its authority to make grants in excess of this limit and other limits.

5. Are the grant limitations (\$400K for a specific impact grant, \$150K for a transportation grant) sufficient for the 2018 program?

Background: While there is a limit on the amount of funds until the full casinos are operational, communities have expressed an interest in more funding for some grants.

Recommendation: As explained earlier, we recommend that the Guidelines include an increase in the limit for Specific Impact Grants to \$500,000 (limited to one per community); \$200,000 for Transportation Planning Grants; \$300,000 for each Region A and Region B Workforce Development Grant; \$200,000 for Tribal casino technical assistance; and \$50,000 for Non-Transportation Planning Grants.

6. How can the applications be amended to require applicants to more clearly demonstrate the nexus between the request and casino related impacts?

Background: This is a very common issue in the review of the applications.

Recommendation: Although we should continue to make the Community Mitigation Fund application as easy to complete as possible, there is a need to ask applicants to answer this question with specificity.

7. What language needs to be included to ensure that all entities and departments (e.g. redevelopment authorities/agencies) apply through a community itself?

Background: In the last two cycles, entities within communities have applied, rather than the community itself. The communities were required to assume responsibility for those applications.

Recommendation: We recommend that the Commission include language requiring entities within the community to apply through the communities themselves. Governmental agencies such as redevelopment authorities, and non-regional public schools would need to apply through the communities.

8. Should the Commission extend the previously authorized reserves for the 2018 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, 7 communities have allocated their entire reserve and one has allocated a portion; in Region B, currently 1 has allocated its entire reserve and 2 have used a portion; and for Category 2 communities, 2 have allocated their reserve and 2 have used a portion of their reserve.

Recommendation: Yes, the Commission should extend the Reserves.

9. Are the same general analysis factors used in 2017 going to be used for 2018 evaluation?

“The Commission may specify factors that it and staff will utilize in evaluating competitive grants. The following are factors that may be used when the Commission and staff evaluate competitive grants: (i) a demonstration that the impact is being caused by the proposed gaming facility; (ii) the significance of the impact to be remedied; (iii) the potential for the proposed mitigation measure to address the impact; (iv) the feasibility and reasonableness of the proposed mitigation measure; (v) that any programs to assist non-governmental entities is for a demonstrated public purpose and not for the benefit or maintenance of a private party; (vi) the significance of any matching funds; (vii) regional benefits from a mitigation award; (viii) funds from host or surrounding community agreements are not available to fund the proposed mitigation measure; and (ix) that such mitigation measure is not already required to be completed by the licensee pursuant to any regulating requirements or pursuant to any agreements between such licensee and applicant.”

Background: The factors used in 2017 may need further refinement.

Recommendation: We recommend keeping the same factors used in 2017 with the addition of the following language. The red indicates changes from last year’s factors:

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

10. Should the Commission 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 at least one instance, a planning application was not funded because it was not deemed transportation planning. Some communities have fully utilized their reserves and thus cannot use reserve for additional planning.

Recommendation: We recommend making available a reasonable but significant amount of funding, \$50,000, for non-transportation planning for those communities that have allocated and received approval from the Commission to use their reserves.



Recommendations and Options for Consideration in the 2018 Community Mitigation Fund

On September 14, 2017 the Commission received its first set of policy questions regarding the establishment of the 2018 Community Mitigation Fund (“CMF”). On October 26, 2017 the staff presented for the Commission’s consideration the 2018 Guidelines Discussion Draft for the 2018 CMF. Additionally, the Commission posted a request for Public Comment on these Discussion Draft Guidelines and policy questions on November 1st. The comment period ended on November 27th. The Commission staff held two meetings with the Region A Local Community Mitigation Advisory Committee in October and November. The Region B Local Community Mitigation Advisory Committee was able to meet in September, October and November. The Commission staff is looking forward to meeting with the Subcommittee for Community Mitigation and the Gaming Policy Advisory Committee later on this month.

Below please find recommendations and options for inclusion in the 2018 CMF Guidelines based on the Commission staff review and the input received.

In the 2018 CMF Guidelines the Commission could/should:

1. Place an overall limit of \$6* million¹ (amount pending further review with Commission) on grants for the 2018 CMF subject to the ability of the Commission to determine funding limits above or below this amount. In the 2017 Guidelines, the Commission set the overall limit at \$3.4 million. The Commission should reserve the ability to fund only portions of requested projects and to fund only a percentage of amounts requested. The Commission should also continue to reserve the ability to place conditions on any awards as additional contributions to the Community Mitigation Fund will not be made until Category 1 gaming facilities are operational.
2. Continue to allocate a significant percentage of CMF funding for transportation planning grants. With a new overall CMF limit of \$6* million in 2018 CMF grants, we recommend a spending target not less than \$1,000,000 for transportation planning grants representing an increase over the planned \$800,000 limit in last year’s guidelines. We further recommend that no more than \$200,000 per community be authorized. As shown below, we recommend an increase in the per grant amount for the Workforce Development Pilot Program.

¹ *Amount inserted after discussion at 12/7/17 Commission meeting



3. Initiate a \$50,000 2018 Non-Transportation Planning Grant available to communities that previously qualified to receive funding from the One-Time 2015/2016 Reserve Fund and have already “utilized” such funding (i.e. have allocated and received Commission approval of the use of their Reserve funding).
4. Establish a target limit of \$200,000 per Transportation Planning Grant with a total allocation target of \$1,000,000; a target of \$500,000 per Specific Impact Grant, limited to one per community; and a target of \$300,000 per Workforce Development Pilot Program region (Region A & Region B) for a total allocation target of \$600,000 statewide.

Below please find a breakdown of the suggested application targets by grant type:

<u>Grant Type</u>	<u>Proposed 2018 Per Grant Amounts</u>	<u>Per Grant Amounts in 2017 Guidelines</u>
Specific Impact Grants	\$500,000	\$400,000
Workforce Pilot Program	\$300,000 per region	\$200,000 per region
Transportation Planning	\$200,000	\$150,000
Tribal Impact Grant	\$200,000	\$200,000
Non-Transportation Planning Grant	\$50,000	N/A

Note: in the proposed Guidelines, the Commission expresses its ability to go above or below such guideline limits and also allows applicants to seek a waiver from such limits in specified instances.

5. Continue the potential use of the Community Mitigation Fund to mitigate operational impacts relating to the Plainridge Park facility with a limit of \$500,000;
6. Continue the potential use of the Community Mitigation Fund to mitigate Specific Impacts related to the construction of MGM Springfield and Wynn Boston Harbor. At the October 26th meeting of the Commission, the Commission asked for additional input on police training costs. The Commission asked for input on whether eligibility for specific impact grants should be expanded to include costs that may occur prior to operations for police training. The 2017 Guidelines did not specifically authorize funding for the police training costs and instead limited specific impact funding for construction based impacts. In previous years the Commission had already authorized funding for some pre-operational costs such as workforce development and training, and transportation planning activities but did not specify police training. The attached draft specifically authorizes police training costs if the Commission chooses to expand eligibility for police training. Instead of simply listing police training costs as an eligible activity, the Commission could alternatively create a new grant category for such costs.
7. Automatically preserve unused 2015/2016 One-Time Reserve Fund grant for those communities awarded Reserves in 2015 or 2016;
8. Require governmental entities within communities such as redevelopment authorities or non-regional school districts to submit applications through such community rather than submitting applications independent of the community;
9. Continue to support regional approaches to mitigation needs and recognize that some mitigation requires the commitment of more than one community. For example, the 2018

Discussion Draft allows communities to submit a joint application. In order to further regional cooperation, the Commission recently discussed the potential establishment of “incentive” funding (beyond the amounts stated in the Guidelines) for applications involving more than one community. In addition to the promotion of regional approaches, the Commission discussed that an incentive might allow for larger projects with potentially greater benefits than allowable under last year’s limits funding limits and this year’s proposed limits. One alternative to promote regional cooperation, a Regional Incentive Award, is outlined in the attached draft. [See page 6 of the Guidelines.]

10. Allow the Hampden County Sheriff’s Department to apply for lease assistance funding as specified in the Commission’s determination in 2016, including lease assistance for both Fiscal Year 2018 and Fiscal Year 2019.
11. Require applicants to include a detailed scope, budget and timetable and to detail what they will contribute to the project such as in-kind services for each mitigation request.
12. Suggest certain limitations and specific requirements on planning applications. Applicants should provide detail regarding consultations with nearby communities to determine the potential for cooperative regional efforts regarding planning activities.
13. Stipulate that the Commission may in its discretion waive or grant a variance from any provision or requirement contained in these Guidelines.
14. Continue the 2017 Community Mitigation Fund Guidelines practice of having one statewide fund. However, the attached Guidelines indicate the Commission’s intent to develop a system in future guidelines of awarding funding based in part on the amount of gaming taxes paid into the CMF from each current Category 1 facility. Any such system would still need to address needs statewide, including those resulting from the state’s only Category 2 facility whose gaming taxes are primarily dedicated to local aid.



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What is the Community Mitigation Fund?

The Expanded Gaming Act, M.G.L. c. 23K, created the Community Mitigation Fund ("CMF") to help entities offset costs related to the construction and operation of a gaming establishment.

When Is the Application Deadline?

February 1, 2018. M.G.L. c. 23K, § 61 states that "parties requesting appropriations from the fund shall submit a written request for funding to the Commission by February 1."

Who Can Apply?

M.G.L. c. 23K, § 61 states the Commission shall expend monies in the fund to assist the host and surrounding communities ... "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 also distribute funds to a governmental entity or district other than a single municipality in order to implement a mitigation measure that affects more than one community.

Applications involving a mitigation measure impacting only one community shall only be submitted by the authorized representatives of the community itself. Governmental entities within communities such as redevelopment authorities or non-regional school districts shall submit applications through such community rather than submitting applications independent of the community.

Private non-governmental parties may not 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 the direct benefit or maintenance of the private party; the governmental entity provides a program that ensures that funding will be made only to remedy impacts; and provided that the governmental entity will be responsible for overseeing such funding and complying with all applicable state



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and municipal laws including but not limited to Art. 46, §2, as amended by Article 103 of the Amendments to the Massachusetts Constitution.

The Community Mitigation Fund may be used to offset costs related to both Category 1 full casino facilities (MGM Springfield and Wynn Everett), the state's Category 2 slots-only facility (Plainridge Park), and may be utilized, pursuant to these Guidelines, for a program of technical assistance for communities that may be impacted by the potential Tribal gaming facility in Taunton.

Does a Community Need to Be a Designated Host or Surrounding Community to Apply?

No. The Commission's regulations and M.G.L. c. 23K, § 61 do not limit use of Community Mitigation Funds to only host or surrounding communities. The Commission's regulation, 205 CMR 125.01(4), states that "[a]ny finding by the commission that a community is not a surrounding community for purposes of the RFA-2 application shall not preclude the community from applying to and receiving funds from the Community Mitigation Fund established by M.G.L. c. 23K, § 61...."

What Cannot Be Funded?

2018 Community Mitigation Fund may not be used for the mitigation of:

Category 1 Gaming Facilities:

- any operational related impacts;**
- impacts that are projected or predicted but that are not occurring or have not occurred by February 1, 2018;**
- impacts that are the responsibility (e.g. contractual, statutory, regulatory) of parties involved in the construction of gaming facilities (such as damage caused to adjoining buildings by construction equipment, spills of construction-related materials outside of work zones, personal injury claims caused by construction equipment or vehicles);
- the cost of the preparation of a grant application;
- requests related to utility outages, such as the mitigation of business interruptions; and
- other impacts determined by the Commission.

Category 2 Gaming Facilities:

- impacts that are projected or predicted but that are not occurring or have not occurred by February 1, 2018;**
- impacts that are the responsibility (e.g. contractual, statutory, regulatory) of parties involved in the construction of gaming facilities (such as damage caused to adjoining buildings by construction equipment, spills of construction-related materials outside of work zones, personal injury claims caused by construction equipment or vehicles);
- the cost of the preparation of a grant application; and
- requests related to utility outages, such as the mitigation of business interruptions.

**These limitations do not apply to transportation planning grants, non-transportation planning grants, workforce development pilot program grants, tribal gaming technical assistance grants, and grants for police training costs.

Please note that the Commission may determine to expand the eligible uses of funds for the 2019 program or other future programs when impacts are more clearly identifiable. The Commission will also consult with mitigation advisory committees established in M.G.L. c. 23K in determining such uses.

Guidance on Funding for Non-Governmental Entities

As noted, communities and other parties may apply for funds to mitigate the impact to non-governmental entities. However, the Commission strongly encourages applicants to ensure the impacts are directly related to the gaming facility. For example, an applicant could limit a request for assistance for impacts to all businesses within 1000 feet of a gaming facility. Further, applicants should demonstrate that the governmental entity, the licensee, or both will also financially contribute to any program of assistance. The Commission will not fund any applications for assistance for non-governmental entities unless the applicant governmental entity or the licensee or both provide funding to match, in the case of host communities, or significantly match the assistance required from the 2018 Community Mitigation Fund. Any such application for assistance to non-governmental entities by a host community must demonstrate that the host

community, the licensee, or a combination of the host community and licensee will match the assistance required from the 2018 Community Mitigation Fund.

Communities may ask the Commission to waive this match requirement or dollar for dollar match requirement in the case of host communities. Any community seeking a waiver should include a statement in its application specifying the reason for its waiver request in accordance with the waiver guidance included in these Guidelines. Please note that as stated by the Commonwealth's Comptroller's Office: "The Anti-Aid Amendment of the Massachusetts Constitution prohibits 'public money or property' from aiding non-public institutions.... Article 46 has been interpreted to allow the expenditure of public funds to non-public recipients solely for the provision of a 'public purposes' [sic] and not for the direct benefit or maintenance of the non-public entity."

Any community seeking funding for mitigation involving non-public entities should provide detail on how its planned use is in conformity with this provision of the Massachusetts Constitution and with Municipal Finance Law.

How Much Funding Is and Will Be Available?

In sum, a total of \$17.5 million from the current licensees was deposited in the Community Mitigation Fund for use until Category 1 gross gaming revenues are generated, or thereafter (if all such funds are not used prior to that date). After the deduction of purposes approved in 2015, 2016, and 2017, the fund has approximately \$10 million available after accounting for potential future awards of previously authorized grants.

No further contributions will be made to the Community Mitigation Fund until either MGM Springfield or Wynn Boston Harbor become operational and generate revenues.¹ MGM Springfield is currently projected to be operational by early September 2018. Wynn Boston Harbor is currently projected to be operational in early June 2019. Once operational, M.G.L. c. 23K, § 59 specifies that 6.5% of the revenues from the tax on gross gaming revenues from Category 1 (full casino) licensees shall be deposited in the Community Mitigation Fund.

Once the MGM Springfield and Wynn Boston Harbor facilities are operational,

¹ These guidelines do not describe revenue estimates from the potential Tribal facility in Taunton or the participation of a Region C facility, as no Region C license or Tribal facility has yet been fully authorized. Further, after the initial deposit, no further contributions from the Slots licensee will be made to the fund.

approximately \$18 million generated by these two facilities will be annually deposited into the Community Mitigation Fund using a conservative estimate provided by the Commission's financial consultants.

In future guidelines, the Commission intends to develop a method to allocate 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 Wynn Boston Harbor facilities once they are operational. Any such method would need to take into account mitigation needs outside Region A and Region B, and a method to utilize unspent allocations.

Joint Applications

The Commission continues to support regional approaches to mitigation needs and recognizes that some mitigation requires the commitment of more than one community. The 2018 Guidelines for the Community Mitigation Fund allow multiple communities to submit a joint application. In the event that any of the applicant communities has not expended its One-Time 2015/2016 Reserve ("reserve" or "reserves"), the application must detail how the reserves will be allocated between the applicant communities to meet any reserve expenditure requirement. For example, transportation planning grants require that reserves be used prior to the receipt of new planning funds. In the event of a joint application for a \$200,000 planning grant, the joint application shall specify how the applicant communities will allocate/use a total of \$100,000 in reserves between the communities. The application must specify which community will be the fiscal agent for the grant funds. All communities will be held responsible for compliance with the terms contained in the grant.

In order to further regional cooperation the applications for transportation planning grants and non-transportation planning grants that involve more than one community for the same planning projects may request grant assistance that exceeds the limits specified in these guidelines (\$200,000 for transportation planning grants and \$50,000 for non-transportation planning grants). The additional funding may be requested only for the costs of a joint project being procured by more than one community, not similar projects. Eligible communities may request additional funding for joint projects based on the below table.

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	Base Funding	Regional Planning Incentive Award	Total Allowable Request
Non-Transportation Planning Projects Involving Two (2) Communities	\$50,000 for each community	\$5,000	\$50,000 X <u>2 communities</u> \$100,000 <u>+\$5,000</u> <u>\$105,000</u>
Non-Transportation Program Involving Three (3) or More	\$50,000 for each community	\$10,000	\$50,000 X <u>3 communities</u> \$150,000 <u>+\$10,000</u> <u>\$160,000</u>
Transportation Planning Projects Two (2) Communities	\$200,000 for each community	\$25,000	\$200,000 X <u>2 communities</u> \$400,000 <u>+\$25,000</u> <u>\$425,000</u>
Transportation Planning Projects Three (3) or more	\$200,000 for each community	\$50,000	\$200,000 X * <u>3 communities</u> \$600,000 <u>+\$50,000</u> <u>\$650,000</u>

*Although the base amount for such grants would increase with applications involving four or more communities (e.g. \$200,000 Transportation Planning Grant per community X 4 communities = \$800,000) the amount of the Regional Planning Incentive Award will not exceed \$50,000 (e.g. 4 community transportation planning grants would not exceed \$850,000 = 4 x \$200,000 base award plus \$50,000 Regional Planning Incentive Award).

Please note that communities can apply for a portion of the planning grants for single community applications while allocating a portion for joint projects. For example, a community could apply for one \$100,000 base Transportation Planning Grant leaving \$100,000 for a joint application involving another community. In this example the community could be eligible for \$100,000 for the single community project, \$100,000 for a joint project, and a \$25,000 Regional Planning Incentive Award amount shared with a second community.

Applications seeking a Regional Planning Incentive Award amount shall allocate at least fifty percent (50%) of the base funding level towards a joint project. For

example, at least \$100,000 for a \$200,000 Transportation Planning Grant seeking an additional Regional Planning Incentive Award amount shall be for the joint project with another community. No community is eligible for more than one Regional Planning Incentive Award, unless a waiver has been granted by the Commission.

Limitations

Because the Community Mitigation Fund needs to be available until the facilities are operational, the Commission anticipates authorizing no more than \$6 million in awards out of the 2018 Community Mitigation Fund, including potential future awards of previously authorized grants. No application for a Specific Impact Grant shall exceed \$500,000, unless a waiver has been granted by the Commission. No community is eligible for more than one Specific Impact Grant, unless a waiver has been granted by the Commission.

Of that amount, for 2018, no more than \$500,000 may be expended for operational impacts related to the Category 2 gaming facility, unless otherwise determined by the Commission.

One-Time 2015/2016 Reserves

In 2015 and 2016, a Reserve Fund was established for communities that may not have been able to demonstrate significant impacts by the submittal deadline date. The Commission reserved \$100,000 for the following communities which were either a host community, designated surrounding community, a community which entered into a nearby community agreement with a licensee, a community that petitioned to be a surrounding community to a gaming licensee, or a community that is geographically adjacent to a host community:

Category 1 - Casino		Category 2 - Slots
<u>Region A</u>	<u>Region B</u>	
Boston	Agawam	Attleboro
Cambridge	Chicopee	Foxboro
Chelsea	E. Longmeadow	Mansfield
Everett	Hampden	North Attleboro
Lynn	Holyoke	Plainridge
Malden	Longmeadow	Wrentham

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Medford	Ludlow
Melrose	Northampton
Revere	Springfield
Saugus	West Springfield
Somerville	Wilbraham

In many cases, communities may not be in a position to access their 2015 or 2016 reserves by the February 1, 2018 deadline. Therefore, the Commission has extended such reserves for the 2018 Community Mitigation Fund Program. Communities may continue to access whatever portion of the original \$100,000 that remains unexpended. The above communities **do not** need to submit any new application to keep their reserves. These reserves have automatically been extended by action of the Commission.

The criteria for the use of the reserve remain the same. This reserve can be used to cover impacts that may arise in 2018 or thereafter. It may also be used for planning, either to determine how to achieve further benefits from a facility or to avoid or minimize any adverse impacts.

Funds will be distributed as the needs are identified. Communities that utilize the reserve are not prohibited from applying for funding for any specific mitigation request.

What are the Reserve Amounts?

Can a community apply for mitigation of a specific impact even though it has not fully utilized its One-Time 2015/2016 Reserve?

Yes. However, if a Specific Impact Grant application is successful, a portion of the One-Time Reserve will be used as an offset against the amount requested for the specific impact. The reserve amount will be reduced by fifty thousand dollars (\$50,000.00) assuming the specific impact request is at least that amount.

Specific Impact Grants - What Specific Impacts Can Be Funded?

The 2018 Community Mitigation Fund for mitigation of specific impacts may be used only to mitigate impacts that either have occurred or are occurring as of the February 1, 2018 application date and police training costs that occur prior to the opening of both Category 1 facilities. Although the definition in the Commission's

regulations (for the purpose of determining which communities are surrounding communities) references predicted projected impacts, the 2018 program is limited to only those impacts that are being experienced or were experienced by the time of the February 1, 2018 application date and police training costs that occur prior to the opening of both Category 1 facilities.

The Commission has determined that the funding of unanticipated impacts will be a priority under the annual Community Mitigation Fund. Thus the Commission will review funding requests in the context of any host or surrounding community agreement to help determine funding eligibility.² The Community Mitigation Fund is not intended to fund the mitigation of specific impacts already being funded in a Host or Surrounding Community Agreement.

No application for the mitigation of a specific impact shall exceed \$500,000. However, communities and governmental entities may ask the Commission to waive this funding cap. Any community and governmental entity seeking a waiver should include a statement in its application specifying the reason for its waiver request, in accordance with the waiver guidance included in these Guidelines. The Commission recognizes that applications for police training costs may exceed \$500,000 and may take this into consideration in evaluating any waiver requests.

Allowable impacts for funding are as follows:

Category 1 Gaming Facility: In recognition that no Category 1 gaming facility will be operational by February 1, 2018, the Commission has determined that the 2018 Community Mitigation Fund is available only to mitigate impacts related to the construction of Category 1 gaming facilities. This limitation does not apply to planning activities funded under the 2015/2016 One-Time Reserve Grant, 2018 Non-Transportation Planning Grant, 2018 Transportation Planning Grant, or the 2018 Workforce Development Pilot Program Grant, or police training costs.

The Commission's regulation 205 CMR 125.07 defines construction period impacts as:

“The community will be significantly and adversely affected by the development of the gaming establishment prior to its opening taking

² The Commission is aware of the difference in bargaining power between host and surrounding communities in negotiating agreements and will take this into account when evaluating funding applications.

into account such factors as noise and environmental impacts generated during its construction; increased construction vehicle trips on roadways within the community and intersecting the community; and projected increased traffic during the period of construction.”

Category 2 Gaming Facility: In recognition that the Category 2 gaming facility in Plainville opened during calendar year 2015, the Commission will make available funding to mitigate operational related impacts that are being experienced or were experienced from that facility by the February 1, 2018 date. The Commission will make available up to \$500,000 in total for applications for the mitigation of operational impacts relating to the Plainridge facility.

The Commission’s regulation 205 CMR 125.01 2(b)4 defines operational impacts as:

“The community will be significantly and adversely affected by the operation of the gaming establishment after its opening taking into account such factors as potential public safety impacts on the community; increased demand on community and regional water and sewer systems; impacts on the community from storm water run-off, associated pollutants, and changes in drainage patterns; stresses on the community's housing stock including any projected negative impacts on the appraised value of housing stock due to a gaming establishment; any negative impact on local, retail, entertainment, and service establishments in the community; increased social service needs including, but not limited to, those related to problem gambling; and demonstrated impact on public education in the community.”

Although these definitions include the types of operational impacts that may be funded, it is not limited to those. The determination will be made by the Commission after its review.

Hampden County Sheriff’s Department – Specific Impact Grant

In 2016 the Commission awarded the Hampden County Sheriff’s Department (“HCSD”) funds to offset increased rent for the Western Massachusetts Correctional Alcohol Center (“WMCAC”). In providing assistance, the Commission stated that the amount of assistance shall not exceed \$2,000,000 in total for five years or \$400,000 per fiscal year. A provision in the grant required HCSD to

reapply each year. As the HCSD missed the deadline due to administrative changes for 2017, HCSD may apply for fiscal year 2018 and 2019 lease assistance during this 2018 Community Mitigation Fund application period. Each grant application may not exceed \$400,000 per year.

2018 Non-Transportation Planning Grant

The Commission will make available funding for certain planning activities for all communities that previously qualified to receive funding from the One-Time 2015/2016 Reserve Fund, and have already allocated and received Commission approval of the use of its reserve. No application for this 2018 Non-Transportation Planning Grant shall exceed Fifty Thousand Dollars (\$50,000). Applications involving transportation planning or design are not eligible for the 2018 Non-Transportation Planning Grant. Communities requesting transportation planning should instead apply for Transportation Planning Grant funds.

Eligible planning projects must have a defined area or issue that will be investigated as well as a clear plan for implementation of the results. The planning project must be clearly related to addressing issues or impacts directly related to the gaming facility. Applicants will be required to submit a detailed scope, budget, and timetable for the planning effort prior to funding being awarded. Each community applying for a 2018 Non-Transportation Planning Grant will also need to provide detail on what it will contribute to the project such as in-kind services or planning funds.

Communities that utilize this 2018 Non-Transportation Planning Grant are not prohibited from applying for funding for any specific mitigation request.

Transportation Planning Grants

The Commission will make available funding for certain transportation planning activities for all communities eligible to receive funding from the Community Mitigation Fund in Regions A & B and for the Category 2 facility, including each Category 1 and Category 2 host community and each designated surrounding community, each community which entered into a nearby community agreement with a licensee, and any community that petitioned to be a surrounding community to a gaming licensee, each community that is geographically adjacent to a host community.

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The total funding available for Transportation Planning Grants will likely not exceed \$1,000,000. No application for a Transportation Planning Grant shall exceed \$200,000.

Eligible transportation planning projects must have a defined area or issue that will be investigated as well as a clear plan for implementation of the results. Transportation Planning Grant funds may be sought to expand a planning project begun with reserve funds or to fund an additional project once the reserves have been exhausted.

Eligible transportation planning projects must have a defined area or issue that will be investigated as well as a clear plan for implementation of the results.

Eligible expenses to be covered by the Transportation Planning Grant include, but not necessarily limited to:

- Planning consultants/staff
- Data gathering/surveys
- Data analysis
- Design
- Engineering review/surveys
- Public meetings/hearings
- Final report preparation

The transportation planning projects must be clearly related to addressing transportation issues or impacts directly related to the gaming facility. Applicants will be required to submit a detailed scope, budget, and timetable for the transportation planning effort prior to funding being awarded.

Communities that requested and received the One-Time 2015/2016 Reserve Grant must first expend those funds before accessing any Transportation Planning Grant funds. Transportation Planning Grant funds may be sought to expand a planning project begun with reserve funds or to fund an additional project once the reserves have been exhausted.

In addition to the specific impact grant factors further defined in section ["How Will the Commission Decide on Applications?"](#), the Commission will also consider whether the applicant demonstrates the potential for such transportation project that is the subject of a CMF application to compete for state or federal transportation funds.

Applicants may, but are not required, to include a description of how the project meets the evaluation standards for the Fiscal Year 2018 TIP criteria for the Boston

MPO Region or the Pioneer Valley Planning Commission's transportation evaluation criteria, or other regional transportation project evaluation standard, whichever may be most applicable.

Limitations/Specific Requirements on Planning Applications

The Commission will fund no application for more than two years for any municipal employee. The CMF will not pay the full cost of any municipal employee. The municipality would need to provide the remaining amount of any employee cost and certify that all such expenses are casino related. For non-personnel costs, each community applying for planning funds will also need to provide detail on what it will contribute to the planning project such as in-kind services or planning funds.

Pursuant to the Guidelines, the Commission will evaluate requests for planning funds (including the use of One-Time 2015-2016 Reserve, Non-Transportation Planning Grant, and Transportation Planning Grant Funds) after taking into consideration input the applicant has received from the local Regional Planning Agency ("RPA") or any such interested parties. Although there is no prerequisite for using RPA's for planning projects, consultation with RPA's is required to enable the Commission to better understand how planning funds are being used efficiently across the region of the facility. Please provide details about the applicant's consultation with the RPA or any such interested parties. Applicants should provide detail regarding consultations with nearby communities to determine the potential for cooperative regional efforts regarding planning activities.

Tribal Gaming Technical Assistance Grant

The Commission may make available no more than \$200,000 in technical assistance funding to assist in the determination of potential impacts that may be experienced by communities in geographic proximity to the potential Tribal Gaming facility in Taunton. Said technical assistance funding may be made through Southeastern Regional Planning and Economic Development District ("SRPEDD"), the regional planning agency that services such communities or a comparable regional entity. Such funding will only be made available, after approval of any application by SRPEDD or a comparable regional entity, if it is determined by the Commission that construction of such gaming facility will likely

commence prior to or during Fiscal Year 2019. Any such application by SRPEDD or a comparable regional entity must demonstrate that any studies of impacts will address the technical assistance needs of the region which may include but not be limited to the communities that are geographically adjacent to Taunton. Such funding shall not be used to study impacts on or provide technical assistance to Taunton, as funding has been provided in the Intergovernmental Agreement By and Between the Mashpee Wampanoag Tribe and the City of Taunton. Any such program of technical assistance may be provided by SRPEDD itself or through a contract with SRPEDD.

Workforce Development Pilot Program Grant

For fiscal year 2019, the Commission will make available funding for certain career pathways workforce development pilot programs in Regions A and B for service to residents of communities of such Regions, including each Category 1 host community and each designated surrounding community, each community which entered into a nearby community agreement with a licensee, any community that petitioned to be a surrounding community to a gaming licensee, and each community that is geographically adjacent to a host community.

The total funding available for grants will likely not exceed \$600,000. No application for a grant in each Region shall exceed \$300,000 unless otherwise determined by the Commission. One grant will be considered for each Region. Each 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.

Eligible career pathways workforce development proposals must include a regional consortium approach to improve the skills, knowledge, and credential attainment of each Region A and Region B residents interested in a casino career, focusing on increasing industry-recognized and academic credentials needed to work in the most in-demand occupations related to the expanded gaming industry or a focus on occupations that could be in high demand from the casino, potentially negatively impacting the regional business community. This could include a focus on hospitality, culinary, cash handling, or customer service, etc.

Goals include:

- To help low-skilled adults earn occupational credentials, obtain well-paying jobs, and sustain rewarding careers in sectors related to hospitality and casino careers.
- To get students with low basic skills into for-credit career and technical education courses to improve their educational and employment outcomes.
- To deliver education and career training programs that can be completed in two years or less and prepare program participants for employment in high-wage, high-skill occupations related to the casino.
- To align and accelerate ABE, GED, and developmental programs and provide nontraditional students the supports they need to complete postsecondary credentials of value in the regional labor market.
- To mitigate a strain in existing resources and a potential impact to the regional labor market.

Eligible activities include: a program in Region A or Region B that structures intentional connections among adult basic education, occupational training, and post-secondary education programs designed to meet the needs of both adult learners and employers, post-secondary vocational programs, registered apprenticeships, courses leading to college credits or industry-recognized certificates, Adult Basic Education (“ABE”) and vocationally based English for Speakers of Other Languages (“ESOL”) training programs, Contextualized Learning, Integrated Education & Training, and Industry-recognized Credentials.

- **A consortium application is required.** However, governmental entities eligible to receive funds would include but not be limited to: host communities, communities which were each either a designated surrounding community, a community which entered into a nearby community agreement with a licensee, a community that is geographically adjacent to the host community of a gaming licensee, a community that petitioned to be a surrounding community to a gaming licensee state agencies, state agencies, and Regional Employment Boards. The Commission shall evaluate the use of host community agreement funds in evaluating funding requests for workforce development pilot program grant funds. Applicants should consider leveraging other funding resources.

What Should Be Included in the Applications?

- ★ Applicants are required to complete the 2018 Specific Impact Grant Application, the 2018 Transportation Planning Grant Application, the 2018 Workforce Development Pilot Program Grant Application or the 2018 Non-Transportation Planning Grant Application and may also submit additional supporting materials of a reasonable length.
- ★ Applicants will need to describe how the specific mitigation, planning, or workforce development pilot program request will address any claimed impacts and provide justification of any funds requested. Unlike existing surrounding community agreements which were based on anticipated impacts, any Specific Impact Grant will be based on impacts that have occurred or are occurring, as noted previously.
- ★ Applicants will need to describe if and how such impacts were addressed or not addressed in any host or surrounding community agreements. Applicants may include a letter of support from the applicable gaming licensee. However, this is not necessary, as the Commission will request the licensee's opinion regarding each application.

How Will the Commission Decide on Applications?

Similar to the Commission's surrounding community review process, the Commission will ask each licensee to review and comment on any requests for funding.

The Commission will evaluate the submittal by the community, any input received from the community and interested parties (such as Regional Planning Agencies), the responses of the licensee, Commission consultant reviews, and any other sources determined by the Commission.

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.

The Commission may ask applicants for supplementary materials, may request a meeting with applicants, and reserves the ability to host a hearing or hearings on any application.

The Commission's deliberations on Community Mitigation Fund policies will also be aided through input from the Gaming Policy Advisory Committee, the Community Mitigation Subcommittee, and any Local Community Mitigation Advisory Committees, as established pursuant to M.G.L. c. 23K.

The Commission reserves the ability to determine a funding limit below what is detailed in these Guidelines, as additional contributions to the Community Mitigation Fund will not be made until Category 1 gaming facilities are operational. The Commission also reserves the ability to determine a funding limit above what is detailed in these Guidelines.

The Commission reserves the ability to fund only portions of requested projects and to fund only a percentage of amounts requested. The Commission also reserves the ability to place conditions on any award.

- **There is limited funding available. The Commission therefore reserves the right to determine which requests to fund based on its assessment of a broad range of factors including the extent of public benefit each grant is likely to produce.**

When Will the Commission Make Decisions?

The Commission anticipates making funding decisions on any requests for grant assistance before July 2018, after a comprehensive review and any additional information requests.

Is There a Deadline for the Use of the One-Time 2015/2016 Reserve?

There is no deadline. Funds may be used on a rolling basis when specific impacts are determined or the specific planning activity is determined. Once known, communities should contact the Ombudsman's Office, which will assist the community in providing the needed information. Communities with specific impacts will, at the time the impacts are known, complete the Specific Impact Grant Application or the Planning Project Grant Application in its entirety. Communities with requests for planning funds will provide similar information to the Commission: a description of the planning activity, how the planning activity relates to the development or operation of the gaming facility, how the planning funds are proposed to be used, consultation with the Regional Planning Agency, other funds being used, and how planning will help the community determine how to achieve further benefits from a facility or to avoid or minimize any adverse impacts. The Commission will fund no application for more than two years for any municipal employee. The CMF will not pay the full cost of any municipal employee. The municipality would need to provide the remaining amount of any employee cost and certify that all such expenses are casino related. Each Community applying for planning funds will also need to provide detail on what it will contribute to the planning project such as in-kind services or planning funds. Please note that such details do not need to be determined by the February 1, 2018 application date. Commission approvals of the use of the One-Time 2015/2016 Reserve will also be on a rolling basis corresponding to the rolling determinations of use by communities.

Waivers and Variances

(a) General. The Commission may in its discretion waive or grant a variance from any provision or requirement contained in these Guidelines, not specifically required by law, where the Commission finds that:

1. Granting the waiver or variance is consistent with the purposes of M.G.L. c. 23K;
2. Granting the waiver or variance will not interfere with the ability of the Commission to fulfill its duties;
3. Granting the waiver or variance will not adversely affect the public interest; and
4. Not granting the waiver or variance would cause a substantial hardship to the community, governmental entity, or person requesting the waiver or variance.

(b) Filings. All requests for waivers or variances shall be in writing, shall set forth the specific provision of the Guidelines to which a waiver or variance is sought, and shall state the basis for the proposed waiver or variance.

(c) Determination. The Commission may grant a waiver or variance, deny a waiver or variance, or grant a waiver or variance subject to such terms, conditions and limitations as the commission may determine.

Who Should Be Contacted for Any Questions?

As the 2018 Community Mitigation Fund program is just in the fourth year of the program for the Commission, communities and other parties may have a number of questions. They are encouraged to contact the Commission's Ombudsman with any questions or concerns. The Commission's Ombudsman will regularly brief the Commission regarding the development of Community Mitigation Fund policies.

The Commission's Ombudsman, John Ziemba, can be reached at (617) 979-8423 or via e-mail at john.s.ziemba@state.ma.us. The Commission's address is 101 Federal Street, 12th Floor, Boston, MA 02110.

Where Should the Applications Be Sent?

Applications **must be sent to www.commbuys.com**. An application received by COMMBUYS by February 1, 2018 will meet the application deadline. Applicants that are not part of the COMMBUYS system should contact Mary Thurlow of the Commission's Ombudsman's Office well in advance of the February 1, 2018 deadline to make arrangements for submission of the application by the deadline. Mary Thurlow can be contacted at (617) 979-8420 or at mary.thurlow@state.ma.us.

If you have any questions or concerns contact the COMMBUYS Help Desk at COMMBUYS@state.ma.us or during normal business hours (8am - 5pm ET Monday - Friday) at 1-888-627-8283 or 617-720-3197.

Community Mitigation Funds Awards by Type and Region

