

Massachusetts Gaming Commission Meeting Minutes

Date/Time: June 20, 2023, 10:00 a.m.

Place: Massachusetts Gaming Commission
VIA CONFERENCE CALL NUMBER: 1-646-741-5292
PARTICIPANT CODE: 111 1431 1966

The Commission conducted this public meeting remotely utilizing collaboration technology. Use of this technology was intended to ensure an adequate, alternative means of public access to the Commission's deliberations for any interested member of the public.

Commissioners Present:

Chair Cathy Judd-Stein Commissioner Eileen O'Brien Commissioner Bradford Hill Commissioner Nakisha Skinner Commissioner Jordan Maynard

1. Call to Order (00:00)

Chair Judd-Stein called to order the 460th Public Meeting of the Massachusetts Gaming Commission ("Commission"). Roll call attendance was conducted, and all five commissioners were present for the meeting.

2. Review and evaluation of Application for Category 2 sports wagering operator license submitted by MGA in accordance with 205 CMR 218.00 including, but not limited to consideration of the following criteria: (00:36)

Chair Judd-Stein noted that the Commission had met on June 12, 2023 to discuss Massasoit Greyhound Association, Inc. d/b/a Raynham Park's ("Raynham") category two sports wagering application. She stated that the Commission had begun its review of Raynham's application and left off at Section C2 of the application.

a. Economic impact and other benefits to the Commonwealth if applicant is awarded a license (205 CMR 218.06(5)(b)) (3:12)

Raynham's outside counsel Jed Nosal introduced Raynham's President and CEO George Carney, Raynham's VP of Operations Robert Brooks, Raynham's VP of Operations Sue Roderick, Caesar Digital's Chief Development Officer Dan Shapiro, and Caesars Entertainment's Regulatory and Compliance Senior Vice President Jeff Hendricks.

Mr. Nosal noted that Raynham had updated the jobs compendium to list the number of new jobs as 160. He stated that the change in numbers was due to the separation of security and surveillance. He stated that Raynham had provided additional information requested by RSM.

Commissioner Hill asked what methodology was used in calculating projected revenue. Mr. Shapiro stated that projected revenue was calculated using average spend per adult, market size, and an anticipated market capture of 10%.

Chair Judd-Stein asked if Caesars was using a more tailored approach to promotional spending. Mr. Shapiro stated that Raynham's marketing would be focused on building awareness of the location while utilizing database marketing and traditional media marketing. He stated that the focus of the marketing would be to get customers to the physical venue and not to provide excessive bonus bets.

Commissioner O'Brien expressed concern regarding the saturation of sports wagering marketing. She noted that the citizens of the Commonwealth provided feedback that they did not want to be blanketed with advertisements. Mr. Shapiro stated that the marketing campaign would focus on the radius around Raynham, and that talk radio advertising would be utilized. Mr. Nosal stated that advertising would be focused on Raynham as a venue to watch sports and leverage Raynham's existing business.

Chair Judd-Stein asked if there were opportunities to market simulcasting in novel ways. Mr. Shapiro stated that simulcasting provided crossover opportunity with an existing loyal audience. He stated that Raynham hoped to maintain its existing simulcasting revenue. Mr. Nosal noted that Raynham had not put concerted focus on advertising in the past decade, and that the marketing campaign would be beneficial.

Commissioner O'Brien noted that the construction plans listed a smoking area, and asked how that area would be secured to prevent underage individuals from accessing the sports wagering area. Mr. Brooks stated that the smoking area would be fenced in with an alarmed egress point, and the only entrance would require screening.

Commissioner Skinner inquired if there were plans to incorporate GameSense into the temporary sports wagering venue. Mr. Nosal stated that due to the size and temporary nature of the venue, there was not space dedicated to GameSense. He stated that GameSense materials would be

made available. Chair Judd-Stein asked if GameSense employees could be deployed in that location. Mr. Nosal stated that staffing was still being figured out for that location, but that GameSense involvement would be welcome.

Commissioner O'Brien asked about Raynham's community engagement with Campanella Stadium in Brockton. Mr. Brooks stated that Raynham had ticket giveaways to games at the stadium. Commissioner O'Brien expressed concern that there was high youth attendance at Campanella Stadium games. Mr. Brooks explained that there was no cross-promotion, and that Raynham was not advertised at the stadium.

Commissioner Hill asked about Raynham's engagement with non-profits. Ms. Roderick stated that Raynham had previously been a silent philanthropist, but that she looked forward to being more involved with the community. Mr. Hendricks stated that Caesars would continue its philosophy regarding community engagement in Massachusetts. He stated that initial discussions had begun with veterans' organizations to determine how Caesars could best assist.

Commissioner Maynard asked how Caesars intended to engage with the Massachusetts State Lottery ("Lottery"). Mr. Hendricks stated that Caesars had reached out to the Lottery. Mr. Nosal stated that Raynham's existing partnership with the Lottery was an opportunity to enhance the Lottery's retail sales. Commissioner Skinner sought clarification regarding Raynham's employees dedicated to Lottery sales. Ms. Roderick stated that customers prefer to buy Lottery tickets in-person rather than from machines, and that Raynham had employees for that role.

The Commission reached a consensus that Raynham had met the Commission's expectations with regard to Section C of the application. Mr. Carney highlighted Raynham's history of community engagement.

b. Applicant's willingness to foster racial, ethnic, and gender diversity, equity, and inclusion (205 CMR 218.06(5)(d)) (55:26)

Commissioner Skinner noted that Section D of the application left a lot to be desired. She stated that she wanted regular updates as Raynham moved forward in hiring its diversity consultant. Mr. Nosal stated that Raynham had hired a diversity consultant to develop an action plan for construction, including developing diversity workforce goals and vendor spending goals. He stated that the consultant would assist with the hiring of Raynham's 160 new employees.

Commissioner Skinner asked if Raynham had engaged a consultant. Mr. Nosal stated that a contract had been signed. Commissioner Skinner noted that construction and designing was well underway, and that would have been an opportunity to impact supplier diversity. She asked what impact Raynham hoped to achieve if the consultant was not engaged before the license was granted. Mr. Nosal stated that the consultant was engaged, but specific plans were contingent upon Raynham being licensed. He stated that there was still time to develop and implement a plan as hiring had not begun.

Commissioner Skinner noted that the Commission had previously placed a condition on licensure requiring operators to develop workforce and supplier diversity goals. Chair Judd-Stein stated that she did not recall a condition relative to workforce diversity goals. Commissioner O'Brien stated that conditions on licensure were previously focused on supplier diversity because other applicants had a more robust answer regarding workplace diversity. She noted that there was a deficiency in this application that was not found in previous applications. Commissioner Maynard stated that it was important to establish goals, and that he wanted to see a goal developed.

Commissioner Skinner reiterated that there was a lost opportunity by not focusing on diverse suppliers during the construction phase that was already underway. Mr. Nosal stated that Raynham was playing catchup on construction and that Raynham was committed to diversity going forward. He expressed that he was confident Raynham would meet the goals set out in the Commission's regulations, and that Raynham would provide updates to the Commission in accordance with 205 CMR 239.

Commissioner Skinner requested that the legal division research and inform the Commission about what conditions were placed on other operators' licenses relative to diversity goals. She also requested information regarding whether construction vendors should be treated differently than vendors providing normal business services. The Commission's outside counsel from the law firm Anderson and Krieger, Attorney David Mackey stated he would get that information to the Commission before the next meeting regarding Raynham's application.

The Commission agreed to wait on determining whether Raynham had met its expectations with regard to Section D of the application until the Commission received information related to license conditions for diversity goals.

c. Proposed measures related to responsible gaming (205 CMR 218.06(5)(c)) (1:23:17)

The Commission moved on to discuss Section E of the application regarding responsible gaming as well as corporate social responsibility. Commissioner O'Brien asked for details regarding technology used for environmental mitigation. Mr. Brooks stated that most construction materials were recyclable, the facility had converted to being almost all electric based, that lighting was selected to limit light pollution to the neighbors, that Raynham had applied to MassDOT to have a traffic signal installed, and that there were mitigation efforts for environmental water issues. He noted that Raynham's neighbors were commercial, and that Raynham was making efforts to ensure that the community would not be impacted. Commissioner O'Brien noted that the application referenced abutting residential areas. Mr. Brooks stated that the neighbors across the street were residential, but that the main impact for those neighbors would be the traffic.

Commissioner O'Brien sought more details regarding the use of electric power. Mr. Brooks stated that Raynham had put solar on the shelf, but that the roof was cleared of equipment should Raynham want to move toward use of solar power.

Commissioner O'Brien sought details regarding a 2011 incident referenced in the application. She noted that an article was linked, but that the link was dead. Mr. Nosal stated that Raynham had leased space to a company that conducted charitable poker events. He stated that the company conducting the events took an aggressive interpretation of the Attorney General's charity poker laws, and that the events were shut down when the Attorney General raised concerns. Commissioner O'Brien requested a copy of the news article related to this event.

Commissioner Hill asked Caesars for any highlights they could share in regard to helping those in need of responsible or problem gaming help. Mr. Hendricks stated that Caesars was pleased with the implementation of its responsible gaming program in a digital space. He explained that the customer service team was trained to identify problem gambling behavior and that there was an uptick in patrons using responsible gaming tools on the mobile platform.

Commissioner Hill asked how employees would be trained to identify problem gambling concerns. Mr. Hendricks stated that Caesars was developing a method for customer support to send patrons directly to GameSense while in the mobile platform. He noted that all customer service employees were trained to identify problem gambling behaviors.

Commissioner Hill asked how Raynham planned to train their employees on responsible gaming in the retail space. Ms. Roderick stated that Raynham had its employees train with GameSense on responsible gaming.

The Commission reached a consensus that Raynham had met the Commission's expectations with regard to Section E of the application.

d. Technology that the applicant intends to use (205 CMR 218.06(5)(e)) (1:44:40)

The Commission discussed Section F of the application on technology. Chair Judd-Stein asked if Caesars was partnered with US Integrity for monitoring. Mr. Hendricks confirmed that was correct. Commissioner Maynard asked if Raynham was ready to integrate Caesars' platform. Mr. Nosal stated that Raynham was taking advantage of Caesars' platform and sports wagering expertise and was prepared to use the platform in both the temporary and permanent space. Mr. Shapiro stated that kiosks would allow patrons to toggle between sports wagering and parimutuel bets. He noted that sports bets would go through the Liberty platform.

The Commission reached a consensus that Raynham had met the Commission's expectations with regard to Section F of the application.

e. Preliminary Financial Suitability of the applicant (205 CMR 218.06(5)(f)) (1:52:03)

Chair Judd-Stein stated that the Commission received notice from the IEB that there was still outstanding work relative to Section G of Raynham's application. She stated that a date would be identified to continue this meeting. Mr. Nosal stated that Raynham was willing to answer any questions the Commission had, and that he would like to see the process move forward as soon as possible.

8. Other Business (1:57:07)

Chair Judd-Stein stated that this meeting was being continued not adjourned, and that Raynham would be notified of the time and date of the next meeting.

List of Documents and Other Items Used

1. Notice of Meeting and Agenda dated June 15, 2023