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## Massachusetts Gaming Commission Meeting Minutes

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**Date/Time:** September 26, 2019 – 10:00 a.m.

**Place:** MassMutual Center  
1277 Main Street, Rooms 1 & 2  
Springfield, MA 01103

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

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



### **Call to Order**

See transcript pages 1 – 2

[10:00 a.m.](#) Chair Cathy Judd-Stein called to order public meeting #278 of the Massachusetts Gaming Commission.

### **Approval of Minutes**

See transcript page 2

*Commissioner Stebbins moved to approve the minutes from the Commission meeting of September 12, 2019, subject to correction for typographical errors and other nonmaterial matters. Commissioner O'Brien requested an edit to her language on page four, as well as adding a request that she had made in the IEB segment. Commissioner Zuniga asked for a typographical correction. Commissioner Zuniga seconded the motion. The motion passed 4 – 0, pending the requested edits, with Commissioner Cameron abstaining.*

## **Administrative Update**

See transcript pages 2 – 3

### 10:09 a.m.      **General Update**

Executive Director Ed Bedrosian updated the Commission regarding the open job positions that he mentioned in the last Commission meeting. He informed the Commission that staff is working to fill those positions and that hiring is progressing at the appropriate pace.

### **MGM Springfield (“MGM”) Request for Amendment to Gaming Beverage License**

Mr. Bedrosian summarized MGM’s request to amend their Gaming Beverage License. The change would indicate the allowance of alcoholic beverages to be served in an alcoholic beverage and food dispensing area for use by VIP guests, by a VIP Lounge Server via the Smart Bar located in the back of the house. He noted that the Commission would register this employee as a Service Employee, and the alcoholic beverages would be stored in a designated area in the back of the house. If approved, this amendment to the Gaming Beverage License will bring MGM Springfield’s alcoholic beverage areas licensed to a total of 24.

Anthony Caratozzollo, Vice President of Hospitality at MGM Springfield, confirmed to the Commission that the door to this area would be locked at all times, and restricted to only MGM’s high-end guests. These select guests would be issued a separate RFID card into the space.

10:13 a.m.      *Commissioner Stebbins moved that the Commission approve the amendment to the Gaming Beverage License issued to Blue Tarp reDevelopment LLC, d/b/a MGM Springfield as described in the Memorandum from Bill Curtis, Licensing Manager dated September 23, 2019, and the Amended Gaming Beverage License Application, both included in the September 26, 2019 Commission packet. Commissioner Zuniga seconded the motion. The motion passed unanimously.*

## **Ombudsman**

See transcript pages 3 – 39

### 10:14 a.m.      **MGM Springfield Quarterly Report**

Ombudsman John Ziemba stated that staff asked MGM to update the Commission on the status of its commitment to provide 54 units of market-rate housing within one-half mile of the casino. He conveyed that the staff has continued to monitor the progress of the 31 Elm Street project. He added that MGM Springfield has not reported any material event that would significantly impact its commitment to moving forward.

Mike Mathis, CEO and President of MGM Springfield played a video for the Commissioners that was shown at MGM's first anniversary, displaying images of some of the events that took place over the past year.

Mr. Mathis then reviewed slides with the Commissioners that highlighted headliners and entertainment programs. He noted that MGM has joined with the Murphy Boxing Promotional Group. Next, he described their efforts to activate the outdoor space, as well as accommodate customers via feedback surveys.

Mr. Mathis stated that MGM now has stadium gaming, also called dealer-assisted electronic gaming. He described that it is the first of its kind in the region and has been very successful, and added that this new technology meets all the strict standards of the regulations.

He reported that one of the extraordinary results from that weekend was the MassMutual Center earning over \$1M of ticketed revenue from the Aerosmith show. This set a record for the venue.

Next, Mr. Mathis covered gaming revenue for the quarter. The slide showed that the casino is close to the \$20M mark on monthly gaming revenue. He later made note that the gaming revenue numbers can be misleading because they do not account for the volume of customers spending money throughout the entire facility. He then reviewed the Q2 2019 gaming revenue and taxes, lottery sales, and noted that jackpot winners originated from out-of-town as well as locally.

Daniel Miller, Director of Compliance at MGM Springfield, reviewed slides regarding minors intercepted on the gaming area, intercepted while gaming, and intercepted consuming alcohol. He noted that the percentages are low and that the casino is getting close to 0% minors on the floor.

[10:46 a.m.](#)

The Chair asked if MGM's numbers would be continuing to trend in the right direction when they submit the next quarterly report to the Commission. Mr. Miller replied that although he is unsure of the exact numbers for this quarter, MGM is trending in the right direction.

MGM has revised its podium entrances recently to include a new [Veridocs](#) system that identifies any fraudulent identification cards. The system has proven to be exceptional, eliminating the risk of any human error.

Ryan Geary, Director of Finance Operations at MGM Springfield, provided the Commission with an overview of the casino's Q2 2019 Diversity Spend. He analyzed diverse and non-diverse spending and advised that there could be another full percentage point if the other businesses that are classified as diverse were registered according to the commission's new regulations. He then added that MGM is committed to a comprehensive supplier diversity program.

Tiffany Cutting, Vice President of Business Development with C&D Electronics, described the role of C&D Electronics as a vendor with MGM Springfield during the construction phase, as well as transitioning to the operational stage. She stated that her company has grown because of this opportunity and through the connections she has made.

Mr. Geary continued the slide presentation, reporting on Q2 2019 Operating Spend. He then addressed the Chair's request for more detail regarding non-local spend, stating that there are many non-biddable expenses, such as health insurance, gaming equipment, marketing expenses, and entertainment, that they try to prioritize for local and diverse businesses.

The next slide described vendor outreach efforts. Commissioner Stebbins urged Mr. Geary to share any feedback from individuals that he worked with that would be helpful to Ms. Griffin and the licensing team. Commissioner Stebbins recognized that MGM is reaching out, trying to find connections, and commended Mr. Geary and his team on their efforts. Mr. Geary stated that so far, he has not received much feedback. There is only one local woman-owned business, and MGM is working with her to obtain her certification. Commissioner Stebbins then offered that Ms. Griffin and her team can assist MGM in its effort to gain WBE, MBE, and VSE numbers.

Marikate Murren, Vice President of Human Resources for MGM Springfield, first presented a video. She named Amanda Gagnon and Louis Rivera as successful employees who have been promoted at the casino and emphasized MGM's commitment to keeping talented employees in western Massachusetts.

Next, Ms. Murren provided the Commission with an update and slide presentation illustrating employment numbers for Q2. She reviewed slides that described MGM's hiring goals, showing that most have been met and exceeded.

[11:16 a.m.](#)

Commissioner Cameron advised Ms. Murren to provide the Commission with statistics regarding employee residency in Springfield, indicating any fluctuation of those numbers over time. The Commissioner expressed her concern that what happened in Atlantic City - many people left the city after securing employment at casinos - could happen in Springfield. Ms. Murren responded that they had not seen that scenario so far. MGM continues to work cross-collaboratively with the Mayor and Kevin Kennedy to ensure that economic development does happen in Springfield to provide market-rate housing. Ms. Murren will investigate and try to gather those numbers for the Commission.

The Chair addressed a request from MGM employees for more part-time opportunities and pondered if reducing some employee's full-time statuses to part-time might create room for more full-time opportunities. She asked for additional statistics. Ms. Murren replied that next quarter, she will provide

attrition by shift and break it down by division. The Chair noted a 1% drop in full-time employees for MGM currently.

Ms. Murren then reported that the employee turnover rate is at 40%. She stated that candidates have been dropping out while waiting for the background check procedure to complete. MGM is working on fine-tuning this process.

[11:26 a.m.](#)

Regarding the employee turnover, Commissioner Cameron asked for feedback from employee exit interviews. Ms. Murren and Mr. Mathis noted some challenges that MGM continues to face with employees and stated that MGM is launching a new mentoring program to combat attrition.

Mr. Mathis reported that many employees are forced to drop to part-time status because maintaining full-time work status will cause them to lose their state public assistance benefits. He stated that there needs to be a resolution to this problem. Ms. Murren then stated that MGM could work with the Commission, to volunteer Springfield and perhaps western Massachusetts for any pilot program regarding a potential tiered benefits system.

Next, Ms. Murren highlighted continued employee recruitment efforts, partnering with universities and colleges in the area. She stated that she is going to create a hiring event focusing on food and beverage job positions with Jason Randall, Director of Human Resources for MGM Springfield.

Mr. Mathis then introduced Drew Killen as MGM Springfield's new Vice President of Marketing. He stated that Mr. Killen is in charge of activating the casino floor with promotions and attracting new customers. Mr. Killen then reported on marketing calendar highlights, describing promotions that have been launched that have made a positive impact.

Talia Spera, Director of Entertainment at MGM Springfield, reported on plaza and armory activations, highlighting MGM Live, Yoga in the Park, The Ice Rink, and Roar Comedy Club. She also described entertainment and nightlife and reviewed the upcoming entertainment calendar for October and November 2019 with the Commission.

[11:53 a.m.](#)

Commissioner Stebbins asked what efforts are being made to encourage people to go out and explore the area within these marketing events. Mr. Mathis stated that MGM is creating seasonal, New England-themed programs that would justify a flight to come to MGM Springfield for an extended stay.

Concerning the 31 Elm Street project, Commissioner Stebbins stated that there is much anticipation for its completion by the City's mayor and residents. He noted that it was one of the critical caveats when the Commission conducted MGM's application review. He stated that the Commission not only wants to see MGM complete that commitment, but saving the building is a timely piece of the

equation as well. Mr. Mathis responded that MGM is committed to the project and that they are working on this as well as the activation of Court Square. He stated that the project is complex and involves many parties, but is on the right trajectory.

Mr. Mathis concluded the presentation by reporting on economic development for Springfield. He noted the opening of Wahlburgers (anticipated in early summer), a flagship CVS store opening, and the growing demand for market-rate housing in the area.

Finally, Mr. Mathis conveyed MGM's continued need for the legislature to allow sports betting in the Commonwealth. He reported that one-third of MGM's customers want sports betting as a product via survey results.

[12:10 p.m.](#)

### **City of Springfield Update**

Timothy Sheenan, Chief Development Officer for the City of Springfield, updated the Commission on the economic status of downtown Springfield, and growth opportunities in connection to the casino. He stated that the casino elevates and contributes to the whole redevelopment of downtown Springfield. The City's entertainment events also enhance the entertainment and experiential activities found in the casino. The number of people coming to downtown Springfield has grown exponentially. Revenues have gone up over 22% totaling an increase of more than \$700,000.

The City's responsibility going forward is to leverage the investment into MGM to bring more people downtown and positively address the persistent perceptions of Springfield being unsafe. Mr. Sheehan acknowledged the need to work on bringing new development forward that is not necessarily related to MGM. The area around the casino must be equally engaging as the casino itself, which should be addressed in cooperation with the development community. He commented that the investor pool is local and very committed.

The updated market analysis regarding downtown multifamily housing and the report states that there is a strengthening of the market. To sustain the activity downtown, the City will need market-rate housing. The mayor is aggressively working on bringing this need to fruition.

### **Research and Responsible Gaming**

See transcript pages 39 – 69

[1:13 p.m.](#)

### **Springfield Real Estate Research Report**

Mark Vander Linden, Director of Research and Responsible Gaming, introduced Dr. Mark Melnik, Director of Economic and Public Policy Research at the UMass Donahue Institute. Dr. Melnik gave a PowerPoint presentation that identified the goals of economic research in the Social and Economic Impacts of Gambling in Massachusetts ([SEIGMA](#)) study. He highlighted the analytical framework of

fiscal analysis, as well as the attributes of the community and how they are changing over time. He also discussed the characteristics of the casino industry impacts in connection to the workforce, the operating and construction spending, patron engagement, government and fiscal effects, and lottery sales.

[1:24 p.m.](#)

Next, Dr. Henry Renski, Associate Professor of Regional Planning at the UMass Department of Landscape Architecture & Regional Planning, provided the Commission with a summary of the real estate impact of the MGM Springfield casino during its construction stage between 2014 – 2018. He stated that the study's purpose is to objectively and academically study the actual impacts as observed in casino gaming in the state. He discussed the metrics regarding residential implications, explicitly noting a recent increase in single-family home sales as well as multi-family home sales.

Rents rose following the announcement of MGM Springfield opening, but the rise was also consistent with area trends that are independent of the casino. Dr. Renski then addressed evictions and displacement in connection to rising rents. He stated that there is anecdotal evidence that evictions are now rising, and public officials have expressed concern regarding this issue.

Dr. Renski then reported that there was slight growth in the number and size of commercial and industrial buildings. Retail vacancy rates have fallen, but are also in line with trends unrelated to the casino. He stated that there are no new businesses that have formed as a result of the casino's existence in Springfield yet.

Commissioner Cameron noted that in Eastern Massachusetts, housing prices have risen considerably. Western Massachusetts prices are also rising but at a much slower rate.

[2:05 p.m.](#)

Commissioner Stebbins suggested that stakeholder interviews could be conducted to broaden the mix of voices. Dr. Melnik offered that as part of their proposed research agenda, there could be a robust stakeholder engagement exercise coupled with the real estate segment.

Dr. Renski concluded stating that that so far, MGM has had a limited direct impact on the residential real estate market in Springfield and surrounding communities, but has a significant footprint in downtown.

[2:15 p.m.](#)

### **The Construction of MGM Springfield: Spending, Employment, and Economic Impacts Report**

Rod Motamedi, Senior Research Manager for the UMass Donahue Institute, reported on the data gathered regarding spending, employment, and economic impacts to Springfield during the construction phase of MGM via PowerPoint presentation.



Mr. Motamedi reviewed the property's background and the data collected during that period. He reported on the construction spending by quarter, spending by component, spending by county, race/ethnicity, as well as gender and veteran status of workers. He then provided a summary of employment impacts and new economic activity in Massachusetts.

He stated that MGM awarded approximately one-third of contracts by value to companies that met one of the diversity criteria. He then said that there were around 4,250 workers who worked 2.6M hours over 16 quarters that were compensated \$173M. He found that the racial and ethnic mix of the construction workers essentially reflected the population that they were drawn from. He noted a small share of female workers in Springfield was in the construction trade. He then reported on veteran status, noting that the percentage of workers who identified as veterans were small.

[2:43 p.m.](#) Mr. Motamedi then reported on the key concepts for economic impacts calculated in the study, explaining how the financial models work, and their structure and methods. He then provided a summary of the employment impacts of the casino. Finally, he reviewed the new economic activity and the effects of that.

He then provided the Commission with a timeline of upcoming reports, namely the MGM Lottery Report and the PPC Operating report slated for December 2019, and then the MGM New Employee Survey Report slated for the Spring of 2020.

### **Workforce, Supplier and Diversity Development**

See transcript pages 69 – 76

[3:01 p.m.](#) **MGM Springfield Construction Vendor Spotlight**  
Jill Griffin, Director of Workforce, Supplier and Diversity Development, introduced Lamont Clemens, representing Escelo Painting Company. Escelo Painting is a MBE union painting company that had a great deal of work on the MGM Springfield project. Mr. Clemens thanked the Commission and stated that due to the MGM Springfield project, the company expanded its business model. As a result, the company has secured more work/projects.

[3:27 p.m.](#) **Summit on Diversity in Construction Update**  
Ms. Griffin stated that practical applications and proven strategies would be the focus of a "Summit on Diversity in Construction" presented by the Massachusetts Gaming Commission and partners on Tuesday, Oct. 8, beginning at 12:30 p.m. at Smith College in Northampton. The Conference is intended to focus on the construction industry in Central and Western MA which is under accessed by women and people of color.

Next, Ms. Griffin introduced Lisa Clauson, Strategic Partnerships, Carpenters Labor Management Program / New England Regional Council of Carpenters who



provided an update on the Summit on Diversity in Construction. She first stated that she appreciated how quickly the Gaming Commission embraced the idea of doing something to highlight what was done with the casinos, noting that it is advantageous to be modeling it for what other institutions could do to create more opportunities for MBE's VBE's, and WBE's. She added that several organizations are going to start looking to apply diversity goals to their construction projects.

### **Commissioners' Updates**

See transcript pages 76 - 77

3:30 p.m. Commissioner Cameron reported that several Commission staff members went to New Jersey earlier this week to immerse themselves in the sports betting operation. She stated that attendees acquired a useful base of information.

3:31 p.m. *With no further business, Commissioner Cameron moved to adjourn the meeting. Commissioner Zuniga seconded the motion. The motion passed unanimously.*

### **List of Documents and Other Items Used**

1. Notice of Meeting and Agenda dated September 26, 2019
2. Draft Commission Meeting Minutes dated September 12, 2019
3. Memo re: Gaming Beverage License Amendment – MGM Springfield VIP Lounge dated September 23, 2019
4. Amended Gaming Beverage License Application Form for Blue Tarp redevelopment, LLC
5. MGM Springfield Q2 2019 Report dated September 26, 2019
6. PowerPoint Presentation: SEIGMA Economic and Fiscal Research Agenda: Major Activities and Recent Springfield Research
7. Report re: SEIGMA Real Estate Impacts of MGM Springfield in Springfield and Surrounding Communities
8. PowerPoint Presentation: SEIGMA MGM Construction Overview: Spending, Employment, and Economic Impacts
9. MGM Construction Executive Summary
10. Memo re: Update on Upcoming Summit on Diversity in Construction dated September 16, 2019
11. Draft Review of Policy Questions for Local Community Mitigation Advisory Committees and Subcommittee on Community Mitigation re 2020 Community Mitigation Fund Guidelines dated September 19, 2019
12. Memo re: Renewal of a Gaming License dated September 12, 2019

/s/ Catherine Blue  
Assistant Secretary