



Region A - Local Community Mitigation Advisory Committee Minutes

Date/Time: November 15, 2016– 2:30 p.m.

Place: MAPC, 60 Temple Place, 3rd Floor, Boston, Massachusetts

Members Present:	Anthony J. Gallagher Richard Caraviello John DePriest Marzie Galazka Jennifer Garcia Ron Hogan Fred Berman (via teleconference)	Attendees: John Ziemba Joseph Delaney Jill Griffin Mary Thurlow Jonathan Silverstein Jacqui Krum John Tocco
Member Absent:	Gerard E. Mahoney Colin Kelly	

Call to Order

Chair Caraviello called the meeting to order and introduced himself and asked the secretary, Mary Thurlow, to do a roll call.

Mr. Ziemba then discussed the Commission meeting that occurred the previous week in which the Commission received the staff recommendations for the 2017 Community Mitigation Fund Guidelines. He mentioned that this Guideline is a discussion draft that will be put out for public comment and voted on at the December 1st Commission meeting. Some of the comments received by LCMAC members from the previous meetings were incorporated into this draft. The summary of changes describes measures to help maintain the budgeting in the 2017 fund. At prior meetings, members had indicated that some budgeting limits are necessary given this early stage of development of the facilities.

The initial fund had \$17.5M from application fees. It has been spent down to \$13.2M over the next few years. After accounting for anticipated spending on the Hampden County Sheriff’s Western Massachusetts Correctional Alcohol Center, there is approximately \$12M available in the Fund. At a previous meeting, staff did not clarify where the Sheriff’s money sits. Mr. Ziemba indicated that what was intended in the discussion draft is to leave \$3.6M for everyone else submitting an application for this upcoming year, with the \$400K “allocated” for an anticipated Sheriff’s application. The western Massachusetts communities had indicated a preference for a split of 25%, 25% of a \$4M budget with 50% in the third year (2019).

Mr. Hogan mentioned that it would be wise to backload funding when impacts are more easily defined. He explained that there could be a better expenditure of funds later in the process. He was wondering if there had been any dialogue concerning the allocation of funds by region as MGM and Wynn will generate different revenues.

Mr. Ziemba noted that there are over two years remaining in the construction period. Once the facilities are operational, there will be approximately \$11.5M generated in eastern

Massachusetts versus \$6.5M in western Massachusetts. Some have proposed that funding should stay in the region in which the money derives. The post-construction period is the time period in which funding becomes more significant. He noted that there is uncertainty regarding what is going to happen with the Taunton Tribal development and that this would be important in determining any allocation by region.

Mr. Carviello asked why there is concern about the Taunton development. Mr. Ziemba explained that unlike the MGM and Wynn developments, the tribal casino under the Compact was not required to enter into surrounding community agreements. Further, the MEPA requirements are different as the tribe was also subject to Federal NEPA requirements. Surrounding communities to the Taunton facility would need to use mitigation funds from the annual Community Mitigation Fund to remedy impacts.

Mr. Carviello asked why the Community Mitigation Fund has to contribute now to the surrounding communities of the Taunton facility. Mr. Ziemba explained that if funding is not provided for now, and the construction commences during 2017, the surrounding communities would not have any mitigation funding available. Funding made available through the Compact is not available until the casino is operational. The Tribe is expected to contribute 17% of its revenues to the fund and 6.5% of that would be contributed to the Community Mitigation Fund.

Mr. Hogan mentioned the need to establish the framework early for the regions; as opposed to doing the opposite.

Mr. Ziemba mentioned that the Region C communities haven't had an opportunity to meet, and that there may be significant needs in the area.

Mr. Hogan mentioned that the money should go where there are impacts.

Mr. Ziemba said that there has to be a demonstration of need. The Commission has broad authority and can create caps on each year.

Mr. Hogan noted that there is an element of subjectivity in funding and that Boston could potentially use all the mitigation funding, if allowed.

Commissioner Zuniga mentioned hearing the same sentiment and a feeling that a lot of resources are available in eastern Massachusetts.

Mr. Ziemba said that at the December 1st Commission meeting is when the Commission will vote on the Guidelines. After the Commission reviews comments written by the communities, communities will have two months to submit their applications. All of the materials submitted go back to the Commission for review. The Commissioners make the final decisions.

The Committee then reviewed Question 2. *Should the Commission place a per grant limit for 2017 CMF awards?*

Mr. Ziemba mentioned the proposed limit for transportation planning grants of \$150,000 per planning grant; noted that the Commission could repurpose dollars and could recommend more funding later. The Commission may place a per grant limit for the 2017 Specific Impact Awards of \$400,000. Unlike planning projects, specific impacts have occurred or are occurring by the February 1 deadline.

Chair Carviello indicated his preference for a wait and see basis.

Mr. Ziemba said that communities need to know for what they can apply.

Mr. Carviello said that it makes sense to wait to see where the funding is in 2017 and adjust at that point.

The Committee then evaluated Question 4. *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.*

Mr. Ziemba stated that the Commission may specify factors that it and staff will utilize in evaluating competitive grants. Due to the various different impacts felt by communities, it is difficult to weigh one community's application against another. Utilizing common factors assists the Commission and staff in the evaluation process. The terms are broad to encompass many factors in the analysis. An example of is a community that will provide matching funds; the matching funds could be a consideration as it shows an investment by the community.

Mr. Hogan asked if a community could get more funding if they provide matching funds i.e. specific impact funds versus transportation planning funds?

Mr. Ziemba explained that the Commission could evaluate how a transportation project relates to the casino and how well it works under other transportation criteria. TIP and PVPC criteria may indicate good projects that may be able to get other state funding. Mr. Ziemba agreed that it may pose difficulties if the provision of matching funds is used to differentiate between specific impact grants.

The committee then discussed Question 5. *"The Commission may state that the CMF will fund no application for more than two years for any municipal employee and 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, municipalities would still be required to demonstrate an in-kind match."*

Mr. Ziemba explained that the Commission may state that the CMF will fund no application for more than two years for any municipal employee and 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, municipalities would still be required to demonstrate an in-kind match.

Mr. Ziemba explained that it is difficult to document with certainty that employees use their time exclusively for casino related matters. An example is that a planner could be asked to work on items with no relation to a casino. Therefore, the Community Mitigation Fund should not pay for the full cost of an employee. The Guidelines specify that the fund should pay no more than 2 years for an employee upfront. Does that present an issue? Will communities have difficulties certifying the expense is casino related?

Mr. Hogan mentioned that the two years fits right in as it is a temporary need.

Mr. DePriest asked when do you figure out what proportion is paid? A community could hire a consultant as opposed to full-time employees and have them be small programs with payments decreasing amounts each year.

6. The Commission may not provide grants involving private parties without significant matching funding from either the community or the licensee.

Mr. Ziemba detailed the complexity of providing funding targeted for non-governmental entities and Massachusetts Constitutional Anti-Aid provisions. It is difficult to deal with impacts being experienced and still maintain the requisite public purposes. In some surrounding community agreements, there were some funds to try to address these issues. The grants last year did not require a hard match for applications involving non-governmental entities. However, this year, the host communities will be required to match dollar for dollar.

Mr. Silverstein asked about funding a non-profit providing public services versus one that says its rent if it's going up and needs that to be mitigated.

A discussion was had about if non-profits can prove that the services provided are for a public purpose.

Ms. Krum noted that funds are dedicated in the Host and Surrounding Community Agreements.

Mr. Ziemba mentioned that some things would not be fully funded; but would require the host to match at least dollar for dollar. Surrounding communities are in a different position. Mr. Hogan is concerned that it is creating opportunities; for expansion.

Ms. Krum mentioned as a hypothetical, the remodel of the McDonalds – is this a public purpose?

Mr. Berman said that businesses may experience lost business or their place of work is displaced; a business may no longer able to compete; or community stores, given proximity to the development, may lose business.

Mr. Ziemba mentioned that these may be operational impacts versus construction period impacts and that currently only construction based impacts are eligible.

Mr. Berman would like to sharpen criteria and that the guidelines should say when funding would be available and when would it not;

Mr. Ziemba agreed that there is a lack of specificity and that suggestions are welcomed.

7. The Commission may not authorize fund requests related to utility outages, such as the mitigation of business interruptions from the CMF. No further comments given.

8. 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 proximity to the potential Tribal Gaming facility in Taunton.

Mr. Ziemba said that this is a place marker. A representative of Taunton area communities would have to get its application in by 2/1/17.

9. Commission may provide funding of \$200,000 for two pre-employment programs, one in Region A and Region B for work readiness pilot initiatives.

Mr. Ziemba explained that work readiness has become an important consideration to make sure displacement of employees is mitigated. It could assist current employers that may lose employees as a result of the casino. The thought for consideration is how much money for a pilot program. Currently \$200,000 is allocated total for both regions. Will that be enough for a pilot program? Any pilots would be regionally based; the governmental entity would need to spell out how they will work and anticipate a June 2017 determination.

Ms. Griffin is concerned about the impacts current employers would feel especially in culinary and hospitality jobs, as there is currently a shortage in each region. The primary interest is in workforce training and the focus on worker academic credentials while leveraging other state agencies that currently provide educational and training opportunities.

Mr. Berman felt that the cost is significant especially if the programs are regional given the number of employees; the pilot program is not all that would be needed. It's a great program, however, and definitely needs more funding.

Ms. Griffin said that the estimate would be 50-100 participants initially, that the workforce would be regional and that this is a good start.

Mr. DePriest asked if this would be vocational and mentioned that not all voc-techs are regional.

Ms. Galazka clarified that it is for workforce training and certificate projects. Mr. Ziemba said that he is hoping for more regional applications rather than having each community apply. Mr. Carviello asked whether communities would join forces. Mr. Ziemba stated the hope that regional application would be more than 1 or 2 communities.

Ms. Galazka mentioned that the current schools can only accommodate so many students. If communities collectively apply for funds, how to pick and choose. Mr. Ziemba said that there would need to be some targeted resources. Mr. Hogan asked if the deadline for the educational programs would be the same. Mr. Ziemba noted that the February application would be the concept plan. The applicant would be notified if the program is not specific enough. It would be hard to get all the specifics done by the deadline.

Mr. Tocco: We could get a meeting together with a group from Bestcorp; and set one up for host and surrounding communities. Mr. Carviello mentioned that communities could set up a joint venture.

Mr. Berman said that they know what is available and would be able to put out the word.

Ms. Griffin mentioned that she met with them the other day and is working to align funding sources and folks who could refer other businesses. Membership of the Committee was asked to Contact Jill Griffin regarding any comments or questions pertaining to the educational programs.

Mr. Carviello noted that for Region B, the educational programs that MGM needs should open a year earlier.

Mr. Ziemba then read the two remaining issues. *10. The Commission shall extend the previously authorized reserves for the 2017 Community Mitigation Fund program. Communities may continue to access whatever portion of the original \$100,000 that remains unexpended.*

11. *The Commission may state that the cost of the preparation of a grant application cannot be funded by the Community Mitigation Fund.* No response.

Mr. Ziemba asked when the Committee would like to get together again;

Chair Carviello suggested the 2nd Tuesday in January @ 2:00.

Chair Carviello closed the meeting at 4:00 p.m.

/s/ Mary S. Thurlow
Mary S. Thurlow, Secretary

List of Documents and Other Items Used

1. Notice of meeting and agenda
2. Membership of Gaming Policy Advisory Committees
3. M.G.L. c. 23K Section 68
4. M.G.L. c. 23K Section 61
5. 2016 Community Mitigation Guidelines
6. 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