

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
PUBLIC MEETING NO. 245

CHAIRMAN:

Stephen P. Crosby

COMMISSIONERS:

Eileen O'Brien

Gayle Cameron

Bruce W. Stebbins

Enrique Zuniga

June 21, 2017 10:04 a.m.

MASSACHUSETTS GAMING COMMISSION
101 Federal Street, 12th Floor
Boston, Massachusetts 02110

Darlene M. Coppola, RPR, RMR, CRR

1 CHAIRMAN CROSBY: Good
2 morning. We are calling to order Public
3 Meeting No. 245, on Thursday,
4 June 21, 2018 at our offices on Federal
5 Street.

6 The first item, as always, the
7 minutes.

8 COMMISSIONER STEBBINS:
9 Sure, Mr. Chairman. When the agenda was
10 posted, we thought we'd have the meeting
11 minutes ready. But as you can see from
12 looking through the packet, we are still
13 working on those June 7th meeting minutes.
14 We'll have them at the next Commission
15 meeting.

16 CHAIRMAN CROSBY: At our
17 next -- the next Commission meeting, which
18 will be in Plainville on Tuesday, at 5:30,
19 I think, where we're both going to have
20 the Plainville report from Plainridge Park
21 Casino, as well as a presentation of the
22 research data that we've collected.

23 Now we've had two full
24 years -- we've had three full years of the

1 operation of the Plainville Ridge Park
2 Casino, and we've done very, very
3 extensive research on the social and
4 economic impacts of that casino on
5 Plainville and its surrounding communities
6 in the first two years. And we decided it
7 would be a good idea to go back to
8 Plainville and the surrounding communities
9 where we had several meetings before the
10 casino and report back to the people from
11 Plainville and surrounding communities on
12 precisely what the social and economic
13 impacts have been.

14 So we're going to have a special
15 meeting next Tuesday night, in Plainville,
16 at 5:30.

17 It will also be streamed live on
18 the web.

19 Where's the meeting at? Is it at
20 town hall?

21 COMMISSIONER ZUNIGA: No,
22 it's at the senior center.

23 CHAIRMAN CROSBY: The senior
24 center in Plainville, Tuesday at 5:30.

1 Great. And we will have the minutes then.

2 Next up, Executive Director
3 Bedrosian.

4 MR. BEDROSIAN: Good
5 morning, Commissioners.

6 Just a couple of updates before I
7 get to the MGM opening update, a couple of
8 legal issues.

9 You might have seen a letter sent
10 to us by legal representative of Mass
11 Gaming & Entertainment, which was the
12 entity that an employed for the Brockton
13 license in Region C.

14 They have asked the Commission to
15 specifically reconsider the Brockton
16 license.

17 The staff is working -- and that,
18 obviously, implicates --

19 CHAIRMAN CROSBY: The
20 Brockton application?

21 MR. BEDROSIAN: Yes, the
22 Brockton application. Yes, thank you, the
23 Brockton application for the regency
24 license.

1 CHAIRMAN CROSBY: Right.

2 MR. BEDROSIAN: That,
3 obviously, implicates a lot of sort of
4 regency issues.

5 I've been working with the legal
6 department staff. I would anticipate that
7 we would come back in front of the
8 Commission at our next meeting or sometime
9 in July and have a proposed response, a
10 process for the Commission on that date
11 for public discussion.

12 CHAIRMAN CROSBY: July 19th?

13 MR. BEDROSIAN: At this
14 point, it looks like it will be July 19th,
15 subject to potential movement.

16 CHAIRMAN CROSBY: Right.

17 MR. BEDROSIAN: The --
18 another update is you might have seen that
19 one of principals of FBT has filed a
20 lawsuit regarding the 2013 land
21 transaction in Everett.

22 Just as a reminder, this is the
23 third lawsuit from either FBT or the
24 principals of FBT.

1 The first one was against their
2 former lawyers. The second one was
3 against us. The third one now is against
4 Wynn.

5 We will, obviously, conduct the
6 appropriate review of that matter and
7 continue to monitor the litigation, but
8 you probably have seen it. So --

9 CHAIRMAN CROSBY: Let's be
10 clear. The suit is by one of the land
11 owners against Wynn, not involving us.

12 MR. BEDROSIAN: Correct.
13 Yes. The first one was against former
14 lawyers. The second one was against us.
15 This now third one is against Wynn,
16 correct.

17 CHAIRMAN CROSBY: Correct.

18 MR. BEDROSIAN: On to the
19 MGM opening update.

20 I'm happy to tell you that things
21 are going along at a very expeditious
22 pace. The construction is going along
23 both incredibly fast, and it's amazing to
24 think every everything they will still

1 need to get done.

2 We were out there on Friday with
3 our meeting, which will start to pick up
4 in tempo with the MGM folks. We took a
5 tour of the property.

6 We also have our gaming
7 preparation school for new gaming agents
8 and members of our gaming enforcement
9 unit. It's been happening.

10 They spent the last two days here
11 with a prominent teacher of table game
12 cheating, giving them two days of both
13 demonstrations and videos of various ways
14 in which people have cheated and probably
15 will attempt to continue the cheat in the
16 future.

17 So it was both very entertaining
18 and informative, and a little daunting to
19 think of all the ways that people have
20 come up with trying to cheat.

21 So --

22 CHAIRMAN CROSBY: But
23 cheaters should be aware that we know
24 about them and all these things because we

1 have cameras everywhere. It's a bad place
2 to cheat.

3 MR. BEDROSIAN: And that
4 was, I think, one of the take-aways is
5 they just had all these video of all these
6 things that --

7 CHAIRMAN CROSBY: Right.

8 MR. BEDROSIAN: -- that
9 happen.

10 So I will tell you, also, some of
11 these cameras were historic can views from
12 years and years ago. And I've seen the
13 cameras that are going into MGM
14 Springfield. It will be night and day in
15 terms of the quality and clarity of the
16 cameras.

17 So even more of a warning.

18 CHAIRMAN CROSBY: Right.

19 MR. BEDROSIAN: In terms of
20 our slot machine preparations: 2,500 slot
21 machines on premise, 2,300 -- just over
22 2300 are in place. The rest are probably
23 waiting, you know, some minor final
24 construction in areas before they can be

1 secured and put in place. 348 are
2 actually verified. This was as of a
3 couple of days ago.

4 But I know that our folks are
5 picking up in speed and tempo. The more
6 they do, the better they get.

7 So we would anticipate that we,
8 hopefully, will have all the machines in
9 place, verified with the state seal by
10 approximately the third week of July.

11 So that is --

12 CHAIRMAN CROSBY: I do think
13 it's appropriate to add a little humor
14 here, that all of these 2,500 slot
15 machines have been manufactured somewhere
16 and shipped into Springfield, where upon
17 the techs from MGM and from the Gaming
18 Commission open them up to set them up.

19 One of those 2,500 new slot
20 machines had inside it a baby possum.
21 Where did it come from? Not a mouse. A
22 baby possum. You will be pleased to know
23 that it was fed and released.

24 Sorry. Go ahead.

1 MR. BEDROSIAN: I was told
2 to expect the unexpected in this job. So,
3 certainly, that fulfills that.

4 As far as hiring goes, a report
5 from MGM Springfield yesterday that they
6 currently have 328 employees.
7 Approximately 29 percent of those are
8 Springfield residents, but they expect
9 that number to go up as the mass hiring
10 starts.

11 COMMISSIONER ZUNIGA: What
12 was the number again?

13 MR. BEDROSIAN: Right now,
14 they have 328 on board in employees. 29
15 percent are Springfield residents. This
16 is probably more upper management. I
17 think they would expect Springfield
18 residents to help fill in some of the
19 service employees and gaming jobs. So
20 they expect that number to go up.

21 2,200 job offers made, and just
22 under 800 left to make. And they have a
23 -- a hiring event this week on the 18th
24 and 19th.

1 They made 520 offers, and 53
2 percent of those were Springfield
3 residents.

4 So, obviously, that's a reflection
5 of where they think the numbers will come
6 from.

7 So that is --

8 CHAIRMAN CROSBY: One other
9 gratuitous comment.

10 We're all, I think, being careful
11 to try to keep our expectations down and
12 not count our chickens until they hatch.

13 But I must say that when Governor
14 Baker went out and took the tour, Governor
15 Baker has never been a fan of casino
16 gambling, he was laudatory about the
17 project and really expressed enthusiasm
18 and excitement about what you all are
19 trying to do or we all are trying to do,
20 but particularly, you all.

21 So it's a credit. That was
22 impressive for him to put his almost
23 emotions on the line like he did, talking
24 about it.

1 So...

2 We're all excited.

3 MR. BEDROSIAN: With that,
4 that is the end of my MGM update
5 presentation.

6 So I think that is it for me.

7 CHAIRMAN CROSBY: Okay.
8 Next up, Mr. Connelly.

9 MR. CONNELLY: I think we
10 have a full team from MGM coming up to
11 join me.

12 So two items on the agenda today.

13 The first is exemption requests.
14 Employee exemption requests.

15 There are 20 positions that are
16 being put forward to you today for
17 exemption requests.

18 The packet, you'll see there's 22,
19 but two -- based on subsequent
20 conversations we've had and a
21 more detailed understanding of those
22 facilities' positions and their work on
23 the gaming floor, we're pulling those out
24 for consideration.

1 So it's just the two barber and
2 master barber MGM positions and the vendor
3 positions that are being -- that we're
4 recommending be considered today.

5 Of note, there's a number of
6 vendor positions. So there's 18 positions
7 for vendor employees.

8 What they -- what that means is
9 there are those 18 positions for in the
10 entertainment block really, between the
11 movie theater Kringle Candle and Hannoush
12 Jewelers employees that will be working
13 within the boundaries of the gaming
14 establishment but are working for a
15 third-party vendor.

16 We're requesting that those be
17 exempted.

18 But importantly, several of those
19 positions deal with the service of alcohol
20 particularly in the theater, and as well
21 it's to a much more limited degree in
22 Kringle Candle.

23 Now, this is an important issue
24 and the way I framed it and, frankly,

1 agreed with MGM, and, again, MGM is doing
2 this really on behalf of the vendors. If
3 the -- if the casino were operational,
4 frankly, we would have the vendors here
5 themselves doing it. But it's, obviously,
6 at a point in time at which it's much
7 easier to have MGM kind of do that up
8 front representation in this process for
9 the vendors.

10 But I am recommending that they am
11 forwarding these to you for your
12 consideration for the recommendation that
13 they be exempted.

14 The issue as I see it, and as I
15 thought about it, and as we discussed it
16 collectively, is there's really two ways
17 to look at it.

18 The argument many against
19 exempting them is that these individuals
20 will fall under the alcohol or the gaming
21 beverage license that is still to be
22 issued, that we administer. And so we
23 take that very seriously, obviously.

24 And we would -- we don't exempt

1 bartenders in the casino or on the floor
2 or in the restaurants at the casino
3 proper. Why should we exempt these?
4 That's an argument against.

5 The argument for is that, as has
6 been mentioned numerous times, the
7 Springfield casino is really a different
8 kind of endeavor. And the statute
9 probably did not contemplate the type of
10 casino that is being put in place in
11 Springfield, with movie theaters, with
12 bowling alleys, with this level of
13 additional entertainment and retail.

14 The statute probably didn't even
15 contemplate pulling individuals like this
16 into the licensing scheme.

17 So we should, maybe, view it that
18 way, and that kind of weighed heavily on
19 my thought.

20 As well, if there were any issues
21 with either of these vendors or individual
22 employees and their practices and how they
23 dealt with alcohol service and controls,
24 first and foremost, we would caulk to MGM,

1 and we would tell them that we're seeing
2 problems or we're perceiving problems with
3 the activities of their vendors and ask
4 that they be corrected.

5 If problems persisted, you know,
6 it could put their license in jeopardy or
7 condition their license.

8 If, theoretically, one of those
9 areas had a lot of alcohol violations, the
10 Commission could always condition it and
11 remove that licensed area from the
12 license, thereby removing the ability to
13 serve alcohol.

14 And, thirdly, each of these
15 vendors is a -- is registered with us as a
16 nongaming vendor, and that would put their
17 registration in jeopardy if they continued
18 to violate it.

19 So I say that to express that, as
20 we thought about the issue, my concerns
21 about licensing these individuals, given
22 their unique roles, is much lessened
23 because we still have a number of ways
24 that we could exert influence and

1 regulatory authority over the employers,
2 particularly, if not those specific
3 employees through their registration.

4 CHAIRMAN CROSBY: Questions
5 or comments?

6 COMMISSIONER CAMERON: Yes.
7 In having this conversation with Director
8 Connelly, I, too, obviously had concerns.
9 But my experience with this is is
10 individuals that are near the floor.

11 This is quite removed.

12 Secondly, your thoughts and
13 comments about the levers that we still
14 have, not that we expect to have to use
15 them, because I do expect MGM to properly
16 supervise and take care of situations.

17 They're experienced. They don't
18 want these issues it's. Not in their best
19 interest to have any kind of issues that
20 would come to our attention.

21 So I was persuaded that this is --
22 this is proper, and the risk is very
23 minimal here.

24 CHAIRMAN CROSBY: Anybody

1 else?

2 COMMISSIONER ZUNIGA: Yes,
3 I'm persuaded as well.

4 I think, you know, the only
5 difference here, on many of the exceptions
6 that we did for the entertainment block is
7 that they're a vendor employee, as opposed
8 to an MGM employee. And I see that
9 distinction really of no consequence for
10 the purpose of this discussion, especially
11 when you point out that there's these
12 controls and mechanisms that we have, if
13 any of these turn out to be an issue.

14 I happen to think that a
15 background is not a predictor,
16 necessarily, of any of those issues that
17 we talked about in terms of potential
18 concerns.

19 But I agree with the
20 recommendation. I think it's -- it's a
21 sensible request.

22 CHAIRMAN CROSBY: Anybody
23 else?

24 I guess we need a motion, right?

1 MR. CONNELLY: Again, the
2 packet contains 22 positions.

3 At this point, we're only asking
4 collectively that you consider 20 of those
5 to exclude you two facilities positions.

6 CHAIRMAN CROSBY: The first
7 two?

8 MR. CONNELLY: The first
9 two, we're asking that you do not consider
10 those for exemption at this time.

11 CHAIRMAN CROSBY: Because
12 they do have a presence from time to time
13 on the floor?

14 MR. CONNELLY: That's
15 correct.

16 COMMISSIONER STEBBINS:
17 Mr. Chairman, I move that this Commission
18 approve the gaming service employee
19 exemptions for the MGM Springfield
20 positions, as included in the packet, as
21 well as the vendor employee positions, as
22 provided for in the packet.

23 CHAIRMAN CROSBY: As amended
24 by Director Connelly?

1 COMMISSIONER ZUNIGA: With
2 the exclusion?

3 COMMISSIONER STEBBINS: With
4 the exclusion of the facilities and video
5 staff positions.

6 CHAIRMAN CROSBY: Second?

7 COMMISSIONER O'BRIEN:
8 Second.

9 CHAIRMAN CROSBY: Further
10 discussion?

11 All in favor?

12

13 (Vote taken.)

14

15 CHAIRMAN CROSBY: The ayes
16 have it unanimously.

17 MR. CONNELLY: Great. So
18 next up is the application for the gaming
19 beverage license for MGM Springfield.

20 You'll note that we were here
21 previously on -- in late May to introduce
22 the alcoholic beverage license
23 application, really for the casino itself,
24 as well as, importantly, the 2:00 a.m. to

1 4:00 a.m., and there was a lot of
2 discussion about that.

3 What was outstanding at that time
4 was the plan for the outdoor plaza area,
5 and we had promised that we would come
6 back at a later date to discuss that in
7 more detail, and today is that date.

8 The hope is that today we could
9 have a vote on the alcohol beverage
10 license, the gaming beverage license in
11 its entirety.

12 And, again, I'll remind the
13 Commission, you don't need to be reminded,
14 but just to say it again, you can
15 condition the license in any way you want.

16 So the application is the
17 application, but you can decide on
18 specific areas and condition it how you
19 see fit.

20 There is, of note, and I,
21 actually, have the wrong memo in front of
22 me, so I apologize if I don't have it off
23 the top of my head. But there's a few
24 things that we know that are outstanding

1 that would be a condition of the license
2 that we'd want to follow up on, which is
3 there are a number of those tenants, for
4 example, the theater and Kringle, that we
5 don't have the jointly responsible parties
6 named as of yet.

7 And, also, there is an additional
8 retail outlet to be named.

9 So because of where they are in
10 their development process, they just don't
11 have the names yet. We expect those once
12 those are available, and those would be
13 added to the license as a supplement.

14 So I just want to make sure that
15 that's clear that I'll been monitoring to
16 make sure that information is submitted.

17 But, again, there's the kind of,
18 what I think of as the standard gaming
19 beverage license application for the
20 casino and all of the adjoining areas,
21 including the entertainment block. That
22 was discussed at a previous meeting.

23 There's the 2:00 to 4:00 a.m., as
24 you separate the issues, which is,

1 obviously, of great significance. There's
2 a specific plan about how to shrink the
3 area and deal with that drink or alcohol
4 service in that specific time frame.

5 And the outdoor plaza, again, the
6 outdoor plaza is one that we touched on
7 briefly, but MGM has worked to provide a
8 lot more detail you see in the appendix to
9 the application.

10 So we've been working with MGM for
11 quite a while on this, about how they
12 would secure the area, how they would
13 define the area.

14 Because, again, with outdoor, the
15 concerns would be that if it was too
16 porous that people would take their drinks
17 off-site and kind of wander off into the
18 local community, which wouldn't be
19 desirable, intentionally or
20 unintentionally.

21 And, also, we wanted to make sure
22 that for normal -- the normal course of
23 events as well as special events, that
24 security planning and surveillance was

1 sufficient to make sure that incidents
2 were not only spotted and potentially
3 warded off, but also that a robust
4 response would be imminent.

5 MGM provided with us a lot of that
6 detail, obviously, and it's in the packet,
7 and it was -- I do want to say, it was a
8 lot of good collaborative work back and
9 forth between the MGM folks and the
10 Commission.

11 And, so, all that being said, we
12 deemed the application substantially
13 complete with those few items still to be
14 filled in.

15 And we feel that they've been
16 responsive to the questions that we've
17 posed to them.

18 So I am forwarding, at this point,
19 the gaming beverage license to the
20 Commission with a recommendation that it
21 be approved, subject to any conditions
22 that you see fit.

23 CHAIRMAN CROSBY: Can we
24 take this in two steps?

1 MR. CONNELLY: The way I see
2 it, I think there's three areas, kind of
3 the general license, the 2:00 to 4:00
4 a.m., and the outdoor.

5 The outdoor kind of falls in with
6 the general, so to speak, because it would
7 be a lot of the same hours. That has
8 nothing to do with the 2:00 to 4:00.

9 But I do, I think, as a licensed
10 area, it deserves specific discussion.

11 CHAIRMAN CROSBY: So let's
12 take the outdoor area first and confine
13 our comments to that, unless somehow they
14 overlap, and then we can move on to the
15 2:00 to 4:00.

16 Reactions to that plan as laid out
17 in our books?

18 COMMISSIONER CAMERON: I
19 thought we were going to have MGM speak to
20 us about their specific plans for the
21 outdoor area.

22 I think probably now would be the
23 appropriate time.

24 CHAIRMAN CROSBY: Sure.

1 MR. STRATTON: Before I do
2 that, if I could, we've heard, I think, in
3 two contexts so far today the exemptions
4 and the exceptions for the license
5 application vendors that we have yet to
6 identify, one of them being the movie
7 theater.

8 I'm going to pass it off to Mike
9 Mathis for a minute, because we have
10 identified that operator and are
11 officially papered.

12 And so I would like Mike to be
13 able to make that announcement and explain
14 to you who's going to be operating our
15 movie theater.

16 MR. CONNELLY: Can I just
17 get some credit for not getting it slip?

18 MR. STRATTON:

19 MR. CONNELLY: Good job.
20 Thanks.

21 MR. MATHIS: Thank you, Paul
22 and Ed. You guys have been great working
23 through this process. Paul, in
24 particular, not just because you're giving

1 us a couple of good recommendations.

2 You've kept -- your staff has kept
3 the pace, heavy work flow, especially on
4 the on-boarding side. So I just wanted to
5 recognize that ongoing effort, which has
6 been incredibly important.

7 I am -- I'm happy to announce our
8 movie theater operator. I always usually
9 get the benefit of giving the good news,
10 but in this particular case, I've spent
11 two long days in Knoxville, Tennessee,
12 making sure we got this final agreement
13 over the line. So I've got a lot of sweat
14 and tears in this.

15 But we are partnering with Regal
16 Cinemas to do a luxury, seven-screen movie
17 complex. It's going to be a great
18 entertainment space, large bar space,
19 great open space, right on the retail
20 plaza, and couldn't be more excited.

21 This is their first venture into
22 this part of the state. I think you've
23 got a couple of Regals on the eastern part
24 of Massachusetts, but I think, as we

1 predicted, we would make the kind of
2 investment we make and we bring the kind
3 of other quality co-tenants to a complex
4 like MGM Springfield, and we'll attract
5 national brands, brands that haven't
6 entered the market previously.

7 So I think this is a great
8 partnership that's going to really create
9 that mixed use family experience that
10 we've talked about, along with our
11 bowling, and I couldn't be more excited to
12 have them as partners.

13 CHAIRMAN CROSBY: When you
14 say luxury, does that mean only the
15 reserved seats in the big reclining seats
16 and everything? Or will some of that --
17 what do you mean by luxury?

18 MR. MATHIS: That's exactly
19 right.

20 This is their full
21 leather -- what we call full recline and
22 all -- in all, I think it's about 650
23 seats or so.

24 And there will be service in

1 the -- premium service in the lobby, for
2 instance, alcohol, that then you're
3 allowed to bring into the theater.

4 And having been through a couple
5 of these experiences, a movie is much
6 better when you've got a beer or two, is
7 my experience.

8 So --

9 CHAIRMAN CROSBY: What
10 isn't?

11 MR. MATHIS: That's right.

12 So we're really excited about it.
13 And, yeah, it will be -- there's a couple
14 of smaller theaters within the seven that
15 I think will give them the flexibility to
16 do different types of movies in addition
17 to the first-run.

18 So they are -- Regal's in
19 the movie business what we are in the
20 gaming business, which is really forward
21 thinking. I believe they're the number
22 two operator in the world.

23 They've just partnered with a
24 large parent company out of Europe. And

1 some of the stuff they're doing is really
2 cutting edge, including some of that
3 innovative, I think they call it 4DX,
4 which is something we're going to look at
5 in the future, which is that full
6 immersive experience where the seats move.
7 They throw mist at you and scents at you.

8 So this is a really
9 forward-thinking company. We're excited
10 to be partners with them.

11 CHAIRMAN CROSBY: Great.
12 Congratulations.

13 MR. MATHIS: Thank you.

14 MR. STRATTON: So I'll jump
15 into the -- I'm going to do a quick
16 overview of the outdoor plaza proposal.

17 And is this -- can I flip using
18 this? Great.

19 What I wanted to start off with
20 is, I'm going to forward this, is why
21 we're looking to do this.

22 Springfield is really trying to
23 develop a walkable entertainment district
24 and activate downtown urban areas within

1 the city. And we think this is a really
2 critical part of it.

3 Some of the questions that we had
4 previously received from the Commission as
5 well, is this -- where has this been done
6 before? Is it done successfully? Have
7 there been issues?

8 And we looked right in our own
9 backyard in Springfield.

10 There are several outdoor events
11 that happen from time to time in the
12 downtown corridor that are very successful
13 that involve entertainment and alcohol
14 consumption outside in public areas. And
15 those are generally run by the Springfield
16 Business Improvement District.

17 We have joining us today Chris
18 Russell, who's the executive director of
19 the Springfield bid, who runs these
20 events, including White Line Wednesdays,
21 Cruise Nights, et cetera.

22 So I've invited him here to just
23 briefly address for the Commission why --
24 what the experience has been with

1 customers and patrons, appreciating this
2 opportunity and doing it responsibly, as
3 well as what it means for continuing to
4 develop downtown Springfield and
5 activating the downtown area.

6 So if you could, Chris, just
7 briefly address that for us, we would
8 appreciate it.

9 MR. RUSSELL: Sure. Good
10 morning.

11 I was asked to come just to
12 speak about our experience of outdoor
13 programming. We redesigned and spent a
14 lot of time and money in producing and
15 promoting these outdoor events. Very
16 successfully, they were designed
17 originally to draw people out of the
18 office or to keep people in the downtown
19 after-work hours.

20 They've been -- they've quickly
21 taken off, very successful, and are now
22 not only keeping the work force in the
23 downtown for a bit after work, but it's
24 attracting people from the greater region

1 around Springfield.

2 So the biggest value to these
3 events that we see is, one, we've had zero
4 incidents, that's absolutely zero.

5 They're mobile. So we're able to
6 move them throughout different areas of
7 the downtown that we need to see attention
8 or there's a new retail experience that we
9 want to highlight. So we move them around
10 the downtown.

11 And they change the dialogue about
12 the city center and its popularity, and
13 changing the public perception about
14 safety.

15 So if you have any questions about
16 these events, we've been doing these new
17 events for about four years. They happen
18 weekly. We have three regularly scheduled
19 events, two of which serve alcohol today,
20 and that's White Line Wednesday and our
21 cruise Night.

22 COMMISSIONER CAMERON: I
23 would love to hear details about exactly
24 what you do and how you keep it safe and

1 secure.

2 MR. RUSSELL: Sure. Part of
3 that is in tight management. We have in
4 place controls, both public and private
5 security, that monitor the area.

6 We don't have an extensive
7 camera system for surveillance. But
8 everybody that works for the event has
9 been informed up front that this has to be
10 a zero tolerance of any type of issue that
11 may pop up, arise.

12 So we have private staff that is
13 hired for these events, as well as public
14 police that are hired for these events to
15 monitor what's going on in the event.

16 Controls in place are making sure
17 that anybody that's consuming alcohol is,
18 of course of age. They're TIP-certified
19 pourers that we use for all these events.
20 We work with very closely with all the
21 city departments.

22 Some of the events happen on
23 public spaces, in our parks. Some of them
24 happen in private spaces, and that would

1 be plazas from some of our downtown
2 towers. And they're all monitored.

3 And we have -- we have a zone that
4 we allow the alcohol consumption to take
5 place. Beyond that is no-go as far as all
6 the staff is concerned.

7 We communicate that through
8 signage, orally, and just how we market
9 the events.

10 We're bringing young
11 professionals. They're very, very
12 successful. They include not only
13 alcoholic, they include nonalcoholic
14 beverages, food, music, culture. And
15 they're really designed as social
16 networking events, and they've been
17 tremendously successful.

18 MR. STRATTON: And if I
19 could, because Chris and I spoke about
20 this very issue in advance.

21 Our proposal, as you see, is going
22 to have -- will be much more secure from
23 the standpoint of surveillance, active
24 security, barriers. Due to the size and

1 the scope and the rotating location and
2 their track record, they work very closely
3 with the city to ensure that a lot of your
4 controls are generally through education
5 to patrons and folks having clearly
6 delineated space and understanding the
7 rules, and it's been very successful with
8 zero incidents.

9 So we believe that we can do the
10 same thing and then layer on top of that
11 park barriers, fixed security posts,
12 surveillance, a law enforcement presence
13 on-site, regularly that will go above and
14 beyond what has been a very successful
15 model, working closely with the city
16 incidents rate.

17 MR. RUSSELL: I will add one
18 of the reasons when I was asked to comment
19 and speak to you that I felt very strongly
20 about MGM having the ability to provide
21 these type of events is because what we've
22 done on a very small scale has changed the
23 perception and the street activity of what
24 were used to five years ago in downtown

1 Springfield.

2 So we now have young
3 professionals, really in highly visible
4 areas, mingling, enjoying themselves,
5 having a good time. Again, a track record
6 of over four years of zero incidents in
7 any way, shape or form.

8 And I just think this will further
9 our mission where we've spent a lot --
10 we're funded by the property owners in
11 downtown to challenge us in new ways of
12 creating a better environment downtown and
13 having them weave into the fabric of
14 downtown, as opposed to keeping folks just
15 internal, I think is very, very important
16 to the city.

17 COMMISSIONER ZUNIGA: The
18 City of Boston does it very successfully
19 as well.

20 I have a question relative to what
21 you alluded to.

22 There's what you communicate by
23 signage and orally. Is there -- in the
24 events that you talk about where there is

1 alcohol, how do you manage or how do
2 you -- is there a demarcation understood
3 that people are not supposed to go beyond
4 for the consumption of alcohol?

5 MR. RUSSELL: Yes, exactly.
6 All of our events, we have a site map in
7 advance that, whether it's A public or
8 private entity that's hosting the event or
9 is the host site, we go over with their
10 management, their security, where the
11 confines of the area to serve alcohol, the
12 very soft borders. We don't want to make
13 it seem like the O.K. Corral with a very
14 hard presence around the event. But
15 they're very soft, but they're clearly
16 defined, and whether they be plaza areas
17 that have landscaping and boundaries
18 around them, street corners, and we
19 monitor those perimeters very carefully.

20 MR. MATHIS: If I can just
21 add. I've attended a number of these
22 events. And to Chris's point, I think it
23 really does highlight the best of downtown
24 Springfield in terms of we always talk

1 about as one of most walkable cities in
2 the Commonwealth and has beautiful
3 back-drops between Court Square and some
4 of the historic buildings.

5 And every time I've been to the
6 event, I've seen different people that you
7 don't see in Springfield. And I think it
8 exposes them to really all of the
9 wonderful things that are going on
10 downtown, including the young
11 professionals in the community that we're
12 building, which includes some of our
13 employees.

14 I think I've talked to you in the
15 past, we've got a number of our young
16 professionals that are make continuing
17 choice to live in the apartments across
18 the street from the project, and they love
19 it that they can walk to work, and that
20 they can, as a community, go to the local
21 bars and restaurants together.

22 MassLive does a -- always does a
23 review after the fact of sort of a photo
24 gallery of candid shots of people

1 participating in the events. And I'm
2 always struck by the diversity of folks.
3 You have people from Worcester, Ludlow,
4 the Berkshires, Somers, Connecticut.

5 I think these type of outdoor
6 events really speaks to the millennials
7 and is something that's going to draw a
8 different group of people to downtown and
9 really expose them to the transformation
10 that we're all doing down there.

11 And I command the bid and members
12 of the bid and we're going to continue to
13 support these type of events including,
14 hopefully, in our plaza.

15 MR. STRATTON: Great.
16 Thanks, Mike. I'm glad you raised the
17 MassLive as Chris spoke to.

18 It really helps with the image of
19 people, seeing people in downtown
20 Springfield having fun.

21 The risk is that you're in photos.
22 And I told my wife last week that I was
23 working late, and the next day I was in
24 the front page in a White Line Wednesday

1 photo. She said, Oh, really? You were
2 working late?

3 So there's a little risk when all
4 the photos are online.

5 CHAIRMAN CROSBY: What are
6 the hours of your activities?

7 MR. RUSSELL: The hours vary
8 on the event. Most of the events, the
9 afternoon to the evening events start at
10 4:00 p.m. And some go from 4:00 to dusk,
11 which would be Cruise Night. White Line
12 Wednesday may go a little bit later into
13 the evening, about 9:00 p.m.

14 And then we host different
15 music events. We have a JamFest, that we
16 actually raise awareness and funds for
17 NAMI, which is the National Alliance for
18 Mental illness. That is an all-day,
19 all-night event, and that goes from
20 10:00 a.m. until 12:30 p.m.

21 So depending on the event and how
22 it's advertised and how it's structured,
23 the hours do vary. But most of them do
24 start early afternoon and go --

1 CHAIRMAN CROSBY: And the
2 alcohol is served until 12:30?

3 MR. RUSSELL: No. We
4 actually shut alcohol, for the later event
5 we shut that an hour before the event
6 closes.

7 CHAIRMAN CROSBY: 11:30?

8 MR. RUSSELL: Yes.

9 MR. STRATTON: Great. Thank
10 you, Chris.

11 So I'll proceed. I want to
12 highlight, really, what are the elements
13 that we've worked through very carefully
14 with staff to ensure that we have a safe
15 and responsible experience in our plaza
16 and at a high level.

17 CHAIRMAN CROSBY: Excuse me,
18 Seth.

19 I just got a text message a couple
20 of minutes ago saying our meetings would
21 be a lot better with a couple of beers,
22 too.

23 MR. STRATTON: So we will --
24 we proposal limiting the hours of

1 operation for -- of the plaza for
2 consumption of alcohol to midnight.

3 We propose 24/7, 365 days of
4 surveillance coverage of the entire plaza.

5 We will ensure that alcohol is
6 only consumed from plastic containers, and
7 when -- when outside of licensed areas.
8 And so that's a -- there will be a few
9 patios that are licensed areas themselves
10 where, for instance, Tapias, you'll be
11 able to sit outside and have a glass of
12 beer. But if you were to leave that
13 licensed area into the plaza, then you
14 would have to convert to plastic.

15 We'll have robust protocols,
16 including signage, which you all see an
17 example of in a moment.

18 Fixed security posts, which is
19 one of the items we worked through with
20 staff. We had originally intended to have
21 full-time fixed position, but agreed that
22 it made sense to control one of larger
23 areas, which we'll show to you.

24 Some additional bollards to

1 add perimeter delineation, perimeter
2 fencing, and roving security.

3 We also have
4 industry-leading alcohol beverage
5 training, responsible alcohol service
6 training for all of our employees.

7 And we will have an incentive
8 program for employees to report any minors
9 found consuming alcohol or any violations
10 of the law or our rules.

11 CHAIRMAN CROSBY: What do
12 you mean, an incentive program?

13 MR. STRATTON: So you
14 actually you get gift certificates, for
15 instance, for reporting -- successfully
16 reporting a violation, once we have
17 internal incentive programs to incentivize
18 self-reporting internally.

19 So, again, we propose a
20 combination of signage, security posts,
21 and surveillance and perimeter
22 delineation.

23 Here, you'll see on this slide is
24 what our signage would look like.

1 I'll show you in a minute where
2 those would be posted.

3 We'll have a combination of fixed
4 security and roving security. Roving
5 security will generally be on bicycles.

6 We have high-definition PTZ, which
7 Executive Director Bedrosian just learned
8 last weeks means pan, tilt, zoom,
9 monitoring the plaza. So we have full
10 coverage by our surveillance team.

11 COMMISSIONER CAMERON: Seth,
12 quick question.

13 Typically surveillance, the
14 responsibility is not to -- is not to
15 monitor everything -- monitor everything,
16 but not specifically to be part of your
17 alcohol consumption, you know.

18 I mean, so are you going to train
19 security in other words, rather,
20 surveillance folks to really look at that
21 plaza and look for violations?

22 Is that part of the
23 training? Because that's typically not
24 their role.

1 MR. STRATTON: That's a fair
2 question, and we don't have our
3 surveillance executive here.

4 But I think, generally, the answer
5 is no, it won't be active -- we won't be
6 actively looking for underage drinkers
7 through surveillance. But it will allow
8 us to do is to really evaluate what's
9 going on in the plaza, see when maybe
10 there's an issue developing or
11 retrospectively figure out where the
12 problems are, where -- if we're finding
13 that people are getting in or there is an
14 issue with -- we hope there won't be, but
15 if there is a issue with folks being able
16 to, say, find a corner where they can hand
17 off a beverage to an underage, we'll be
18 able to have that ability to analyze
19 what's going on and make adjustments in
20 our program based on it being fully
21 surveilled.

22 COMMISSIONER CAMERON: That
23 was my next question.

24 The biggest problem that I'm aware

1 of with outdoor drinking facilities is the
2 ability for a person over 21 to then hand
3 an alcoholic beverage to someone in the
4 crowd who is under age.

5 So how will you be -- how many --
6 first of all, how many drinks will you
7 allow one person to come up and buy and
8 take back out into the plaza?

9 MR. STRATTON: This is where
10 I'm going to invite the other two folks we
11 have with us, the head of food and
12 beverage and head of security to join us,
13 maybe if you could switch out, because I
14 think they'll be able to help answer those
15 questions.

16 MR. RUCKER: Good morning.
17 Jason Rucker, director of security for
18 MGM.

19 So, the first thing I want to talk
20 about real quick is the difference between
21 surveillance and security.

22 So we have two separate monitoring
23 rooms where surveillance is going to focus
24 on the floor gaming, where my team is more

1 focused on the perimeter and the nongaming
2 aspects.

3 So it is a completely different
4 set of eyes looking for different items.

5 COMMISSIONER CAMERON: Okay.
6 My question was about specifically one
7 individual buying drinks and then taking
8 it back out to the plaza.

9 MR. CARATOZZOLO: Yes. It
10 would be one drink per guest. You walk
11 up -- you're not allowed to buy -- we
12 would follow the normal laws of the
13 Commonwealth where, no, we are not going
14 to serve pitchers of beer. It's going to
15 be one beer for one --

16 COMMISSIONER CAMERON: It's
17 usually two in lots of locations. You can
18 buy two drinks take it out.

19 So you're only allowing one drink?
20 So an individual comes out --

21 MR. CARATOZZOLO: Yes,
22 correct. This is just for the outdoor
23 plaza. We would just allow one.

24 COMMISSIONER ZUNIGA: If

1 you're inside a bar in Massachusetts, you
2 can get two, or Fenway Park, you can get
3 two.

4 COMMISSIONER CAMERON: Yes.
5 That's my point.

6 COMMISSIONER ZUNIGA: The
7 whole area is licensed as a bar.

8 COMMISSIONER CAMERON: Yes.
9 So one drink?

10 MR. CARATZZOLO: One drink.

11 COMMISSIONER CAMERON: That
12 should help with that issue, then.

13 Thank you.

14 COMMISSIONER ZUNIGA: And
15 there's no pitcher-serving in
16 Massachusetts, either.

17 MR. CARATZZOLO: Correct.

18 MR. STRATTON: So we've
19 broken this down, or plan to basically,
20 our standard operations and special event.
21 And I'll go through these and we're happy
22 to answer any questions.

23 So during our standard operations,
24 which I'll actually flip to the map, I

1 think it's easier to look at here.

2 But what we've done is we've
3 identified what we propose to be the area
4 of permitted alcohol consumption within
5 Armory Square in the plaza.

6 And you'll notice we've carved out
7 a few areas from an overall parameter,
8 because it's allowed us to more narrowly
9 control the access points.

10 So what you'll see grayed-out
11 areas 1 through 6 are what we've
12 identified as the only access points to
13 the plaza.

14 Certainly, the largest one is
15 Area 1, which looks like an upside-down
16 question mark. That is the rotary on
17 Howard Street.

18 And, so, talking about that one
19 first, because that is really the largest
20 area.

21 We have a combination of bollards
22 around the cul-de-sac itself to delineate
23 that you're stepping off of property.

24 We'll use signage, that signage we showed

1 you earlier, to indicate that alcohol is
2 not allowed beyond that point.

3 But then as you go up the street,
4 the bollards trail off and there is some
5 open access.

6 And so in working with staff we
7 said, well, what we could propose to
8 really ensure that that area is protected
9 is that we have a fixed security posts
10 there.

11 And you'll see that indicated --
12 there's a small dot, it's hard to read,
13 from a distance, but you'll see the red
14 line of sight from that security post
15 showing where that security post would be
16 able to monitor, covering that entire
17 area, will be able to detect and intervene
18 to the extent that individuals were either
19 purposefully or inadvertently stepping off
20 the property with an alcoholic beverage.

21 COMMISSIONER ZUNIGA: Is
22 that what's demarcated here as Area 1,
23 Seth?

24 MR. STRATTON: Correct.

1 COMMISSIONER ZUNIGA: That's
2 the point THAT you can look in both
3 directions?

4 MR. STRATTON: Yes.

5 COMMISSIONER ZUNIGA: That's
6 the demarcation?

7 MR. STRATTON: Yes. So we
8 worked with Jason and his team, and he
9 will have a physical post -- well,
10 physical is not fair. He will have a --
11 there won't be -- an officer posted. So
12 that will be the permanent post.

13 They switch out in
14 three-hour shifts? Three-hour shifts, AND
15 that will rotate so that there will be
16 someone there full-time monitoring, and
17 likely to be more of a customer service
18 and reminding people, just a reminder, you
19 can't step off the property, if someone
20 looks like they're going to do that.

21 And I think through constant
22 vigilance and communication, people will
23 get the message very quickly, and we'll be
24 able to monitor and ensure that we don't

1 have any issues.

2 Moving on, Areas 2, 3, 4, and 5
3 are very similar.

4 They're very narrow areas. Breaks
5 in fencing that someone could pass through
6 off-site. And we're proposing that a
7 combination of signage and clear
8 demarcation through borders adjacent to
9 those areas, as well as roving security
10 would be sufficient to protect against,
11 really, any issues where you have any
12 material issue with folks coming and going
13 from the property with alcoholic
14 beverages. And those are, really, when
15 you see the property on-site, those feel
16 like the back of the property, and
17 they're -- we really don't anticipate high
18 volume, but we feel confident that because
19 they are narrow and through signage and
20 roving security, we could easily protect
21 those.

22 The final one is Area 6, which is
23 a slightly larger area going on to Union
24 Street.

1 We've proposed adding additional
2 bollards that didn't previously exist to
3 assist with the demarcation of that as a
4 property border, along with signage. And
5 you'll see that there's a surveillance
6 camera -- surveillance cameras are
7 indicated in yellow dots -- right at that
8 spot that can help us when roving security
9 isn't present to have the ability to
10 monitor that area.

11 So we feel comfortable that in a
12 steady state, again, this will be a
13 nonspecial event -- so we don't anticipate
14 really high volume -- those protections
15 will be sufficient to ensure a safe and
16 responsible experience outside.

17 COMMISSIONER ZUNIGA: Can
18 you go back for a minute.

19 So you are proposing that
20 there will not be any consumption on the
21 park?

22 MR. STRATTON: Correct. The
23 park -- although, we will -- we will
24 basically run and maintain the park under

1 our license agreement with the city. That
2 is a city property. It's not part of the
3 Gaming establishment. So it would not
4 fall under our gaming license.

5 We do anticipate, however, from
6 time to time we may work with the city to
7 put an event on there. And at that time,
8 we would do a special event license
9 through the city, similar to what Chris --

10 COMMISSIONER ZUNIGA:
11 Precisely what you were talking about?

12 MR. STRATTON: Yes.

13 COMMISSIONER ZUNIGA: Okay.
14 And just so I get that clear, the line
15 between the park and what's the back of
16 the Armory, is there going to be fencing?

17 Did you talk about earlier about
18 fencing?

19 MR. STRATTON: So all along
20 the parameter of the park, there is
21 fencing. That area, actually, and it's
22 hard at this distance, but that area is
23 open not directly into the park, but you
24 can take a left and get over to the Howard

1 Street cul-de-sac.

2 So you could -- Area 2, you
3 could come out -- you could pass through
4 there, not get into the park because
5 that's fenced, but walk -- there's a
6 little corridor on the back side of the
7 Armory that could bring you out to the
8 Howard Street cul-de-sac, and then could
9 you get on the street.

10 So there's some bike racks back
11 there. That's somewhat of a back alley.

12 It will be a pretty back alley,
13 but a back alley nonetheless. So we don't
14 anticipate high volumes there at all.

15 COMMISSIONER ZUNIGA: So is
16 it fair to say, then, that most
17 circulation is going to be on the other
18 side of the Armory closer to the
19 entertainment?

20 MR. STRATTON: Absolutely.

21 COMMISSIONER ZUNIGA: Just
22 given the sort of barriers that there are?

23 MR. STRATTON: Yes. We
24 anticipate virtually all circulation

1 between what we're calling Armory Square,
2 which is the piece on the left, and the
3 plaza, will be between the Armory and the
4 entertainment building.

5 COMMISSIONER STEBBINS:
6 Seth, Area 6, you're talking about roving
7 security personnel.

8 What's the time frame or schedule
9 when folks are out there?

10 MR. STRATTON: Jason, if you
11 could speak to how you do that.

12 MR. RUCKER: So in the plaza
13 area, there will be three security 24/7,
14 basically. So it will be one fixed post
15 at the top of Area 1 that we spoke about
16 and then two patrols that are just
17 constantly going around the plaza. If
18 there's an issue, they respond to it and
19 then go back around through patrols.

20 COMMISSIONER STEBBINS: It
21 would just seem to me, I mean, you
22 benefit, I think, in some respects from
23 having kind of choke points, narrow
24 points.

1 But, obviously, the cul-de-sac and
2 that exit at the end on the Union Street
3 seem a little more wide open, where you
4 might be more prone to find somebody
5 trying to walk off property with a
6 beverage.

7 MR. RUCKER: The Area 1 is
8 going to be a much higher traffic area
9 just because Main Street is right there.

10 If you come outside of Area
11 6 on Union Street, there's not a whole lot
12 going on to go to. So it's going to be a
13 lot lower traffic volume. So that's why
14 we thought the roving controls would be
15 better than posting somebody there,
16 that's really not doing a whole lot.

17 MR. STRATTON: We feel that
18 to the extent there are issues on Union
19 Street that that -- the issue on Howard is
20 more -- could be inadvertent, and that's
21 why we're really making an intense effort
22 to make clear the delineation and have a
23 fixed security post, so people don't
24 wander.

1 On the Union Street side, it would
2 really be more intentional because there's
3 really nowhere to go, if you're going out
4 that side.

5 So we think because it's really a
6 low volume issue, we can control it
7 through the roving security and
8 surveillance.

9 The busier map, which I brought
10 up, is what we are proposing.

11 Now, this isn't a specific event.
12 This is a sample event, but how we would
13 deal with higher-volume events, ticketed
14 events, concerts, activations of the plaza
15 where it's not just your day-to-day folks
16 from inside the casino deciding to walk
17 out and have a smoke in the smoking area
18 or watch something on the screen while
19 finishing their drink, or walk across the
20 top.

21 This is where we'll really
22 activating the plaza, potentially hundreds
23 of people. You'll see a lot of
24 enhancements here. Primarily, the

1 enhancements involve perimeter fencing for
2 that event, as well as event security.

3 You'll see the stars, depending on
4 where the event's taking place, we would
5 really surround the activation with a
6 combination of perimeter delineation and
7 security personnel to ensure that we don't
8 have folks with that volume spreading out
9 into public areas and that they're
10 incident-free.

11 COMMISSIONER ZUNIGA: Would
12 that be like the velvet-type, or what do
13 you mean by fencing?

14 MR. RUCKER: It really
15 depends on the kind of events. It could
16 be the velvet ropes, or it could be the
17 pedestrian barricade.

18 If it's a concert, it would
19 most likely the pedestrian barricade. If
20 it's more of watching the game, it's
21 probably the velvet ropes.

22 MR. STRATTON: Could you
23 explain what a pedestrian barricade is?

24 MR. RUCKER: Sure.

1 Pedestrian barricades are the steel, kind
2 of bike-rack looking barricades. They're
3 like 8 feet in length and connect to each
4 other.

5 COMMISSIONER ZUNIGA: They
6 connect to each other?

7 MR. RUCKER: Correct.

8 MR. STRATTON: And just a
9 final piece is that we take training of
10 our employees very seriously.

11 We have a very comprehensive
12 program to ensure that not only are we
13 properly carding people but that we're
14 looking for signs of intoxication, and
15 that's going to be whether it be in the
16 plaza or in the building.

17 The culture that we set on
18 property is one of responsible service and
19 consumption of alcohol. And that culture
20 will spread both indoors, outdoors.

21 And I think one comment, Anthony
22 Caratozollo is with us here today, I
23 think, to Paul and Ed on some of our
24 discussions around conditions and

1 monitoring, and he said, Don't worry, if
2 there's issues, we're going to shut it
3 down before you ever have to shut us down,
4 because that's -- one, I think he
5 mentioned that his name is on every -- as
6 the manager on every licensed area. So
7 he's a little bit concerned.

8 But the culture that our company
9 sets around ensuring that we have a safe
10 and responsible environment, we take it
11 very seriously, and we're confident that
12 we can do that, activate the plaza and
13 activate downtown in a way that is
14 responsible and creates a great
15 experience. And if we have issues, we'll
16 independently either pull back or change
17 the approach before we ever have to have
18 any enforcement issues.

19 With that, if there are any
20 questions, any one of us are happy to
21 address those.

22 COMMISSIONER CAMERON: When
23 you mention plastic cups, are we talking
24 disposable or the reusable?

1 MR. CARATOZZOLO: So it's a
2 recyclable plastic cup that we're actually
3 switching, when we do our cut-off period
4 after 1:00 a.m., we switch to a plastic
5 cup so we know at 2:00 a.m. when we stop
6 our service, we know it's actually alcohol
7 in the glass and not a nonalcoholic
8 beverage.

9 COMMISSIONER CAMERON: So if
10 somebody were to leave the property, they
11 would have a -- this is -- it would be
12 quite obvious that this is a reusable, not
13 a disposable, that they can't just throw
14 it away. They could, but it's --

15 MR. CARATOZZOLO: It's not a
16 souvenir-type glass at all. It's more
17 of a -- there is a logo on it, but it's
18 very -- it's not something you would reuse
19 a couple of times.

20 If you probably washed it
21 once, it wouldn't hold up in a dishwasher.

22 MR. STRATTON: But it will
23 be clear that it's an MGM Springfield cup.
24 It will have a gold lion on it.

1 COMMISSIONER CAMERON: Thank
2 you.

3 COMMISSIONER STEBBINS: I
4 have a question more directed to Director
5 Bedrosian and/or Paul.

6 What understanding, all the
7 specifics of the license, how they plan to
8 treat outdoor events, how they plan to
9 treat service during 2:00 to 4:00.

10 What type of training are we doing
11 with our gaming agents or with the
12 combined NSP, NSPD units so that they're
13 aware of all of the issues and
14 circumstances that might arise during the
15 execution of some of these events?

16 MR. BEDROSIAN: I'm just
17 looking around to see if Director Ban was
18 present, but I think -- he is. He is
19 present. There He is in the back.

20 So we've had conversations about
21 this.

22 Our gaming agents are sort of the
23 front-line enforcement people for us and
24 the ABCC at our locations.

1 So we will, depending upon the
2 conditions on the license and the areas,
3 then we will work with our gaming agents
4 to figure out how to work on enforcement.

5 And they also do, in addition to
6 underage drinking, they also have
7 responsibilities at the particular
8 designated beverage areas: are taps being
9 secured at the appropriate times? How is
10 liquor stored?

11 So they have a -- in addition to
12 the gaming responsibilities that they
13 have, they have a whole other set of
14 beverage responsibilities. And I think --
15 I remember, I think we had one or two
16 issues early on at PPC of unsecured
17 liquor. So that was an issue that was
18 discovered by our gaming agents, our GEU
19 folks, our gaming enforcement, our State
20 Police and Springfield police, traditional
21 law enforcement authority also.

22 So underage drinking, obviously,
23 is a crime. Providing alcohol to a minor
24 is a crime.

1 So those are things that could be
2 investigated.

3 We have the regulatory component
4 with our gaming agents. We have the
5 criminal component with the GEU part.

6 So that would be the role which
7 those two entities would play.

8 COMMISSIONER ZUNIGA: Can I
9 just mention the ABCC agent, because you
10 mentioned it as well.

11 So I'll remind everybody that we
12 fund -- gaming monies fund one ABCC agent
13 who has been stationed mostly at
14 Plainridge for all those eventualities
15 that you spoke about, and will probably go
16 to MGM Springfield and, essentially, for
17 the better part of the opening months,
18 it's my guess, will eventually float
19 between three properties.

20 But just for reference, there is
21 ten agents at the ABCC for the state as a
22 whole.

23 So the amount of alcohol
24 supervision that's dedicated for these

1 casinos is substantial, not just because
2 it's leveraged with our gaming agents and
3 the GEU people, of course, the security
4 and surveillance on events and whatnot,
5 but because there's a dedicated agent from
6 the ABCC as well.

7 MR. BEDROSIAN: That's
8 correct. Thank you for reminding me.

9 Commission, I just want to mention
10 one thing that came to mind when I first
11 walked the site with the MGM staff, which
12 was I think I was more familiar with
13 outdoor events that had set perimeters,
14 and usually quite smaller, obviously.

15 If you go down there, Trillium has
16 a space, Trillium Brewing has a space. It
17 has a set outdoor perimeter.

18 So we had that discussion about
19 could you sort of harden this perimeter
20 with some type of, whether it was the --
21 it distinguish between the velvet rope or
22 bike racks.

23 And, specifically, and I think
24 they're right, there are a couple of

1 natural choke points that seem to sort of
2 define the -- define the flow itself.

3 But if you look at the bottom
4 Howard Street, the cul-de-sac, there's
5 sort of the big open area and might be the
6 most -- that area -- Area 1 might be the
7 most used area.

8 What I learned, and maybe the MGM
9 folks can comment on this, is from a sort
10 of life and safety issue, having -- there
11 are a set of major doors across the patio
12 there to the casino area that having
13 either things like velvet ropes or any
14 type of barricades in an area where you
15 might have to do a -- you could
16 potentially have to do a mass evacuation
17 of the building presents substantial
18 challenges.

19 So I think what I heard from the
20 folks is they're trying to blend that life
21 and safety issue with the alcohol
22 oversight issue. And that's where the
23 bollards, the planting, and then
24 eventually the permanent security officer

1 come in.

2 But I just want to make sure that
3 was the issue I took away from those
4 conversations.

5 MR. STRATTON: That's right.
6 We explored, really, every option we could
7 do try to add delineation on the
8 perimeter. And when we explored trying to
9 use -- to change other items on that
10 Howard Street, we did run into the issue
11 of, we have, I think, building capacities
12 generally in the 14- to 15,000 persons
13 range. And so from a life, safety
14 evacuation standpoint, basically, Areas 1
15 and 6, if you had to flow out of the
16 casino through those main doors, those
17 would be the primary points of egress into
18 safer areas. And adding restrictions
19 around those could create significant
20 issues with that line of flow. So we had
21 to get creative around how would you
22 really delineate that border but not
23 negatively impact.

24 And, frankly, we would have

1 to restudy the entire life safety
2 evacuation program if we were to put
3 barriers in those two areas, which, Jason,
4 feel free to add anything I missed on that
5 point.

6 MR. RUCKER: I think you hit
7 it right on the head. Adding any kind of
8 impediment to a mass egress when people
9 are panicking to get out is not a good
10 thing to do.

11 COMMISSIONER O'BRIEN: Can I
12 ask, you talked about the plastic cups for
13 the outside spaces.

14 Is that all the time, or just
15 after a certain hour? How does that work?

16 MR. CARATOZZOLO: There's no
17 glass allowed on the plaza area. It's
18 always going to be plastic.

19 COMMISSIONER O'BRIEN: So if
20 I have a glass drink, I go to the bar
21 inside and I want to go outside, walking
22 through how --

23 MR. CARATOZZOLO: It will be
24 switched out.

1 COMMISSIONER O'BRIEN: --
2 how does that happen?

3 MR. CARATOZZOLO: The two
4 doors -- we do this in theaters, so it's a
5 very similar process. We don't allow
6 glass in any of our showrooms or theaters.

7 So, basically, when you're
8 walking out the doors, you're going to
9 have -- you're going to be asked to switch
10 it into a plastic cup. And then if we do
11 any service out there, when we do our
12 special events, if it's beer, it will be
13 service in an aluminum can or an aluminum
14 bottle. Any liquor will be in a plastic
15 cup.

16 COMMISSIONER O'BRIEN: So is
17 the ID checked again at that transfer
18 point or only the first time they get the
19 drink?

20 MR. CARATOZZOLO: Usually
21 just at the first time.

22 COMMISSIONER O'BRIEN: Is
23 there -- there was some discussion, I
24 think, in my head, too, about the use of

1 wrist bands, people who are going to be
2 milling around the property, to make it
3 easy to identify if somebody's passing on
4 this plastic cup.

5 Can you address the
6 feasibility of that, particularly, if
7 they're going to have to swap a glass cup
8 out anyway?

9 MR. STRATTON: Well, it
10 certainly -- so we talked about it in two
11 aspects: one, special events, and we've
12 indicated that that's something that we
13 would employ in special events due to the
14 high volume and what we showed on here to
15 be really a controlled perimeter with
16 security presence.

17 It would be really feasible and
18 make sense, given the volume, to do that.

19 Once -- in kind of your
20 steady-state, normal operations, it's --
21 it would be much more challenging and
22 impact our customer experience, for
23 instance, to the extent that you have
24 to -- anytime you want to walk outside to

1 go to Top Golf or, say, step out to have a
2 smoke, find a way to get a wrist band on,
3 and it could create, one, staffing issues
4 for us, and also customer experience
5 issues where it has -- it's one thing at a
6 special event, but it has almost a little
7 bit of an amusement park feel if you have
8 to wear a fluorescent wrist band every
9 time you go inside and outside.

10 So from a customer experience
11 standpoint and logistically, we feel that
12 it's not feasible or necessary to do that,
13 given the other protections we have in
14 place.

15 I don't know if there's anything
16 that you want to add.

17 COMMISSIONER O'BRIEN: I
18 mean, in terms of experience aside or THE
19 ambience aside, if they have to swap the
20 cup out anyway, if they're only needing a
21 band to drink alcohol, how much more of an
22 inconvenience is it?

23 You can step out and have a smoke
24 and come back in without the band. It

1 would only be if you want to be able to
2 drink alcohol outside.

3 MR. CARATOZZOLO: I think if
4 you have the drink in your hand when
5 you're walking outside, you get it
6 switched out if you're going to smoke.
7 You would still have -- we're not going to
8 know if they're going to smoke or if
9 they're going to Top Golf. So we to have
10 to, literally, ban everybody.

11 And I think from a staffing
12 standpoint, positioning people at those
13 doors, basically, from 10:00 a.m. until
14 midnight, you would need at some point
15 three to four employees just to manage the
16 doors.

17 I don't know if it's a -- it would
18 be very clunky because you're going to
19 slow traffic down.

20 Then on top of it, you have your
21 walkways that are designated. You're
22 crossing that walkway and you're kind of
23 bottlenecking traffic in.

24 MR. STRATTON: If I could, I

1 think -- so the bands go to, also, as I
2 understand the concern, kind of
3 identifying minors. Is that the primary
4 concern?

5 COMMISSIONER O'BRIEN:

6 That's part of it, yes.

7 MR. STRATTON: So keep in
8 mine it's less of an issue on the casino
9 floor because it's controlled and there
10 are no minors on the floor.

11 But throughout the remainder
12 of the gaming establishment indoors, it is
13 the same issue.

14 You can walk around freely with an
15 alcoholic beverage with adults and minors
16 interacting, and we believe that through
17 education, through security, and
18 monitoring that we're going to be able to
19 create an environment where minors don't
20 have access to alcohol.

21 So the plaza is really an
22 extension of the remaining indoor areas of
23 the facility off the gaming floor. We're
24 going to have that combination of adults

1 and minors. And to require -- I guess the
2 extension of that would be, then, really
3 requiring wrist banding of anyone off of
4 the gaming floor, which would create --
5 which would, again, experience-wise,
6 logistic-wise could create a significant
7 issue.

8 So we feel that, based on our
9 experience on other properties and the
10 resources, that we could accomplish it
11 without that.

12 And I think Paul spoke to it in
13 the beginning. The Commission has the
14 ability to condition and to relook at, to
15 the extent that we're having issues, which
16 we're, of course, self-reporting, we could
17 revisit and look at a different procedure,
18 if there are significant issues.

19 Again, we don't anticipate that
20 there will be.

21 COMMISSIONER ZUNIGA: I
22 actually like and will favor the
23 recommendation. I was going to say this
24 later, but I'll say it now.

1 I think creating barriers -- the
2 whole point of the design of these casinos
3 is to try to activate the plaza, to not
4 make it that fortress, that old-style
5 casino where they just want you in and
6 want to keep you in.

7 The idea of the Armory, the
8 renovation -- the design concept of this
9 is about having some activity.

10 And I think alcohol is one that
11 will enhance it. If we were not to
12 license this area, the alcohol, it would
13 act as a barrier, I think for -- towards
14 that activation.

15 It's not a dispositive. They will
16 still be able to do programs there. It's
17 just not going to be the same ability to
18 do the programming that they've been
19 talking about.

20 So, I generally -- I favor this.
21 I think there's a lot of systems and
22 controls that we can put in place, like
23 they have done successfully in the city,
24 like they do it here in downtown Boston on

1 a number of different areas that we're
2 very familiar with.

3 So I think this would be a good
4 reason to see that activation, which is
5 the whole intent of the design.

6 We can always come back and
7 revisit this in terms of hours, in terms
8 of controls, or barriers.

9 Actually, I happen to think that
10 some of the existing barriers are a little
11 too restrictive. I want it to be more of
12 a natural flow, but I understand that you
13 have to strike a balance between having an
14 area that you can control with some
15 monitoring and roving security, et cetera.

16 But I, generally, favor this
17 request.

18 CHAIRMAN CROSBY: Other
19 questions or comments?

20 COMMISSIONER STEBBINS: Yes.
21 I generally favor the outdoor plan as
22 presented.

23 I did want to go back, if we can,
24 Mr. Chairman, and talk about some of the

1 other spaces that you have licensing.

2 I know we're going to talk about
3 the 2:00 to 4:00 issue.

4 But reading some of the local
5 follow-up to the original presentation,
6 laying out a license opportunity for
7 Kringle Candle, Indian Motorcycle, just to
8 make sure I'm on the right page to dispel
9 the notion that, hey, you can walk into
10 those places at any time and get a beer.

11 It's more that if you guys wanted
12 to have a special event within those
13 spaces, that you would have the
14 opportunity to do that without having to
15 come back for a special license. It
16 wouldn't be Kringle Candle for a glass of
17 wine at 10:00 a.m. in the morning, because
18 you have an event going on. It's not that
19 all of those places will be serving
20 alcohol on a regular, daily basis.

21 MR. STRATTON: That's
22 correct. That's correct.

23 Various of the license areas
24 will be activated only on a limited basis,

1 on an event basis.

2 The Kringle Candle experience is
3 not going to compete. Tap is right
4 across. At Tap, you're going to be able
5 to have a number of beers on tap, any
6 cocktail you would like.

7 They're going interact closely
8 with the farmer's market and the ice
9 skating rink.

10 So some of the concepts that we've
11 discussed is do you have hot toddies that
12 you can get at Kringle Candle next to the
13 ice skating rink or do you have some kind
14 of limited, boutique-craft drinks that are
15 consistent with what they're doing there
16 and the experience that's in the plaza
17 would be out of Kringle.

18 Armory is going to be an event
19 basis.

20 So I think what you're suggesting
21 is right. This isn't going to be a
22 full-time bar scene in each one of the
23 licensed areas.

24 There's certain areas that that is

1 one of the primary focus, including Tap
2 and Center Bar.

3 But various of the outlets are
4 much more limited and event driven.

5 MR. CONNELLY: And
6 Commissioner Stebbins, to that point, too,
7 that was one of the things we discussed
8 early on, which was in some of these areas
9 where the alcohol service may be
10 infrequent, including it in the license.

11 So, one, it could be part of this
12 discussion and really covered in a
13 comprehensive fashion; and two, provide
14 MGM with the flexibility to activate it
15 without having to submit a special event
16 permit. Because while infrequent, it will
17 probably be somewhat regular. It didn't
18 make sense to go the latter route.

19 COMMISSIONER STEBBINS: No,
20 I was just going to say, obviously, at the
21 appropriate time I want to talk about two
22 ideas for putting conditions on the
23 license.

24 But we can do that at the

1 appropriate points.

2 CHAIRMAN CROSBY: Not
3 relative to the outdoor space?

4 COMMISSIONER STEBBINS:
5 Relative to the whole thing, the liquor
6 license. But, obviously, what they're
7 suggesting and planning for the outdoor
8 space is kind of unique. And, I mean,
9 it's -- even though we've had great local
10 examples of where it worked, the other
11 piece being the 2:00 to 4:00, again, these
12 are both kind of unique pieces.

13 I would suggest that we do kind of
14 a three-month or a ninety-day review that
15 will take them from August almost into
16 November when some of the plaza activity
17 may be kind of winding down, because it
18 gets a little colder.

19 But I also want to have us
20 discuss, possibly, authorizing the need to
21 have the ability to suspend a portion of
22 the license, not that we're expecting
23 trouble, but give them that opportunity to
24 either suspend any part of the license

1 until they can have a chance to modify or
2 review or correct a strategy for
3 compliance. So...

4 CHAIRMAN CROSBY: Those are
5 both good suggestions.

6 COMMISSIONER CAMERON: Can
7 you just finish your presentation?

8 I'm looking at your last page here
9 on the training and responsible serving.

10 Did you want to mention that
11 before we --

12 MR. STRATTON: I did cover
13 it briefly, Commissioner, when I was
14 talking about the culture of compliance
15 and our training program.

16 So, no, I'm fine, unless
17 there are any questions.

18 COMMISSIONER CAMERON: I
19 just had a question --

20 MR. STRATTON: Sure.

21 COMMISSIONER CAMERON: --
22 about techniques for slowing down
23 consumption and kind of the effects of
24 over-intoxication.

1 You mentioned those two areas.

2 I just -- just, maybe Jason would
3 be the appropriate person, I'm not sure,
4 to talk about that.

5 MR. RUCKER: So some of the
6 techniques for slowing down consumption is
7 slowing down conversation over coffee or
8 food or slowing down the speed of service
9 in general. So do a 20-minute round time
10 instead of a 10-minute time.

11 So the bartenders and the
12 servers have all these tools at their
13 disposal. They just need to know how to
14 utilize them, which we teach them in the
15 training class.

16 What was the other piece of it?

17 COMMISSIONER CAMERON: The
18 effects of over-intoxication, dealing with
19 the intoxicated guest.

20 I would be interested. I know
21 those are challenging events. So I just
22 was interested in your experience in those
23 areas.

24 MR. RUCKER: So the first

1 step of any of it, before you give them
2 any alcohol at all, is to size them up.
3 Even when they're coming on the property
4 for the first time, we're going to have a
5 conversation with them: Hi. How are you
6 doing tonight? What are your plans?
7 Where do you want to go?

8 So to provide customer
9 service, but if they're not answering
10 questions quite correctly or they're
11 showing they're already intoxicated, then
12 we go to our next steps, which is to call
13 security. And then we get involved and
14 speak to them, figure out what we need to
15 do on that next piece.

16 And to recognize the signs of
17 over-intoxication, looking for that
18 slurred speech, the rapid changes in mood,
19 just things like that.

20 And then that's how they assess it
21 and bring us in to the loop.

22 MR. STRATTON: And I think
23 it's important to clarify on that piece
24 that while our servers and managers are

1 trained to identify situations of
2 over-intoxication, they don't engage in
3 the process of shutting folks off.

4 That's -- Jason can speak to
5 this, but the cocktail server, if they
6 notice it, they get a manager. A manager
7 observes. And then they call security.
8 Any interaction with a guest in terms of
9 their state of intoxication or refusal of
10 drink is handled by security and not by
11 servers.

12 COMMISSIONER CAMERON: Okay.
13 I know that at PPC, we've been successful
14 with our -- working as a team, gaming
15 agents, State Police, Plainville Police,
16 as well as security, as a force multiplier
17 and really working, getting people into
18 Ubers, but then actually looking at that
19 event after the fact.

20 Okay. So we had to put this
21 person in an Uber. Let's go back to the
22 video and maybe they've identified a
23 bartender who did over-serve, and it's a
24 training opportunity.

1 I'm just hopeful that the same
2 thing will occur. It's a larger scale.
3 There will be more incidents.

4 I'm very hopeful that that team
5 approach can be successful here.

6 MR. CARATOZZOLO: Yeah,
7 typically, so what happens is security
8 will do a report. It's e-mailed to
9 myself. Then we actually -- I sit down
10 with the beverage team, the beverage
11 manager, and then the employee and we have
12 a coaching session and discuss next steps.

13 Usually over two, three
14 infractions, we start moving -- or
15 actually, two infractions, we start moving
16 to discipline, depending on the
17 infraction.

18 So usually we get ahead of this
19 way before it gets out of hand.

20 COMMISSIONER CAMERON: Okay.

21 MR. CONNELLY: Just one
22 point on the outdoor consumption and the
23 security plans surrounding the special
24 events, speaking of the team work.

1 I know it's been discussed that
2 prior to any special event that there
3 would be a lot of coordination between MGM
4 and the gaming agents and the GEU to
5 identify the anticipated number of people
6 coming in, what that security plan looks
7 like.

8 And as a matter of fact, correct
9 me if I'm wrong, but that will be part of
10 the security submission?

11 MR. RUCKER: Correct.

12 MR. CONNELLY: So that,
13 again, this -- there's -- there will be --
14 they have indicated there will be a lot of
15 forethought in terms of planning for
16 security and that will be clearly
17 communicated well in advance with -- in a
18 partnership fashion with the GEU and with
19 the gaming agents.

20 MR. BEDROSIAN: I would
21 actually request, not only part of the
22 security submission, but as part of the
23 license that there be a staff-level
24 approval with the GEU of the whole

1 activation of the plaza area. So that we
2 would work, obviously, in the next month
3 or so together.

4 If we saw physical surveillance --
5 I mean, physical barriers, we think that
6 could be enhanced, keeping in mind life
7 and safety discussions, if there was a
8 surveillance, if there was, for example,
9 that back alley, the luxurious back alley
10 as it's been described, someone from
11 gaming agents or State Police said it
12 might be better to have a camera back
13 there, we would have authority to do that
14 before we gave final approval for the
15 beverage license in that area.

16 I think -- I'm not looking for mor
17 work, but I think that final approval and
18 the dialogue between now and then could
19 help prevent issues that might just pop up
20 if at the end they followed this, whatever
21 model they had there, and we found out
22 later on we wanted to add conditions.

23 So we would also work with the
24 ABCC person on that also. Absolutely.

1 COMMISSIONER ZUNIGA: I was
2 going to make another point about barriers
3 earlier.

4 And that is that it's also a
5 responsible gaming aspect to allow people
6 to go outside, even if they have a drink
7 halfway, to finish it up, to take breaks.

8 I think it's an important feature.
9 Let's not forget that everybody who might
10 be going to the casino is going there to
11 gamble in the first place.

12 So I would like the notion that
13 they will be able to walk in and out,
14 again, depending on what's going on in the
15 plaza, and you thought of it accordingly.

16 I think it's also an aspect that
17 we should remember.

18 CHAIRMAN CROSBY: Anything
19 else?

20 COMMISSIONER CAMERON: No.
21 I think you probably get the message that
22 we're cautious and concerned and really do
23 appreciate that you understand that and
24 have worked with our team to put those

1 safeguards in place.

2 MR. STRATTON: We do very
3 much appreciate it. And for the past four
4 weeks, Mike has asked me, So what are you
5 working on? I said, The alcohol
6 licensing, alcohol licensing.

7 So we've been working very
8 closely with staff. And it's been a
9 really great collaboration. I know there
10 are concerns. And I think we through that
11 collaboration, really, developed a plan
12 that best serves both us from a business
13 standpoint and the Commonwealth and the
14 MGC. I think we're aligned in making sure
15 it's a really safe and responsible
16 experience, but that serves the underlying
17 purpose of the project.

18 COMMISSIONER STEBBINS: I
19 think it's also important to note, you
20 know, we did get a number of comments
21 through MGC comments and a letter from the
22 Mass Restaurant Association, again,
23 voicing various concerns.

24 There isn't this notion of when

1 you finish drinking someplace else, go to
2 MGM because they're the kind of wild, wild
3 west and all the rules are thrown out the
4 window.

5 You guys are still held to the
6 same compliance laws that everybody else
7 in Massachusetts is.

8 You carry the same liability that
9 every other bar and everybody else does.

10 So it's not that you guys don't
11 take that role seriously, and we won't
12 take that role seriously, but my opinion
13 is this is still something new, and we
14 want to work with you, but, obviously, be
15 cautious and thoughtful about how we enact
16 it.

17 CHAIRMAN CROSBY: It sounds
18 like we pretty much have consensus that
19 this is a fine, but with the cautions that
20 everybody's discussing.

21 Just a slightly different
22 perspective. It's sort of unfortunate
23 that D'Vinci Park, I know this is not your
24 responsibility, but part of that ambience,

1 having that really nice park there,
2 especially if there are places to sit, I
3 think it would be a natural wish for
4 people, it's a natural place for the bid
5 to have events, and in the normal just the
6 course of the wandering around,
7 experiencing this outdoor space, it would
8 be kind of unfortunate not to be able to
9 take your glass of wine or your beer and
10 go sit and chat.

11 Maybe you can work something out
12 with the city. But it seems kind of
13 unfortunate in a way to block that piece
14 off.

15 COMMISSIONER ZUNIGA: That
16 was my point about the fencing, by the
17 way.

18 Because that -- but I understand
19 it's the back of the Armory.

20 CHAIRMAN CROSBY: Right.

21 COMMISSIONER ZUNIGA: But...

22 CHAIRMAN CROSBY: Okay. So
23 shall we move on then?

24 So we clearly have a consensus, I

1 think, on this one.

2 Should we move on to the two
3 hours? Should we take a quick break
4 before we do that?

5 COMMISSIONER ZUNIGA: Sure.

6

7 (Recess taken from 11:27 a.m.
8 to 11:37 a.m.)

9

10 CHAIRMAN CROSBY: I think we
11 are ready to reconvene our meeting.

12 And we are back on Item No. 4 with
13 Director Connelly.

14 MR. CONNELLY: And when we
15 left off, Mr. Chairman, I believe the
16 intent was to transition to discussing the
17 2:00 a.m. to 4:00 a.m. aspect of the
18 gaming beverage license.

19 CHAIRMAN CROSBY: Correct.

20 MR. CONNELLY: So as a
21 refresher, MGM Springfield is requesting
22 that they be allowed to serve alcohol on
23 the gaming floor between the hours of 2:00
24 and 4:00 a.m.

1 That is newly allowed, based on an
2 amendment that was signed by Governor
3 Baker, I believe, last July.

4 I was surprised when I looked back
5 and saw it's almost been a year.

6 Importantly, alcohol service
7 between 2:00 and 4:00 is only allowed on
8 the gaming floor because a patron must be
9 actively engaged -- this is by statute --
10 actively engaged in gaming in order to be
11 served.

12 So they are requesting those hours
13 for the gaming floor, and they do -- and
14 I'll turn it over to Seth, if you don't
15 mind, to speak to the plan as to how they
16 will kind of do that reduction from the
17 overall licensed area to just the gaming
18 floor and how they'll maintain security
19 and integrity of the gaming floor and
20 alcohol service during that time.

21 MR. STRATTON: If I could, I
22 mean, at the last meeting, I believe we
23 walked through the specifics of the plan,
24 and we're happy to revisit any piece, but

1 what I would like to do is update you on
2 some of what we've done since, because I
3 think there was a desire by the Commission
4 to hear public comments.

5 I know you received some.
6 We did some work on our end, but where we
7 spoke with a couple of different
8 stakeholder groups, in particular, the
9 City of Springfield, both the Casino
10 Oversight Committee and the City Council
11 as well as the Mayor, and we did.

12 We met -- we met with them, walked
13 through the plan, much like we did with
14 the Commission several weeks ago, and then
15 took them on-site and showed them the
16 limited bars that will be -- essentially,
17 there will be no bars open, but the
18 limited ability to have a drink and where
19 you could have it between two and 4:00
20 a.m. and how that's segregated and
21 controlled, and we got really positive
22 feedback.

23 In fact, anecdotally, but based on
24 the conversation with the Chair of that

1 City Council Casino Oversight who was
2 originally opposed and had drafted an
3 opposition letter, after meeting with us
4 and seeing it on-site, changed his mind
5 and, I believe, submitted a comment letter
6 to the Commission supportive of this -- of
7 this 2:00 a.m. to 4:00 a.m. service.

8 The Mayor as well was impressed
9 with our approach, how it's narrowly
10 tailored, and felt that it was important
11 for our success and I believe has also
12 been supportive through a written
13 submission.

14 We also met -- we convened two
15 meetings with local law enforcement where
16 we invited all surrounding law
17 enforcement. Not every community was able
18 to attend, but we had two meetings that
19 included members of law enforcement from
20 not only the City of Springfield, but East
21 Longmeadow, Longmeadow, Chicopee -- I
22 believe those are the three -- and walked
23 through the plan, had questions and
24 answers, and no real concerns were

1 expressed from any of those groups, and
2 they appreciated the information.

3 Finally, as we --

4 CHAIRMAN CROSBY: There's
5 been no formal position taken by any of
6 the other agencies?

7 They didn't -- they didn't
8 formally say yes or formally say no?

9 MR. STRATTON: That's
10 correct.

11 COMMISSIONER CAMERON: Well,
12 the state groups have weighed in. State
13 law enforcement came out in opposition to
14 this. So the unions have come out. The
15 organizations, yes.

16 MR. STRATTON: And I don't
17 think -- originally when the law was
18 passed, not in response to our plan,
19 correct.

20 COMMISSIONER CAMERON:
21 That's accurate. That was, in general,
22 before the specifics of your plan were
23 made public.

24 MR. STRATTON: Then the

1 final group we spoke to, we actually met
2 with some of local proprietors of some of
3 the more popular bars and restaurants that
4 are neighbors of ours in the downtown
5 area, and we convened some meetings to
6 walk them through our plan, took them
7 on-site, gave them the opportunity to ask
8 questions, which they very much
9 appreciated and expressed no concerns with
10 from a competitive standpoint, with us
11 being able to have this narrow exception.

12 I believe it was my
13 understanding that one or two of them may
14 have submitted written comments. I don't
15 know whether they ended up doing that, but
16 we had really productive discussions with
17 those local proprietors as well to ensure
18 that they didn't feel -- weren't surprised
19 and didn't feel like it would be unfairly
20 competitive.

21 So unless you have -- unless you
22 would you like me to -- I do think we
23 walked through it previously. I'm happy
24 to go through it again or if there's

1 specific questions on the plan and how we
2 would shift from regular service to 2:00
3 to 4:00 a.m., I think our folks here would
4 be happy to address that.

5 COMMISSIONER CAMERON: I
6 think your plan is solid. But like any
7 plan, it's the implementation that's
8 really important here.

9 So I guess my questions were about
10 the word getting out and how you intend to
11 get that word out, and part of it is not
12 what you say, but what you do.

13 Those individuals who are in
14 neighboring communities who may say, okay,
15 the bars closing here, it's 1:00, let's go
16 to MGM so we can continue drinking.

17 That's a real concern. It was a
18 big concern in Plainville with all of the
19 chiefs there, the Plainville area, and
20 just how you intend to -- I know more
21 importantly than for the plaza, but for
22 the -- for this extended drinking period,
23 this idea of over-intoxication, your
24 techniques for slowing down, and your

1 initial interaction with folks entering
2 the building will be critical for public
3 safety.

4 So I just wanted to hear a little
5 more about that piece.

6 MR. STRATTON: Sure. I
7 think in terms of kind of getting the word
8 out, we're not going to affirmatively --
9 we're certainly not going to affirmatively
10 advertise, hey, one of the great things
11 about MGM Springfield is you can drink
12 until 4:00 a.m.

13 What we've said is we're
14 going to be very clear that our bars are
15 closed at the same time as other bars in
16 the community close.

17 I don't want -- we don't plan on
18 having, at this point, an affirmative
19 public education program around that.

20 I think it's going to be gaming
21 customers, when they come, they'll
22 understand that, oh, as long as I'm
23 gaming, I can continue to consume
24 alcoholic beverages until 4:00 a.m.

1 So it will be more through word of
2 mouth, and I think at the same time, and I
3 would like to pass it to Jason to address
4 the latter part of the question, but the
5 education is around this is not a place to
6 come and continue to party after bars
7 close, that will be through word of mouth
8 and experience when those folks first try
9 to come here for that purpose and realize
10 that's not what we're engaged in.

11 So maybe if you could speak to
12 that a little bit, Jason.

13 MR. RUCKER: So one of the
14 best things about our property is the open
15 nature of it, being able to enter it from
16 basically any side around the property.

17 After midnight, we close
18 down eight of our eleven entrances and we
19 only have three left available.

20 So we're looking at the hotel
21 entrance, the plaza entrance, and the
22 valet/self-parking entrance.

23 So it's a lot easier for us to
24 screen, to size up and to speak all the

1 individuals coming on the property at that
2 time. So we get a lot better sizing of
3 each person coming through to verify why
4 they're here.

5 If they tell us, I just got back
6 at the other bar, we want to come here to
7 party, we're going to ask them to go home
8 and come back another day.

9 COMMISSIONER CAMERON: So
10 your security will be specifically trained
11 to be aware of this issue, this concern?

12 This is in your reading comments.
13 Comment after comment was really about the
14 continuation of the ability to become
15 intoxicated and then get on the roadways.

16 So your security will be
17 specifically trained on this issue and be
18 looking for those individuals who may be
19 coming to continue their drinking and
20 being advised that this is just an
21 opportunity for those who are here to
22 game?

23 MR. RUCKER: That's correct.

24 COMMISSIONER CAMERON: Okay.

1 Thank you.

2 COMMISSIONER O'BRIEN: What
3 about -- I'm sorry. So on the other side,
4 the people that are wrapping up and
5 leaving the premises via vehicle, I mean,
6 so that you're going to check people and
7 engage them on the way in.

8 What about process on the way out?
9 Because there were some concerns raised
10 particularly at 4:00 a.m. departure time
11 coinciding with people going to work.

12 MR. RUCKER: Very similar
13 exit process as well.

14 Of course, when they leave,
15 the food and beverage establishment or
16 wherever they were drinking, they're going
17 to do their size-up process on the way
18 out. And if there's an issue, notify
19 security again.

20 If we see them going out the door,
21 we'll engage them, Hey, have a good night.

22 And then if at that point we see
23 an issue, like, How about a ride share?
24 How about another way home? Do you have a

1 designated driver? Can you call a friend?

2 Or if they just blow us off, we
3 have the DEU on-site, that they can
4 intervene right then and there and assist
5 us on that.

6 MR. STRATTON: I think
7 that's a really important point. While we
8 take responsibility for and really
9 engaging in that process, I think that's
10 where the partnership with the gaming
11 enforcement unit on-site is going to be
12 really critical.

13 I mean, there are very few
14 places where patrons are going to be
15 consuming alcohol and literally to walk
16 out the door to their car, they're going
17 to have to walk by a trooper.

18 That's going to be a disincentive
19 and a significant, I think, tool that will
20 we have. It's going to discourage
21 intoxicated driving, because we will have
22 law enforcement right there on-site and we
23 can work very closely with the gaming
24 enforcement unit to ensure that there's

1 safe conduct going on, especially at that
2 hour.

3 COMMISSIONER ZUNIGA: Is
4 there anything that you've analyzed or
5 projected relative to who might be those
6 patrons at those hours, more likely to be,
7 whether staying at a hotel, or another --
8 a nearby hotel?

9 MR. STRATTON: No formal
10 analysis, but I think maybe Anthony, if
11 you -- Anthony has been operating casinos
12 for quite some time, and if you could
13 speak to, generally, that the customers at
14 that hour, and especially those gaming who
15 would be eligible for extended service.

16 MR. CARATOZZOLO: Typically,
17 the people gaming at this type of hour
18 would be a convention guest, who are
19 usually staying in a hotel, either our
20 hotel or they would be in a local hotel.
21 Typical locals, typically, don't stay that
22 late.

23 I mean, Springfield naturally
24 shuts down at 9:00 p.m., as it is.

1 I think they're used to shutting
2 down at 2:00 a.m. because that's when all
3 the bars close.

4 So I think, typically, it would be
5 a convention guest or a hotel guest,
6 because they usually have fun, have a
7 great time and then go to their room or
8 jump in a ride share and go back to the
9 Sheraton, which is right down the street.

10 That's what we're anticipating,
11 and I've anticipated over the last 19
12 years, working in Mississippi, Las Vegas.

13 COMMISSIONER CAMERON: Did
14 you see some of the shift workers also, I
15 know in Atlantic City, the group of
16 individuals that work until midnight, and
17 they could be nurses, all kinds of shift
18 workers that would not even come in until,
19 say, 1:00, and like the fact that they had
20 the opportunity to game or to -- and to
21 have a cocktail in those hours where
22 there's typically nothing going on?

23 I know that was somewhat of a
24 phenomenon was the shift workers coming

1 in.

2 MR. CARATOZZOLO: Yeah,
3 typically, in the markets I've worked, I
4 haven't seen a lot of that.

5 Because we're more of a
6 resort, we charge a premium price, and
7 late night our table games, it's -- our
8 limits are usually a little bit elevated.

9 So I don't -- I typically haven't
10 seen that.

11 I know maybe in Atlantic City, it
12 was a little bit more in tune.

13 But here, I mean, I don't envision
14 that. I don't see it being --

15 And another thing is our employees
16 aren't going to be allowed to come in. We
17 have certain restrictions on that.

18 So my employees in food and
19 beverage, they're not going to be allowed
20 back on property to enjoy until two hours
21 after their shift, which by then, the
22 shift will be over. The service will be
23 over.

24 COMMISSIONER ZUNIGA: Since

1 you mentioned, when would you -- have you
2 determined whether or at what time might
3 you lower the limits on bets, at what
4 point in the evening?

5 Or if it's a trade secret,
6 you can tell me later. I doubt that it
7 is.

8 MR. STRATTON: It could be
9 that none of us here know.

10 MR. CARATOZZOLO: Yeah, I
11 mean, there are folks in the company that
12 would be able to speak to that better.

13 I think it's really contextual
14 with the technology. It's less of an
15 issue to make those changes, because with
16 our visual limits.

17 So I think it will depend on the
18 day of the week, seasonal, who's in town.
19 If a large convention is in town, then
20 it's really supply and demand. We're
21 really just trying to manage capacity on
22 the tables. And if we can -- if we can
23 justify a rate increase, we'll do that
24 just to sort of thin out the crowd a

1 little bit.

2 So I think it's case-by-case,
3 really.

4 CHAIRMAN CROSBY: I know
5 when I read the reports from BBC, that
6 there are times when somebody's inebriated
7 and somebody arranges for a ride home,
8 either it's security your -- security or
9 our GEU folks. Is that -- who runs that
10 program?

11 Is that a formal program, and who
12 does that?

13 Lisa, you're nodding. Maybe Bruce
14 or somebody who knows?

15 VOICE FROM AUDIENCE: We
16 work together, the security team, we work
17 together with GEU. We do, actually, get
18 involved with taxis to get a ride home.

19 CHAIRMAN CROSBY: But it's
20 sort of an informal? If somebody needs
21 it? You don't have a standing deal with
22 Uber or something to be on call?

23 VOICE FROM AUDIENCE: I
24 think we've been working on something with

1 Uber, maybe Lyft, (Inaudible) taxi
2 services.

3 CHAIRMAN CROSBY: I think
4 having -- having some such capacity in
5 place, maybe even being willing to pay for
6 the ride, you know, would be another nice
7 kind of assurance.

8 We -- Commissioner Zuniga and I
9 were at a meeting with Lindsay Tucker, who
10 is the Associate Commissioner of the
11 Department of Public Health and the
12 co-chair of the Public Health Trust Fund
13 Executive Committee, along with
14 Commissioner Zuniga. And she brought up
15 that what was somewhat her, but also
16 implied Department of Public Health
17 position on this. And Commissioner Zuniga
18 her if there was any -- she was
19 predisposed against it, as you might
20 imagine.

21 But she, in answer to Mr.
22 Zuniga's questions, said yes, there was
23 data on this that she thought would be
24 helpful or we thought would be helpful.

1 We asked her to send it.

2 We've all had a chance to look at
3 it. But some of it was quite lengthy.
4 And I asked Commissioner Zuniga if he
5 would be willing to speak to what she said
6 so everybody gets a complete picture.

7 COMMISSIONER ZUNIGA: I
8 would be more than happy to, and please
9 tell me if I'm going into too much detail.

10 But there was a lot of -- there
11 were a lot of links and attachments in the
12 e-mail that she forwarded.

13 I included -- I asked the staff to
14 include what I thought was the most
15 relevant, and I'll speak to that as much
16 as I can on a summary level.

17 One of the attachments that they
18 sent was a study by somebody named Han,
19 and others, about the increasing hours of
20 sale. It was a study of studies,
21 essentially.

22 And that's -- and they were
23 looking at studies throughout the world,
24 really, that looked at when jurisdictions

1 increased the hours of sale at different
2 times.

3 What's very relevant and different
4 from what we're considering here, these
5 countries or jurisdictions that increase
6 the hours throughout the country, which is
7 not what's happening, in my opinion, at
8 this -- in here.

9 There's a very specific and narrow
10 question for us, but I'll speak to it very
11 general -- generally, because I think it's
12 also important.

13 There were, obviously, some harms
14 that came on some of these studies around
15 the world or increasing hours in serving
16 for more than two hours. And there were
17 inconclusive harms or effects when the
18 increase was for two hours or less, which
19 I find very just serendipitous, really,
20 because, what we're considering here is
21 the two-hour mark or two-hour increase.

22 Nonetheless, as I mentioned
23 before, these increases were throughout
24 entire jurisdictions. And it occurred to

1 me when I was reading this study of
2 studies that that would be relevant if,
3 say, the legislature was thinking about
4 increasing hours throughout the state as
5 opposed to just at the casino floor.

6 There's another study that I also
7 included in the packet, which I thought
8 was most interesting.

9 It's from the Journal of Health
10 Economics. And they looked at the -- when
11 a casino is introduced in a jurisdiction,
12 they tracked what's called ARFA, related
13 fatalities. And the authors were able to
14 ascertain that ARFA, fatalities go down,
15 actually, fatalities go down --

16 CHAIRMAN CROSBY: Facilities
17 go up.

18 COMMISSIONER ZUNIGA:
19 Facilities go up when a casino is
20 introduced but only in rural counties.

21 They actually go down on populous
22 counties, which I think it was just not
23 what I think -- what the DPH, what they
24 intended when they were submitting the

1 comments.

2 At least -- and they have very
3 much an example that is very relevant in
4 that study, and that is in Milwaukee, the
5 Milwaukee county population, 936,000,
6 versus South County -- Sauk County,
7 Wisconsin, population, 17,000. ARFAs went
8 up in the rural county. Fatalities went
9 up. But they actually went down in
10 Milwaukee County.

11 Again, it's a counterintuitive
12 result that the authors hypothesize that
13 in rural counties, people drive longer or
14 more hours or more miles while intoxicated
15 and that -- that makes fatalities go up.

16 But there's a substitution
17 effect, they theorize, when they go --
18 when we analyze the populous counties in
19 which people are doing something else when
20 when a casino comes in as opposed to just
21 drinking.

22 Now, what's interesting here is
23 not only that a counterintuitive result,
24 but the fact that at least in very rough

1 numbers, Hampden County is a medium-sized
2 county. It's not rural. But it's not at
3 least as populous as the example in this
4 study that I mentioned earlier of
5 Milwaukee County.

6 So I -- I don't know how that
7 cuts, except that it's -- it's seemingly
8 in the middle.

9 I, actually, asked that question
10 of the people from BSA, Bureau of
11 Substance Abuse, who initially forwarded
12 this study.

13 The other -- those were the
14 main -- obviously, this might not --
15 Middlesex County is much more populous
16 than two million people, but we're not
17 considering that at this point.

18 I can answer any questions if
19 anybody has --

20 CHAIRMAN CROSBY: Thank you.

21 MR. STRATTON: One point,
22 somewhat relevant, that I think might be
23 of interest to the commission, and Anthony
24 can speak to this, but on the substitution

1 effect.

2 One thing that's unique
3 about casinos versus, say, other
4 establishments where you can consume
5 alcohol at the same time is we're
6 generally giving the alcohol away. And
7 what that means is that we're controlling
8 much more carefully how much and how
9 frequently you're getting it, because
10 we're spending millions and millions of
11 dollars in giving this away, versus an
12 establishment that's selling it and is
13 incentivized to the frequency and the
14 volume to increase.

15 And what is the -- if it's okay
16 disclosing, how much money do you spend
17 in --

18 MR. CARATOZZOLO: It's
19 millions, ten of millions of dollars in
20 hard costs that get charged back to the
21 casino.

22 But we also, typically, in a bar,
23 it's an ounce-and-a-half pour. On the
24 casino floor it's 7/8 of an ounce.

1 So you have to have multiple
2 drinks to even equal to one drink of a
3 typical retail establishment.

4 MR. STRATTON: What's the
5 typical round time?

6 MR. CARATOZZOLO: So,
7 typically, it's a 20-minute round time.

8 On a graveyard shift with a
9 limited staff, it actually goes to closer
10 to a 30-minute round time.

11 COMMISSIONER ZUNIGA: You
12 know, I -- you reminded me of another main
13 point that I wanted to mention around the
14 first study of studies, and that is that
15 the authors also point out very
16 importantly that the effects of regulation
17 in those expansions was not analyzed in
18 those studies, which I think is the most
19 relevant piece that we were considering
20 here.

21 Because in countries where they
22 expanded the hours, it was throughout, but
23 people already had those licensures or
24 those licenses and have the incentives

1 that you alluded to to sell more and
2 faster.

3 We have the ability, as Commission
4 Stebbins was saying earlier, to limit
5 conditions, look at however many -- for
6 however many days, let's say, or period of
7 time and see how it -- what happens, what
8 kind of person is engaging in both
9 gambling and drinking, what kind of
10 customer at that time, what is the volume.

11 We have a had some of the comments
12 as to the notion that there will be an
13 inflow of people or an outflow of people
14 at that time. I find hard to substantiate
15 just on the logic that there's extended
16 hours.

17 So it's another point that I
18 wanted to make.

19 CHAIRMAN CROSBY: Thank you.
20 That was really helpful.

21 Other questions? Thoughts.

22 COMMISSIONER STEBBINS: Just
23 a quick question, because, obviously,
24 during this 2:00 to 4:00 time frame,

1 you're only serving people who are
2 actively gaming.

3 Do your table game dealers go
4 through any type of training to also
5 identify somebody who is sitting right
6 across from them who might be intoxicated
7 or over-served?

8 MR. CARATOZZOLO: Typically,
9 a table game dealer will notify the
10 cocktail waitress, because there could be
11 a shift change, it could be a break, it
12 could be a new person coming on that
13 hasn't served them yet.

14 So, typically, the dealers
15 are the first to identify. They actually
16 identify with the pit boss. The pit boss
17 will notify the beverage manager, who
18 makes that assumption, and then we move to
19 the security cut-off point, if that
20 happens.

21 COMMISSIONER ZUNIGA: And
22 they are all going to be going through
23 training, right?

24 MR. CARATOZZOLO: That's

1 correct.

2 CHAIRMAN CROSBY: Seth, I
3 have a question that, in a way, is
4 probably more relevant when this was in
5 the legislature than now.

6 But what's the argument? Why is
7 it -- why does it make sense to single out
8 people who are gaming for the ability to
9 drink for another couple of hours as
10 opposed to watching a West coast baseball
11 game or being in a late night movie
12 theater?

13 What's the argument on which this
14 notion was sold?

15 MR. STRATTON: I can't speak
16 to the -- I can't speak to the argument on
17 which it was sold, because we weren't
18 selling it.

19 But I think what I can speak
20 to is that it's an industry issue.

21 You heard from us before that
22 Detroit is the only other property in our
23 entire portfolio that does not have 24/7
24 alcohol service.

1 So folks are used to going to
2 casinos throughout the country and having
3 an experience where they can game and
4 consume alcohol without a cut-off hour.

5 So it's really a -- it's really a
6 competitive -- it's an industry
7 competition.

8 It's ensuring consistent
9 experience, as much as we can, throughout
10 industry properties.

11 And so I think it's not that
12 someone gaming, there's something about
13 the experience that's -- that's different
14 from watching a game where you would like
15 to have someone drinking.

16 It's just where the jurisdictions
17 that started gaming, it's always gone hand
18 in hand with extended service and to stay
19 competitive and to deliver the experience
20 that our customers expect. We want to be
21 as competitive as possible.

22 CHAIRMAN CROSBY: And remind
23 me, Connecticut does not, right?
24 Connecticut stops at 2:00.

1 Remind the other jurisdictions,
2 nearby jurisdictions.

3 MR. STRATTON: That's my
4 understanding that Connecticut currently
5 stops at 2:00.

6 CHAIRMAN CROSBY: And Rhode
7 Island? Does anybody know?

8 MR. STRATTON: I don't know
9 Rhode Island.

10 CHAIRMAN CROSBY: Do you
11 know, Lisa?

12 VOICE FROM AUDIENCE: It's
13 2:00 a.m.

14 CHAIRMAN CROSBY: 2:00.

15 Okay. Other thoughts?

16 We probably ought to take this one
17 as a separate matter.

18 So does someone want to present
19 motion on --

20 MR. BEDROSIAN: The only
21 other thing, I think Commissioner Stebbins
22 had a thought about either giving, whether
23 it's myself or Director Connelly or both
24 of us, just sort of the emergency

1 authority as a condition to whatever you
2 decide. And I would just suggest that
3 that emergency authority would then
4 require us to come back at the next public
5 meeting and, obviously, report whatever we
6 did.

7 CHAIRMAN CROSBY: If I can
8 be so presumptuous, Commissioner Stebbins,
9 I think you made two suggestions.

10 One was that we give the executive
11 director the authority to intervene on any
12 of the approval that we give here on a
13 realtime basis and then to report.

14 And then the second was that there
15 be some quite rigorous, for the sake of
16 discussion, three months out, quite
17 rigorous analysis of the consequences of
18 these decisions.

19 So let's say on the 2:00 to 4:00
20 issue, that those two things are
21 preconditions. If we do go forward on the
22 2:00 to 4:00 issue, that it would have
23 those two preconditions.

24 Is that okay with everybody?

1 Did I characterize that
2 accurately?

3 COMMISSIONER STEBBINS: Yes.
4 I mean, the 2:00 to 4:00 is part of the
5 gaming alcohol license.

6 My suggestion or conditions on the
7 license would extend to the full casino
8 license.

9 CHAIRMAN CROSBY: But since
10 we're going to vote on the 2:00 to 4:00
11 separately, it would be covered under your
12 two broader amendments or conditions.

13 COMMISSIONER STEBBINS: Yes.

14 CHAIRMAN CROSBY: Okay.
15 Does somebody want to make a motion on the
16 2:00 to 4:00 issue?

17 COMMISSIONER ZUNIGA: Well,
18 I can take a position --

19 CHAIRMAN CROSBY: All right.

20 COMMISSIONER ZUNIGA: -- if
21 that's helpful for the discussion.

22 I'm willing to go along with the
23 request, with those conditions.

24 I'll mention that -- something

1 that I updated you all in a prior meeting,
2 which I would think would operate here
3 very much, and that is the amount of
4 commitment that your company is making
5 towards the gaming program, which includes
6 having discussions -- empowering your
7 employees to have discussions around
8 gambling for a long time, which I would
9 put same here, you know, engaging in a lot
10 of alcohol while gaming for a long time.

11 What I've seen of your colleagues,
12 this real commitment and empowerment that
13 I find is very helpful in this discussion.
14 There's powerful incentives for those
15 employees to have those discussions. And
16 I would be looking for those kinds of
17 signs and evidence in our own property
18 here as we continue with these conditions,
19 but that's my position.

20 CHAIRMAN CROSBY: Let's
21 just --

22 COMMISSIONER CAMERON: I'd
23 be inclined to allow with this with the
24 commitment -- my issue, really, is public

1 safety. And I really was looking for and
2 I think I heard a commitment to pay
3 attention to this issue, which means the
4 training of staff, a collaborative working
5 environment with the gaming enforcement
6 unit, which includes our gaming agents as
7 well as the security staff.

8 So I think with all of these
9 safeguards in place and the commitment,
10 I'm inclined -- and, again, I do like the
11 idea of giving our executive director
12 immediate authority and the three-month
13 rigorous -- let's make sure that we're not
14 having a problem with public safety.

15 MR. RUCKER: Commissioner
16 Cameron, if I can, to the extent I wasn't
17 clear, part of the reason I'm here is
18 because it's a very serious topic, and you
19 absolutely have our commitment.

20 I would -- if you -- if not
21 required, I would ask to come back after
22 90 days and collectively give a report
23 card on how we did.

24 And it's not just our job. We're

1 going to rely on your team as well to help
2 us with these difficult issues.

3 And I would welcome you to keep us
4 on a short leash. That's how I've
5 envisioned keeping the team, on a short
6 leash, because we view this very
7 seriously.

8 I have to answer to folks within
9 the company if we do not manage this well.

10 COMMISSIONER CAMERON: Thank
11 you.

12 CHAIRMAN CROSBY: Thank you.

13 COMMISSIONER O'BRIEN: I do
14 not in any way question the commitment of
15 MGM in this regard or in anything you've
16 come in front of us so far, but I have to
17 stay, on balance, the public safety
18 concerns and the concerns about people
19 gaming into the night and having continued
20 alcohol access, on balance, I am just not
21 convinced that at this point, the
22 Commonwealth is -- it's in the best
23 interests of the Commonwealth to extend
24 from 2:00 to 4:00.

1 I would not be in favor of the
2 extension.

3 CHAIRMAN CROSBY:
4 Commissioner Stebbins?

5 COMMISSIONER STEBBINS: I,
6 like my colleagues, I mean, you know, the
7 comments and questions that were raised to
8 us are around the issues of public safety.

9 I applaud the fact that you did
10 reach out to the -- not only the host
11 community, but the surrounding community.
12 I'm disappointed that you didn't get 100
13 percent participation or engagement.

14 That said, I do have a level of
15 comfort in terms of the procedures and the
16 training that you're willing to provide
17 and offer.

18 However, I think the conditions I
19 want to recommend will -- might quickly
20 end that if this does not go off well,
21 because I think we're kind of both on the
22 hook to make sure this succeeds.

23 So I'm predisposed to support the
24 2:00 to 4:00 a.m. service continuation.

1 CHAIRMAN CROSBY: That is a
2 majority.

3 I am -- I'm a 51/49 on this. I --
4 originally, I would have thought this is a
5 crazy idea. And frankly, I think it's
6 very peculiar that the legislature chose
7 to single out this particular cohort as
8 being able to drink for an extra two
9 hours. If there's any cohort you were
10 going to single out, this would have been
11 the last one I would thought you would
12 have singled out, that is, people who are
13 gambling.

14 I have, on the other hand, which I
15 think the end of this paragraph, I'm going
16 to be -- this is the 51, that I've learned
17 in my years here that a casino is a very
18 stupid place to be a criminal and is
19 probably the safest place to drink in
20 Massachusetts.

21 It's more regulated and more
22 attended to and more trackable than
23 probably any place there possibly is.

24 So I think at the very end of the

1 day, I very marginally would go along with
2 this, as I sort of would tend to any time,
3 give people more freedom to do what they
4 want in a properly supervised environment.

5 So I guess that we have about a 4
6 to 1 on -- so I think we could lump it all
7 into one.

8 We have that issue, which is
9 clearly a consensus, a majority. So maybe
10 we could lump it into a single motion to
11 adopt the plan with the attendant
12 conditions.

13 MR. BEDROSIAN: So is
14 this -- I just want to be clear.

15 Are you now talking about
16 voting on the full license with the caveat
17 that you've just discussed on the 2:00 to
18 4:00 a.m.?

19 CHAIRMAN CROSBY: Right.
20 The full license, as presented, with the
21 outdoor scheme and with the extension of
22 the drinking hours and with the conditions
23 that you've already established, plus the
24 two conditions that Commissioner

1 Stebbins --

2 MR. BEDROSIAN: And if I
3 could just ask for one more condition,
4 which I think I discussed it a little bit,
5 on the outdoor plaza, I just would like
6 staff to have the ability, maybe through
7 me, to do one final walk-through before
8 the property opens, to make sure the
9 gaming agents, State Police, ABCC are all
10 fine with the eventual plan as it ends up.

11 The scheme -- the diagram looks
12 fine. But they're working hard. I want
13 to make sure whatever it is matches
14 whatever the Commission's expectations
15 are.

16 That would be just one additional
17 item.

18 COMMISSIONER CAMERON: I
19 think that's appropriate --

20 CHAIRMAN CROSBY: I agree
21 with that. All right.

22 Well, Commissioner Stebbins, do
23 you want to articulate a motion?

24 COMMISSIONER STEBBINS:

1 Sure.

2 Mr. Chairman, I move that the
3 Commission approve the gaming alcohol
4 license for MGM Springfield, as provided
5 in the packet, with consideration of the
6 conditions already presented to us by
7 Director Connelly, in addition the
8 following conditions:

9 1) that this Commission review the
10 alcohol license 90 days after the opening
11 of MGM Springfield; that we afford the
12 executive director the opportunity to
13 review the outdoor service plan with
14 Commission staff and our licensee prior to
15 opening; and that this Commission
16 authorize the executive director to
17 suspend any portion of the license or
18 modify any staffing or procedures of the
19 license for compliance and report back to
20 the full Commission at the next convenient
21 meeting.

22 CHAIRMAN CROSBY: Well said.

23 Second?

24 COMMISSIONER CAMERON:

1 Second.

2 CHAIRMAN CROSBY: Is there
3 further discussion?

4 All in favor signify, by saying
5 aye.

6 Opposed?

7 COMMISSIONER O'BRIEN: I am
8 opposed.

9 CHAIRMAN CROSBY: We didn't
10 give you a choice --

11 COMMISSIONER O'BRIEN: I
12 want the record --

13 CHAIRMAN CROSBY: You're a
14 nay on this one right.

15 So that motion passes 4 to -- 4
16 1/2 to 1/2.

17 MR. STRATTON: Thank you.

18 CHAIRMAN CROSBY: All right.
19 Thank you.

20 MR. BEDROSIAN:
21 Mr. Chairman, just in terms of process, we
22 have item 5-A which has some guests who
23 have traveled the GLPI legal issues. And
24 then the rest I think are mainly internal.

1 It feels like you probably would
2 want to get something to eat at some
3 point, but potentially if we could hang in
4 there and do the one issue with our guest,
5 we can let them make whatever afternoon
6 travel plans they have and then get
7 something to eat and clean up afterwards.

8 CHAIRMAN CROSBY: Yes.
9 Maybe just go on through. Because I think
10 the other things are pretty -- let's do
11 this.

12 MR. BEDROSIAN: Sure.

13 CHAIRMAN CROSBY: Let's do
14 that. Then we'll talk about it. See what
15 time it is.

16 All right. So we'll welcome the
17 folks from GLPI, attendant lawyers and
18 what have you.

19
20 (Pause in proceedings.)

21
22 MR. GROSSMAN: Ernie
23 Grossman.

24 Good afternoon, Mr. Chairman and

1 the Commissioners.

2 CHAIRMAN CROSBY: Good
3 afternoon.

4 MR. GROSSMAN: We're here
5 before you on the transfer of interest
6 matter involving GLPI and Penn National
7 Gaming. There is a letter in your packet
8 that's been submitted by the parties
9 outlining the issue.

10 As it mentions, today we're here
11 on a very narrow issue but just to kind of
12 tee things up, and then I'll turn it over
13 to the petitioners to introduce the whole
14 lineup and run through the issues, I
15 thought I would give you a brief overview
16 of what we're here for today and the
17 transfer of interest process in general.

18 We can obviously move quickly
19 through any parts that aren't entirely
20 useful at the moment.

21 But just to kick things off, I
22 would just mention that the Commission as
23 you know has been notified that there is a
24 proposed transaction in which the premises

1 of the gaming establishment comprising
2 Plainridge Park Casino owned by Plainridge
3 Gaming and Redevelopment LLC, which is our
4 gaming licensee and a subsidiary of Penn
5 National Gaming will be transferred to an
6 entity time owned by Gaming and Leisure
7 Properties, Incorporated, which is known
8 as GLPI.

9 GLPI is a publicly traded REIT.
10 And the parties, of course, are here today
11 to more fully explain any details of the
12 transaction. Chapter 23K expressly allows
13 for transfers of interest. And it
14 discusses it in a number of areas. The
15 Commission has crafted regulations which
16 more fully set out the regulatory
17 framework for which a transfer of interest
18 is processed by us. That's in Sections
19 116.08 through 116.10.

20 In essence, the process is really
21 designed to do two things: It's first
22 designed to ensure that the Commission has
23 an opportunity to determine whether the
24 transfer will result in any new

1 qualifiers, and ensure that they are able
2 to go through the RFA-1 suitability
3 process to give the Commission and the IEB
4 time to conduct an investigation, and
5 ultimately for the Commission to determine
6 the suitability of any new qualifiers.

7 Secondly, it's designed to
8 determine whether the transfer will result
9 in any change of control over the gaming
10 license; such that the quality of the
11 operation or any agreements, the hosting
12 surrounding community or otherwise, will
13 be affected in any way by the transfer.

14 Today we're here on the request of
15 the parties to make two initial legal
16 determinations in advance of the decision
17 that will be upcoming before you in
18 approximately a month that has to do
19 with -- deal with the interim
20 authorization of the deal that will be
21 presented to you.

22 So we'll go through the deal in
23 much more detail in about a month. But
24 we're here on just these two preliminary

1 matters. The first preliminary matter
2 pertains to the terms of the lease that
3 will result from the transaction. And the
4 second pertains to the -- certain terms of
5 the trust agreement. I don't want to
6 steal their thunder, so I'm not going to
7 get into the particulars. But they will
8 explain to you exactly what they are.

9 As a general matter, I can
10 represent to you that the legal department
11 supports -- I believe the IEB as well,
12 supports the proposal, and the legal
13 interpretations that will be forwarded to
14 you here today by the petitioners.

15 And before we turn things over, I
16 thought it might be helpful just to
17 quickly run through the law of transfers
18 of interest, if that would be helpful.
19 We'll obviously need to go through it in a
20 little more detail before the next
21 hearing. But just to help calibrate where
22 we are in the process here today, I can
23 just run through some of the particulars
24 that govern transfers of interest.

1 They provide, essentially, as
2 follows: That no person can transfer a
3 gaming license or a gaming establishment
4 or any associated structure or real
5 property, premises or facility without
6 notification to the IEB and subsequent
7 approval by a majority of the Commission.

8 The Commission must require that
9 anyone with a financial interest in a
10 gaming establishment be qualified for
11 licensure by meeting the criteria that's
12 outlined in Sections 12 and 16 of Chapter
13 23K.

14 The transfer is also subject to
15 Commission regulations Section 129.01,
16 which essentially looks at whether the
17 transfer will result in any change of
18 control over the gaming license.

19 If there is such a change, the
20 transferee is, essentially, required to
21 agree to assume all of the existing
22 obligations.

23 For the Category II licensee,
24 there is a law in place that says that

1 there can be no transfer of the gaming
2 license for the first five years from the
3 date of issuance, unless there are certain
4 enumerated circumstances in play.

5 That's not the case here. The
6 gaming license is not being transferred,
7 just the gaming establishment.

8 A change of control itself -- and
9 this is a determination the Commission
10 will be called upon to make eventually --
11 is defined in the regulation to mean a
12 transfer of interest which directly or
13 indirectly results in a person obtaining
14 greater than 50 percent ownership in a
15 gaming licensee or which results in or is
16 likely to result in significant change to
17 the management or operation of a gaming
18 license.

19 For what it's worth, the present
20 situation does not appear to involve any
21 such change of control. This appears to
22 be a straight real estate type
23 transaction.

24 Whenever a person contracts to

1 transfer any property relating to an
2 ongoing gaming establishment as opposed to
3 an open market transfer, under
4 circumstances which require that the
5 transferee be deemed suitable, as is the
6 case in this particular situation, the
7 contract shall not specify a closing or
8 settlement date, which is earlier than 121
9 days after the submission of a completed
10 RFA-1 application. This provision is in
11 place to allow the IEB and the Commission
12 adequate time to investigate, at least on
13 a preliminary basis, the suitability and
14 overall suitability of the transaction and
15 the transferee.

16 The RFA-1 application is required
17 to be accompanied by a fully executed and
18 approved trust agreement. That's one of
19 issues that we're here for today, to have
20 a look at the trust agreement.

21 The trust is a vehicle that is
22 designed to effectuate a clean separation
23 of a transferee that is deemed ultimately
24 possible deemed unsuitable from any

1 interest in the gaming license or in a
2 gaming establishment, if that scenario
3 should arise. That's why we have the
4 trust.

5 The Commission is required to hold
6 a hearing and render a decision on what is
7 referred to as interim authorization.
8 That's the next step in the process after
9 today.

10 If the Commission grants interim
11 authorization, the closing or settlement
12 of the deal may occur.

13 The interim authorization process
14 was included in the process in recognition
15 that the full suitability investigation
16 may take some time to fully complete.

17 So as not to keep the whole
18 transaction in a holding pattern, this
19 process, this interim authorization
20 process that's designed to allow the deal
21 to close with, essentially, only a
22 preliminary finding of suitability and
23 finding of the overall assessment of the
24 transaction having been completed.

1 I think once that is allowed, if
2 it is allowed, the Commission may at any
3 time after that order all interests
4 subject to the transaction to be moved
5 into the trust, if there exists reasonable
6 cause to believe that the proposed
7 transferee may be found unsuitable. If a
8 prospective transferee fails or refuses to
9 transfer a property into the trust, they
10 will be deemed to be unsuitable.

11 When it comes to the ultimate
12 decision, there are just a couple of quick
13 principles that I would throw out there,
14 just to provide a full understanding of
15 these transfers of interest. And they are
16 that the Commission may place any
17 additional conditions or restrictions on a
18 transfer that the Commission deems
19 suitable.

20 The Commission shall reject a
21 gaming license, transfer, or transfer of
22 interest in the gaming establishment to
23 any unsuitable person.

24 The Commission shall not approve

1 of any transfer that would result in the
2 transferee having a financial interest in
3 more than one gaming license issued by the
4 Commission.

5 The Commission may reject a
6 transfer if the Commission considers the
7 transfer unsuitable.

8 And alternatively stated and
9 finally, the Commission may reject any
10 proposed transfer that in the opinion of
11 the Commission would be disadvantageous to
12 the interests of the Commonwealth.

13 And we define disadvantageous to
14 the interests to include such things as:
15 Not meeting the suitability standards; not
16 complying with any particular law or
17 regulation that -- is overseen by the
18 Commission; and that they don't meet
19 Section 121.09 relative to the change of
20 control.

21 So that's, essentially, an
22 abridged version of the rules that govern
23 the transfer of interest and the process.
24 As you can see, we're just in advance of

1 the interim authorization, which again
2 will be coming back before you in about a
3 month's time.

4 Ms. Lillios, Ms. Blue, and I are
5 all available to take any questions as
6 this progresses. At the moment, though,
7 if there are no questions, I thought I
8 would just turn it over to Attorney Albano
9 who represents the parties. And he can
10 certainly introduce the team, and then
11 walk you through the proposal.

12 MS. LILLIOS: If I can just
13 jump in by way of introduction that we
14 have Chris Rogers that I think many of you
15 have -- if not all of you have met before.
16 He's vice president and deputy general
17 counsel for Penn National. And with him
18 is Brandon Moore, senior VP, general
19 counsel and secretary for GLPI. Traveling
20 with him today is Melissa Ferullo, who is
21 the director of licensing and legal
22 affairs for GLPI; and, of course,
23 Mr. Albano, local counsel for both parties
24 for purposes of this transaction.

1 MR. ALBANO: Good morning,
2 Mr. Chairman, Commissioners. My name is
3 John Albano.

4 CHAIRMAN CROSBY: Good
5 afternoon.

6 First, on behalf of both of the
7 applicants -- all of applicants, I wanted
8 to thank the Commission for taking the
9 time to address these two specific issues
10 relating to the proposed transfer. It's
11 greatly appreciated that you've made the
12 time to hear us on that.

13 As Mr. Grossman explained, the two
14 specific issues are: First, under the
15 proposed transaction, the property will be
16 sold to a subsidiary of GLPI, and then
17 will be leased back to the licensee.

18 The first issue is: How long does
19 that lease have to be as a matter of law
20 under Chapter 23K. That's the first issue
21 addressed.

22 The second issue as Mr. Grossman
23 mentioned, is related to the terms of the
24 trust that are required under the interim

1 authorization regulations, which as he
2 explained are meant to ensure that if a --
3 for lack of a better term -- problem
4 arises, there can be a clear separation
5 between the transferee and the control of
6 the real estate, or in other instances the
7 license. And we believe, as I'll explain,
8 the trust we have proposed does
9 effectively address both the letter and
10 spirit of the regulation.

11 I did think -- we thought
12 together, actually, that subject to the
13 Commission's desires, of course, that
14 because this is the first time we've come
15 before you on this and because we're going
16 to be addressing two pretty specific
17 issues, that it might be helpful, in fact
18 it might avoid you feeling frustrated
19 during my presentation of these two
20 issues, if you heard a bit about the
21 overall transaction and had an opportunity
22 to ask any questions just from sort of a
23 very high level understanding that we will
24 be back to drill down in as much detail as

1 anyone desires in just a matter of weeks.

2 If that would be helpful, then
3 what I would propose is that I turn it
4 over to -- first to Mr. Rogers and then to
5 Mr. Moore for that overview. If that's
6 agreeable.

7 CHAIRMAN CROSBY: Sounds
8 good to me.

9 MR. GROSSMAN: At a high
10 level.

11 MR. ROGERS: Very well.
12 Thank you.

13 My name is Chris Rogers.
14 I'm the deputy general counsel at Penn
15 National. So this all started about a
16 year and a half ago when Penn received a
17 letter from Pinnacle suggesting that the
18 two companies combine.

19 Upon receipt of that letter, we
20 began an almost year-long process of
21 negotiating with Pinnacle on a potential
22 transaction, and what would that look
23 like.

24 You might be curious why it took a

1 year. There was a couple of reasons.
2 One, we had to agree on valuation and who
3 would be the acquirer. And we ultimately
4 settled that Penn would be the acquirer in
5 the transaction. And we settled on an
6 evaluation that included not only a cash
7 component for their stockholders but also
8 an equity component. And the rationale
9 for that was: One, to permit Penn to
10 reduce the amount of debt it would need in
11 order to complete the financing; but also
12 to permit the Pinnacle shareholders to
13 participate in the upside of the company
14 combined company through equity in the
15 combined Penn entity.

16 The other reason why it took a
17 while to get the deal done is that we knew
18 that there would be required divestitures
19 in connection with the transaction. So in
20 Ohio and Indiana, they're statutory limits
21 on the number of licenses, and we knew
22 that we would be required to divest of one
23 in both of those jurisdictions. We also
24 knew that both Penn and Pinnacle had

1 strong presences in Kansas City and
2 St. Louis. And although there was not
3 statutory limitation on the number of
4 licenses, we knew that the FTC would be
5 interested in that from a anti-competitive
6 standpoint. We decided at the outset that
7 we would do some divestitures in those two
8 markets as well.

9 We contacted Boyd Gaming
10 Corporation, a very well-regarded regional
11 gaming operator who's been licensed in a
12 number of different jurisdictions, as our
13 preferred divestiture partner. And we
14 agreed with them early that they would buy
15 the operations of four of the casinos
16 currently operated by Pinnacle; one in
17 Kansas City, one in St. Louis, one in
18 Indiana, one in Ohio.

19 So that brings us to how GLPI gets
20 into the story. So GLPI is a reed that
21 was spun off from Penn in 2013. In
22 connection with that spin-off, Penn
23 contributed the real estate for
24 substantially all of its properties to

1 GLPI and entered into a long-term master
2 lease with GLPI pursuant to which Penn
3 leases those properties to conduct gaming
4 operations.

5 Since the spin-off, GLPI did its
6 own transaction with Pinnacle in which it
7 acquired all of the real -- substantially
8 all of the real estate for Pinnacle and
9 entered into a separate lease with
10 Pinnacle, which we call the Pinnacle
11 Master Lease.

12 CHAIRMAN CROSBY: This was
13 all prior to the merger discussions?

14 MR. ROGERS: Correct.

15 So when Penn did the spin-off, we
16 did not yet have a license for Plainridge.
17 So it was not included as part of what was
18 given to GLPI, and Penn owned the real
19 estate, and has owned the real estate
20 since opening.

21 So because we were required to do
22 divestitures, the properties being
23 divested were part of the Pinnacle Master
24 Lease with GLPI. So they have one lease

1 that covers multiple properties. And we
2 would need to do an amendment to remove
3 those properties out of the lease. And
4 GLPI would enter into a new lease with
5 Boyd Gaming with respect to those four
6 properties.

7 So we started to talk to GLPI
8 about how that would work and how we could
9 do the amendment to the lease and
10 divestitures.

11 At that time, we came to the
12 conclusion that we thought it made sense
13 to add Plainridge Park into the Pinnacle
14 Master Lease and sell the real estate to
15 GLPI.

16 Now, the advantage of doing that
17 is that we received 250 -- or will receive
18 \$250 million of proceeds for the real
19 estate, that we can then use to fund the
20 transaction with Pinnacle. So it allowed
21 us to reduce the amount of debt we would
22 otherwise incur in the transaction.

23 So because of that, we ended up
24 doing -- agreeing to a transaction in

1 December of last year, that involved four
2 publicly traded companies. So in addition
3 to Penn and Pinnacle, it also involved
4 Boyd and GLPI. What was unique about this
5 deal was, when it was announced, all four
6 companies had their stock trade higher. I
7 mean, it was uniformly applauded by the
8 market, and really was a win-win for
9 everyone.

10 For Penn, it really is a
11 tremendous opportunity for us to increase
12 our scale. We were able to get access
13 into new markets where we currently don't
14 have a presence. And we were able to get
15 some additional customers into our
16 database that we think would allows us to
17 more effectively compete with some of our
18 competitors.

19 So for what it means to
20 Massachusetts, the impact will be minimal
21 from an operational standpoint. Penn will
22 continue to be the operator.

23 The real estate at Plainridge Park
24 will be owned by GLPI and will be leased

1 to Penn as part of a master lease that
2 includes the other properties that are
3 being acquired from Pinnacle.

4 And the advantage from a Penn
5 perspective is we think this transaction
6 really does give us the size and scale to
7 more effectively compete with the Caesars,
8 MGMs, the Wynns of the world, while also
9 giving us a much stronger balance sheet
10 with a company that has more geographic
11 diversity and a larger cash flow.

12 So with that, I'll turn it over to
13 Brandon sort of to explain in a little bit
14 more detail about GLPI.

15 MR. MOORE: Good afternoon.
16 I guess first I'd like to thank you for
17 delaying your lunch. As a person who
18 values their lunch, I appreciate that.

19 Second, I just want you to know we
20 have a long way to go. But working with
21 your staff has been fantastic. Everybody
22 here has been very helpful to us in these
23 nuanced issues and helping us work through
24 this. Given the fact that we're new to

1 this jurisdiction, we very much appreciate
2 that.

3 This is a little bit odd because
4 we haven't had an opportunity to tell you
5 who we are and why we're involved too much
6 before bringing in front of you a couple
7 of very nuanced issues that impact our
8 business. So I'll just take a couple of
9 minutes and tell you a little bit about
10 GLPI. And if you have any questions, I'm
11 happy to get into more detail. But I
12 think that probably will come at some
13 subsequent hearings.

14 But as Chris mentioned, we're a
15 publicly traded real estate investment
16 trust. We started with a Penn properties.
17 We purchased a casino outside of St. Louis
18 in Illinois shortly after the spin-out.
19 And then we purchased the Pinnacle assets.
20 After that, we performed a casino outside
21 of Pittsburgh. And we're currently under
22 agreements not only with Penn to buy two
23 additional casinos in this transaction but
24 we recently announced a transaction to buy

1 the real estate portfolio of Tropicana
2 Entertainment. So we're working on that
3 transaction as well.

4 So we brought the scope. And
5 since then there have been a couple of
6 competitors come out. So since while we
7 were the first gaming focused REIT,
8 obviously, Caesars reorganized their
9 business and came out, spun out of a
10 bankruptcy, a REIT, and MGM did a similar
11 transaction, although for much different
12 reasons, where they have sort of a
13 captively held but separate traded REIT.

14 So the presence of REITs in gaming
15 is becoming more prolific with each and
16 every transaction that occurs in the
17 gaming space.

18 For us, we're a passive landlord;
19 meaning that he don't get involved in the
20 operations of our tenants. Our REITs are
21 triple net REITs; meaning that the tenants
22 are responsible for not only the property
23 operation but the maintenance, the
24 insurance, the real estate taxes, the

1 whole nine yards. So we are really not
2 involved in the day-to-day operations of
3 any of our tenants at these facilities.
4 And they're all leased on a long-term
5 basis.

6 So for us, while we are involved
7 in this up front and, obviously, in the
8 transaction to acquire the real estate.
9 And to contribute depends -- deal in that
10 way after the transaction we're not really
11 involved in the property level day-to-day
12 operations.

13 I'll just say a little bit about
14 the lease structure, because I think
15 that's important and the issues you're
16 focused on today. Our leases are
17 generally 35-year leases. So the lease
18 with Pinnacle that this property would be
19 going into was put in place in 2016. So
20 it's in year three of a total term of 35
21 years.

22 Now, it's structured so that it
23 has a ten-year initial term and then
24 five-year renewals. Those are all at the

1 option of the tenant. So we as the
2 landlord, as long as the tenant is not in
3 breach of the lease don't have a right to
4 kick our tenants out until the end; and no
5 incentive to, quite frankly. For us, our
6 objective is to make sure that we always
7 have tenants in our buildings. Unlike any
8 other REIT, vacancies are bad for us.

9 So if Penn were to agree to be
10 there for 80 years, that would be great
11 for us. There are accounting reasons why
12 we don't have longer term leases. And we
13 don't need to get into that unless you
14 would like to. But suffice to say that
15 those leases become a different character,
16 more like a financing if you enter into a
17 long-term lease, it includes the buildings
18 and things like that. So that 35 years
19 wasn't any desire on behalf of the tenants
20 or the landlord to kick anybody out at the
21 end of 35 years. It was more structured
22 to ensure that these leases met certain
23 requirements to be a true lease.

24 So those are the terms. And at

1 the end of the term, we have a very unique
2 feature in our leases. So our struggle as
3 a landlord in this -- and the reason why I
4 don't think there were any gaming REITs
5 prior to ours -- was the highest and best
6 use of all these properties is gaming. So
7 the next best use for any of these
8 properties is something that generates
9 much less revenue and rent than what a
10 gaming establishment would.

11 So our concern was always that at
12 the end of this 35 years, how do we ensure
13 that if Penn or Pinnacle or Boyd or
14 Eldorado, whoever it might be, doesn't
15 want to run these properties anymore, how
16 do we ensure that we get somebody else in
17 there that does want to run these
18 properties, rather than just having the
19 license move across the street or next
20 door or to a neighboring county.

21 So we have a provision in our
22 leases that at the end of the term,
23 whenever that might be, if -- assuming we
24 don't renegotiate a new lease with our

1 tenants and our tenants want out, how do
2 we transition to the new tenant? So that
3 provision is structured so that if Penn at
4 the end of the term decides they no longer
5 want to be a tenant in our buildings,
6 they're required under the lease to sell
7 their operating assets to a new tenant
8 that will enter into a new lease with us
9 in that building to continue the gaming
10 operations.

11 And there are all sorts of nuances
12 in those provisions to ensure that they
13 get fair market value, that our lease is
14 fair market. But the desire is to ensure
15 at the end of that lease term not that
16 gaming stops or that you have to reissue a
17 new license to a whole new establishment
18 that's going to build a new casino and
19 you're going to have two or three years
20 or -- certainly more than a year where
21 it's dark while somebody constructs
22 something new, we have the same interest
23 you do, which is, essentially, make sure
24 that those properties never go dark.

1 And so that provision has been put
2 in place to let them out, let them get
3 fair market value for their assets, but
4 ensure that there's a new tenant in that
5 building that, obviously, will be subject
6 to the licensure of the various gaming
7 agencies that will continue to operate
8 those facilities.

9 So that's our goal long term is
10 always to have a tenant in there. And
11 that's why that provision is in the lease.

12 The only time we get involved in
13 the operations of the tenant -- and it's
14 not even the operations -- is we have some
15 minimal capital investment requirements in
16 the lease, which is pretty typical for
17 REITs.

18 Ours are actually less than yours
19 and your gaming regulations. So it
20 doesn't really implicate anything in Mass.
21 Yours are more stringent, as are many
22 others, than what ours would be.

23 We, obviously, have obligations in
24 there that the tenant maintain the

1 properties. Because as the tenant in our
2 properties, we want to make sure that the
3 HVAC systems are maintained; that the
4 roofs are maintained; that the parking
5 lots are kept maintained; all the things
6 that are affiliated with the ownership of
7 the land and the building.

8 Other than that, we don't really
9 get involved. We have very few approval
10 rights. The only thing that Penn,
11 Pinnacle -- and they're all the same. Our
12 leases currently are all the same in this
13 regard -- have to come to us if they're
14 impacting the structural integrity of the
15 building. So if they want to tear down
16 walls or they want to remove -- they want
17 to build on, or they want to attach to the
18 building, we do have certain rights in the
19 agreement to see those plans, to ensure
20 that our -- they've hired a certified
21 architect, that they meet all the local
22 zoning requirements.

23 And the goal there is just, these
24 are our buildings. And if -- while Penn

1 is a triple net tenant and they have an
2 obligation to indemnify us and things go
3 wrong there, if the building falls down
4 and people are injured, that's going to be
5 on us too. Yes, we'd have an
6 indemnification right, but we're going to
7 be front and center as the property owner
8 in those.

9 So we want to make sure that those
10 buildings are properly maintained. And if
11 they do construction in those buildings
12 that the integrity of those buildings is
13 maintained.

14 So to date, we've had many, many
15 instances where Penn has come to us with
16 either a notice or an approval request.
17 Same with Pinnacle. Same with our friends
18 at Casino Queen. And we've -- to date
19 we've never said no. So there's nothing
20 that's come across our desk that we've
21 said, Wow, this is a concern to us as a
22 REIT.

23 So we're really not in it to
24 determine whether or not it's profitable

1 or whether or not it's something that we
2 might like. We're in it to make sure that
3 the structural integrity and footprint of
4 our building is something we understand
5 and we know, and we know has been done
6 right.

7 So the only other thing I would
8 like to point out, and then happy to
9 answer any questions you have about us,
10 is, you know, we view ourselves as a value
11 add to gaming in these jurisdictions.

12 Because as a REIT, we are aligned
13 not only in that we want the same thing
14 you do; we want a tenant in there that's
15 running the facility; it's operating it in
16 a way that is maximizing the revenue for
17 not only you but for us. Because,
18 obviously, if you're not getting your tax
19 revenues, we're not getting our rent. And
20 we want to make sure that if they're not
21 interested in operating that property
22 anymore or they're doing so in a manner
23 that's letting that property deteriorate,
24 that we step in and say, Hey, that's not

1 what you've agreed to; that's not good for
2 us; and I don't think it's good for you.

3 And if they decide they no longer
4 want to operate the property, we are
5 sitting there as well wanting somebody
6 else in there to do it, just like you
7 would. And probably bringing forth people
8 that we think might, for you to determine
9 whether or not they could be licensed to
10 do so.

11 We also -- and not a desertion to
12 the gaming companies, but because of our
13 structure from a financial perspective
14 we're a higher rated credit risk. Because
15 we are -- and GLPI specifically is
16 currently split-rated. We're investment
17 grade with S&P and we're a notch below at
18 Moody's.

19 But because of the nature of a
20 REIT, where we distribute 90 percent of
21 our net income in dividends to our
22 investors, we don't incur a lot of debt.
23 We don't have a lot of operations. So we
24 are financially -- REITs generally

1 financially are pretty strong creatures.
2 Now that's not to say that there aren't
3 periods in history where REITs got in
4 trouble, they have.

5 Mortgage REITs had problems in the
6 late '80s and early '90s. I think there
7 are some retail REITs that are struggling
8 a little bit. Most of it vacancies and
9 lack of -- their rents are going down,
10 their tenants are disappearing. That's a
11 much different scenario than we have here.
12 If that should happen to us, I can't tell
13 you we won't have a problem, too. If
14 gaming suddenly is no longer wanted and
15 these guys can't justify operating these
16 facilities, we'll have the same problem
17 you will.

18 You know, your tax revenues will
19 go down. Our tenants won't be able to pay
20 the same rents. We'll be struggling to
21 figure out what we do next. So I don't
22 want to pretend like we're bullet proof.
23 We're not. But I think we're very
24 similarly aligned to you folks.

1 I think I'll stop there. I mean,
2 there's so much we could talk about and do
3 with respect to our interests and what we
4 do and what we try to do. But I think
5 that that will come later. I think those
6 are the things that are probably germane
7 to the issues in front of you today.

8 But that being said, I'm happy to
9 answer any questions you have about us.

10 CHAIRMAN CROSBY: Thank you.

11 COMMISSIONER O'BRIEN: The
12 question that I have, if I'm understanding
13 this correctly, that even if you were to
14 redo -- not getting into the details of
15 how, but even if you restarted the clock,
16 the maximum time would be 35 years for a
17 lease and renewal options for reasons
18 unrelated to --

19 MR. MOORE: I think so. I
20 mean, what you have to do, because these
21 are unitary portfolio, so Penn, Pinnacle,
22 whomever, doesn't have the right to just
23 get rid of one property. So they're all
24 tied together in a cross-collateralized.

1 And that allows us to pay a little bit
2 more. There's more security in that.
3 Because of that, you have to look at the
4 useful life of all the properties in the
5 lease. And we did a useful life analysis
6 and determined that 35 years is about as
7 far as we could push it under these
8 facilities.

9 Now I know that someone foolish in
10 the sense you say, Well, gosh, there are
11 buildings that have been around for
12 hundreds of years. You could go around
13 Boston and find buildings that have been
14 here for well over 100 years.

15 Unfortunately, the tax and
16 accounting rules don't quite support that.
17 Even though we know people maintain their
18 buildings, they improve their buildings.
19 They do things to ensure that the
20 structural integrity is maintained and
21 they last. Who knows how long, right?

22 But we're stuck in that. That
23 really gets into accounting treatment as
24 well. And without getting too deep into

1 the weeds in an area where I don't belong,
2 being accounting, the accounting rules are
3 changing in 2019, such that things
4 previously recognized as operating leases
5 will have to be treated as capital leases
6 in many circumstances. That doesn't apply
7 to us at the REIT.

8 So the lease that we're purporting
9 to put this into, we, for the most part,
10 and these leases somewhat are chopped up,
11 and this gets pretty nuanced, but we
12 believe that we'll have operating lease
13 treatment for that which is -- which is
14 optimal for us.

15 If we were to put a 60-year term
16 on a lease, clearly that's going to be
17 treated more like a financing than it is a
18 true lease.

19 So from our perspective, it
20 complicates it. We probably will have to
21 carve that out into a separate lease,
22 which I'm not going to tell you it can't
23 be done, it certainly can. It's just much
24 more complicated and not quite as secure

1 as what we're proposing today.

2 CHAIRMAN CROSBY: Thank you.

3 Mr. Albano.

4 MR. ALBANO: If I may
5 then -- and I'm not going to repeat the
6 letter, I know you have that in front of
7 you. But if I could just briefly address
8 the two points that are in front of you.

9 The first is statutory
10 interpretation question: Do -- after a
11 transfer, does a licensee have to have the
12 legislature say licensees must have a
13 lease that extends 60 years beyond the
14 term of the then-license.

15 And we looked at -- first at --
16 say the answer is no. You're not
17 surprised to hear that. But we looked
18 first at the transfer provisions of the
19 statute and the regulations.

20 And certainly, the legislature
21 contemplated that licensees were permitted
22 to transfer facilities operate after they
23 were up and running, with the focus being
24 on whether the new owner was suitable to

1 be an owner and whether the -- I think in
2 the language of the regulation, whether
3 the transfer -- it could be rejected if
4 the transfer was disadvantageous to the
5 Commonwealth.

6 No provisions in the statutory
7 provisions about transfers or in the
8 regulations that say, And by the way, if
9 you transfer the property, you have to
10 have a new lease that goes out another 60
11 years.

12 I think the reason for that -- a
13 couple of reasons for that under this
14 statute. First of all, that requirement
15 alone wouldn't, I would suggest, get the
16 Commission what it's interested in, which
17 is the security of a long-term facility.

18 You do get those -- that security
19 in the terms of the lease that you will
20 have in front of you. Because the lease
21 says to the tenant: You must... You must
22 operate a gaming facility in order to be a
23 tenant on a property.

24 And as Mr. Moore explained, if for

1 some reason at the end of the 32 years
2 that will remain on this lease, it was not
3 renewed, the licensee would be required to
4 enter into an auction process to deliver
5 to the Commission a successor tenant for
6 your review. And upon approval, there
7 would be a new licensee in that property
8 for a minimum of a ten-year lease. And,
9 obviously, the expectation here is that it
10 wouldn't stop at ten years, that's just
11 the starting point.

12 So in terms of the security that's
13 granted to the Commonwealth, we do say
14 that's present in this situation.

15 The reason the legal issue came up
16 is because of section -- perfectly
17 reasonable question for the staff to ask,
18 because Section 15 of the statute when it
19 talks about an applicant before you even
20 have your facility constructed, says so if
21 your -- "no applicant shall be eligible to
22 receive a gaming license unless the
23 applicant meets the following criteria."
24 And there's about -- scores of them.

1 But one of them is: Own or
2 acquire within 60 days after a license has
3 been awarded the land where the gaming
4 establishment is proposed to be
5 constructed, provided that -- and let me
6 paraphrase -- ownership of the land shall
7 include a tenancy of 60 years or more from
8 the license.

9 So we say the way to read that
10 statute is it's saying: Okay. There's
11 only dirt, no facility. Someone's coming
12 in, they're being considered for a
13 license. And they either have to own it
14 or we'll treat you as an owner if you have
15 a 60-year lease.

16 It makes perfect sense at the
17 outset of the construction of a facility.
18 But I would suggest it also makes perfect
19 sense that when the legislature got around
20 to talking about transfers of real estate,
21 there was no need to include that sort of
22 provision. Indeed, the licensee no longer
23 will be the owner of the real estate if
24 the Commission approves this transaction.

1 So the language of Section 15 doesn't even
2 apply in this special, We'll treat you as
3 an owner if you have this sort of super
4 long lease.

5 So that's why we say, and we're
6 asking for approval of a transaction that
7 has -- starts out with a 32-year lease, I
8 would say substantial probability of 42,
9 and reasonable likelihood, at least, of
10 extending beyond that.

11 That's all I have to say about the
12 lease term, unless there's any questions
13 on that.

14 That leaves me with the trust
15 instrument. The interim authorization
16 regulations sensibly say that if we
17 grant -- if the Commission grants interim
18 authorization and this closing occurs,
19 subject to being undone if final
20 authorizations occur, that if after
21 initial interim authorization is granted,
22 the Commission determines that the
23 transferee may not be suitable. There
24 must be a trust provision that says, All

1 right, at that point you've -- the
2 transaction is closed, but you need to
3 transfer the land in this case to the
4 trust. And then we'll see what happens.
5 Down the road, if you are determined to be
6 suitable, you may get the property back.
7 If not, it may be auctioned. Many
8 different outcomes could occur.

9 Again, I think, as Mr. Grossman
10 said, all with a clear purpose of ensuring
11 that if there is a suitability problem,
12 that transferee is -- there is clear
13 separation from that transferee, and in
14 our situation the real estate.

15 So we propose a trust that we
16 believe adheres to both the letter and the
17 spirit of the regulations in this way.

18 Here we know Plainridge has been
19 the owner. And I think I can go so far as
20 to say that's been a good thing, people
21 like Plainridge as the owner. We think
22 you're going to like GLPI as the new
23 owner.

24 But if there were to be a problem

1 that arose in this transaction, we think
2 first the most practical and beneficial
3 result is: Ship the property back to the
4 entity that owns it now, and that is your
5 licensee who you regulate and who you
6 know, rather than to a trust or, God
7 forbid, an auction, then what do we do at
8 that point?

9 So the proposal we have in the
10 trust is that if there is a problem with
11 interim authorization, then at GLPI's
12 option, it could either -- the property
13 either goes to the trust or the
14 regulations or right back to the licensee.

15 And the last thing I would say
16 about that is I think that's basically the
17 same thing as saying what we'd all agree
18 on anyway, which is, if you've got two
19 parties in front of you, they want a
20 transaction approved or an interim
21 authorization approval before you, they
22 could at any point say, Thank you but
23 never mind. We're not going to do a
24 interim authorization. We'll file a new

1 application and wait the full-time to see
2 if it's approved. That's effectively, I
3 would say, all this trust instrument is
4 doing.

5 So for that reason, we've asked
6 for approval of the trust provisions as
7 well.

8 CHAIRMAN CROSBY: Questions?

9 COMMISSIONER ZUNIGA: Can I
10 ask, it sounded from your prior comments
11 from the group that as part of this
12 transaction, the property is going under
13 the Pinnacle Master Lease. Mostly because
14 of convenience, because that's the only
15 master lease that you're opening, as
16 opposed to the Penn Master Lease, which is
17 originated from because you are not on
18 that lease?

19 MR. ALBANO: Yeah.
20 Absolutely. That's exactly right.

21 So we could have put it in the
22 Penn lease but we thought since we were
23 already making amendments to the Pinnacle
24 lease it would be easiest to put it in

1 there.

2 COMMISSIONER ZUNIGA: Is the
3 Penn lease very different from the
4 Pinnacle lease?

5 MR. ALBANO: No. They are
6 very, very similar. The term is slightly
7 different.

8 MR. MOORE: The leases are
9 almost identical. And the reason -- the
10 leases are almost identical primarily
11 because we went through some FTC review,
12 and the FTC last taken an in-depth look at
13 our leases. We own five or six casinos in
14 the St. Louis market. We have two casinos
15 out of three in the Baton Rouge market.
16 The terms of that lease were very -- took
17 a very long time to construct those
18 leases.

19 The Pinnacle lease only differs in
20 that the initial term is ten years as
21 opposed to Penn's, which is 15. The total
22 term of both is 35.

23 The Penn lease has a percentage
24 rent component, they both do, a very small

1 percentage rent component. The Penn lease
2 resets every five years, Pinnacle every
3 two years. So there's some nuanced
4 economic terms that are a little bit
5 different. But all the substantive terms
6 of the lease are the same.

7 CHAIRMAN CROSBY: Anybody
8 else?

9 Director -- I mean, Attorney
10 Lillios, we know from a legal standpoint
11 we've been briefed that our staff is
12 comfortable with this, as there's been
13 some preliminary background checking and
14 so forth, suitability checking.

15 MS. LILLIOS: So the IEB's
16 been involved in all of the discussions
17 about these two preliminary issues with
18 you. Part of this interim authorization
19 period is that we identify qualifiers for
20 this transaction, and that we get full
21 applications; the multi-jurisdictionals
22 from the individuals; business entity
23 disclosure forms from the new entities.

24 That process of those submissions

1 have been complete. We are at the initial
2 stages of starting that initial invest
3 review. But from -- everything from the
4 multiple meetings we have had with these
5 individuals as well as some of the
6 qualifiers who were previously qualified
7 before in connection with the initial
8 licensure.

9 To date, there's no information
10 otherwise. But, of course, we have not
11 completed the initial investigation yet.

12 CHAIRMAN CROSBY: But,
13 obviously, you're comfortable enough to be
14 okay with the preliminary decision?

15 MS. LILLIOS: Well, the
16 decisions that you're making today are
17 initial legal decisions that the IEB is
18 comfortable with in terms of, you know,
19 any impact on the suitability questions.

20 And when we come to you the
21 next time, which I expect will be in
22 August, that will be for interim
23 authorization where we will have
24 preliminary recommendation regarding

1 suitability.

2 CHAIRMAN CROSBY: Got it.

3 COMMISSIONER ZUNIGA: So
4 we're only approving -- you're asking --
5 we're asking to consider the approval of
6 the trust on those terms? And those were
7 the lease term that Mr. Albano already
8 talked about, and the provision that goes
9 back -- if ultimately the transaction is
10 not approved, back to the agency. Is that
11 a fair statement?

12 MR. GROSSMAN: That's
13 exactly right. It's just those two narrow
14 issues. It's the terms of the lease as
15 far as the reversionary ability of the
16 beneficiary and the actual length of the
17 lease.

18 I'm sorry, the term -- the
19 reversion of the trust and the term of
20 lease. Otherwise, everything else will be
21 handled at the next hearing.

22 COMMISSIONER ZUNIGA: Fine.

23 CHAIRMAN CROSBY: We'll get
24 to hear all this again.

1 COMMISSIONER ZUNIGA: I'm
2 just curious, I may not remember to ask
3 this question. What happens under the
4 terms of the agreement to Plainville
5 Gaming and Redevelopment after they
6 transfer the --

7 MR. ALBANO: It is there.
8 It is the licensee. It's the operator.

9 COMMISSIONER ZUNIGA: It
10 will continue to be the operator?

11 MR. ALBANO: Under Penn
12 National's control. No change whatsoever.

13 MR. GROSSMAN: At the next
14 phase, that will be one of the
15 considerations is whether there's any
16 change of control or change at all to the
17 gaming licensing, which is the Plainville
18 Gaming and Redevelopment. So you will get
19 to look at that.

20 CHAIRMAN CROSBY: All right.
21 Anybody else? Do we have a motion?

22 COMMISSIONER ZUNIGA: I
23 would be happy to move, Mr. Chairman, that
24 the Commission approve the request from

1 the licensees to include the trust terms
2 as stipulated here.

3 MR. GROSSMAN: I would
4 consider moving that the -- you approve
5 the trust as it was submitted in
6 accordance with those terms. And
7 separately approve the length of the
8 resulting lease. You'll be able to take a
9 second look at. But at the moment, you
10 are comfortable with the lease terms.

11 COMMISSIONER O'BRIEN: Are
12 we saying fact specific the length of
13 their lease? Or just saying that the 60
14 years does not apply as a matter of law?

15 MR. GROSSMAN: That's more
16 specifically.

17 COMMISSIONER O'BRIEN: It
18 would be the question of law, whether the
19 60 years is applicable, not necessarily
20 the 35 years is inappropriate?

21 MR. GROSSMAN: That's
22 exactly right. I would say two separate
23 motions.

24 COMMISSIONER ZUNIGA: I'll

1 strike my prior motion and make a motion
2 to approve the terms of the trust as
3 submitted and discussed here today.

4 CHAIRMAN CROSBY: Second?

5 COMMISSIONER O'BRIEN:

6 Second.

7 CHAIRMAN CROSBY: Further
8 discussion?

9 All in favor?

10 Opposed?

11

12 (Vote taken.)

13

14 COMMISSIONER CROSBY: The
15 ayes have it unanimously.

16 COMMISSIONER ZUNIGA: Then
17 we need to -- I --

18 MR. GROSSMAN: I would
19 suggest the second part is that you agree
20 with the interpretation of Section 15,
21 paragraph 3 of Chapter 23K that the
22 60-year language does not serve as a bar
23 in this instance.

24 CHAIRMAN CROSBY: Okay.

1 COMMISSIONER ZUNIGA: I'll
2 move that the Commission agree with the
3 staff read and recommendation that Section
4 15B that pertains to applicants not
5 apply -- and specifically the 60-year
6 provision relative to lease of the land
7 does not apply to current licensees as
8 discussed here today.

9 CHAIRMAN CROSBY: Second?

10 COMMISSIONER O'BRIEN:
11 Second.

12 CHAIRMAN CROSBY: Further
13 discussion?

14 All in favor?

15 Opposed?

16

17 (Vote taken.)

18

19 CHAIRMAN CROSBY: The ayes
20 have it unanimously.

21

22 (Pause in proceedings.)

23

24 CHAIRMAN CROSBY: We will

1 adjourn for half an hour. We'll be back
2 at 1:35.

3
4 (Lunch recess from to 1:35 p.m. to
5 2:45 p.m.)

6
7 CHAIRMAN CROSBY: We are
8 reconvening at 2:45, I think. We left a
9 little after 1:30. And we are on to Item
10 No. 5.

11 Katherine Blue.

12 MS. BLUE: Good afternoon,
13 Commissioners. We're on item 5B.

14 In your packet you have a letter
15 from MGM there requesting a waiver from
16 one of Commission's regulations. And this
17 is regulation -- the regulation regarding
18 gaming schools. It's 205 CMR 137.02,
19 Section (2)(a)12. And that regulation
20 requires that as part of the gaming school
21 curriculum for table games that the people
22 involved in training to -- to learn table
23 games be provided with -- or be required
24 to take CPR training.

1 MGM has requested a waiver from
2 that provision of our regulation. They've
3 outlined the reasons for their waiver in
4 the letter that's in the packet. They
5 cite two predominant reasons which is they
6 have a highly trained security force who
7 is more able to deal with these kinds of
8 issues, and also because the dealer at the
9 table is there to protect assets as
10 opposed to providing medical assistance.

11 I know that we have come before
12 you recently for waivers, and I just want
13 to provide you with the standard for
14 granting the waiver as you consider
15 whether you'd like to grant this one.

16 Our regulation 205 CMR 102.03
17 Section (4) says that "The Commission may
18 in its discretion waive or grant a
19 variance from any provision or requirement
20 contained in Section 205... where the
21 Commission finds," and there's four things
22 you have to consider: "Granting the
23 waiver or variance is consistent with the
24 purposes of Chapter 23K; granting the

1 waiver or variance will not interfere with
2 the ability of the Commission to or the
3 bureau to fulfill its duties; granting the
4 waiver or variance will not adversely
5 affect the public interest; and not
6 granting the waiver or variance would
7 cause a substantial hardship to the person
8 requesting the waiver or variance."

9 So I think MGM has outlined its
10 request and why it's making its request.
11 I think there is certainly an argument
12 that they have met the waiver standards.
13 But there's also other arguments on the
14 other side.

15 And I wanted the Commission to
16 have an opportunity to discuss this and
17 then ask any questions it has.

18 COMMISSIONER O'BRIEN: How
19 long is the CPR class, in hours?

20 MS. BLUE: A couple of
21 hours.

22 COMMISSIONER O'BRIEN:
23 That's it?

24 MS. BLUE: Approximately

1 about two. We offer it here at our
2 facility. And it's about two, maybe three
3 hours.

4 CHAIRMAN CROSBY: They have
5 to come to here from Springfield.

6 MS. BLUE: No, no. I'm just
7 sharing that we at the Gaming Commission
8 provide it to our employees. It takes a
9 couple of hours of time.

10 No. This is provided at the
11 gaming school as part of the curriculum.

12 COMMISSIONER CAMERON: I'm
13 not persuaded at all that they shouldn't
14 go because they should -- their training
15 is their training and they can't fit it
16 into the curriculum.

17 But I am persuaded that the fact
18 that their primary job is to protect the
19 assets is -- does make sense to me. You
20 step away from that table, and all of
21 those chips are at risk and those things.

22 So that piece of the argument
23 makes some sense to me. I'm all in favor
24 for everybody being CPR trained, frankly.

1 And I think it's only good.

2 But I do see the point that
3 stepping away from the table and the fact
4 that everyone else in a close proximity is
5 trained is something to consider here.

6 COMMISSIONER O'BRIEN: I
7 don't know if counsel can answer this
8 question or not, but I'm not persuaded
9 that a half-day class is a substantial
10 hardship.

11 But to your point, that doesn't
12 mean functionally having them step away to
13 respond to that is the best way to handle
14 it.

15 Is there a process for them to
16 alert security personnel? I mean, ideally
17 I'd like to see them CPR certified so they
18 know who to flag.

19 MR. NOSAL: Thank you,
20 Commissioner. I appreciate the
21 opportunity. And certainly defer to
22 Attorney Blue as to providing you with
23 some additional information.

24 But if it's helpful, I'll try to

1 answer the questions that you have. It's
2 my understanding, first of all, that the
3 company does have a very specific
4 emergency response plan that covers
5 obviously CPR, and that Mr. Rucker, who
6 was here earlier, obviously will oversee
7 that particular function.

8 I can't answer specifically as to
9 whether or not there's a particular
10 protocol for alert. But you heard today
11 other circumstances about the interaction
12 between, certainly wait staff and other
13 service aspects and security and the
14 interaction with management as well, that
15 I feel pretty comfortable saying that
16 there -- there certainly will be a way of
17 alerting security in this what we view as
18 a very controlled environment in order to
19 get a person as much help as possible.

20 The only other thing I want to add
21 just in connection with the petition just
22 to be clear that this is a joint petition
23 on behalf of the institute and MGM.

24 And Commissioner O'Brien, you did

1 indicate earlier, you know, is it only a
2 couple of hours? You're not convinced.

3 If you look at the criteria that
4 they're required to teach, one issue on
5 behalf of institution is that this
6 requires a completely different set of
7 expertise. So it requires them to bring
8 in a separate person, adding an additional
9 resource. And I know we've been sensitive
10 around keeping the costs controlled for
11 this.

12 So while I don't dispute it's only
13 a couple of hours, it is a very different
14 aspect that requires a different level of
15 expertise in order to provide this at the
16 institute as well.

17 COMMISSIONER O'BRIEN: So is
18 the substantial hardship monetary argument
19 because it would be passed on to the
20 students, or that MCCTI couldn't absorb
21 the cost of hire.

22 MR NOSAL: I think they are
23 required to absorb the cost right now.
24 Certainly, I think it would be helpful

1 considering all the cost controls and the
2 attempts to keep the tuition to the -- at
3 the most reasonable level as possible.

4 COMMISSIONER O'BRIEN: Do we
5 know an actual dollar amount?

6 MR NOSAL: I don't have
7 that, Commissioner.

8 COMMISSIONER CAMERON: In
9 the letter, the second page, top
10 paragraph, kind of addresses the rationale
11 for security, because it's more than just
12 the service, it is also -- it is also the
13 crowd control, the contact of paramedics
14 and collecting the information from the
15 victim, all of those things, which are
16 better handled by security.

17 I'm not concerned that there's not
18 someone close by to handle the situation.
19 It just -- I agree that the training is
20 good for everyone to have. But the part
21 of this that did -- was persuasive was
22 they're protecting that -- stepping away
23 and leaving all those chips unguarded is
24 not in anyone's best interests.

1 Obviously, saving a life is. And if
2 there's someone right there to handle that
3 function within seconds, I think that that
4 piece of the request is okay.

5 COMMISSIONER O'BRIEN: But
6 the requirement they're seeking waiver
7 from is not that they be mandated as job
8 description to perform CPR, just they
9 don't have to get the certification,
10 right?

11 MR NOSAL: It's actually --
12 it's a requirement for the curriculum that
13 they actually be trained. That's an
14 element, if you look at the CMR. It
15 includes everything you have to do.

16 Again, this is limited to only
17 table game dealers; that they're required
18 to go through, I think there's 12
19 different elements that they're trained
20 in. And one of them is the CPR component.
21 We're just asking to take the CPR
22 component out of the training.

23 For practical matter, this
24 requirement, my understanding, again,

1 applies to the institute not to the
2 company. So there's not a separate
3 mandate that all table game dealers be CPR
4 certified. It's only if you've gone
5 through the institute's training that that
6 part of the curriculum. And we're
7 supporting that and providing the
8 additional information to the Commission
9 in connection with that to say that this
10 function will be clearly covered by
11 security, making that not necessary to be
12 part of the curriculum.

13 COMMISSIONER O'BRIEN: I
14 guess the point I was making is everything
15 on page 2 in terms of who would execute is
16 not impacted by whether or not these
17 people get trained in CPR; is that
18 correct?

19 MR NOSAL: I believe that
20 would be correct, yes.

21 COMMISSIONER ZUNIGA: I
22 don't know how this is a substantial
23 hardship, just by going through the
24 request. I think -- I was also trying to

1 think of the other one, the other part of
2 waiver, which is the public interest.

3 I actually think that somebody
4 being at least able to spot a symptom as
5 quickly as possible, just having some
6 awareness, which was the purpose, in my
7 view, when we first wrote those
8 regulations, just having had at least the
9 notion that you need to call security as
10 soon as you see these symptoms. Perhaps
11 that is going through some kind of
12 training and awareness. I don't think
13 anybody is talking about certification by
14 the way. It's just the notion of going
15 through the training, actually serve the
16 public interest. I don't know how
17 these -- so in my view, kind of like two
18 elements of the waiver that kind of work
19 against it. I actually agree -- I was
20 also with mixed feelings because of the
21 protection element. But if we're just
22 looking at the waiver, I have a hard time
23 actually getting past two elements of the
24 waiver. So I'm in general reluctant to --

1 COMMISSIONER CAMERON: Your
2 point is very well taken, that recognizing
3 the symptom and being able to call
4 security over instantly is a factor
5 here.

6 COMMISSIONER ZUNIGA: It
7 could be critical time.

8 COMMISSIONER CAMERON: Yes.
9 Rather than not knowing if you don't have
10 the training, and the person might
11 struggle for more time, because someone
12 didn't recognize the issue.

13 COMMISSIONER STEBBINS: I --
14 we've already -- I think we've already had
15 one class that has gone through that did
16 have CPR as a component of their training.

17 I guess I question -- I hear the
18 other arguments, you know, I think that
19 Commissioner Zuniga's point, you know,
20 having that awareness, that training
21 awareness, whether you actually leave the
22 table to conduct the actual CPR itself is
23 certainly a challenge if you're walking
24 away from your table.

1 I feel a little reluctant to maybe
2 grant the exemption. But in the meantime,
3 maybe kind of revisit the regs, and the
4 curriculum is all laid out in the regs we
5 adopted, what Pennsylvania gave us. I
6 feel more willing to do that than to grant
7 an exemption when we're not sure we meet
8 the standards of the exemption.

9 I know that that might impinge on
10 time when this is coming up in terms of
11 the schedule for the next class or the
12 class that's currently going through. But
13 I think there's some valid points to be
14 made of -- if not full certification, some
15 awareness of training of the customer who
16 becomes in distress. Because I think that
17 is part of serving the public.

18 COMMISSIONER CAMERON: If
19 you attend for half a day you're
20 technically certified. So it's not any
21 more onerous. So you're having the
22 training, and you have the hands-on
23 technique, and then you are technically
24 certified.

1 CHAIRMAN CROSBY: It seems
2 if I'm understanding this right, there is
3 a policy at MGM that in the event of such
4 a problem, the security people are the
5 ones who are mandated to deal with that.

6 COMMISSIONER CAMERON: Yes,
7 yes.

8 CHAIRMAN CROSBY: Not the
9 table games person; not the table servers;
10 the -- so we're training for some people
11 to do something that the company's rules
12 tell them not to do -- or tell somebody
13 else to do.

14 The job is to get the -- is to get
15 the security person to come over and take
16 care of that medical emergency, number
17 one.

18 And number two, if I understood
19 the other point one of you said, if you
20 come up from Foxwoods, you don't need to
21 be trained. You just go in and get
22 accepted as a job. You don't have to go
23 through this training, so --

24 COMMISSIONER ZUNIGA: You

1 know how to deal already?

2 CHAIRMAN CROSBY: If you
3 already know how to deal, you don't need
4 to go through the MCCI program.

5 So we have sort of a weird thing
6 here. We've put up a rule that applies to
7 some dealers, a training requirement that
8 applies to some dealers, but not to all
9 dealers. So we ought to fix that one way
10 or the other. If we think it's important,
11 then we ought to require it of everybody
12 on the one hand. And on the second hand,
13 we're suggesting a rule for these table --
14 for the dealers that is not consistent
15 with the protocols of their company.

16 COMMISSIONER CAMERON: But
17 the rules weren't set up to be
18 particularized to a licensee. They were
19 set up to look out for the interests of
20 people there.

21 COMMISSIONER CAMERON: And I
22 think the --

23 CHAIRMAN CROSBY: But if
24 we're going to stick with that, then we

1 ought to make them undue this rule.

2 COMMISSIONER O'BRIEN: Or
3 just make everyone get certified.

4 CHAIRMAN CROSBY: Under this
5 rule, the supervisor -- under their policy
6 900, the supervisor, if there is a
7 detailed response of each security team
8 member to a life-threatening blah, blah,
9 blah.

10 COMMISSIONER ZUNIGA: But
11 it's not in conflict. That rule is not in
12 conflict with our regs. It supplements
13 our regs, which was my point about just
14 the awareness, which was the original --

15 COMMISSIONER CAMERON: Yes,
16 yes.

17 CHAIRMAN CROSBY: Well,
18 that's different. That seems to be a
19 different issue. If they're spending
20 whatever amount of time is required in
21 awareness, maybe it ought to be part of
22 the policy 900, that as part of this
23 overall emergency response, having table
24 dealers be trained to recognize the

1 problem, that makes all kinds of sense to
2 me.

3 But as it stands, it seems like we
4 have a variety of inconsistencies in this
5 policy.

6 COMMISSIONER ZUNIGA: I
7 don't see the inconsistency in the policy.
8 It's actually a policy of them. They're
9 voting -- they're quoting a CMR because
10 we're asking them to submit their plan.

11 COMMISSIONER CAMERON:
12 Right.

13 COMMISSIONER ZUNIGA: That's
14 the regulation. When they do, it seems
15 pretty reasonable that they would have
16 certain people trained, and there's a
17 protocol.

18 I just simply see it independent
19 from a requirement of having this
20 training.

21 I think the point you make is an
22 interesting one relative to some
23 disparity. But that has to do with where
24 we place these regulations in the training

1 and certification of the Mass Career
2 Casino Institute which was --

3 CHAIRMAN CROSBY: If we
4 believe -- I'm really mixed on this,
5 frankly, I don't know which way I would
6 come down on this. I'm trying to think it
7 through logically. If we think it's
8 important that dealers be trained in CPR,
9 then we should make them all trained in
10 CPR.

11 COMMISSIONER ZUNIGA: I
12 would argue that we already did when we
13 promulgated the prior regulations of --
14 for the casino certification, for the
15 training.

16 What we are now considering is a
17 waiver from that, and -- which is what I'm
18 focusing on. Does it meet the four
19 elements in the waiver? And I have a
20 harder time getting past waiver reason No.
21 3 and No. 4, because it's neither in
22 the -- I don't think it's a substantial
23 hardship to the person requesting it.

24 To the case in point, we already

1 have a class that went through it. And I
2 don't think that this would adversely
3 affect the public interest. Quite the
4 contrary, it actually enhances the public
5 interest.

6 CHAIRMAN CROSBY: Do you
7 think it's important -- do you think it's
8 important enough that we ought to have
9 every -- all dealers have this training?

10 COMMISSIONER ZUNIGA: Yes.

11 CHAIRMAN CROSBY: So we
12 ought --

13 COMMISSIONER ZUNIGA: It's
14 important -- which is where we put it in
15 the -- when we certified where we put the
16 regulations for the training for the Mass
17 Career Casino Institute. Now --

18 CHAIRMAN CROSBY: If you go
19 through that. But that's only if you go
20 through that.

21 COMMISSIONER CAMERON: But
22 they have to go through MGM specific
23 training, right, so --

24 CHAIRMAN CROSBY: But MGM

1 specific training would be compatible with
2 this protocol, which I imagine from what
3 it says, teaches table games people who
4 see a problem to signal the security,
5 according to what it sounds like their
6 protocol, that's what MGM would train them
7 to do.

8 COMMISSIONER ZUNIGA: And
9 again, which is not in conflict with
10 having gone through two hours of training
11 to recognize the -- it doesn't mean that
12 they will do it. They just have to go
13 through the training.

14 MS. BLUE: The issue really
15 isn't whether the training is valuable or
16 not. The issue really is, we have a
17 regulation that requires this as part of
18 the table games curriculum, MGM and the
19 MCCTI are asking for a waiver. They have
20 to meet the standard. You have to be
21 comfortable that they meet the standards
22 to grant them a waiver.

23 If you feel comfortable, you can
24 grant it. If you don't, you don't have

1 to. The separate issue of whether it
2 should be part of the curriculum at all is
3 a different conversation for the committee
4 to have.

5 CHAIRMAN CROSBY: That was
6 Commissioner Stebbins' point, right? So
7 maybe we should deal with this. If you
8 take that literally, really the only issue
9 here is whether or not the request for a
10 waiver meets the criteria we've laid out.
11 You really stick to the letter of that,
12 then your point becomes very significant.

13 Maybe the better way to deal with
14 this is for us to decide whether we really
15 believe that all dealers should have CPR
16 training or not. And if they should amend
17 our regs, say that. And if they should
18 not amend our regs, to take it out.

19 MS. BLUE: So our regs only
20 have this under the curriculum. So there
21 is no broader place in our regs to require
22 all dealers to have CPR training.

23 There could be conversations
24 around the internal controls that MGM

1 submits as to who gets trained and who
2 doesn't. That's a separate issue.

3 We only have this requirement as a
4 curriculum requirement. And that's what
5 makes it a little bit tough too.

6 So either we are comfortable that
7 we can let MCCTI take this out of their
8 curriculum for this particular purpose, or
9 we think that it doesn't meet the waiver
10 standard, and it stays in the curriculum.

11 But at some point in the future
12 the Commission can revisit what the
13 curriculum is in general; not just this
14 particular part of the curriculum, but the
15 whole curriculum.

16 COMMISSIONER ZUNIGA: I'm on
17 the latter part of that, which is I, you
18 know, narrowly think that the waiver
19 request at this point doesn't meet the
20 standards that we set out for waivers.
21 And that if we need to revisit this issue,
22 come back and think about it.

23 CHAIRMAN CROSBY: So what do
24 you -- do I have a motion?

1 COMMISSIONER ZUNIGA: Let me
2 see if I can articulate it better than the
3 last time. I will move that the
4 Commission does not grant the waiver
5 petition from MGM and MCCTI, relative to
6 the training on CPR measures as presented
7 here and discussed here today.

8 COMMISSIONER CAMERON:
9 Second.

10 CHAIRMAN CROSBY: Further
11 discussion?

12 How many days is the
13 training?

14 MS. BLUE: The training is a
15 couple of hours, between --

16 CHAIRMAN CROSBY: No. The
17 overall training?

18 MS. BLUE: The overall
19 training, I don't know. Jed, Do you know?

20 MR. NOSAL: The number of
21 hours is in the reg.

22 MS. BLUE: It goes over a
23 period of weeks, I believe.

24 MR. NOSAL: The training

1 hours -- if you look at Section -- I don't
2 know if you have it -- 137.02,
3 "Curriculum," it's broken down. It
4 depends on the type of game you're being
5 trained with. But maximum is 200 hours to
6 deal craps.

7 CHAIRMAN CROSBY: So you're
8 talking a pretty small percentage.

9 Any further discussion?

10 So the motion was what? Remind
11 me.

12 COMMISSIONER ZUNIGA: To
13 deny the waiver as requested here.

14 CHAIRMAN CROSBY: All in
15 favor of denying the waiver, please say
16 aye.

17 Opposed?

18 All in favor?

19 Opposed?

20

21 (Vote taken.)

22

23 CHAIRMAN CROSBY: The denial
24 is passed unanimously.

1 MS. BLUE: Items 5C through
2 5J are regulation requests that you have
3 seen before. They were the subject of
4 this morning's regulation hearing, so
5 this -- those regulations are in the final
6 promulgation process. We have received no
7 comments on any of these regulations.

8 So they are ready to move to the
9 final stage and get finished up.

10 The last two regulations are new.
11 And so we can talk a little bit more about
12 them. This will be the first time that
13 you're seeing them. So we're asking you
14 to begin the promulgation process. Just
15 thought it would be helpful to know kind
16 of where we are in each one.

17 5C, this -- we're asking you to
18 approve the final draft version of 205 CMR
19 101. That's the adjudicatory proceedings,
20 that the new hearing regulations that we
21 have gone over and have been in front of
22 you a couple of times.

23 Again, they were at the public
24 hearing this morning. We received no

1 comments.

2 And so we're asking your
3 authorization to complete the promulgation
4 process.

5 COMMISSIONER CAMERON: So
6 Mr. Chair, I move that the Commission
7 approve the amended small business impact
8 statement for 205 CMR 101, "Adjudicatory
9 Proceedings," included in the packet.

10 COMMISSIONER STEBBINS:
11 Second.

12 CHAIRMAN CROSBY: Any
13 discussion? Further discussion?

14 All in favor?

15 Opposed?

16

17 (Vote taken.)

18

19 CHAIRMAN CROSBY: The ayes
20 have it unanimously.

21 COMMISSIONER CAMERON: I
22 further move that the commission approve
23 the version of the 205 CMR 101,
24 "Adjudicatory Proceedings" as included in

1 the packet and authorize the staff to take
2 all steps necessary to finalize the
3 regulation promulgation process.

4 COMMISSIONER STEBBINS:
5 Second.

6 CHAIRMAN CROSBY: Further
7 discussion?

8 All in favor?

9 Opposed?

10

11 (Vote taken.)

12

13 CHAIRMAN CROSBY: The ayes
14 have it unanimously.

15 COMMISSIONER O'BRIEN: 5D is
16 the final draft version of 205 CMR 115,
17 and then all of the other sections of our
18 regulations that needed to be adjusted
19 once we made changes to the adjudicatory
20 proceedings in 101.

21 So we're asking today for you to
22 approve that final draft version. And the
23 amended small business impact statement so
24 we can complete the promulgation process

1 for those -- that group of amendments.

2 COMMISSIONER STEBBINS:

3 Mr. Chair, I move the Commission approve
4 the amended small business impact
5 statement for 205 CMR 115, et al., hearing
6 procedure updates included in the
7 packet.

8 COMMISSIONER O'BRIEN:

9 Second.

10 CHAIRMAN CROSBY: Any

11 discussion?

12 All in favor?

13 Opposed?

14

15 (Vote taken.)

16

17 CHAIRMAN CROSBY: The ayes

18 have it unanimously.

19 MS. BLUE: 5E is the final

20 draft version of 205 CMR 138.6.

21 COMMISSIONER STEBBINS:

22 Katherine, do you want me --

23 MS. BLUE: I forgot. I'm

24 sorry. Yes.

1 COMMISSIONER STEBBINS:
2 Mr. Chair, I also move the Commission
3 approve the version of 205 CMR 115, et al.
4 hearing procedure updates as included in
5 the packet, and authorize the staff to
6 take all steps necessary to finalize the
7 regulation promulgation process.

8 COMMISSIONER CAMERON:
9 Second.

10 CHAIRMAN CROSBY: Any
11 discussion?

12 All in favor?

13 Opposed?

14

15 (Vote taken.)

16

17 CHAIRMAN CROSBY: The ayes
18 have it unanimously.

19 MS. BLUE: 5E is 205 CMR
20 138.62. This is "Payment of Table Game
21 Progressive Payout Wagers." This is an
22 amend regulation for the institution of
23 table games. This was one we heard this
24 morning as well in the hearing.

1 CHAIRMAN CROSBY: Do we have
2 a motion?

3 COMMISSIONER CAMERON: So
4 Mr. Chair, I move that the Commission
5 approve the amended small business impact
6 statement for 205 CMR 138.62, "Payment of
7 Table Game Progressive Payout Wagers;
8 Supplemental Wagers Not Paid from the
9 Table Game Inventory," included in the
10 packet.

11 CHAIRMAN CROSBY: Second?

12 COMMISSIONER ZUNIGA:
13 Second.

14 CHAIRMAN CROSBY: Any
15 discussion?

16 All in favor?

17 Opposed?

18
19 (Vote taken.)

20
21 CHAIRMAN CROSBY: The ayes
22 have it unanimously.

23 COMMISSIONER CAMERON: I
24 further move the Commission approve the

1 version of 205 CMR 138.62, "Payment of
2 Table Game Progressive Payout Wagers;
3 Supplemental Wagers Not Paid from the
4 Table Game Inventory" as included in the
5 packet and authorize staff to take all
6 steps necessary to finalize the regulation
7 promulgation process.

8 CHAIRMAN CROSBY: Second?

9 COMMISSIONER STEBBINS:

10 Second.

11 CHAIRMAN CROSBY:

12 Discussion?

13 All in favor?

14 Opposed?

15

16 (Vote taken.)

17

18 CHAIRMAN CROSBY: The ayes
19 have it unanimously.

20 MS. BLUE: 5F is the final
21 amended version of 205 CMR 143.02, for
22 "Progressive Gaming Devices."

23 CHAIRMAN CROSBY: Do we have
24 a motion?

1 COMMISSIONER CAMERON: We
2 do.

3 CHAIRMAN CROSBY: All right.

4 COMMISSIONER O'BRIEN: I
5 move the Commission approve limited small
6 business impact statement 205 CMR 143.02,
7 "Progressive Gaming Devices."

8 CHAIRMAN CROSBY: Second?

9 COMMISSIONER ZUNIGA:
10 Second.

11 CHAIRMAN CROSBY:
12 Discussion?

13 All in favor?

14 Opposed?

15

16 (Vote taken.)

17

18 CHAIRMAN CROSBY: The ayes
19 have it unanimously.

20 COMMISSIONER O'BRIEN: I
21 further move the Commission approve the
22 version 205 CMR 143.02, "Progressive
23 Gaming Devices," including packet, taking
24 all steps necessary to finalize the

1 regulation promulgation process.

2 COMMISSIONER CAMERON:

3 Second.

4 CHAIRMAN CROSBY:

5 Discussion?

6 All in favor?

7 Opposed?

8

9 (Vote taken.)

10

11 CHAIRMAN CROSBY: The ayes
12 have it unanimously.

13 MS. BLUE: 5G is the final
14 draft version of 205 CMR 146.23. This is
15 the "Fiscal Characteristics of the Chase
16 the Flush Table."

17 CHAIRMAN CROSBY: Second --
18 no. Do I have a motion?

19 COMMISSIONER ZUNIGA: I'll
20 move that the Commission approve the
21 amended small business impact statement
22 for 205 CMR 146.23, "Chase the Flush Table
23 Physical Characteristics" as included in
24 the packet.

1 CHAIRMAN CROSBY: Second?

2 COMMISSIONER STEBBINS:

3 Second.

4 CHAIRMAN CROSBY:

5 Discussion?

6 All in favor?

7 Opposed?

8

9 (Vote taken.)

10

11 CHAIRMAN CROSBY: The ayes

12 have it unanimously.

13 COMMISSIONER ZUNIGA: I

14 further move that the Commission approve

15 the version of 205 CMR 146.23, "Chase the

16 Flush Table Physical Characteristics" as

17 included in the packet, and authorize

18 staff to take all steps necessary to

19 finalize the regulation promulgation

20 process.

21 COMMISSIONER STEBBINS: I

22 further second.

23 CHAIRMAN CROSBY:

24 Discussion?

1 All in favor?

2 Opposed?

3

4 (Vote taken.)

5

6 CHAIRMAN CROSBY: The ayes
7 have it unanimously.

8 MS. BLUE: 5H is final draft
9 version of 205 CMR 146.63. This is
10 "Progressive Wager Equipment."

11 CHAIRMAN CROSBY: Motion?

12 COMMISSIONER STEBBINS:
13 Mr. Chair, I move the Commission approve
14 the amended small business impacts
15 statement for 205 CMR 146.63, "Progressive
16 Wager Equipment," included in the
17 packet.

18 COMMISSIONER CAMERON:

19 Second.

20 CHAIRMAN CROSBY:

21 Discussion?

22 All in favor?

23 Opposed?

24

1 (Vote taken.)

2

3 CHAIRMAN CROSBY: The ayes
4 have it unanimously.

5 COMMISSIONER STEBBINS: I
6 further move that the Commission approve
7 the version of 205 CMR 146.63,
8 "Progressive Wager Equipment," as included
9 in the packet and authorize the staff to
10 take all steps necessary to finalize the
11 regulation promulgation process.

12 COMMISSIONER O'BRIEN:
13 Second.

14 CHAIRMAN CROSBY:
15 Discussion?

16 All in favor?

17 Opposed?

18

19 (Vote taken.)

20

21 CHAIRMAN CROSBY: The ayes
22 have it unanimously.

23 MS. BLUE: Section 5I is
24 final draft version of 205 CMR 146.59.

1 This is the "Physical Characteristics" for
2 the "Criss Cross Poker Tables."

3 COMMISSIONER CAMERON: So
4 Mr. Chairman, I move that the Commission
5 approve the amended small business impact
6 statement for 205 CMR 146.59, Criss Cross
7 Poker Tables, Physical Characteristics,"
8 included in the packet.

9 CHAIRMAN CROSBY: Second?

10 COMMISSIONER ZUNIGA:
11 Second.

12 CHAIRMAN CROSBY:
13 Discussion?

14 All in favor?

15 Opposed?

16

17 (Vote taken.)

18

19 CHAIRMAN CROSBY: The ayes
20 have it unanimously.

21 COMMISSIONER O'BRIEN: I
22 further move that the Commission approve
23 the version of 205 CMR 146.59, "Criss
24 Cross Poker Tables, Physical

1 Characteristics," as included in the
2 packet and authorize staff to take all
3 steps necessary to finalize the regulation
4 and promulgation process.

5 CHAIRMAN CROSBY: Second?

6 COMMISSIONER ZUNIGA:

7 Second.

8 CHAIRMAN CROSBY:

9 Discussion?

10 All in favor?

11 Opposed?

12

13 (Vote taken.)

14

15 CHAIRMAN CROSBY: The ayes
16 have it unanimously.

17 MS. BLUE: 5G is the final
18 draft version of 205 CMR 146.58. This is
19 the "Physical Characteristics" of the
20 "Crazy 4 Poker Table."

21 COMMISSIONER O'BRIEN:

22 Mr. Chair, I move the Commission approve
23 the amended small business impact
24 statement for 205 CMR 146.58, "Crazy 4

1 Poker Table, Physical Characteristics,"
2 included in the packet?

3 COMMISSIONER CAMERON:
4 Second.

5 CHAIRMAN CROSBY:
6 Discussion?

7 All in favor?

8 Opposed?

9

10 (Vote taken.)

11

12 CHAIRMAN CROSBY: The ayes
13 have it unanimously.

14 COMMISSIONER O'BRIEN: I
15 further move the Commission approve the
16 version of 205 CMR 146.58, "Crazy 4 Poker
17 Table, Physical Characteristics," as
18 included in the packet and authorize staff
19 to take all necessary steps to finalize
20 the regulation promulgation process.

21 COMMISSIONER CAMERON:
22 Second.

23 CHAIRMAN CROSBY:
24 Discussion?

1 All in favor?

2 Opposed?

3

4 (Vote taken.)

5

6 CHAIRMAN CROSBY: The ayes
7 have it unanimously.

8 MS. BLUE: 5K is an
9 amendment to 205 CMR 135.01 and 205 CMR
10 139.04. This is the first time it's
11 before the Commission. And I know
12 Commissioner Stebbins may want to weigh in
13 on this too. We have talked about this
14 before, about addressing the definition of
15 "Veteran." That definition shows up in
16 135. That's about the only place in our
17 regs it shows up. If you remember, back
18 when we started the process, we did
19 Veteran certifications, and then at some
20 point OSD started to do Veteran
21 certifications.

22 The change in this definition
23 mostly syncs it up with what OSD does, but
24 it takes care to make sure that we're not

1 impacting any contracts that are currently
2 held by Veteran Certified Enterprises that
3 have been certified under the prior
4 condition. So it's going to -- this
5 change will not impact existing contracts.
6 But as we move into operations, it will
7 provide for people being certified by OSD.
8 And I think it stops us or our
9 certification too, does it not?

10 COMMISSIONER STEBBINS: It
11 kind of takes us out of the certification
12 business for folks that we're helping with
13 construction.

14 What we've encouraged folks to do
15 is to get their VBE certification from the
16 OSD. Our meetings with OSD show it does
17 not take a great deal of time to get them
18 through that process. And we actually
19 allocated some funds to OSD to help them
20 with that.

21 But it -- again, we stepped in
22 when there was a need to be filled. And
23 now I think we're kind of stepping out of
24 it and giving agencies that do this as

1 their course of business the ability to do
2 the actual review.

3 I personally -- one of the things
4 I was always worried about is -- because
5 the nature of our review only asks for
6 some background information, some of their
7 discharge information, that we hate to
8 ever have a situation where somebody says,
9 Hey, I'm a VBE and they're not a VBE.
10 This kind of takes us again away from what
11 our stop gap solution was and provide some
12 more permanent solution. And again also
13 helps our licensees get credit for doing
14 business with VBE's and maybe through
15 their interaction with SDO also opens them
16 up and makes them more aware of other
17 bidding opportunities that they could have
18 with the state.

19 COMMISSIONER ZUNIGA: So
20 what happens when somebody just leaves a
21 contract open ended and decides to
22 continue just for the casino purposes?

23 How do we know that eventually --
24 everybody's going to go OSD as intended

1 here?

2 MS. BLUE: I think we think
3 most of current contracts are for
4 construction purposes. And we'll be
5 moving out of construction. So let's
6 assume there was a company that could
7 provide both construction and post
8 construction services.

9 They would most likely have to
10 enter into a new contract. And at that
11 point they would be covered but these new
12 rules for post construction.

13 One of the things we were
14 concerned about when we drafted it was
15 that we did not want to impact current
16 contracts and current construction
17 projects that we're trying to calculate
18 how many VBEs they had on-site.

19 So this really will impact the
20 operations portion. Once construction's
21 done, it shouldn't be an issue.

22 CHAIRMAN CROSBY: Is it
23 clear that the criteria are, essentially,
24 identical? So we won't have approved

1 somebody as a VBE who can't -- VBE who
2 can't get approved by OSD?

3 COMMISSIONER STEBBINS: No,
4 no.

5 CHAIRMAN CROSBY: Our
6 criteria are pretty much the same.

7 COMMISSIONER STEBBINS: Yes.
8 The criteria was pretty much the same.
9 Yeah. The two biggest pieces demonstrate
10 that you have discharge papers that show
11 you're a veteran. And we added a page to
12 our licensing documents that allowed an
13 individual to do that.

14 I think where SDO offers some
15 value is that there's a big piece of
16 minority women are Veteran Business
17 Enterprise, designation comes through,
18 does the person actually manage and run
19 the company? And I think they were able
20 to do a much deeper dive on that than we
21 were in a position to do.

22 So I think, you know, this kind of
23 helps us, again, moving away from
24 something that we've found a quick

1 solution to and putting it so that
2 everybody is on firm and solid ground for
3 licensees to say they do business with
4 this number of VBE's as well for the VBE
5 to continue pursue some opportunities.

6 COMMISSIONER ZUNIGA: But it
7 is likely to my point that with OSD rules,
8 the businesses now have to provide more
9 evidence of actual ownership and control,
10 not just papers of some individuals who is
11 associated with the business.

12 CHAIRMAN CROSBY: So there
13 is some -- there is some possibility
14 that -- but it's too bad, because the
15 OSD's doing a better job than we would
16 have done.

17 COMMISSIONER ZUNIGA: In a
18 nutshell, yes.

19 CHAIRMAN CROSBY: Okay.

20 So do we need to move --

21 MS. BLUE: Yes. We'll start
22 this -- we'll start the promulgation
23 process. We'll take comments, have a
24 public hearing down the road and bring it

1 back to you for final approval.

2 CHAIRMAN CROSBY: Okay.

3 Commissioner?

4 COMMISSIONER STEBBINS: Just
5 want to make sure I'm on the right spot.

6 I move the Commission approve the
7 small business impact statement for the
8 amendments to 205 CMR 135.01,
9 "Definitions," and 205 CMR 139.04,
10 "Reports and Information to Be Filed with
11 the Commission," as included in the
12 packet."

13 COMMISSIONER CAMERON:
14 Second.

15 CHAIRMAN CROSBY:
16 Discussion?

17 All in favor?

18 Opposed?

19

20 (Vote taken.)

21

22 CHAIRMAN CROSBY: The ayes
23 have it unanimously.

24 COMMISSIONER STEBBINS: I

1 further move that the Commission approve
2 the version of the amendments to 205 CMR
3 135.01, "Definitions," and 205 CMR 139.04,
4 "Reports and Information to be Filed with
5 the Commission," as included in the packet
6 and authorize the staff to take all
7 necessary -- steps necessary to begin the
8 regulation promulgation process.

9 COMMISSIONER O'BRIEN:

10 Second.

11 CHAIRMAN CROSBY:

12 Discussion?

13 All in favor?

14 Opposed?

15

16 (Vote taken.)

17

18 CHAIRMAN CROSBY: The ayes
19 have it unanimously.

20 MS. BLUE: 5L. These are
21 amendments to the reports and
22 reconciliation, gross gaming revenue.

23 And I think -- as you've seen us
24 come back to you before with changes on

1 some of these reporting requirements, we
2 are conforming the reg to what we've
3 determined is really the best practice.

4 So the reg as it was originally
5 drafted, talked about the gaming licensee
6 sending us money, and it wasn't as clear
7 on the true-up. What you see now is what
8 we actually do.

9 We send them an invoice. We
10 detail how we true it up. So we think it
11 makes more sense. We're enshrining what
12 we think is the best practice for now. So
13 that required a certain change in
14 clarification to our regs. This is
15 beginning the process. So we will take it
16 through; we'll get comments; we'll go
17 through the public hearing process and
18 then bring it back for final approval.

19 COMMISSIONER O'BRIEN: Is
20 there a "be" missing from that sentence
21 redlined, be refunded?

22 MS. BLUE: That might be,
23 yes. We'll clean it up before it goes
24 out.

1 COMMISSIONER O'BRIEN: Okay.

2 CHAIRMAN CROSBY: So do we
3 have a motion?

4 COMMISSIONER CAMERON: Makes
5 sense to me.

6 Mr. Chair, I move that the
7 commissioner approve the small business
8 impact statement for amendments 205 CMR is
9 140.04, "Reports and Reconciliation
10 Regarding the Gross Gaming Revenue Tax"
11 and -- as included in the packet.

12 COMMISSIONER ZUNIGA:
13 Second.

14 CHAIRMAN CROSBY:
15 Discussion?

16 COMMISSIONER O'BRIEN:
17 Should we be writing this in the active
18 voice instead of the passive? We're
19 striking out active voice --

20 MS. BLUE: You mean the reg?

21 COMMISSIONER O'BRIEN: Yeah.
22 For the reg language, can we clean that
23 up?

24 MS. BLUE: Yes, we can clean

1 that up.

2 CHAIRMAN CROSBY: That was a
3 good one.

4 Any other discussion?

5 All in favor?

6 Opposed?

7

8 (Vote taken.)

9

10 CHAIRMAN CROSBY: The ayes
11 have it unanimously.

12 COMMISSIONER CAMERON:

13 I further move the Commission
14 approve the version of amendments to 205
15 CMR 140.04, "Reports and Reconciliation
16 Regarding Gross Gaming Revenue Tax," as
17 included in the packet, and authorized
18 staff to take all steps necessary to begin
19 the regulation promulgation process.

20 COMMISSIONER ZUNIGA:

21 Second.

22 CHAIRMAN CROSBY:

23 Discussion?

24 All in favor?

1 Opposed?

2

3 (Vote taken.)

4

5 CHAIRMAN CROSBY: The ayes
6 have it unanimously.

7

8 MS. BLUE: Thank you.
9 That's all of the regulations for today.

9

10 CHAIRMAN CROSBY: Thank you.
11 The last item on our agenda is
12 commissioner updates.

12

Anything?

13

14 COMMISSIONER CAMERON: I
15 have one. I just returned from panel --
16 sitting on a panel in Niagara Falls,
17 gaming conference with our colleagues from
18 Canada.

18

19 And as we usually do, we did
20 receive accolades for our responsible
21 gaming, in particular our PlayMyWay
22 GameSense as well as our research from a
23 number of Canadian regulators.

23

24 And in addition to that, our
25 colleagues were most interested in sports

1 betting, because they really feel like it
2 will affect what they do there.

3 They do not have the ability to
4 have In-Game Betting, so they were very --
5 very interested in what we do -- will do
6 state by state.

7 And -- as well as while we were in
8 conference, their senate passed cannabis
9 on a recreational basis for the entire
10 country. And they gave it to the gaming
11 regulators to regulate.

12 So there was much discussion about
13 that, that they have a new industry to
14 regulate.

15 And our colleagues -- rather, our
16 former consultants from Spectrum Gaming,
17 as well as HLT, send their regards to all
18 the Commissioners.

19 And of course, you know, talked
20 fondly about their assistance to us in the
21 past. So just wanted to pass that along.

22 CHAIRMAN CROSBY: Great.

23 Thank you.

24 So is -- don't the different

1 provinces of Canada have different admin-
2 -- jurisdictional structures?

3 COMMISSIONER CAMERON: They
4 each have -- they do -- they regulate
5 gaming by province. But the federal
6 government has now given them cannabis to
7 regulate by province as well.

8 CHAIRMAN CROSBY:
9 Interesting.

10 Anybody else?

11 COMMISSIONER STEBBINS: I
12 had the occasion on Monday to talk to the
13 governor's advisory commission on travel
14 and tourism, which the group consists of
15 pretty much all the regional tourism
16 counsels from around the Commonwealth.

17 So it was a great way to update
18 them on where we are with our licensees,
19 what their impact is going to be, as well
20 as the direction of some of the monies
21 that come from the taxes on our Class 1
22 licensees. Some of that going towards
23 tourism. Some of that going towards
24 gaming economic development fund.

1 There was a lot of general
2 interest and not from the host regional
3 tourism councils, but from others to say,
4 Hey, how can we get -- how can we find an
5 opportunity to work with the licensees to
6 get somebody to come explore fly fishing
7 up in Franklin County or make sure they're
8 aware of the 400th anniversary of
9 Plymouth; and, you know, making sure that
10 visitors to all the facilities have a
11 chance to get out and explore the state
12 and maybe extend their visits.

13 So Director Griffin and I talked
14 about, it might be worthwhile for the
15 appropriate folks that are licensees to
16 have a chance to be in front of this group
17 and think a little bit more statewide
18 about how some of their guests and
19 visitors might want to take in some other
20 activities that are of interest to them.

21 Some of the RTC's also wear a dual
22 hat as a chamber of commerce. So we also
23 talked about the purchasing and supplying
24 power that isn't geographically restricted

1 because MGM wants to buy seafood. The
2 best place is probably not the Connecticut
3 River but Gloucester and New Bedford or up
4 and down the coast. So it was a good
5 conversation and some good kind of
6 follow-up to do items as a result.

7 CHAIRMAN CROSBY: Great.
8 Anybody else?

9 Do I have a motion to adjourn?

10 COMMISSIONER CAMERON: So
11 moved.

12 COMMISSIONER ZUNIGA:
13 Second.

14 CHAIRMAN CROSBY: All in
15 favor?

16 Opposed?

17
18 (Vote taken.)

19
20 CHAIRMAN CROSBY: The ayes
21 have it unanimously.

22 Thank you all.

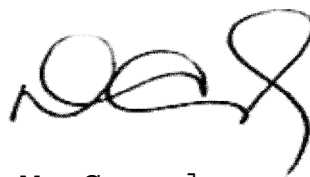
23

24 (Concluded at 2:18 p.m.)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

C E R T I F I C A T E

I, Darlene M. Coppola,
Registered Merit Reporter, Certified
Realtime Reporter, do hereby certify that
the foregoing transcript is a true and
accurate transcription of my stenographic
notes taken on June 21, 2018.



Darlene M. Coppola
Registered Merit Reporter
Certified Realtime Reporter

- - - -