

MASSACHUSETTS GAMING COMMISSION  
MEETING  
SEPTEMBER 26, 2019  
10:00 A.M.

CONFIDENTIAL  
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P R O C E E D I N G S

>> CHAIR JUDD-STEIN: Good morning. We are calling to order meeting number 278 of the Massachusetts Gaming Commission on Thursday, September 26th, 2019, at 10:00 a.m. here at the MassMutual Center in Springfield. We'll begin with item 2, Commissioner Stebbins, please, on the approval of the minutes.

>> COMMISSIONER STEBBINS: Sure. Good morning, Madam Chair. I'd move the approval of the minutes from the September 12th, 2019, meeting as included in your packet subject to correction for any typographical errors or any other nonmaterial matters.

>> CHAIR JUDD-STEIN: Do we have any edits or corrections?

>> COMMISSIONER O'BRIEN: I just had two.

>> COMMISSIONER ZUNIGA: I do.

>> COMMISSIONER O'BRIEN: One was in connection with the Region C discussion. There was -- sure. There was a discussion in particular where I had summarized some of the other bases for the Commission's decision back in 2016, the vote, the proximity to school, that sort of things, which is not in the summary, which should probably go in at the top of page 4. And then moving on to the IEB's presentation about the switching jackpots. At the conclusion I had specifically asked about coordinating with the lottery and their approach to 10 percenters. Both of those I would just like added into the minutes.

>> COMMISSIONER STEBBINS: Okay.

>> COMMISSIONER ZUNIGA: I have a couple of other comments myself. Page 5 where it says the motion passed 4-1. It was actually 3-1. (Inaudible) and on page 11, I think the summary of the Plainridge Park Casino license renewal process, I think, captures that it was a summary, but my fellow Commissioners do not object, I would point out three things that were highlighted that I am also going to highlight today, and that was that we studied other jurisdictions, that we have come with a presumption of relicensing that we're not doing any kind of de novo solicitation but that it's also finally an opportunity to review all the commitments that they have made as part of this

relicensing.

>> CHAIR JUDD-STEIN: Any other edits or suggested changes? They're very comprehensive, so thank you to Shara and our legal department. Do we have a second with those amendments?

>> COMMISSIONER ZUNIGA: I second that.

>> CHAIR JUDD-STEIN: Thank you. All those in favor?

[ Vote taken ]

Opposed?

>> COMMISSIONER CAMERON: Abstain. I was not present.

>> CHAIR JUDD-STEIN: May the record reflect that Commissioner Cameron was not present, so it would be 4-0 with 1 abstention. Thank you.

Moving on to our item number 3. Our administrative update. Ed?

>> MR. BEDROSIAN: Good morning.

>> COMMISSIONER CAMERON: Good morning.

>> MR. BEDROSIAN: Commissioners. So on item A, I actually don't have that much. Last week -- last meeting, I'm sorry, two weeks ago, I told you about some open positions. We are working to fill those and do background checks, so hiring is going along at the appropriate tempo. I do on item B have some rather large shoes to fill. Mr. Carters couldn't make it out here today, so I will be substituting for him. On an amendment to MGM's gaming beverage license, here with me to answer any questions you might have after I give a brief rundown, Seth Stratton, Vice President and legal counsel, and Anthony Caratozzollo, Vice President of Hospitality. So -- and Chair, I think you and I saw the proposed area last week when we were out here in Springfield. Commissioners, you may know that MGM has decided to use the former Starbucks space as a VIP lounge. And as part of that, they are asking today to have permission to serve alcohol beverages to their VIP customers. As I understand it, they're not going to have a separate bar in that location. It will actually be bar service from a service bar that goes into that location, but it's closed off, and there will be separate beverage service there. So that's the reason for the amendment to the gaming beverage license, identifying the VIP lounge as a separate service area, which seems appropriate to me. Because if -- if there were issues there, we then could take action on that portion of the license. And, again, I'm not anticipating that, but I think that is part of the rationale. So I don't know, Seth or Anthony, if there's anything you want to add to that.

>> MR. STRATTON: I think you fairly summarized it, Ed, but Anthony and I are happy to answer any questions.

>> COMMISSIONER ZUNIGA: I just have one out of curiosity. Is it -- would the area be restricted to only a certain number of people? Do you have to present some kind of card or status rewards card to be able to get in that area?

>> MR. CARATOZZOLLO: Right. The door will be locked at all times 24 hours a day. It's restricted access only to our high-end guests who will be issued a separate RFID card into the space. So it's highly restricted.

>> COMMISSIONER ZUNIGA: And are minors allowed in that area if somebody comes with their family?

>> MR. CARATOZZOLLO: (Inaudible).

>> COMMISSIONER ZUNIGA: Okay. Thank you.

>> CHAIR JUDD-STEIN: And so the drinks will be brought in by your cocktail staff?

>> MR. CARATOZZOLLO: Correct. We'll have three VIP attendants that will be servicing the food and also servicing the alcohol service. During the week when there's -- when it's not attended, a cocktail server from the lobby bar will be serving the beverages.

>> CHAIR JUDD-STEIN: And the hours will be restricted to -- there won't be service between 2:00 and 4:00, correct?

>> MR. CARATOZZOLLO: That is correct.

>> MR. STRATTON: And there's VIP attendants who will be serving -- the alcohol will be licensed at the appropriate level and sufficiently trained. We haven't hired those folks or assigned them yet, correct.

>> MR. CARATOZZOLLO: Correct.

>> MR. STRATTON: If they are not already trained and licensed at the appropriate level, then we would ensure that they are from a tips and a gaming license standpoint.

>> MR. BEDROSIAN: So this is something we would need a vote on.

>> CHAIR JUDD-STEIN: And this is a need that's been requested by your patrons, correct, Anthony?

>> MR. CARATOZZOLLO: That is correct. We did some surveys right in the beginning, and this came up quite a bit because our competitors in Connecticut offer these services.

>> CHAIR JUDD-STEIN: These services? Any further questions? You do need a vote on this.

>> MR. BEDROSIAN: I do, please.

>> CHAIR JUDD-STEIN: Any further questions for Anthony or Seth? Great. Do I have a motion?

>> COMMISSIONER STEBBINS: Madam Chair, I'd move the Commission approve the amendment to the gaming beverage license issue to Blue Tarp RE Development LLC, DBA MGM Springfield as described in the memorandum from Bill Curtis, our Licensing Manager, dated September 30 -- sorry, September 23rd, 2019, in the amended gaming beverage license application both included in the September 26, 2019, Commission packet.

>> COMMISSIONER ZUNIGA: I second that.

>> CHAIR JUDD-STEIN: Any further discussion? All those in favor?

[ Vote taken ]

Opposed? 5-0. Thank you.

>> MR. BEDROSIAN: Thank you, Commissioners. That's all I have. I will now be taking a slightly back seat so Mr. Ziemba can take over.

>> CHAIR JUDD-STEIN: Great. Thank you, Executive Director. Item number 4, Ombudsman Ziemba. And we're looking forward to the MGM's quarterly report.

>> MR. ZIEMBA: Thank you, Madam Chair and Commissioners. I'm joined here by Joe Delaney, Construction Project Oversight Manager. We have a number of items on today's agenda. First MGM Springfield is here to present its quarterly report for the second quarter of this year, ending on June 30th. MGM Springfield will also provide the Commission with a review of the one-year anniversary of its opening. Following MGM Springfield's presentation, we'll hear a brief status update of Springfield's economic activities and successes from Tim Sheehan, Springfield's Chief Development Officer, and then later on today we will begin the Commission's preparations for next

year's Community Mitigation Fund.

Now I turn back to MGM Springfield's quarterly report. In addition to a discussion of MGM Springfield's second quarter activities and upcoming plans, we have asked MGM Springfield to give the Commission as much detail as it can regarding the status of its residential requirement. As you're aware, the Commission has regularly reviewed the status of this commitment to provide 54 units of market-rate housing within one half mile of the casino at its Commission meetings. Earlier this year the Commission authorized an extension to comply with this residential requirement, provided that MGM Springfield shall continue to inform the Commission of any material event that would significantly alter the potential of MGM Springfield proceeding with the City's plan to rehabilitate 31 Elm Street in Springfield with the assistance provided by MGM Springfield. Further, the Commission required that staff shall remain in contact with MGM Springfield and the City of Springfield to monitor the project, its documentation, its schedule and report back to the Commission at an appropriate time.

I can report that staff has continued to monitor the progress of this project and that MGM has not reported any material event that would significantly impact its commitment to moving forward. With that, let me turn it over to Mike Mathis, CEO And President of MGM Springfield to introduce his team and to begin the presentation. Thank you.

>> MR. MATHIS: Good morning. Very excited to report our Q2 which also involves some updates around our anniversary, which is obviously a Q3 event, but difficult to be here today and not talk about some of the exciting things that happened on our one-year mark. I'll introduce the team as each of them comes up to present their individual parts.

First I'm going to start with a video that we showed at our one-year anniversary out on the plaza. It gives you a sense of some of the things that -- some of the images and events that happened throughout the first year. And hopefully -- I think this has audio, right?

[ Music playing ]

>> MR. MATHIS: I was on the ground when it was just the back of an envelope and a pencil scratch. So pretty amazing to see it come to life like this. You know, we had the audacity to think that we could take 14 1/2 acres that was part of a blighted three blocks damaged by the tornado, a bunch of dilapidated buildings. We had a vision that this could be a resort.

>> This is a city that leads the way in economic revitalization, creating a model for others to follow. And we want to be a part of that. And as we have been a part of this history and the milestones that we have admired, we wanted to create a few new traditions for Springfield.

[ Music playing ]

>> I just wanted to offer a few words of congratulations to the MGM team and Team Springfield. I cannot believe a whole year has gone by, four seasons of great offerings not only to the people of Springfield and this Commonwealth but to so many that have come to really appreciate and see all the great opportunities at MGM Springfield.

>> How you doing, everybody? Ken Casey here, Murphys Boxing and Dropkick

Murphys. I want to wish you a happy one-year anniversary. We'll be back September 20th, Dropkick Murphys playing downtown. We love you guys. See you soon. Happy anniversary.

>> Hey, MGM Springfield. Aaron Lewis here. Congratulations on a first successful year and happy birthday.

>> Happy anniversary, MGM Springfield. I played you.

>> This is Shawn.

>> We're Boyz II Men. Happy anniversary, MGM.

>> We'll see all of you September 22nd.

>> What's up? It's Locash.

>> And we are live at MGM Live. MGM Springfield, it's their one-year anniversary. Congratulations. We've had a blast here all day.

>> We started drinking early because it's says your one-year anniversary. Come on.

>> This is amazing. Thank you, MGM Springfield, for such a great year. We're glad to be a part of it. And happy birthday.

>> Hey, cheers. Come on.

>> Cheers.

>> To you.

[ Music playing ]

>> MR. MATHIS: As you can see, we had a lot of fun with that. But we had a number of entertainers come through. And as part of our wonderful campaign to celebrate our first year. So kudos to the team for all that activation. Okay, great. So just a few highlights. Obviously entertainment is a large part of our commitment to the City. And this is just a sample of both headliners as well as our Roar comedy show, our way to activate the Armory building and then boxing. We've partnered with Ken Casey and Murphy Boxing. He's been a great partner and is really part of bridging that gap between western Mass and Eastern Mass, bringing a partner like that out from Boston. And we're going to continue to do more boxing, some of which highlights local talent, by the way. We've got a great couple of boxers that are local talents undefeated that have joined the Murphy Boxing Promotional Group.

>> COMMISSIONER ZUNIGA: Mike, where do you normally take the boxing takes place?

>> MR. MATHIS: Yeah. I think at this point we've done it in two different locations. One up in our ballroom, which seats about 1,000 or so folks. And then then the second time we took it down to our plaza and did outdoor boxing, which for anybody that remembers the Atlantic City days or Vegas days, they used to do this in the Caesar' outdoor plaza. It's really a special experience having outdoor boxing. Very exciting. We're going to renew with him and do it again in 2020.

>> COMMISSIONER ZUNIGA: Great.

>> MR. MATHIS: Again, this is the images are from our outdoor plaza. Really an important part of our activation, bringing the community into our outdoor space and celebrating that beautiful backdrop that is the Armory. So we're actually in pre-planning to start installing the skating rink. So talk about the four seasons is quickly upon us. But looking forward to that outdoor program as well. And we just concluded our MGM

Live series which is a series of outdoor concerts. Again, we're going to renew that for next year as well. It was extremely popular.

The next image is just some of our other activations around the property. And frankly, some of the new things. We run a campaign called you set it, we did it. And as part of us telling our customers that we're hearing their feedback and that we're modifying our program to address their feedback. One of the things that our customers wanted, for example, was more breakfast options on the weekends, particularly. So we turned on our Cal Mare brunch which has been incredibly popular and something that we're going to continue to do. People wanted more bar space for video poker. We built a casino bar in the MassMutual corner. It's great space. We actually opened it for the first Aerosmith show. What it did for us is really take what felt like the back of the property and activated and turned it into yet another front door for us. So a lot of activation back there and it's really proven to be very popular.

We sold one of our \$26,000 Indian side car cocktails. You can either think of it as an expensive cocktail that comes with a motorcycle. I think our ultimate customer thought of it as a motorcycle that came with a cocktail. But that was in our Commonwealth, and one of our really great customers, we shipped it down to him, and he's an avid Indian motorcycle rider. So it was a lot of fun to be able to sold one of those. And then food truck Fridays has been incredibly popular. We just concluded the last one. It involves two or three trucks and we invite trucks from the community. A great way to celebrate. We're hoping it turns into ditch Fridays and people end up staying there and really enjoying the outdoor space on a lazy summer Friday.

You know, this next image is about some of our activation in Boston. Really, you know, part of being part of the MGM Resorts family is having the ability to take on a huge partner like the Boston Red Sox. We are now on the Green Monster, that iconic spot. It obviously provides us national exposure, not just exposure in Springfield. And what's really great about that activation is that not only are we able to bring customers out to our luxury suite that are from Massachusetts to celebrate, but also encourages cross-marketing. So any time we have a visitor team that is based in one of our sister properties, we're able to bring those great customers out here. They spend time in Springfield, and then we bring them to the game. So really importing play and bringing new customers from outside of the market is a big part of what we're trying to continue to do. And that's what that partnership allows.

The other piece of that partnership is we are reclaiming the Red Sox off-season Fan Fest, third week of January. It was with one of our competitors. They now have brought it to Springfield. 6800, 7,000 rabid Red Sox fans are going to descend on downtown Springfield, and we can't wait to welcome them. And it's more people than we can house in our own resort. So they're going to spill out into the downtown, into other venues, and very excited to host them and see the impact that they'll have on the city. And then to really have people see downtown Springfield that haven't been here ever or haven't been here in a while is really a great opportunity.

A couple other things that we've tried. The image on the top right is the stadium gaming is really the next evolution of gaming. It really has been incredibly successful. We're not the first to do it in the industry, but we're certainly one of the first in this region. And one of the aspects of it, and your gaming Commission staff have been great, because this is new technology. It makes sure that it met all the strict standards

of the regulations. But essentially what it is is it's dealer-assisted electronic gaming. You have live gaming up front. And you can think of it as a 24-seat Roulette table or a 24-seat blackjack table. The action is projected up on the screens. But individually you can make your bets on the individual kiosk. So what is very good for our people that are new to gaming and are a little intimidated by a live gaming environment, they don't know how to do the bets necessarily, the computer will give you the automatic bets for you, do the payouts. You're able to play multiple games. It's been really well received. And one of the things we're able to do because the labor obviously is more efficient is we're able to give lower table limits at different periods of the day. And that's something our customers have been asking for is lower table limits so that some of the entry-level players can have time on the device.

>> COMMISSIONER STEBBINS: Does the device -- what I like about the idea is that if I come with my wife or spouse or friends or whatever, and not everybody wants to play blackjack, they can sit next to me while I'm playing blackjack, and they play Roulette or back rat or anything else so you're not moving back and forth between tables. I mean, is that part of the strategy?

>> MR. MATHIS: Yeah. That's exactly right. You have the opportunity to play blackjack, baccarat and Roulette on a single kiosk. And to your point, you could be playing next to somebody, whether it's part of your group or a stranger, playing two different games all based on the live action that's up front. We plan to expand that product. It's been extremely popular.

And then, you know, our line run bus service has been growing, has been very successful, and is something that we'll continue to operate.

These are just a few images from our grand opening celebration. We had the Patriots Cheerleaders out, a giant cake, of course, Commissioner Zuniga was with us. It was a really great day. And one of the images I really like is to the bottom right, that gentleman's name between myself and Jim Murren, his name is Mike Davis. He's a table games floor supervisor. We were running a promotion the entire year for any of our employees that had perfect attendance were entered view a raffle to win a car. Mike was the lucky winner. We had 200 individuals that were eligible which is remarkable given the tough hours that a lot of these folks work. We wanted it to be a surprise for Mike. He had just worked a Friday night into Saturday morning, 4:00 a.m. shift. We told him that we needed him for volunteer service. And to his credit, you know, it would have been awkward if he would have told us to pound sand. But to his credit, he came out and was there to help, you know, support the event, and then we called him up to the stage and gave him a beautiful Hyundai car. So really great deserving member of the team. But so many of our folks are of that quality.

>> COMMISSIONER ZUNIGA: Can I tell one quick story about that program? As part of the program, Mike invited me to announce the name of the employee who was the winner. He was going to whisper his name in my ear, and I would announce it. I didn't know the name of the person. And when he said Mike Davis, for a minute I thought -- for a second I thought you meant Mike Mathis. I thought, that couldn't be right.

[ Laughter ]

>> MR. MATHIS: I have had perfect attendance. I was eligible.

>> COMMISSIONER ZUNIGA: I knew you would be perfect attendance.  
>> MR. MATHIS: Right.  
>> COMMISSIONER ZUNIGA: Going beyond.  
>> MR. MATHIS: No, that's great.  
>> CHAIR JUDD-STEIN: Did you give him a day off, too?  
>> MR. MATHIS: We did, actually. We sent him home.  
>> COMMISSIONER ZUNIGA: They also paid the taxes.  
>> MR. MATHIS: That's right.  
>> COMMISSIONER ZUNIGA: On the car. So that he does not have to pay those taxes. It was really a well-done thing.  
>> MR. MATHIS: And he's a downtown Springfield resident which made it all the better, so. . .

Just some more images from the anniversary and just a lot of fun engagement. A lot of the community came out to celebrate with us, which was really quite touching. This is some images from the Aerosmith concert. We had four shows in downtown Springfield, all sold out. So, you know, over 20,000 folks came down, downtown. Many of them hadn't been here for quite some time. I think Aerosmith hadn't played downtown for 30 years. I got the chance to meet the band, Steve Tyler, so gracious, so excited. We talked about all the things we're doing downtown. At 71 or 72 years old, incredibly vibrant, was running around the stage. If you look closely, you might see me in the pit. He was circling around us, buzzing around, and just a ton of energy, and it was exciting to have him here. And many of the fans that saw that show said it was as good as any show that they had ever seen of his -- of theirs. So very exciting.

With that, I'm going to cross over into any questions about any of the material I just presented?

>> COMMISSIONER CAMERON: No.

>> CHAIR JUDD-STEIN: On the show, was it sold out? How did you do on numbers? Did it drive a lot of business to you? How -- how would you rate the impact of Aerosmith?

>> MR. MATHIS: Sure. I'm glad you paused me because I did want to give one special statistic from the weekend. But the show was incredibly successful. You know, what we look at with entertainment is a number of metrics. Certainly gaming revenue. But we look at overall lift to the resort. We look at our hotel occupancy. We look at our food and beverage revenue. We also look at our unrated play which is, you know, the play that comes in from the, you know, the infrequent gaming customer that's there just to enjoy something that's not in gaming. And by all measures, those statistics were through the roof. And, again, I'm glad you paused me, chairwoman, because one of the special -- one of the special results from that weekend is Saturday night, August 24th, 2019, in the MassMutual Center was a record night at the MassMutual Center. They did for the first time over a million dollars of ticketed revenue. I think the average ticket was \$191. So set a record. We looked back at the history of that venue. And of the top five arena events in the history of MassMutual Center, four of them were Aerosmith, and one of them was the Cher show. So we literally broke every record in the book based on the entertainment we brought downtown. So very proud of it. We want to build on that. But it proved to be very successful, and we're in the early stages of figuring out in 2020 how to repeat a lot of



that success.

>> CHAIR JUDD-STEIN: Thank you.

>> COMMISSIONER ZUNIGA: Great.

>> MR. MATHIS: Thank you. On the gaming revenue side, this is a snapshot of the quarter. As you can see, we're hovering right around the \$20 million mark, low \$20 million mark on monthly gaming revenue. And, of course, the gaming taxes that produces. We certainly believe there's upside to those numbers, and we're excited to continue to grow. We have thousands of new customers that join our database every day. We're now activating a lot of our sister property including Yonkers, for example. And some of that activation is starting to catch hold, and we're bringing those customers up to Massachusetts as well. As well as our other properties, I mentioned the Red Sox is just a small example of where we're able to bring customers from Detroit and from New York, the Patriots, for example, we just had a lot of our great New York customers come in for the Jets games. So we continue to cross-market.

We believe some of the changes that I just showed you on the floor are going to provide great lift, and it's already proven to provide great lift. And although it's more of a Q3 story, the numbers are public each month that we publish them. Is with a formidable competitor in the market, and that's Encore. And I went and visited their site and didn't want to like it but loved everything they did. You should be very proud to have yet another great licensee in the market. But notwithstanding that wonderful facility, we're still holding our own here in Springfield. Equal to or not greater month over month since they've been in the market. And I think despite the saturation sort of concerns, it does show that there is a unique customer for MGM, for Western Mass. There's a great customer out in Eastern Mass. And that facilities like MGM and facilities like Encore can really grow the market. So they're a formal competitor and we're looking to continue to grow our business notwithstanding having them in the market. And most importantly to me, we have many wonderful Boston customers. And as we suspected, some of them are going to spend some of their gaming spend in Boston. But they've come out to see us. Again, they've gone to see that facility, and they remain loyal to us. So we can share customers. We can grow new customers. And I'm very optimistic about the future of the gaming market in the Commonwealth and here in Springfield as well.

>> COMMISSIONER ZUNIGA: Great.

>> MR. MATHIS: This is a little snapshot of our lottery business. And obviously, it's showing some nice growth, April and May hovered around the \$100,000 mark. June saw a significant bump. I wish I could tell you I know why it jumped that much. One of the things we are doing is we're pushing more and more lottery tickets as part of our promotional gift giving to our customers. And I do think in addition to our own sales, that that's causing a little bit more activity on the kiosks themselves. So lottery continues to be a very popular product and it speaks to the quality of the lottery program, and we're leveraging it more and more in our own promotional activities. And we'll do more of it.

This is a view of a few highlights of our jackpots. We had some great jackpot winners. And what's great about a lot of these customers is it spans locals as well as folks from out of town, and it spans, you know, some of our top customers, we call our no R customers as well as our entry-level customers. It's a really robust jackpot

program, and we continue to improve upon that and make sure that we're telling the story that there's a lot of great winners that are coming to the property.

And with that I'm going to hand it over to our newest team member, Daniel Miller. He was in charge of our risk management program. He is now our Director of Compliance, and we're lucky to have him, and he's going to review our compliance numbers.

>> CHAIR JUDD-STEIN: If I could just interrupt on back on the lottery.

>> MR. MATHIS: Sure.

>> CHAIR JUDD-STEIN: That's a very important slide, Mike. We have a commitment by statute to make sure that lottery is not in any way cannibalized. And so to your credit, you've really shown great growth. And I'm imagining that when the -- you know, my former colleague, Mike Sweeney, makes his reports to the lottery Commission, that he's reporting that -- he's got a great partner in you, says as with the other -- our other licensees. So we're really pleased with that. If you figure out the magic, well, I'm sure you'll make sure to report it to us, but. . .

>> MR. MATHIS: Absolutely. I'll dig into the numbers. I was pleasantly surprised to see how much it jumped.

>> CHAIR JUDD-STEIN: You know, they've gone over a billion, and it's not lost on me that the revenues that are coming from the casinos have helped make that jump.

>> MR. MATHIS: Absolutely.

>> CHAIR JUDD-STEIN: And it goes to local aid, of course.

>> MR. MATHIS: Absolutely. And we've got a great relationship with Executive Director Sweeney. He's been a great partner from, I think, Lawrence. He talked about similarities of some of the challenges that Springfield has and very excited to continue to work with him and his team.

>> CHAIR JUDD-STEIN: Thank you.

>> MR. MATHIS: And with that I'll hand it off to Daniel.

>> MR. MILLER: Good morning, Madam Chair and Commissioners.

>> COMMISSIONER STEBBINS: Morning.

>> CHAIR JUDD-STEIN: Good morning.

>> MR. MILLER: Is it working? As you said, I'm Daniel Miller. I was the risk manager for MGM Springfield, now the Compliance Director. I have a career with MGM overall. As of Sunday, I'll have been with the company five years. I was in risk management back in Las Vegas.

>> CHAIR JUDD-STEIN: Congratulations.

>> MR. MILLER: I know this subject is sometimes relatively taboo, underage people on the floor. I think the numbers in the table do represent good things for us, that our company is very diligent and continuing on our project to prevent this from happening. So if we go from left to right, the minors intercepted on the gaming area itself as a whole, you can see those numbers increase as you go down, but, again, it's testament to the fact that we're finding them very quickly. We're getting them off the floor very quickly. And that ties into the idea that April, then May and June, school is out, college is out, so the actual visitation itself is up as well. So although the numbers themselves originally 158, 179 seem high, the percentage against the actual visitation is very, very low.

Moving over to minors intercepted gaming, that includes both tables and slots,

and predominantly it's slots, because of being able to sort of get between them before being intercepted potentially. But, again, those numbers, when you look at the actual percentages, 0.002. I think Mike in the last one said that we're aiming towards zero, and we're getting very, very close with those numbers. And then finally with the idea of the consumption of the alcohol. Same again. To have three decimal points after and then find a number means we're really tying this down and getting as close as we can to zero.

>> COMMISSIONER O'BRIEN: So can I ask you in terms of the stat for June?

>> MR. MILLER: Yes.

>> COMMISSIONER O'BRIEN: The gaming revenue was down in June but that stat goes up. Do you have an understanding as to whether it went up because people didn't understand it's 21 versus 18 or was it something else that was driving that number to go up in June?

>> MR. MILLER: I don't know if it's directly related to that particular question, whether it was 18 or 21. And I personally can't answer that question. But I think visitation as a whole, we had just under half a million people in June. So even though the gaming revenue itself went down, the number of people on property for other reasons, entertainment, food, et cetera.

>> COMMISSIONER O'BRIEN: Went up.

>> MR. MILLER: Was up, so still preventing them from getting on the floor itself.

>> MR. MATHIS: And I'll just add to that, I think sometimes the gaming revenue numbers can be a bit misleading because, for example, we've had a little bit of a hold issue over the summer. So just because the revenue may be off month over month doesn't mean that the volume's been off. So some of that's just been bad luck in terms of our hold against some of our bigger customers. But to Daniel's point, I think one of the things you'll see in the summer is, as it gets warmer, we start to get more families, outdoor activation, a lot of our concerts, et cetera, so some of that is, I think, just more family programming. You might recall -- and hopefully we get ahead of it -- but right around Christmastime, we had a spike because we were victims of all the family programming we did. And most of these stats are about people entering the floor, not necessarily gaming. So just intercepting them, so we're just more conscious that there's younger people on the floor. And one of the things I want to point out too is the improvement -- you know, we picked this image of our new kiosk. You can see it screams security. It screams 21 plus. And what we're trying to do is create more of a virtual checkpoint. Your team has been incredibly patient and understanding that we've got this great design and that what comes with it is making sure that we're able to tell customers that, you know, there is a hard border here, and I think that type of enhanced kiosk that we've done at the three corners of our property goes a long way to do that.

So we'll continue to stay on top of these numbers. But I'm looking at some of our guest comments. And from the underage folks, as I mentioned, if you're a baby-faced 40-year-old, you are going to get, you know, harassed on our floor. And they're understanding about it, but I can see from the comments that our team is super focused on it because I'm getting that feedback from our customers.

>> COMMISSIONER O'BRIEN: When did you activate the revised podium out of curiosity?

>> MR. MATHIS: I think it was in the last month, about last 30 days. It had been in

production over the last two months before that. We've also installed a Veridocs system. We're seeing more use of fake IDs. So it allows us to verify through the machine, anything that we request, whether the person's of age or if it's an out-of-state license that we're less familiar with, we're able to run that through the machine. So it's -- it remains a major focus of ours and my personal commitment and that of the team, we meet weekly to go over the reports. We just had ours, right, Daniel?

>> MR. MILLER: Correct, yes. So that we're all making sure that we're focused on it. And one of the things we're most proud of is, you know, since our last table game incident which we have zero tolerance for because there you have an employee that should be interceding. We've run three-plus months without any table game incidents. The incidents you see -- or you'll see at least in the third quarter are going to be slot machine incidents. And for us it's all about the amount of time that we get to that customer. Because someone can sneak on the floor and get on a machine. It's our obligation to make sure we get to them as quickly as we can. And those stats are really remarkable, how quickly we're getting to these folks.

>> COMMISSIONER CAMERON: To be served alcohol, someone missed an ID check, right? Someone should have ID'ed that individual or did someone of age buy the alcohol for the minor? It's hard to tell?

>> MR. MATHIS: Yeah. As you can see, they're really de minimis numbers. A single incident is one too many. It's a combination of potentially someone missed an ID. Someone on a shift change, sometimes we see, may have thought the person was overage and then subsequently the next shift served them because they already had a drink, you know, it was one of those. Occasionally you get a stamp for someone -- you know, our officers, we've had a couple incidents where an officer read an ID and just, you know, saw the fact that it was a 2000 -- or 1998, right, which gives you the 21, and just missed the date that they had just were under their birthday. So, you know, with as many customers as we put through, there is a little bit of, you know, human error involved, and we try to balance that with given how much of a priority this is. I'd submit that the one, two and three incidents are fairly de minimis considering the volume of people we're putting through but still serious.

>> CHAIR JUDD-STEIN: I think you were touching on this and I know it's unfair because this is not covering this time period, but I suspect you're pretty informed on these stats. When we do get our -- the next quarterly report, are you trending in the right direction still, or is it continuing to be a challenge? Will we see numbers going in the right direction or in a different direction?

>> MR. MATHIS: Do you remember where we're at, Daniel?

>> MR. MILLER: I don't know exact numbers for this quarter, but, yes, we are trending in the right direction. And the little point that you made as well, there's been a little bit of surge in some very good fake IDs to the degree, even fooled the state troopers before it ran through a Veridocs system. Just specific situations on their own. Those are ones on their own that happened. And so now having the Veridocs system that will hopefully tie that down as well.

>> COMMISSIONER CAMERON: So it's an improved ID verification system?

>> MR. MILLER: Yes, than it was before. Previously it was the human -- just looking at it just making sure that it looked good and that the dates were correct. Now we will, you know, run it to see, does the system prove it is correct and an official

document.

>> CHAIR JUDD-STEIN: I ask only because the summer months are probably a bigger challenge for this than the school year. So thank you.

>> MR. MATHIS: Yeah. And I think when you look at this, it's always a combination of intercepts may be up, but where the incidents of actual gaming -- so I think you always have to be -- you know, it's one of those **stats** where the more enforcement there is, it may look like there's more of a problem, but it really is a result of just more enforcement. And then to your point, the summer months are going to continue to create more visitation from that underage customer. But we'll stay transparent with your team and continue to update you.

>> CHAIR JUDD-STEIN: Thank you.

>> MR. MILLER: Thank you.

>> MR. MATHIS: Thank you. Thanks, Daniel. You'll notice one of the great things about Daniel in addition to his competence and expertise is his English accent has a very calming effect on your staff and something we continue to leverage in our discussions with him.

>> MR. MILLER: Thanks, Mike.

>> CHAIR JUDD-STEIN: Good strategic hire there, Mike.

>> MR. MATHIS: That's right. So we're going to move on to our spend update with Ryan Geary, our Director of Finance Operations. Ryan's been with us throughout the entire project, helped us with our early procurement plan, and it's great that he's been elevated to Head of Finance and continues to monitor our spend efforts.

>> MR. GEARY: Thanks, Mike. Good morning, Madam Chair and Commissioners. Good to see you again. So today I'm going to go over an overview of our diversity spend as I normally do. As you are all aware, MGM's continued to commit to a robust supplier diversity program. We commit to prioritizing, you know, local and diverse spend for any goods and services that we need to procure. So this slide represents that performance over Q2.

A couple things to note before you look at the numbers, overall biddable spend for Q2 is slightly down. But that being said, one of the highlights we have is an uptick in owned spend. We still do have a lot of work to do in minority-owned businesses. We continue to support and sponsor the GNEMSDC. We actually just hosted their annual expo at the property this month, and working with Jill's team and with our local certification partners, we are continuing to really try and identify more minority-owned businesses. And although, you know, we have a lot of work to do, we are really proud of the work we've done thus far, especially in the veteran-owned category, we continue to exceed. We do want to continue to expand the number of businesses, veteran-owned businesses we have. But that being said, we are still able to exceed that goal quarter over quarter.

Another, I think, note -- I believe I had mentioned this last time. We're still working on it. But we do have some significant spend that is currently not counted as diverse spend, but we are spending with diverse suppliers. They're just not certified yet. So we have about 150K this quarter in woman-owned business spend that we are working directly with the supplier on getting that certification done. So that would account for another full percentage point, had we been able to count that this quarter. So that business is actually connected directly to our corporate supplier diversity team

to try and get that done. We're supporting them in any way we can. We've even offered to, you know, help them with the fee. To get it done.

Additionally to that for minority-owned businesses, we have a minority-owned business that we are currently doing business with for Q2. We spent about \$150,000 as well with them that would account for about 2 percentage points. So we'll be working with that supplier as well. So as we pull these numbers and we continue to analyze the nondiverse spend, that's really where we're trying to target. Obviously we want to convert spend that is nondiverse. But also identify suppliers that are diverse that just haven't gone through the certification process. So that's a continued effort. And I'm hoping to be able to count that spend moving forward.

As a resort -- I'll just add one more thing -- as a company, excuse me, we are committed to a comprehensive supplier diversity program. You know, our MGM Springfield Resorts International considers that a business imperative because there's a lot of, you know, measurable benefits not only for our company but for our suppliers in doing so. So for today's presentation and because of the work that I think we've done that in minority-owned businesses specifically, I'd like to let you guys hear firsthand from one of our minority-owned businesses. With me today is Tiffany Cutting. She's a VP of business development with C&D Electronics. She's going to speak a little about her journey with us. She began with us during the construction phase and has continued to -- that relationship has continued to evolve through operations. So with that I'll turn it over to you, Tiffany.

>> MS. CUTTING: Good morning, Madam Chair and Commissioners. Thank you for having me here today. And to Mike and Ryan. So C&D Electronics, we are located in Holyoke, so we're just about 5, 7 miles down the road. And MGM has really been an integral part of growing our local business. Our core business had been in aerospace and defense for over 20 years. And we work with a lot of defense contractors, supporting electrical products and materials to them. But it wasn't necessarily making local impact. We were working across the country and worldwide. But MGM coming to town gave us the opportunity to invest more locally, to work locally, to actually bring in a few more employees to our team by supporting them from not only the construction phase, but now on the operational side. So C&D Electronics now supports MGM Springfield with a Grainger partnership. So Grainger has a distributor alliance partnership program. And MGM and Grainger worked together and vetted out small businesses in the local area that had a background or experience in distribution. And so although MRO-type supplies weren't something that we had done before, working with aerospace and defense and the most stringent certifications you could ever imagine getting, along with the nongaming vendor certifications, we were vetted and competed for business, and that was all thanks to MGM Springfield, like Ryan was saying, helping in any way they can to support the local community, knowing that C&D Electronics was a distributor and had these core competencies, but how can they help us create more jobs? How can they help us grow our business? And so in turn, not only are we -- have we grown to support MGM Springfield, but we are doing business with Encore as well.

We have expanded the Grainger relationship into our aerospace and defense side, supplying those. So it's been a really wonderful experience working with MGM. And out of the majority of the large businesses we work with, I have never seen a higher

commitment to their outreach for supplier diversity and their commitment and their cross-checking, their notarized statements, everything, you know, I work on it every single day, and the way that they expect you to measure and the way that they measure, it's really kudos to them, because you don't -- you see more of a smoke and mirrors show a lot of the time with people's commitment, but they are super committed. Their supplier diversity support from Vegas, which was here, obviously they said we're members of the GNEMSDC. We have been for as long as it's existed. You know, she came and she spoke, and they're really just super engaged and super excited about helping the community every day. And I see it every day because we're right here.

>> COMMISSIONER ZUNIGA: Can I ask you a question?

>> MS. CUTTING: Absolutely.

>> COMMISSIONER ZUNIGA: I'd just like to make sure I understand. So in the case that you described from Grainger, the distributor alliance partnership program.

>> MS. CUTTING: Sure.

>> COMMISSIONER ZUNIGA: Were you not a distributor of Grainger before?

>> MS. CUTTING: Correct.

>> COMMISSIONER ZUNIGA: And as part of this outreach and help from MGM, you now distribute Grainger parts, not just to MGM but also others?

>> MS. CUTTING: That is correct.

>> COMMISSIONER ZUNIGA: Did I get that all right?

>> MS. CUTTING: So that was orchestrated with the help of MGM. We would not be a distributor alliance partner, had they not helped support us through that process.

>> COMMISSIONER ZUNIGA: And there is -- Mike, I take it there's other opportunities that you look at under this kind of program for other commodities that you might be purchasing to look at companies that may have the same kind of program, to go through vendors like Ms. Cutting?

>> MR. GEARY: Correct, yeah. Any time we can find a national relationship that can be serviced locally, we want to make those connections. It really -- it helps with capacity building. And as Tiffany mentioned, there's a variety of other ancillary opportunities that the business would, you know, have the opportunity to expand into.

>> COMMISSIONER ZUNIGA: Yeah. There's really a ripple effect that goes the other way to, I guess, other customers.

>> MR. GEARY: Right.

>> COMMISSIONER ZUNIGA: That you also have.

>> MS. CUTTING: That's a great picture. And actually, also to note, I should have mentioned is that now -- I was down in Maryland at MGM National Harbor Monday and Tuesday because as of June 1st, C&D Electronics now helps support a portion of that business as well. So it's not just the success of other businesses in aerospace and defense or, you know, competitors to MGM, but also within MGM, we're offered opportunities, and we now have another opportunity down in Maryland. So it's been very exciting for us.

>> COMMISSIONER ZUNIGA: That's great.

>> COMMISSIONER CAMERON: So have you hired new people because of these relationships?

>> MS. CUTTING: Yes.

>> COMMISSIONER CAMERON: So your company has grown because of this

opportunity?

>> MS. CUTTING: Absolutely. Yeah. And that's a key thing for us is I think being able to provide local opportunities and grow, you know, bringing -- we have two new people on board because of this relationship and because of the support that MGM has given us to help grow locally in the community.

>> CHAIR JUDD-STEIN: And just to clarify, you became certified as an MBWBE when?

>> MS. CUTTING: I want to say two -- well, so the company's always been an MBE since, like, my dad started the business in 1982. So I think the maybe women came in 2013 or '15ish I want to say? Right around the time of when MGM actually came to town. But we've always been -- we've always been a minority company. My father started the business in 1982.

>> COMMISSIONER ZUNIGA: And were you always certified? Because I had a similar question. I'm wondering, were you always certified since that time? Have you had the MBE certification?

>> MS. CUTTING: Yes. Because we work with the DOD and other defense contractor, they require you to be certified. So we've been -- and even greater than that it's like, you know, the national, the NMSDC. C&D Electronics has been certified by the NMSDC for well over 20, 25 years. However long.

>> CHAIR JUDD-STEIN: And just to clarify, too -- and maybe you addressed this -- do you work closely with the OSD?

>> MR. GEARY: We do, yes.

>> CHAIR JUDD-STEIN: Yeah. So they're helpful. Because, you know, you really are an example of why certification really does create opportunity. And I know that there's been a lot of work done to make it more seamless. So we encourage you to continue working with OSD because I think you're create -- if they get certified, the work will follow as it has with your company. It's a great example. And great that your dad made sure to bring it in -- bring you into play to get that WBE. Excellent.

>> MR. MATHIS: Thanks, Tiffany.

>> COMMISSIONER CAMERON: Thank you. Good story.

>> CHAIR JUDD-STEIN: A really good story. Any further questions on this piece? Thank you.

>> MR. GEARY: Next I'll briefly touch on the local spend update. So spend overall, again, is slightly down quarter over quarter. Again, that's indicative of our continual efforts to, you know, manage expenses coming out of opening and our first quarter of operation or two quarters of operation. A couple of highlights that we do have is definitely the Springfield category. You can see a good uptick in spend in Springfield and in Western Mass, in general. So a couple of metrics. Of our 398 suppliers, 158 of those are within Massachusetts. While another 115 are specifically in Western Massachusetts, so that's 40 and 30% of our supply base respectively. So we're very proud about that. Over 50% of our spend is in the Commonwealth.

>> COMMISSIONER ZUNIGA: Just one question. Some of these categories could be a subcategory of the other? You could be local -- I'm sorry, Commonwealth and Springfield. Are the figures here --

>> MR. GEARY: They're not cumulative. So those segments stand alone, yep. Good question. Yep.



One other update, Madam Chair, I think you had asked at the last meeting for some more detail regarding local -- excuse me, nonlocal spend. So just generally, I didn't add it to the presentation today, but so there's a deeper understanding as to what goes into that nonlocal number. There's a lot of nonbiddable-type expenses for us. So things like employee health insurance, some of our gaming expenses, marketing expenses. So I'm sure you guys have most likely seen our new always reasoning campaign. Those are corporate agreements, corporate things that we don't bid out. And entertainment expense. So the artist fee for Cher, for example, or for Aerosmith. That's where that spend comes from predominantly. So there's not a lot of large buckets of spend in there that would be biddable. The few that there are, we continually work on, as I said, to try and prioritize those for local and diverse businesses.

>> CHAIR JUDD-STEIN: Thanks for the update.

>> COMMISSIONER ZUNIGA: Aerosmith is from Hanover, so I don't know -- that doesn't count as local.

>> MR. GEARY: Got registered. So my last slide here is just a snapshot of our outreach that we did in Q2. Again, we try and do at least one event a month, if not more. One thing to note here is, you know, just the geography we covered. We have, you know, a big focus obviously in Western Massachusetts, but we are still going out, making our way out to Boston when we can to attend events out there, especially to support minority businesses and find new minority businesses and build that supply chain. Any questions?

>> COMMISSIONER STEBBINS: Yeah, Ryan. Comment and a question -- or a couple of comments and a question. First of all, you know, I continue to be impressed by the great job that you and Eddie and your whole team do.

>> MR. GEARY: Thank you.

>> COMMISSIONER STEBBINS: You're aggressively reaching out, trying to find connections. And I was glad to hear you talk about the certification piece because we just went through our regulatory certification.

>> MR. GEARY: Right.

>> COMMISSIONER STEBBINS: Update which says unless you're certified by one of these agencies, you know, we want you to count but you've got to go out and get the certification. Obviously any feedback that you get from folks that you have to work with, you know, that would be helpful to Jill and our licensing team, you know, please feel free to share that.

>> MR. GEARY: Certainly, certainly. So far not a lot of feedback, and I think predominantly because this really isn't going to impact us. It's only going to impact one local woman-owned business, and we're working with her to get the new certification. And it's free, so I mean, there's really no -- there's not a lot of roadblocks there. And in terms of an impact, it's minimal. So we're going to be fully prepared to, you know, comply with the new reg.

>> COMMISSIONER STEBBINS: Okay. I just got made aware of Center For Women and Enterprise which is one of our recognized certification agencies as having a big summit or forum down in Framingham next week.

>> MR. GEARY: Next week, sure.

>> COMMISSIONER STEBBINS: I'm not sure if that's on your guys' calendar.

>> MR. GEARY: It sure is.

>> COMMISSIONER STEBBINS: That's great. The only thing, obviously -- and you highlighted it -- was working hard to get the WBE and the MBE numbers up. So I'll offer up Jill and her team to do whatever they can to help you out with that.

>> MR. GEARY: Thank you. And we're always happy to leverage them. They're great partners.

>> COMMISSIONER O'BRIEN: Do you have anything either after June or coming up for the Worcester area?

>> MR. GEARY: As far as outreach? I don't believe so, but I'll have to see what the team has on the calendar. I don't know off the top of my head, I'm sorry.

>> COMMISSIONER O'BRIEN: Okay.

>> MR. MATHIS: Yeah, we remain active members of the Chamber. And we want to stay connected to Worcester, as you know. That's an area that we think we can penetrate further on the customer side. We're going to be founding partners of the Worcester Sox team. And what they're doing in the stadium. I just made a note, but we'll make sure that we stay engaged with their business community.

>> COMMISSIONER O'BRIEN: Okay.

>> MR. GEARY: Thank you, Commissioners.

>> MR. MATHIS: Thanks, Ryan. Thanks, Tiffany.

>> COMMISSIONER CAMERON: Thank you.

>> MR. MATHIS: With that I'm going to ask Marikate Murren to come up and give an update on employment.

>> MS. MURREN: Good morning, Madam Chair, Commissioners. Welcome back to Springfield. I think it's been way too long. I have the privilege of updating you with the employment numbers for Q2. And let me just get this slide. We have a little bit of a video I'd like to show you first, and then I'll jump into the presentation.

>> I had always wanted to be part of the entertainment industry, but in this -- in this industry, in this area, there just wasn't a lot of opportunities. I was looking at either having to move to New York City or Boston or even L.A., and then I heard rumors about MGM Springfield coming to my community. And I knew I had to be a part of it because I knew it would be an incredible opportunity for not only myself but for the city.

>> I chose a career at MGM Springfield because of the people. Everybody here has the same goal, has -- wants to succeed the same way, and it's kind of cool to know that everybody wants to do the same thing as you. It's a really great place here, and just being around the environment, it's a great place to work.

>> Mainly for a change in scenery since I did come from Mississippi, where everything's basically just swamp and everyone's set in very traditional ways. I'd like to experiment with different traditions and different, I guess, taste buds and experience different things so I can broaden my own horizons.

>> Working at MGM Springfield made a positive impact on my life, for my family as well. Family, they're nothing but happy for me over here. I like to see the community. The community sees me from an outside point and makes me feel good. So I feel like that positive impact, it just feels all good together, so. . .

>> It's definitely made me have a lot more experience and a lot more culture in what I'm doing, so I've gotten a lot more confidence in what I'm creating for people.

>> Working for MGM Springfield has changed my life completely. What MGM has

offered me is more than just a job, but it's a career path with a company and an industry that I can grow with and just excel in my area here in Massachusetts. And something that I never thought I would say is that I'm now a homeowner in Springfield, and without MGM, I don't think that would have ever been something that would have happened.

>> MS. MURREN: Just a few notes. Every individual and every employee you saw there has already been promoted. And Amanda Gagnon, I think you'll recognize her, she was one of the original five who were part of the campaign back in the -- way back in around 2012. So really a privilege to have her, and I think she's been promoted a couple of times and now reports directly to Talia Spera in entertainment. And she's very proud of the house. So it shows to our commitment that we've been saying to you and all for years of really keeping the great talent here in Springfield, keeping them in Western Mass, and we're really proud to have those three employees. So just wanted to share that little video before we get into the presentation.

>> MR. MATHIS: And Marikate, if I can, one of the other individuals you saw is Louis Rivera front desk manager. His father is a shift manager in table games as well. So it's a bit of a family affair. What's special about Louis is he started as a security officer. And we highlighted him at our Veterans Hometown Heroes breakfast which we hosted about six months ago. Louis delivered when he was a security officer life-saving CPR to an individual and he stayed close to that customer. The customer is local and has come back and visited Louis and visited us. And then he got promoted into the hotel department where he's really shined. So I am confident Louis will continue to get promoted through the ranks because he's one of those special people that delivers great customer service and really, really special to have him. And there's many, many more. We could have a two-hour-long video of the great employees that we have that have grown throughout this property in the last year. Thank you.

>> CHAIR JUDD-STEIN: Did he have that training or was that part of your training?

>> MS. MURREN: He had training, but we also provide that, and with our security officers are part of the academy that they go through.

>> CHAIR JUDD-STEIN: Excellent. Thank you.

>> MS. MURREN: So I wanted to bring to your attention slide 29 to speak to the progress in our hiring goals. This is just a graphic, and the next slide will go into a little bit more detail. But from a high level, as you recall, our host community agreement, best effort goals for Springfield residents, 35%. We are currently at 41% during the end of the second quarter. Women goal, if you recall, 50%. 44.5%, and we'll go into a little bit more depth on that in the next slide, Commissioners.

Minorities, 50%. We're at 53.6%. And then at veteran, our HCA goal was 2%. If you'll recall, we had a lot of cross-collaborations with the veterans in the area. We committed to four. And now we're at six. So I just wanted to remind the Commissioners of that. Very encouraged by that.

The next slide 30 really will go into detail of the employees. On the top bar you'll see the full time versus the part-time breakout. We had -- and you can see within below in the other chart -- it is not an HCA goal, but we have really talked about how important it was being here in Western Mass, that we were going to concentrate with that pipeline with our Western Mass counties of Hampden, Berkshire, Franklin and Hampshire. And you can see that 76% of our entire population pool for employees is full time. Very, very close to some of the conversations we've had for that 80/20 split.

I do want to bring up is that a lot of our employees are asking for part-time work. I've had conversations with Jill and her team. We'll continue to watch this. It is most important that we hear our employees, as Mike has mentioned earlier, and to be able to give them what their family and what they need individually, so that is something that the employment team continues to look at as we look at filling our positions, which we'll go into another slide and let you know where we are with positions that are open and what we're doing with the pipeline.

>> COMMISSIONER ZUNIGA: Marikate?

>> MS. MURREN: Yes, sir.

>> COMMISSIONER ZUNIGA: Can I go back just to the slide about the categories? I think it's great that you're exceeding your Springfield resident goal or HCA. I'm just curious how -- when do you ascertain the residency? I don't know that this will be an issue. I hope it's not. But if somebody gets a job as a resident and then moves away, I guess it works the other way as well.

>> MS. MURREN: Mm-hmm.

>> COMMISSIONER ZUNIGA: Is there -- what, in your process, can you tell us at least in keeping track going forward to see if there is a trend?

>> MS. MURREN: Sure. So we do pull this data from our Work Day system, and as you'll recall, that is also the system in which a candidate applies. It's a piece of a talent acquisition. Once they become an active employee, we pull what the employee puts into Work Day. And that is we are very diligent in communicating with our employees to update those addresses really from a tax perspective every year so we can get that information out.

>> COMMISSIONER ZUNIGA: Okay.

>> MS. MURREN: We do have Commissioner people moving in, moving out and changing addresses. It's not something that we've done a very, very deep dive to audit, but we do stay in touch with our employees to make sure that information is the most up to date that they provide to us.

>> COMMISSIONER ZUNIGA: Thank you.

>> MS. MURREN: And that -- excuse me, and that report is pulled for the quarter ending for this report.

>> COMMISSIONER ZUNIGA: Right. So as we continue to see these reports in the future, you know, this number will be as up to date as you can have it in your records.

>> MS. MURREN: That's correct.

>> COMMISSIONER ZUNIGA: Not necessarily a date of hire, if you will.

>> MS. MURREN: That's right.

>> COMMISSIONER CAMERON: It really would be good to know if local residents are choosing to stay in the city. You know, that was an issue in Atlantic City where many, many people got jobs and left the city. But it doesn't look like you've seen that so far.

>> MS. MURREN: We haven't seen that, and I think the last meeting we did discuss of all the wonderful additional development from a housing perspective that has been happening in Springfield. And as people do get promoted and move on and start to form families, there is this occasional I want more room, I want more family space, I want to go into a different school system. So I think it is important that we continue to work cross-collaboratively with the Mayor and Mr. Kennedy to ensure that the economic

development does happen in Springfield to provide the housing. But there is going to be that, as people progress and become and move up to be directors and so on, they will move on, but we can definitely look at that, Commissioner, for you and try to gather those numbers for you.

>> COMMISSIONER CAMERON: Thank you.

>> CHAIR JUDD-STEIN: With respect to the request for more part-time opportunities, if you quite properly address those with your employees in order to meet their family needs, does that mean that we'll see increased part-time, in other words, reduction to a part-time position, does that create an opportunity for a second employee, or would it simply be a reduction from full time to part time?

>> MS. MURREN: It would really depend on the business needs, and given that we are still in the process of stabilizing, our intent is to hire as many people to keep the business going. We really look at and have had really individual conversations with our employees, and they come -- they speak to their manager first, Madam Chair, and then will come to us. We try first to see what we can do and give them support outside of work first. Is there a way we can put them in touch with additional day-care providers? If that's what's brought to us, we'll work with our partners outside the property first and education opportunity that someone might want to go. Are we able to maybe switch a schedule and keep them full time? So until we really exhausted all of our support systems for an employee, we don't start talking about lowering, because we want to make sure that -- we want someone to have education of course, and be full time, but if the need is there part time, the intent is not to lower the head count but to give the opportunity for the employee to work to their needs, and then we would need to backfill to cover the hours that might be missing if they were to drop from full time to part time.

>> CHAIR JUDD-STEIN: Can you --

>> MS. MURREN: If I answered your question.

>> CHAIR JUDD-STEIN: Yeah, you did. Can you remind me of your last quarterly report numbers with respect to full employees -- the total and then the full time and the part time? Do you have those?

>> MS. MURREN: Yes. We were slightly higher. I believe we are at 77.2%, Madam Chair, if my memory serves me for the full time.

>> CHAIR JUDD-STEIN: Do you have the total number of employees?

>> MS. MURREN: Yes. It's in this report, ma'am.

>> CHAIR JUDD-STEIN: Sorry. I missed that.

>> MR. MATHIS: It was the quarterly breakdown.

>> MS. MURREN: Yes. It's 2302, ma'am.

>> CHAIR JUDD-STEIN: Sorry if I missed that, Mike. Now we're at 2,054. And then it went from -- maybe it's right here.

>> MS. MURREN: Maybe it's just a slight percentage.

>> CHAIR JUDD-STEIN: I see.

>> MS. MURREN: It's not included, and I will make sure that we include that for you, ma'am, moving forward. But my recollection, I think it's in the 77.2.

>> CHAIR JUDD-STEIN: 77 for full time. So about a 10% drop.

>> MS. MURREN: Correct.

>> CHAIR JUDD-STEIN: Okay. Well, I'm all for making family adjustments, but I'm also all for hiring.

>> MR. MATHIS: I don't think it's a 10% drop.

>> CHAIR JUDD-STEIN: So sorry, 1%. I wasn't a math major.

>> MR. MATHIS: No, that's all right.

>> MS. MURREN: The 10%, ma'am, is the overall.

>> MR. MATHIS: If it went in our favor, I would have let the mistake go by.

[ Laughter ]

>> CHAIR JUDD-STEIN: We're streaming. Here we are. Okay, thanks.

>> MS. MURREN: So you can see we are most proud, as you know. We always talked about this union during the campaign phase and keeping things in Springfield. Very, very proud of the talent acquisition team and also all of our workforce programs, Holyoke Community College and STCC are really concentrating on the Springfield resident. So I'm happy to dive into the numbers a little bit more and answer any questions you might have from any changes from over the first quarter of the year.

>> CHAIR JUDD-STEIN: And my apologies for missing that. Thanks, Marikate.

>> COMMISSIONER ZUNIGA: I know this is a matter of the industry, but there's -- how's your turnover? Just how's that evolving?

>> MS. MURREN: So I know a few meetings ago before opening I wanted to be under or at 30%. Unfortunately, we are finding ourselves more at the 40%, and there's a couple of slides as we go into, but let me just answer that question. We currently have 42 requisitions open that accounts for about 125 to 130 full time -- excuse me -- positions within the property. We are hiring monthly approximately 100 people. Unfortunately, we are losing about that same amount. And right before the meeting, I spoke to Jill to really talk about continued efforts from a workforce development perspective, getting people ready for positions. Not the tactical and technical. Not the knife skills that we continue to need from chefs, but really interviewing, filling out applications, ESL. Happy to report we have kick start the internal ESL program for our employees, as per requirement. So that has been something good, but we really need additional support from a workforce development perspective on ESL, English as a second language, interviewing skills, getting people a little bit more ready from a customer service perspective. It is true that if you come in with that great attitude, we will train you up. What is happening right now is that we're not seeing -- we'll have people in our requisitions, and we'll interview -- we'll have 40 people. We put out calls. We're not getting calls back. By the time we're getting people through drug, background and licensing, and the good news is we have about 125 individuals in those three categories right now, once they clear, they'll be hired. People are dropping out. So we're really trying to dig in of why that is happening. And I think if there is an opportunity for us to really kind of tweak that and find out what that linchpin is, I think we might be able to make some additional strides by keeping people in the process.

>> COMMISSIONER ZUNIGA: We're all ears to the extent that we have any in the licensing system, for example, but I know that's not the only step.

>> MS. MURREN: And I know that Commissioners Stebbins already volunteered Jill. So I will take you up on that, Jill, also.

>> COMMISSIONER STEBBINS: I do that a lot.

>> MS. MURREN: Yes. So we did talk about the workforce and the mitigation funds, and I think there's some opportunities not only for us as an employer but maybe

some additional employers and some of the community-based organizations in the area.

>> COMMISSIONER ZUNIGA: Yeah. No, it is timely. We will be discussing the mitigation guidelines later today. And one of the things that I thought as I was reading the packet is really, as we are more in a steady state, understanding that there's a fair amount of turnover in the industry, how much of these workforce development monies are needed. And it sounds like they are.

>> MS. MURREN: They are needed. And I think from an employer perspective, we've always said, you know, when the doors opened a year ago and even to this day, workforce development does not stop. We are going to be here for a very long time. We have a commitment to the state and the city and really even more importantly to the residents of this area. We have to do everything in our power, and we're trying to keep really our finger on the dial of what is that linchpin, you know. As unemployment goes down, which is a win for the Commonwealth, the area, and the entire region, you know, the pool goes down. So we really have to really -- we start then recruiting from outside areas or basically stealing from other employees. We are going to continue to do that. . I want to be candid because we want the best employees as part of MGM Springfield, but we really have to look at what that pool looks like and keep our finger on the dial there, sir.

>> COMMISSIONER CAMERON: Marikate, the turnover itself, what are the exit interviews telling you? Is it a readiness for employment or the schedule is just not fitting with some people?

>> MS. MURREN: There's a couple of silos. I think there's one more of that kind of involuntary -- unfortunately employees are not showing up to work.

>> COMMISSIONER CAMERON: So not ready for this --

>> MS. MURREN: I think they're maybe not ready for 24/7. So there is that anecdotal. The volume seems to be a little bit higher than some people are accustomed to. We are open 24/7 on the casino floor, but restaurant -- and the hospitality is very similar to what is already in Springfield in the area. But there is also this perception is I've made my money for the weekend, and I don't want to -- if you're full time, you've worked Friday, Saturday, Sunday. Now you don't want to come back Monday, Tuesday. So then they're calling out.

Last weekend alone, food and beverage had 50 callouts. That is a lot. And though it was wonderful weather. And that's a challenge for us. So we continue to coach and education up our employees. I think it really comes to -- we've had conversations with Mike and the executive team, what can we do to better mentor our individuals. So we are going to launch a new program really concentrating on certain areas and certain individuals within the property. Having lunch with Mike. Spending time with him to talk about how he progressed through the hospitality in his world here, having conversations if a Jorge Perez, our regional president, comes into chain or even our Chair, Jim Murren, so there are going to be opportunities we're going to launch internally to kind of people people more in the fold. It's attendance. We do have some challenges, unfortunately, with theft. They're moving out to better and bigger things. We've lost 125 table game dealers to Encore. So we're doing additional recruitment which we'll go into a little bit more depth. It's really a whole gamut of unfortunately things that are impacting. There's family crisis, too. So we will continue to work with

our employees through our employee assistance program. Even when they're not with us. So that's the commitment that we've made to the Commission and the state when we first came here, too.

>> COMMISSIONER CAMERON: Thank you.

>> MR. MATHIS: I'll just add to that because I know Marikate takes the turnover percentage personally. I do as well because I like to think we provide the best employment opportunities certainly in the region. You know, one of the things you see that we're seeing in a more mature operation is a lot of our opportunities, because of seniority and shift bids, are overnight opportunities. And when we have applicants and we ask them if they would be willing to work any shift, a lot of them say yes knowing that that's important to the application process but hoping they don't get the overnight. And when they ultimately are given the overnight, you know, they'll give it a try, and then decide that they're going to leave the position. So some of that is driving some of the involuntary -- some of the voluntary and involuntary resignations. I looked at the Encore impact. In addition to the 125 dealers, we also lost management. So we believe the number is closer to 200 of our table games. FTEs left the operation because of Encore. You know, we felt that particularly in May and June. As they got closer to their opening, I certainly don't fault them. They had great trained employees who were already licensed, licensed being key to some of the pre-opening time line and they got more aggressive with offering our folks opportunities. Some of this I feel like is a one-time hit because of Encore that we're trying to recover from. And we are. We're bringing more people through the school and some of our other competitors that have lost business and are shedding some jobs. But it's really a number of factors. And one of the things that's more on public policy issues, Marikate and I have had the conversation. We have a lot of folks that are going to part time because full time will cause them to lose their public assistance. And we actually get people in this trap of not wanting to work because they would be net upside down, losing the public assistance that's available, and that's something that we probably all should figure out how to tackle, and it's not a new issue, but it's something we feel all the time. It's an unfortunate situation sort of being punished in that sense for working.

>> MS. MURREN: I think we've talked about that, too, about a tiered benefits system, right? And there were conversations a year or two ago. But that takes a heavy lift from Boston. So, you know, we would be willing to be working with you and to volunteer Springfield and maybe Western Mass for any type of pilot program if some of our representatives are listening. It's really, really needed from an employee or employer perspective.

So just to move on with our continued recruitment efforts. You can see as we continue to partner with UMass Amherst, the universities and colleges and community colleges in the area. You can see we are trying readiness with doing mock interviews with Dress For Success. And you can see some of the career fairs and workshops that we do and continue to work with Roca. The same things we did during our ramp-up, we continue to do. We believe that it's important to continue to model what the surrounding community looks like. So our customers are welcomed by everyone. So that is slide 31. And if you transition into -- I just want to -- you see some of these employee stories that we really have already talked about. Sara Jones on the left is our executive pastry chef. And I can tell you from experience, I have a muffin top



myself because of the way she is able to bake. So I think a wellness program, Mike, might be much needed.

>> MR. MATHIS: Yeah.

>> MS. MURREN: At least for myself. And maybe some others might say that. So this was recently ran in The Republican. It was also on MassLive as we really talked about women in unconventional roles. As you can see, we have one of our K-9 officers with her dog. They are inseparable, and they start to mirror each other, which is pretty amazing because they've been together just for so long. And you continue through the slides. Janay Mays is a locksmith. And from her and from I and from Jason Rosewell's perspective, we would need two, three or four people to replace her if she was ever to live. We just wanted to share some of these additional special stories with you that have been in the news in the last few weeks and months.

Just one highlight which I did mention earlier, Madam Chair and Commissioners, on page 36, you can see our open requisitions. There are 42 on that page. And they account for approximately 125 head count. And as stated earlier, we are constantly recruiting before. You know, as I think back to pre-opening and the incredible MassHiring events. And if you remember the one we had here, Jill and I had talked about having, and Mike Mathis wanted us to do one of these open. And I remember going back and forth with Mike and saying, you know, I have a little OCD and control issues, so I wanted people in the system first. And he's, like, we have to try it. So we did. We shipped in over 100 of our colleagues from surrounding properties. And if you remember MassMutual Center, I think we had a line of about 700 people outside when we opened the doors at 9:00. We had to close it at 4:00 because we couldn't get people through the system. But I think we had close to 2700 individuals come through that hiring event.

I did speak to Jason Randall, our director of Human Resources, and we're going to do something similar. It's going to be a hiring event. It won't be to that scale, but we're really going to focus in on our open reqs. Many are food and beverage in that silo and in that hospitality area. So more information to come on that. I think that that type of excitement restarts, I think, with our individuals who might be looking for a position. I think we need to recreate that excitement that we had 14 or 16 months ago. So that's going to come very shortly, and we'll make sure that we keep you up to date on that opportunity and would welcome for you to looking back to that excitement for Springfield with another hiring event.

>> COMMISSIONER STEBBINS: Marikate, what seemed to be the most difficult positions you're struggling to find people for?

>> MS. MURREN: We continue to need cooks. It's a very hard and rigorous and I think our Vice President, Anthony, would tell you it's a very rigorous position. We continue to work with Holyoke Community College and the culinary school to turn out cooks more quickly. That's a big one. Front-line position, utility porter, stewarding, any of those really front-line, Commissioner, front-line positions continue, unfortunately, to have the higher attrition rate. And as Mike mentioned, it's definitely grave. Typically when you come in after the bid process, individuals who have been here longer want more of the traditional hours, kind of that, you know, beginning day shift and swing is okay but gets you to 11. Overnight or sunrise really becomes that one that the new employees come into, to Mike's point, and then staying long enough they're able to bid

in. So we continue to look at that. It would be a nice breakdown, and I'll provide that next quarter, is what's the attrition by shift. So if I'm able to kind of pull that information for you, it would be a nice kind of nugget for us to all look at and see where that is and break down by division, it would be something nice to dig into, so I appreciate the feedback.

>> CHAIR JUDD-STEIN: If I can just go back to the number. And thank you for your patience with me as I struggle with my sight here. I just want to make sure that -- so you're at 2,054 now. And the opportunities -- if you could fill them all tomorrow, Marikate, what would the number be?

>> MS. MURREN: So, yes. I have approximately 120 individuals in drug, background and licensing. So all three. So they have been offered a position.

>> CHAIR JUDD-STEIN: So that would be -- so 2,054 plus 120.

>> MS. MURREN: That's correct. And that number would hold if we had no attrition. And we have no head count loss.

>> CHAIR JUDD-STEIN: And so on page 32 -- our page 32, opportunities, those are not -- you have not identified candidates for those.

>> MS. MURREN: Those are open requisitions, and those are additional positions and opportunities. So to your point, Madam Chair, if we were to add our current number, what's in the pipeline, and add our numbers of the open requisitions with the approximate head count and not lose anyone, we would be closer to almost 2350 to 2400.

>> CHAIR JUDD-STEIN: Well, that's an important fact.

>> MR. MATHIS: It is, yeah.

>> CHAIR JUDD-STEIN: Yeah. So these opportunities reflect another 100 or so.

>> MS. MURREN: That's correct, ma'am.

>> COMMISSIONER ZUNIGA: Thank you for that clarification. I was putting them together. I thought the open and pipeline were the same.

>> MS. MURREN: Yes. So my apologies for not being clear.

>> COMMISSIONER ZUNIGA: I'm glad you clarified it.

>> CHAIR JUDD-STEIN: So the number -- if we can help get these opportunities filled, this is a real opportunity for Massachusetts, you'll be -- your goal will be actually higher than the number we saw at your last quarterly report.

>> MS. MURREN: Right. As long as there was no attrition.

>> CHAIR JUDD-STEIN: Without -- we understand that assumption.

>> MS. MURREN: Yes.

>> MR. MATHIS: But to your point, full employment would look --

>> MS. MURREN: Yes.

>> MR. MATHIS: -- would be a bigger number than last quarter.

>> MS. MURREN: Correct.

>> MR. MATHIS: You know, one of the stats that doesn't come through here, too, is the overtime opportunities, which, you know, when we're understaffed, you know, it's a little bit of quality over quantity. We have a lot of great employees that look forward to the overtime hours, and that's always the flip side. I'm always happy to see those folks really take advantage of those while we're in this stage of trying to recover from the losses of folks that we had to -- Encore, for example, or -- and your staff has been great but, you know, I think we all recognize there's a little bit of a slowdown in licensing

processing time because you're trying to get Encore open and that's a little bit of the delay in trying to turn the drug and background into start dates. Your staff has recovered from that, but we certainly felt that in Q2. So the employment story is always a little complex. But to your point, we need more employees, and we continue to go out in the market and try to get them. And the success of the economy, frankly, is something that's hurting those efforts. And that's a good problem to have for all of us.

>> CHAIR JUDD-STEIN: I think the opportunity for the mentoring that you mentioned is very critical and to give the stories of those who have started in a position and made their way through into full careers. I know Bruce, you always stress that in terms of the movement from entryway. And I think you led with a statistic about those who were hired early, that they've all had --

>> MS. MURREN: Yes. It was the three individuals on the video.

>> CHAIR JUDD-STEIN: The three. Right.

>> MS. MURREN: They've all been promoted.

>> CHAIR JUDD-STEIN: So there's opportunity for promotion, and so it's a career decision.

>> MS. MURREN: Correct.

>> CHAIR JUDD-STEIN: And that comes with maybe the overtime. So I'm sure that message will come through in your mentoring, as you go through it, significant piece.

>> MR. MATHIS: That's part of our new hire orientation. We continue to bring new classes of people in. I tell them my story and the story of Bill Hornbuckle, the president of a Fortune 500 company. And he started at the ground level. He famously tells the story he was changing light bulbs on the Flamingo sign. He would change them out overnight, and he's now the number two at a Fortune 500 company. And it's a pure meritocracy. I tell them they can do anything as long as they treat everyone with respect.

>> CHAIR JUDD-STEIN: That's a wonderful story, Karen Kaplan started as a receptionist. There's many opportunities to share those stories for growth. So thank you. I'm glad we got that number clarified. Thanks.

>> MR. MATHIS: Yeah, thanks for clarifying.

>> MS. MURREN: Appreciate it.

>> COMMISSIONER STEBBINS: And just one other item before you guys go. We've obviously done some changes to our licensing and registration form, trying to dig down and help applicants understand some of the security questions of the criminal background questions which can kick somebody out further down the line after you've kind of gone through the process. So, you know, the conversations that we can have with your team, the conversations we hope you can have with your employees, the conversations maybe we should revisit with some of the community-based organizations you're working with might be helpful. I would also just put a shout-out to one of your team members who's the receptionist in 95 State Street. I'm drawing a blank on her name.

>> MR. MATHIS: Miley.

>> MS. MURREN: Miley.

>> COMMISSIONER STEBBINS: She is fantastic. Puts a smile on a grumpy gamer's face. There's still that training mindset which resonates with people around the property.

>> MS. MURREN: Thank you for the feedback. We appreciate it.

>> MR. MATHIS: That's great. Bruce, Commissioner Stebbins, you were at the Wahlburgers groundbreaking. That's a facility that should bring about 100 employees to the campus. So there is an upward trajectory that's occurring on the employment side, especially as we ramp the business up. We all want the business to be more robust and the employment opportunities to be more and more robust, and we're working every day to make sure that happens.

>> COMMISSIONER CAMERON: These are nice stories highlighting some women in nontraditional jobs. But it continues to be a challenge for you to meet your hiring goal when it comes to women.

>> MS. MURREN: Yes. I think with respect, you know, having a 50/50 is always hard, right? Because just one person would skew that. We do have rolls that we are really diving in from a operating engineer traditionally tend to be men. Jason Rosewell, our VP of facilities, is having conversations with the union. If there's not a lot of work, would they be willing to bring women to us. So he's been heading up that type of effort. This building also historically has been male dominated with the ushers, tech changeover and some of those positions. But as you see, we're cracking that -- cracking that window and cracking that ceiling that will continue to get women into nontraditional roles. But it goes the other way, too, right? And so we would love to see some men in just roles that might be just women. Like in spa, in salon. And so, you know, we're looking at it both ways, Commissioner. But I appreciate that feedback. And it's a constant -- a constant fight that we are taking on.

>> MR. MATHIS: Great. Thanks, Marikate.

>> MS. MURREN: Thank you so much. My pleasure.

>> CHAIR JUDD-STEIN: Thank you.

>> MR. MATHIS: Great discussion. So at this time I'd love to bring up Drew Killen, a new face to you, he's our Vice President of Marketing, having come from Las Vegas, he's part of the MGM family. Relocated with his family here and is in charge of really activating the casino floor with promotions and continues to dig into the database and grow our customer base. So without further ado, Drew Killen.

>> MR. KILLEN: Thanks, Mike. Thank you. It's says an honor to be here today. I really appreciate you having me.

>> COMMISSIONER STEBBINS: Welcome.

>> CHAIR JUDD-STEIN: Welcome.

>> MR. KILLEN: Marketing entertainment and events. As Mike mentioned, we continue to offer dynamic promotions and activities to our loyalty program. The April promotions, we started with ATV. And then we moved right up into two motorcycles and then right into June, we had the million -- MGM Millions. It's really just a snapshot of the quarter, but ramping up our promotions seems to be a theme for us, getting more exciting every time, every month. I think we're getting better. And we continue seeing a great number of visitors coming to the property. As well as joining our loyalty program. So I look forward to crowning more winners next quarter, and I think we're doing better every month.

>> MR. MATHIS: I'll just say Drew's already had immediate impact. We're digging into the database. We're looking at, through surveys, what is our customer looking for in terms of promotional activity. You know, cars have been very successful. We're

rolling out more cars as well. And some exciting moves are on the floor. As you go onto the MGM floor, you'll see a ton of activity. One of the things we're doing is reducing the number of machines to give a more comfortable experience. And the reduction also allows us to put more creative products out there. We call them the carousels or the big screens, breaking up the big slot banks and creating more of an interesting experience, and Drew's helped us spearhead that effort. So a lot of exciting promotional activity coming on the remainder of this year and largely led by Drew. Great.

So if you don't have any further questions, let me just -- I think I'm going to talk a little bit about the community engagement. So just a highlight. Obviously a big part of MGM and certainly I would think what you would expect from our licensee is our engagement in the community. And here's just a few examples. We did a bowling program, Bowl For Kids. And as well as a Springfield Dragon Boat Race. We're taking advantage of the Connecticut River and participating in their annual riverboat race. And then we participated in the Northampton Pride Festival. So really an example, you know, these community events are always a win-win. Not only is it good for the community in terms of support but team building. And they love to get out. What we've learned with the new Millennial employee is that so much of their job experience is engagement and feeling proud of the place that they work for. So we try to take advantage of as many of these type of engagement opportunities as we can. Here's just a couple examples.

Our meeting group business, which is growing, and I'm excited about. And I talked to you earlier about unrated business. Unrated is an important part of our business model, and frankly something that Springfield, you know, would suffer from because of some of the historical issues with lack of activation of Main Street and lack of programming and MassMutual Center, all of which we're helping to grow. I think of this as lanyards. When you go to Vegas, much of their success is that midweek convention guest who has a lanyard, is in for a meeting group, and spends a few dollars on the casino floor, certainly spends a lot of money in the restaurants. And we're starting to find our niche there. We've got a great sales team that's driving incentive-based business. We've got a franchise dealer program. We're finding auto dealers from across the country that have identified Springfield as a great value place to bring their annual meetings, their quarterly meetings. We're starting to see renewals of those groups. We've got some of the biggest social programs. Certainly Judy Mats, Bright Nights Gala I think was shown in the bottom left, and other big social events. So it's bringing people to the casino, to the resort, that wouldn't be there for gaming, you know, but certainly would spend some money on the casino floor and support all the nongaming venues. So it's a program that's really started to take hold, and I'm excited about the trajectory of our meeting group business.

If no other questions, I'm going to roll over to entertainment. So I'm going to introduce now Talia Spera. She's our Director of Entertainment. And she single-handedly is responsible for bringing Aerosmith to downtown, four sold-out shows and all the other great programming MGM Live series, tireless effort. She's Amanda's boss. And is helping to really create some great careers in entertainment. So one of the funnest and frankly toughest jobs on the property is Talia's.

>> MS. SPERA: Thank you. Thanks, Mike. Good morning, Commissioners. Can

you hear me okay? All righty. So today we'll share with you a little bit about what we've been doing on the plaza and the armory specific to Q2. So we had about 121 total activations in Q2, April through June. And that's large and small events. That's across all of the venues that we program MassMutual Center, symphony hall, plaza armory and the ballroom space. And so highlight just a couple. MGM Live which is our summer concert series. We had 31 shows, 6 of which were ticketed, 25 of which were free and open to the public. We had about 12 morning workouts with yoga in our da Vinci park. We had 37 comedy shows. And we had 13 food truck Fridays during that time, just to highlight a couple of the events that we did.

And then moving on to our entertainment and night life portion. A couple images here. Of course we did welcome Cher in April, a very successful event, sold-out arena here at MassMutual Center and the second highest grossing entertainment show the MassMutual Center has seen in its history. So very proud to have welcomed her. You saw a little snippet of her saying happy anniversary on our video. So she's an artist that really shows sort of the brand power and leverage that we can pull from Vegas to pull artists over here to Western Massachusetts. And then of course we had Rob Gronkowski from the Patriots come celebrate his birthday, Terry Fator, Air Supply and Murphy's Boxing that Mike touched on.

And then our upcoming entertainment calendar is through the end of the year. I won't go line by line but just a couple highlights that we're really excited about. In October we're going to welcome Smoky Robinson to symphony hall. Family Feud Live where celebrity guests coming in October to the Symphony Hall. We have Slayer and Primus, so another sort of hero event we're looking forward to for the downtown. We've got Michael Carbonaro coming to Symphony Hall as well and really great programming, Brian Setzer Orchestra if you've ever seen that show, it's a real treat, coming to Symphony Hall. And then of course we'll have the opening of our ice rink and the holiday tree lighting as well towards the end of November that is in support of parade of big balloons that we see downtown.

So I think those are sort of my biggest highlights. Are there any questions on the programming coming up?

>> COMMISSIONER STEBBINS: I had a quick question. And Mike, you've touched on it. Is you're finding the opportunities to bring in patrons, players from New York, Detroit, connecting them to a Sox game or what have you. You know, can you give me an idea of, you know, how well you're also trying to get them to go out into the region, you know, especially as fall approaches or ski season or something like that? You know, what work you continue to do to, you know, you're great about go out and explore the area. How does that tie into some of the marketing and events and promotions that you've not only done but you've got lined up for kind of the rest of the year?

>> MR. MATHIS: Yeah. It's a great question and something we continue to work on. I think, you know, a few examples are we've got a leaf peeping sort of program that we're trying to, you know, things that are uniquely New England that we can offer a customer in another market that justifies a flight to come see us and then an extended stay. So that program is right on. We've talked about incorporating our steakhouse and our spa into a package so that if someone enjoys a weekend, they can come back for a spa treatment and have a great steak dinner. And our host would try to host that program. So, you know, golf is a big part of the program seasonally. We've got a

great partnership with Great Horse out in Hampden, really a world-class facility, and building tournaments around that so that one of the fun promotions, when you're part of an MGM is rivalries between different sister properties. So, you know, an MGM Grand Detroit group of customers competing with the MGM Springfield, and we would provide a prize pool. And then we would -- some of this is import but also some of this is export. So we would send our customers down to Detroit for the same thing. And we're already developing a golf program with that sister property. So continue to look at different opportunities.

We want to activate the Connecticut River. One of our executive team members, Jason Rucker, who's head up of security, he was working our Fourth of July program. Looked down on the Connecticut River because we hosted it from our garage rooftop and saw, you know, people that had taken out personal boats to watch the fireworks and came up with the idea of doing something customer-based with a boat out on the river. And that's something that would be a special opportunity that we think we could import some business for. You know, we're always open to new ideas to get people to come here, stay longer, and really drive that cross-property activation. So more to come on that. But the sports partnerships are obviously really compelling, and those are probably our main focus out of the gate.

>> MS. SPERA: And just to add to that, an example like Aerosmith where we had 20,000 visitors, just a quick snapshot of where those visitors -- we had visitors from over 41 states come for that show. And we worked extensively with the bid -- the business improvement district downtown and the GSEVB on what are the restaurant offerings outside of MGM. Because even we couldn't host everybody that was in town ourselves. So continue to work with the community groups on advertising, what else is available downtown while they're here for their stay. We can do more on that front, and we definitely will now that we've steadied our operation a little bit. The next strategic point is looking at things like that.

>> COMMISSIONER STEBBINS: Thank you.

>> MS. SPERA: Yep.

>> MR. MATHIS: Thank you. Thanks, Talia. So I'm going to close it out by talking about economic development. Hopefully I've got -- I took a picture this morning that I hope made it. Oh, fantastic. So I know you're coming from the pike side. This is on the Longmeadow line so you may not have seen this. For the record, it was stalled traffic. So I was not moving when I took this photo.

[ Laughter ]

But these were, you know, as anybody who's hopefully not stealing too much of Tim Sheehan's thunder here, but any community looking for economic development wants to see cranes swinging. And I thought this was a really great opportunity to highlight what is happening outside our four corners. We had just celebrated a Wahlburgers grand opening a week ago with the chairwoman and Commissioner Stebbins. Across the street I highlighted to the group that was assembled that we're within a month of a 12,000 square foot flagship CVS that's going to open. And not only is that a significant business but it's significant because it supports market-rate housing. Because what we've seen is that the brave young professionals that are moving downtown, we really need to support them so that they stay downtown and have all those services that they need. And this would be a pharmacy and obviously groceries and things like that.

Anecdotally, one of our young professionals stopped me in the hall the other way and I was catching up with different things that -- how her summer was going. And she was complaining that for the third year in a row, the landlord had hiked her monthly rent by \$100. And I told her that's actually a good thing. She didn't appreciate that. But that really showed that there is demand for market-rate housing. And those are the kinds of, you know, those are the kinds of elements that drive additional investment. And I have heard from other commercial business owners who are interested in our statistics because they're seeing rents go up, and they're looking to invest capital to turn some of these vacant buildings into market-rate housing. So what we had all hoped for is happening, it may not be happening as quickly as we all would like, but there is ancillary development going on throughout the downtown. And this is just a small example. These two cranes, I believe, are building a 130-room hotel on the riverfront. The old York Street Jail. And it's going to be sky-diving and rock climbing complex. So one more great amenity that, frankly, builds critical mass so that when we have customers come to us, they can go explore and find other things to do in the downtown that drives a longer stay which, you know, benefits us all. So I just wanted to -- I wanted to show those cranes. I was really proud driving in that we were a part of that story.

A couple updates. Residential development. I think Ombudsman Ziemba gave an update. We continue to make progress there. I think the most tangible step is Mass Housing who is helping us to manage this project and bring the different parties together, both public dollars and private dollars, has distributed an interparty agreement that all the parties are looking at to mark up. They would be essentially the project manager of the 31 Elm Street project so we're still firming up a few sources and uses of the funds. But a meaningful step to have an agreement that we can all react to and start working on it and driving. Once that agreement is signed, I don't want to give you a projection on when that will happen, but it's something that we continue to work on month to month. I think that will drive deadlines and the initial sort of groundbreaking and feasibility and sort of predevelopment work. So I'm hoping this time, as of our next update, that we can give you a really meaningful update on where that agreement stands and some of the early milestone hard construction preopening work that we would have planned as part of that. So it's a meaningful project that frankly none of us are willing to give up on because that means that much for the downtown.

I mentioned Wahlburgers. We had our groundbreaking. We're looking for an early summer opening. Hopefully we can beat that. We set July as the outside date. But that is under way. The Armory, we continue to look at potential future programming. But frankly, it really works really well as a flex space. That's something I said early on is one of the benefits of slowing down on the development is it gives us a chance to try different things in there and give different types of customers opportunity to view that beautiful building. So we have a comedy show series. We do banquets in there as well. It's a green room for a lot of the acts that go out onto the -- out onto the plaza. So I think as many people as we can put in there until we figure out what is its future use is a benefit to anybody that comes through the facility.

The VIP Lounge we plan to open shortly, and it will kick off really our reinvestment in our VIP customer. It's something they've asked for. It was frankly a miss on our part. And excited to make that offering. You see the rendering to the left. It's going to be a beautiful space in keeping with the whole aesthetic of the property.



And then I'll just close with sports wagering. It's critically important and I want to keep it on the radar. You know, we've seen in some of our other markets, our sister properties, tremendous -- our Mississippi properties, for example are starting to have record numbers attributable to sports betting. And it's not in the sports betting revenue itself. It's the lift it gives to the entire property. And the restaurants and the bars, people are coming longer. They're bringing, you know, customers that wouldn't normally be a gaming customer, but they're a sports betting customer. And it's something that's important to the Commonwealth, particularly for Springfield who's on the border of surrounding state who's aggressively looking at sports betting. Especially with geofencing and the opportunity you have to sports bet outside of brick and mortar. If Connecticut is able to get there before us, you know, we will have customers that will go across the state line and consume that product and spend dollars in a surrounding state and obviously part of the history of gaming in Massachusetts is in some ways we are 20 years behind our competitors. And I hate to see it happen in Massachusetts. So I'll continue to push on behalf of the Commonwealth and our property and the City of Springfield because of the opportunities it provides for employment and for a better customer experience. We recently did a survey of our customers, our M life customers, asked them a bunch of questions. We asked them a sports betting question. A third of our customers want sports betting as a product. 80% of those customers, about 25% of the entire pool, are passionate enough about it that they said it would drive a decision whether to go to us or a competitor if we were to provide it and we didn't. So it's really important to our customers in terms of the overall experience and especially in a jurisdiction like the Commonwealth that has such a rich sports history and great franchises, it's a service and a product that our customers -- that we're not meeting. And I'm hoping that we can continue to push that initiative forward. I know there are other issues that the legislature is grappling with, but it's an important one for the success of this industry.

So with that, I'll open it up to any questions. I know we've run long, but I appreciate the opportunity to be back in front of you. I hope you guys are proud of what we're doing here as we are. We have millions of customers that have come through. We have thousands of employees that we've launched in careers. They're buying their first homes. They're buying their first cars. They're putting their kids through school, and they're improving themselves with the industry that we've all helped launch here in the Commonwealth.

>> COMMISSIONER STEBBINS: I just -- thanks, Mike. I just want to take a moment. On that last slide, you know, the residential development update. I know John reminded us that as a Commission, anything that would pop up in the course of, you know, the time we've been -- we've all been working and waiting on this, you know, anything that would come up that would say, this is a no go has not seemed to come up, which is good news.

>> MR. MATHIS: That's right.

>> COMMISSIONER STEBBINS: Obviously, though, you know, it continues to be a project, and it's not an easy project. I think we all acknowledge that. But it is something that a lot of folks want to get done. I know there's -- I thought I saw somebody from Wynn Development and I certainly saw somebody from the build trades all committed to the project. The chair, the Mayor is committed to the project. When

we said what keeps you up at night, he actually said 31 Elm and making sure that got done. I'm also not trying to steal some of Tim's thunder because I know he'll want to talk about that as well. We want to see this commitment completed. It was a big issue that the City of Springfield selected you. It was one of the key caveats when we did your application review. We know you want to get this commitment done and move on.

>> MR. MATHIS: Right.

>> COMMISSIONER STEBBINS: And not have this hanging out there. So all the parties still seem committed. You know, hopefully the passing around of the MOA won't take that long. Because where action is needed, it's also on saving on that building. The Chair and I had the chance to walk around the property the other day. There's still windows that are broken. We're not too far away from another winter, which is only going to add to the condition -- you know, the worsening of the condition of the building as well as, you know, the overall costs for its redevelopment. Keeping focused on it from all parties is, I think, a priority and making sure that, you know, this commitment gets done and, you know, the project can move forward. Because I think it also speaks to what people see when they come to downtown Springfield. You know, they see your building. Right next to it is this big hulking mass at night that is sitting dark. But it's good to know that the Mayor and the city are still committed to it. It's great to hear the feedback from Mass Housing. I would consider if Wynn is here, they're still committed to the project and the building trades as well. But, you know, as soon as we can wrap this up, we not only want to see you complete that commitment, but saving the building is a timely piece of the equation as well.

>> MR. MATHIS: I echo all of those sentiments, and to be clear, it's more than just checking the box for us. That's an important commitment that we made. But it's really a double whammy to take a building that's an eyesore and to turn it into a vibrant market-rate housing, a building with ground-level retail, restaurants that could then usher in the next wave of development on Court Square. Court Square is one of the most beautiful squares frankly in New England. And we've got to activate it. So we're committed to it. We have dollars set aside for it. And we have backup options. But, you know, those are in distant second place to what we could collectively do with 31 Elm. We'll continue to push it as hard as we can. It's complex and involves in parties. Some of the great projects take time and that's what this one feels like. It feels like it's on the right trajectory. And we'll let you know if we run into something that feels like a deal breaker and we've got to, you know, go to another direction. But I don't think anybody is just going to let that happen. That's my sense.

>> COMMISSIONER STEBBINS: Thank you.

>> CHAIR JUDD-STEIN: Thank you.

>> COMMISSIONER CAMERON: Thank you.

>> MR. MATHIS: Thank you.

>> COMMISSIONER ZUNIGA: Thank you. Thank you, Mike.

>> CHAIR JUDD-STEIN: We now have the benefit of an update directly from the City of Springfield, which we're looking forward to. I'm just going to also mention to Janice in the back in terms of our timekeeping. We're thinking that it might be a natural break after Springfield's presentation from Mr. Sheehan to have lunch rather than a break. Is that a good idea, or should we just break, Janice? Okay. It's about --

>> COMMISSIONER ZUNIGA: We have guests after that.

>> CHAIR JUDD-STEIN: I know we do. I'm just trying to monitor.

>> COMMISSIONER ZUNIGA: Yes.

>> CHAIR JUDD-STEIN: Our timing. Okay. Thank you. Tim, thank you. It was nice to have the opportunity to meet with you along with Commissioner Stebbins, and congratulations. It's not such a new position but relatively new position.

>> MR. SHEEHAN: Relatively new, yes. Obviously I have a great deal of history with the City of Springfield. I worked for the City of Springfield for a number of years. I've also worked with Commissioner Stebbins, and I've also worked with John. So it's kind of -- there's familiar faces, and at some point it's old home week, and at some points there's a lot of new activity that's happening in the city. Which is great. So I thank you for the opportunity to allow me to introduce myself to the Commission.

I'm going to be fairly casual with my presentation to you this morning. I think one of the issues that when you look at the MGM Casino, just from its design, it made a statement that it was not just going to be a gaming center that was located in Western Mass. It really put forward the opportunity to look at using the casino as an ability to really elevate and contribute to the whole redevelopment effort of downtown Springfield. And it certainly, as you all know, has become a hub of quality food, modern entertainment, and retail venues. And it's been absolutely spectacular. And then you add the icing to the cake on that, which is the entertainment that has come with it as well. All of those experiential activities that are found in the casino are just hugely enhanced by the larger performance spaces and the venues of Symphony Hall and the MassMutual Center.

So between the casino itself and the top-tier performances being booked at those larger halls, the number of people that are coming into and enjoying all of the attributes that downtown Springfield has, has grown exponentially. As evidenced of that point, the City's local option revenues have gone up over 22%, totaling nearly \$700,000 for the first full year of the casino operations.

>> CHAIR JUDD-STEIN: Can I have that number again, please?

>> MR. SHEEHAN: Sure. It's up over 20%, totaling an increase of more than \$700,000.

>> CHAIR JUDD-STEIN: Thank you.

>> MR. SHEEHAN: So is there more to do? Of course there is, and there always will be. But the underlying question in my mind -- and I think from the City's perspective -- has been answered that over the first year of operations with regards to the casino's ability to be a substantial catalyst in the ongoing revitalization of Springfield's Central Business District, it, in fact, has been. And it's been a great addition for us. And now our job going forward is to leverage that investment, that MGM has made in Springfield, to bring even more people into the downtown, increase the pace of economic development activity throughout the central business district, and positively address, which all of you have heard, the persistent perceptions of Springfield as being something less than it actually is and it being -- there being a perception of it being unsafe.

We continue to address these objectives collectively, and all of our interests are aligned on those. The City fully understands, however, that what we need to do is actually work in bringing new development forward that isn't necessarily directly related

to MGM. And the City's economic development approach going forward post-casino construction is built around diversifying the land uses and the ownership interests in the Central Business District. And around the casino in a manner that advances that leveraging objective. Because if the architectural objectives of the casino development are to be fully realized, in my mind, the area around the casino must be equally engaging as the casino itself.

So, you know, if you're looking at a successful urban environment, it requires equivalence throughout. You can't have one side of the street looking absolutely wonderful while the other side of the street is more depressed. And if our expectation is that we want the casino to be fluid in terms of allowing people to come in and go out, they have to have something to go out to. So that's what Springfield must address in cooperation with the development community that's seeking to benefit from the underlying area market value that the casino has established within the downtown market.

We've heard a lot about the 31 Elm Street project. I can tell you that we're exceedingly close on that, to the point that in a discussion yesterday, it was decided that in terms of the planning work that needs to be done in anticipation of the work that the City has to do within the building, that we would actually launch that work and start going forward on it. So we're pretty bullish that we're at the end on this.

But, you know, as you know, the underlying financial needs of a massively complex historic redevelopment effort, it's required a matrix of patient public/private partnerships, and all of that takes time. But, again, I believe we are quickly advancing to the end at least with regards to the capital stack to begin the project. And as you know, as Bruce said, the Mayor and the entire City Development Team are very anxious to advance that critical component. Because we believe that it's so essential to establishing the positive connections between the casino and Symphony Hall. If you take that walk right now, especially if you're going to a night performance at Symphony Hall, it's ensuring and we need to do better in terms of ensuring that that development comes online, and it makes that connection a very positive experience for any visitor to the casino.

And we need to ensure as well that all of the public infrastructure and the public park that's related to that experience are in tip-top shape. So coming back to the issue of, you know, equalizing the aesthetics of the area around the casino, the City has been actively working with a consortium of private investors in an effort to purchase and favorably reposition parcels of private property in and around the casino that currently are not realizing their highest and best use, nor are they contributing in a positive way to the underlying pedestrian environment of South Main Street. And I think that that's important. And the investor pool that we're having conversations with is very locally based, and it's a sustainable investor pool. And we're very happy that they have expressed an interest in stepping up and making a commitment to repositioning many of those properties.

Other than that, Mike touched on the issue of housing. The City continues to see private investment being made in the existing multifamily housing inventory, most notably related complete rehab of 10 Chestnut Street which is the large tower on the corner of Chestnut and State. And the Silver Brick Group's acquisition and rehab of 22 Chestnut Street and the units at Main & Taylor. It should also be noted that there was

an extraordinary rehab undertaken by First Resource Companies and Gordon Pulsifer in the redevelopment of the Hollywood Section which is just a little bit south of the casino on South Main. That redevelopment has been unbelievable. Gordon and his company took what was a massive blight and transformed it into a thriving neighborhood village. I would encourage the Commissioners, when you have an opportunity to be out in Springfield, to actually go down to that area and take a look at what work has been done. It is simply astounding. And it, again, gets you to a point that there's more cohesiveness along the Main Street corridor as you come south of the casino.

But a significant investment is being made in family rehab throughout the downtown. And we're also seeing private sector interest in the new market rate multifamily residential development. The Davenport Company is advancing the first newly constructed units in the downtown in more than a couple of decades. The City recently updated its market analysis regarding downtown multifamily housing. The report suggests that there's a strengthening of the market over the period of time -- the last time we had that done was about two years ago. The City Development Team intends to further test that market viability going forward and to also explore the local and state incentives that may be required to actually stimulate that market sector going forward. Because as many of you would know, the multifamily residential development has dominated urban development across the country since the end of the recession. And Springfield is a little bit behind in getting its market to a level that it's ready to take advantage of that.

For an urban environment in my perspective to be truly successful, you need to have a housing market and a population that is economically contributing to and expanding the commercial base within the downtown. It's one thing to rely on the visitor population, but in order to sustain the commercial activity that's actually happening in the downtown on an ongoing basis, especially on the weeknights, you need to have an activated population within the downtown. And the Mayor is very aggressive on re-establishing market-rate housing within the downtown and advancing discussions as to what the City needs to put forward in order to make that development objective happen.

Finally, the City's development team, in my mind, needs to consider testing uses that may seem a little bit outside of the box. We have, especially in the area in and around the casino, we have market viability that we otherwise probably wouldn't have had from just the regional market because we're importing a population that's not counted in our demographic numbers when you just look at the region, in general. So in my mind, I think, you know, even -- there's so many comments that go on, you know, retail's dead, retail's never coming back. I just came from a community down in Norwalk, Connecticut, they're building the only urban mall as new construction in the United States, and it's 750,000 gross leasable square feet of retail. And it's in the heart of the urban environment. I'm clearly not saying that, you know, that's the type or scale of development that we should be looking at. But I do think there is a demand relative to retail that might be going unmet, and I think we need to drill down to try and figure out at what -- what is the niche of that particular market? What's the scale of it that we can support? And I think there's been proven evidence that both retail and gaming go well together within the marketplace.

But I also think, you know, there's support issues that, you know, we could be providing as well in terms of more -- just work space, ideas that, you know, provide the visitor to the casino the opportunity to check in and do, you know, a couple of hours' worth of work while they're here. And I think we need to also, you know, drill down on what the region wants out of its, you know, primary city in Western Mass in the downtown and try and figure out, you know, what the market realities are associated with that and how both the casino and the City can help to realize those. So I'm happy to take any questions that you might have. But it's been great to get to know -- or at least introduce myself to you and meet you. Thank you.

>> CHAIR JUDD-STEIN: Any questions?

>> COMMISSIONER CAMERON: Thank you. That was really informative. Good luck with your new position.

>> MR. SHEEHAN: Thank you.

>> COMMISSIONER CAMERON: And I think you talked about a lot of the things you wanted to do, but then you said, look, I think we have a good investor pool to get this to happen. So that was encouraging. Typically that's the hard part, right?

>> MR. SHEEHAN: That is usually the hard part is finding the folks that are willing to invest and providing the resources to actually acquire. But as I said, the pool that we're looking at and we're discussing this with, they're very local, and they're very committed. So that's also encouraging.

>> COMMISSIONER CAMERON: That's great.

>> COMMISSIONER ZUNIGA: We will be hearing about, in the real estate report later on today, some of what I think you're alluding to. I'm glad to hear that the City's aggressive relative to that investment in and around the casino. Some of the things that I took away from that report is that there appears to be some increasing asking rents right around but not necessarily a decrease in vacancy rates. So clearly there's an opportunity there that I believe the City has a big role in trying to address, and I wish you opportunity to do that.

>> MR. SHEEHAN: The well-managed units that are in the downtown now, the top tier are going about \$1700 a month. And it kind of ranges between \$1500 and \$1700. So, I mean, for Springfield, those are -- and when you look at, you know, what the average asking price is for a home in Springfield, those are pretty big numbers in terms of rental numbers.

>> COMMISSIONER CAMERON: Yeah.

>> CHAIR JUDD-STEIN: Additional questions? Thank you so much.

>> COMMISSIONER ZUNIGA: Thank you.

>> MR. SHEEHAN: Thank you. It was nice meeting you all.

>> CHAIR JUDD-STEIN: Appreciate it.

>> COMMISSIONER CAMERON: You too.

>> CHAIR JUDD-STEIN: And going to just ask my official timekeeper. Is this the right time for -- we need a break, at the very least. Is this the right time for break or lunch?

>> COMMISSIONER O'BRIEN: Five minutes. And then take a 35-minute break. Break till 1:00?

>> CHAIR JUDD-STEIN: If that works for --

>> COMMISSIONER ZUNIGA: Can you guys stay here for at least another 35

minutes to begin with the next piece and we can break for lunch? Okay. So let's break for lunch.

>> CHAIR JUDD-STEIN: Yeah. We'll start with item number 5 with respect to our research, and we appreciate your patience. This is a very rich conversation we're having here in Springfield. So we look forward to your presentation. We'll reconvene at 1:00 P.M.

>> COMMISSIONER ZUNIGA: Thank you.

>> CHAIR JUDD-STEIN: Thank you.

[ A lunch break was taken at 12:30 P.M. ]

>> CHAIR JUDD-STEIN: We are reconvening (Inaudible). Item number 5, (Inaudible) Ziemba's report as well as (Inaudible). Thank you. (Inaudible) please proceed. And for the record, please introduce (Inaudible). We're not (Inaudible).

>> MR. VANDER LINDEN: Before we get started (away from mic) report that MGM gave. (Inaudible) awareness week. (Inaudible) that is intended to --

[ Audio difficulties ]

They do good work. (Inaudible) MGM detail on what the economic effect of MGM in Springfield has created (Inaudible). I also believe (Inaudible) to fill in the details (Inaudible) and stakeholders of what the true economic -- what the true social impacts of casino gambling are in Massachusetts. That's exactly the intent of Section 71 of Chapter 23K of the statute. When it was laid out to the Commission that we needed to take a very close look and employ a robust research program to look at the effects of casino gambling in Massachusetts. I won't go into great detail about what the statute says, but it covers a number of different very specific social, a number of very specific economic impacts that we may observe. Two of those are being presented to you today. What are the economic impacts of building a casino in Springfield. Not just the dollars and cents of what the casino costs, but what are the additional direct and indirect costs that are -- and induced costs that are created. What is the impact on the real estate market in Springfield, and let's bring some additional data to fill in the picture.

We have -- today we have Mark Melnik, Dr. Renski, Rod Motamedi and Dr. Rachel Volberg to present these two reports for you. I will turn it over now to Dr. Mark Melnik who will provide a bit of an introduction to highlight some of the economic work before he turns that over to Henry Renski to talk about the real estate work. So thank you.

>> DR. MELNIK: Great. Thanks for the introduction, Mark, and good afternoon, Madam Chairperson, Commissioners. I am the director of Economic and Public Policy Research at the UMass Donahue Institute. You guys are all aware of our relationship and the project, but I did want to take a step back a little bit and talk about the economics team and the research agenda within what we're doing and how the pieces that Henry and Rod will be presenting today fit into the larger objectives of what we're trying to do as part of the economics and fiscal research team build out of the SEIGMA project.

As you're aware, the social and economic impacts of gaming in Massachusetts program has been going on for several years. It is a partnership that us at the Donahue Institute have been working under the direction of folks at the School of Public Health at UMass Amherst led by Rachel to, again, objectively and academically study

the actual impacts as we see them in casino gaming in the state, and this really unique opportunity that's presented to us in the sense of there's a new industry is introduced into the economy. This is rare that something like this would ever happen and to be able to pause while you're in this process and see ongoing what are the impacts of that casino being introduced into your economy. All politics aside of what different opinions might be of the casino industry in general, but it's a very unique thing to say here's an industry that did not exist here before. And now it is here. What does it mean? Both in terms of what it does to communities and public health, but then what it also does to other elements of the economy at large. So it's a very unique opportunity for us to be a part of something that's that holistic with its approach to take a high-level overview of the impacts of gaming, what it means in terms of job creation and taxes, examine what some of those effects might be in the community, and then some of the individual effects as it relates to employment. So it's interesting to see ways in which a lot of these things will dovetail and touch each other because a lot of the things we heard in the earlier presentations are very relatable to the things obviously that what we are doing, but in our -- from our reach is trying to look at a very holistic view of what this means to the residents of the Commonwealth and what it means to the host and surrounding communities.

So -- and while we're featuring today in this presentation two particular parts of work, I should note that there's a large team of folks who do different things related to the social and economic impacts of gaming. On the economics side alone, there's eight researchers, most of which are housed at the Donahue Institute but partnerships with folks like Henry and Mark Nichols at the University of Nevada-Reno give us a broad reach at looking at things that affect economic and fiscal. Just in terms of an overview of what we're trying to do is measure and determine the impacts of casinos. We're leveraging both a combination of secondary data, all the census products that are available to folks, American Community Survey, Bureau of Labor Statistics data, those kinds of things, as well as primary data collection. And one of the unique things about, again, the mandate out of the research agenda is our ability to work directly with the vendors -- excuse me, work directly with the licensees to collect data on site, to get data directly from the casinos but then also to do surveys with new employees or intercept with patrons to answer questions that secondary data wouldn't allow us to do, but look at things like business dynamics, labor market conditions, says government spending, things in real estate and so on.

Our analytical framework has evolved over time. We think of our work as fitting into three buckets. One looking at economic and community impacts and what it means specifically to the host and surrounding communities in the Commonwealth at large. We look at casino impacts and what are the impacts that are directly related to activities at the casino and the related spin-off effects of those. And then we have this bucket that we haven't done yet which we are calling special topics right now. But as the project evolves over time, we anticipate being able to take deeper dives into different topical areas that as we are in a fully operational casino market of other kinds of questions will uncover themselves as things that we may want to study further, and I'll touch on that in a second.

So in terms of the economic and community impacts, this has been manifested mainly in our things like the host community profiles and the community comparison



analysis, but looking at, again, how characteristics in communities are changing on the ground, be it local business indicators, residential indicators, labor force indicators, real estate, those kinds of things. But what are the characteristics of community and how are they changing over time.

On the casino -- oh, sorry. Wrong button. Casino impacts. What we're looking at are the different characteristics, again, directly related to the casinos and the related spin-off effect. So characteristics of the casino workforce. Who -- and part of that is our new employee survey where we're actually interviewing people when they're hired to understand where did you come from and what were you doing before this? Why did you want to work here? Those kinds of things. But then also the operating instruction impacts. Being able to say here's what the direct impact related to the casino and their operations are but then what's the spin-off effect. So we are able to tell a full picture of what is happening in the economy. And again, one of the major driving forces for why we wanted casinos in Massachusetts, in part, was the employment opportunities and the concern that, hey, we've got a lot of Mass residents leaving the state anyway to go gamble in Connecticut. Are we recapturing people? Those are the kinds of things we're studying in that part.

And then also a deeper analysis on things like the lottery which came up during the first half of the day. But tracking over time, what is actually happening to lottery sales? Not just in point location but also in the host and surrounding communities and lottery revenues overall. I mentioned special topics -- go ahead.

>> COMMISSIONER STEBBINS: Yeah, let me just interrupt you. And do it briefly. When you talk about government and fiscal impacts, you know, gross gaming, surrounding community payments, you know, Tim Sheehan mentioned it that they are seeing a bump in their local options taxes going up. And that's something I'm going to be interested in looking at to say, you know, what is the entertainment, you know, the hotel, the restaurants done to neighboring and surrounding communities? Because at the outset of this, it was everybody's big concern. I'm going to lose all my patrons to the new restaurant at MGM.

>> DR. MELNIK: Right.

>> COMMISSIONER STEBBINS: I don't get the sense that's happening, but that seems to me to be a good indicator where that may show up.

>> DR. MELNIK: Right. And that's definitely an area where just a few weeks ago we were having another brainstorming about how to deal with the government spending piece because some of it is money that goes into a general operating funds for the cities and those are a little stickier to try to understand. But there are other elements of trying to understand. Okay, how have revenues for locations changed and how much can we attribute that to the casinos? I think it will require case studies specifically with the municipalities, but those data are available and we have some thoughts about how we push that ahead especially now in the post-operating phase that we're currently newly in now as of June where everything's now happening.

On special topics, what's happened over the course of our several years on this project is a lot of interesting questions have come up over time. And what we'd like to do in a post-operating phase is really dive in deeper with some of these particular topics. For example, what is the impact on tourism and live entertainment? Over the years we've really been focused specifically on the ramp-up -- first getting a baseline

and then what the ramp-up of building the casinos would be, but then when you're in an operating phase, what are the other things that are -- or businesses that are interacting with each other. Again, things like tourism impact. Impacts on small businesses. Workforce development. One that keep talking a lot about internally is things like job quality. So what kinds of jobs are we talking about here? Do they have benefits? What are the wages like? So we've talked internally about new employee survey, what about current employee survey or exiting employee survey. These are some of the things we want to continue to think about as we track over time how the industry has changed and what the impacts may be.

>> CHAIR JUDD-STEIN: Did you just say exiting employees?

>> DR. MELNIK: What could new topic areas be.

>> CHAIR JUDD-STEIN: Thank you.

>> DR. MELNIK: And so we've had this portfolio work we've been doing for years but then there's, like, okay, how do you push the boundaries of that in order to inform things in a public policy context in an important way. So related to that is these phases of economic work which I've kind of flirted with these topics already in this conversation. You know, this all started as a baseline study. We don't have casinos yet. We're going to have licenses. What do the communities look like? And we're obviously past that. Development and construction is the phase that we're just -- that we're just recently completed. And Rod will do kind of the last -- will show one of those pieces of work that we've done looking at the impacts of construction. But now we're truly transitioning into a fully operational phase, and that would be the casino market going forward.

Our ultimate goal is to be able to tell stories and we're moving to this part of measuring impacts geographically, both in terms of where the casino is in location, but then the host and surrounding communities. And then ultimately being able to compare across each other. Both to talk about an impact on the state overall but then also how the different casinos may be different than each other. You know, Mike Mathis earlier during this meeting made a note about how there's different clientele for Springfield versus Encore, right? So being able to tell some of that story in terms of economic impact as well. Economic impact will look different for these places. So I think that's an interesting next phase of work as we move ahead.

So in terms of the different pieces of work in the economic and fiscal and what we've done in the community, today's presentation focuses on the real estate and construction impacts. But things that we've done over time, patron surveys, intercepts of people who are at the casino and understanding what activity -- excuse me -- picking off people, understanding their spending pattern inside the casino, people aren't really great at telling the truth about how much they may have lost, but we have ways of getting around that. But then trying to understand, like, what would you have done otherwise? How much are these people being recaptured? How much is this new money in the economy? And that's an important story to tell. The operating impacts, which ties into that, the construction impact which Rod will talk about, lottery impacts, you know, the survey with new employees. And then looking at these elements of real estate trends.

So with that, I'm going to turn the show over to Henry, but I'd be happy to answer any questions that you guys may have as we move ahead.

>> CHAIR JUDD-STEIN: Thank you, Mark.

>> DR. RENSKI: Green?

>> There's only two choices.

>> CHAIR JUDD-STEIN: Thank you.

>> DR. RENSKI: Hello. Okay. I wanted to see how loud I was. Thank you all for having me again. It's always a pleasure to present before the Commission. My name's Henry Renski, as others have told you, I'm associate professor in the department of landscape and architecture and regional planning at UMass Amherst. My specialization is state and local economic development. Today I'm going to kind of report a summary of what we found in the really covering primarily the construction phase as Mark was saying. But the real estate impacts of the casino, MGM Springfield Casino.

And part of the reason why, you know, this study really covers the construction phase is that, you know, it starts with, you know, kind of examining trends from about 2014 through 2018. There's a lot of differences in this study compared to the baseline report and that we've introduced a lot of new data, a lot of new data sources, as well as, you know, kind of increased our ability to track things much more quickly, but we are still, because we're very dependent upon secondary data, there's still somewhat of a lag in our ability to measure things. A year lag in secondary data is actually not that bad in the big scheme of things. But just keep that in mind. That a lot -- like, for instance, our colleague from the City of Springfield that was talking earlier was talking about conversations that they're currently having with developers, this kind of thing would not show up in our data yet. I just wanted to make sure you're completely aware of the timeframe that our study really covers.

You know, this study is really not getting into post-opening types of impacts with the exception of there's a couple measures that dip into the post-opening time period. But even then they would be not really enough of a trend. You know, our study covers residential, and it covers commercial industrial. I think the bulk of what I'll be talking about today is residential, but, you know, you have the report and you'll see that it's really divided into those two pieces. And with the addition of the analysis of secondary data, you know, we do do some primary data collection primarily in -- through stakeholder interviews as opposed to surveys. So you'll see at times I'll be talking about secondary data and at other times I'll be talking about, you know, what is really anecdotal data that we've gleaned from talking to people.

And because, you know, when the evaluation structure was set up in advance of the actual licensing of the casinos, it gives us a really unique opportunity to do something that we can never really do in planning or economic development studies which is kind of look and draw baselines before and then see what happens as they happen and then kind of continue tracking after. So we leverage that. We leverage our ability to study things before and after and look at trends over time. And we also try to do a comparison between areas where we think that the impacts, if there are any, are going to be the most salient and areas that are generally similar markets but will not be as affected directly. And so for us, because it's hard to find similar markets that aren't, you know, we're really talking about looking at the impacts on in this case Springfield and its surrounding communities and then kind of contrasting that with what's going on in the larger region as well as what's going on statewide. At least somewhat try to give

us an indicator of what the conditions might have been, you know, but for the MGM.

I already talked about timing lags and key data sources, kind of the bane of our existence is academics. And, you know, coupled with the fact that when we're talking about the casinos opening, it's still relatively recent. And just -- it's important to keep in mind that nothing happens in a vacuum, and we don't have the luxury of being able to conduct, you know, laboratory experiments where we can really isolate, you know, the casino from the broader economic and real estate market. And there's been a lot going on in the broader real estate market, you know, since the great recession, which is really the context of what's going on here. You know, Greater Springfield's real estate market has been getting better. You see it strengthening. You see that in the number of sales occurring. You see that in the prices of homes. You see that in the rental values. Not all of these increases can be attributed to the casino, though. And so what we try to do is contrast what's going on in Springfield, the Greater Springfield area, and then outlying areas, you know, and again, if we see those same trends going on in all these different areas, then it kind of suggests to us that at least we can't purely attribute it to the casino, as, you know, academic, I'm very cautious in attributing causality. It's something that you will not really ever hear me do, because the standard of evidence that we require for that is very, very high.

But having said that, that the context is also that, you know, as a real estate market picks up and you see rising rents, rising prices, you know, that kind of growth also creates a lot of challenges, as you all know. And some of the discussion that we had earlier is that, you know, rents might be great -- you know, rising real estate values might be great from the perspective of, you know, the economic developer. It might not be so great from the perspective of the person in the rental unit in the city that, you know, is trying to figure out how to pay their rent. And we're cognizant of that. And that's part of the reason why we tried to broaden our strategy and include a few more inner informants into the research design and continually, as Mark was alluding to earlier, trying to think of ways where we can get at some of these other real estate impacts that are a little bit harder to detect just by looking at the data. So that's a continued thing that we work on.

So, again, to kind of set context, you know, we're really looking before and after the licensing of the casino. And one of the things we do is just kind of look at broad regional trends and where things like home sales are happening to the extent that we can find the data. And these maps just really -- they really just kind of show for single-family homes, you know, where are single-family homes being sold? And that's a measure of kind of the volume of activity in a market. An up market, there's a lot more transactions. A recessed market, usually things slow down a bit. But one of the other things that we're seeing is that generally speaking, you know, the areas that were hot markets for sales kind of pre-awarding the license still remain to be the hot areas. And this is for home sales, right. So we haven't seen, like, a massive shift. But that would be hard to detect, you know, at this kind of level of aggregation anyways.

Similar things going on for casino sales --

>> CHAIR JUDD-STEIN: Do you know --

>> DR. RENSKI: What? Oh, I'm sorry.

>> CHAIR JUDD-STEIN: This is just a question in terms of the sales. Do you know the average time it takes to sell a single-family home in the course -- did you look at

that?

>> DR. RENSKI: I haven't looked at it in conjunction with this study and --

>> CHAIR JUDD-STEIN: What I'm getting at --

>> DR. RENSKI: I know that it's been going down. I really shouldn't comment on that because I haven't looked at it in conjunction specifically with this study, but I have been listening to a lot of different kind of, you know, other experts talking about the local real estate market, not specifically Springfield. And there has been a lot of discussion about how it's becoming much, much more of a seller's market in western Massachusetts and the Pioneer Valley in particular, not to mention, you know, the east, which is crazy. So the time has been going down regionwide. But I'm not -- I can't remember off the top of my head exactly what that would be.

>> CHAIR JUDD-STEIN: So you don't think that the properties sit for a year? You know, I'm just trying to figure out the timeframe.

>> DR. RENSKI: Yeah. I think right now it's probably less than that, but I don't know exactly how much. I really wish I could recall that right off the top of my head.

>> COMMISSIONER ZUNIGA: Rachel, did you want to add to that?

>> DR. VOLBERG: Yeah, my house is actually on the market.

>> CHAIR JUDD-STEIN: This would be anecdotal.

>> DR. VOLBERG: So I can tell you the anecdotal evidence that I have is that the average for a -- average time for a single-family home on the market in the Pioneer Valley is 68 days.

>> CHAIR JUDD-STEIN: 68 days.

>> DR. RENSKI: Yeah. That's -- yeah.

>> CHAIR JUDD-STEIN: Yeah. Okay. So that's really helpful. Thank you.

>> DR. RENSKI: Yeah. She painted her house entirely paisley so it's kind of a strange market niche.

>> DR. VOLBERG: And redid the gardens.

>> CHAIR JUDD-STEIN: Anyway.

>> DR. RENSKI: So these maps just kind of give you -- it's really kind of an overview of the geography of home sales in the lower Pioneer Valley. So now getting to the actual residential impacts. The first metric that we're looking at relates to the number of single-family home sales. And what -- here what we're really doing is showing -- and I'm going to talk about my left. The number of sales for the regional entities like the City of Springfield, the surrounding communities, and the remainder of the Hampden and Hampshire County. And then on the right axes, you'll notice that we plot separately the state of Massachusetts, okay. So I wanted to make sure that everybody's following the -- how the graph is set up.

There's a few things that we see here. Generally speaking, we see very similar trends in the volume of sales activity. So getting past the number of sales, which is going to vary because these are different-sized markets. What we're concerned about is the trend, right? So we have seen a pickup in single-family home sales for Springfield. Springfield will be the larger dash line towards the bottom, right? It's definitely picked up. And the pickup is actually very closely related to the timing of the awarding of the license. However, you see this same phenomena going on in, like, outlier areas of Hampden and Hampshire county where it's much less doubtful that their real estate markets would be directly impacted by the announcement of Springfield

getting a casino, especially in the single-family homes market right?

Condominiums are another one that we look at. Here we don't see really anything going on. The condominium market in Springfield isn't even, you know, keeping up with the rest of the region. But you also keep in mind that the condominium market within Springfield is actually pretty small compared to the rest of the region. Remember in Hampshire county there's a lot of colleges and a lot of faculty I know live in condos, things like that, probably even a number of students. We have a pretty robust condo market. But it's less of an issue in Springfield. But where Springfield really kind of dominates the regional housing market is in multifamily buildings.

You know, here we're talking about apartment -- you know, apartment housing, but we're not talking about the rents that are paid by the tenants, but we're talking about the actual sales of the buildings themselves. So again, watch out for the small numbers. But here we see, you know, Springfield really departing from what we're seeing in the rest of the region. And so while I am not the type of person that quickly attributes causality, there's definitely something going on here, you know, the timing of the license award is very consistent with the increase in the sales. And the steady increase in the sales of multifamily homes. My big caveat with this one, though, you know, these are relatively small numbers of sales by real estate markets. Yeah.

>> COMMISSIONER ZUNIGA: And each one of those sales, however small is the total, accounts for one multifamily --

>> DR. RENSKI: Yep. It would be a building.

>> COMMISSIONER ZUNIGA: Multiple units within each one of those sales because it's a building.

>> DR. RENSKI: Yeah. So even if one building had more units than another building, it would count as one.

>> COMMISSIONER ZUNIGA: Okay.

>> DR. RENSKI: Yeah.

>> CHAIR JUDD-STEIN: So this is real numbers 150, right?

>> DR. RENSKI: Yep. And this data we get from the multiple listings service.

>> CHAIR JUDD-STEIN: Right.

>> DR. RENSKI: And so what that does is it's basically the posting of things that are for sale, right, on the market. So not the renters but this building is for sale.

>> CHAIR JUDD-STEIN: Right.

>> DR. RENSKI: Yeah.

>> CHAIR JUDD-STEIN: And so to --

>> DR. RENSKI: Or this building is another thing.

>> CHAIR JUDD-STEIN: So to Commissioner Zuniga's point, we don't know how many units, it's just buildings.

>> DR. RENSKI: Not from this data. There are some other data -- oh, I'm sorry.

>> COMMISSIONER O'BRIEN: No, I'm sorry. I thought you were done answering. You answer and then I'll see if it's a question. Does the MLS capture things that were maybe not arm's length transactions? So private sales that aren't going to go into MLS?

>> DR. RENSKI: Not to my knowledge, but -- Becky's taking notes. We'll definitely look into that.

>> COMMISSIONER O'BRIEN: Okay.

>> DR. RENSKI: I don't -- my -- not the version of the MLS that I had access to, but --

>> COMMISSIONER O'BRIEN: I'm just thinking about the project that they've described earlier south of here, were a lot of those done nonarm's length such that they're not going to hit MLS or your stats?

>> DR. RENSKI: Right, right. It's definitely worth more than looking into. So hopefully I'll be in a better position to tell you whether or not we can get that kind of data before next time. Or even before the next, you know, sequence of reports that we do. I think that would be a great complimentary data point. Yeah.

>> COMMISSIONER STEBBINS: Henry, is there any chance on the increase in multifamily home sales and obviously Springfield has a different trajectory, is it possible if you went through the surrounding communities and looked at actual multifamily housing stock, whether that trend -- if you took out the communities that have very limited multifamily housing stock, whether you'd see a same trend -- I mean, I'm thinking meadow Hampden, not a lot of two-families, Longmeadow, but if you compared it, whether that would be a similar trend.

>> DR. RENSKI: Yeah, you know, the multifamily market is dominated by the type of communities that you're interested in. I mean, we could certainly put Chicopee and Holyoke which have generally similar-type housing stock as Springfield, you know. We could kind of look at them somewhat separately, but I'll tell you that the surrounding communities that you see up there, any multifamily housing that exists is probably in similar communities that what you're interested in. We didn't take those out when we put the data together, so it would be interesting to look at. But just from what I know is that Longmeadow doesn't have a lot of lot of multifamily housing. West Springfield has some but not hardly as much. But Chicopee has a lot. Holyoke has a lot. And so, you know, their market has been rising, you know, as you're seeing here, but there's kind of this -- a much more -- it's like the steepness of the slope of that line. But, you know, again, I think we're taking notes, so. . .

So now on to sales. And -- sorry, sales prices. So kind of, you know, are people -- the asking and the selling price. So these would actually be the price sold, not the price asked. Sorry. We're not seeing a lot going on in single-family. Prices are rising. You know, kind of slow but steady in Springfield and maybe at a slightly higher pace than kind of, you know, the surrounding communities. But not -- not completely -- it's not a huge departure. There's very similar trend kind of going on regionally, the incremental increase in housing prices. It would be really hard to attribute that to the announcement of the award.

>> CHAIR JUDD-STEIN: And these are median sale prices, not the average?

>> DR. RENSKI: Yep. And usually we use the median because it helps protect things from, like, you know, they sold the castle which --

>> CHAIR JUDD-STEIN: Really skew it.

>> DR. RENSKI: The Downton Abbey house sold and messed up the whole market.

>> CHAIR JUDD-STEIN: Right.

>> DR. RENSKI: Not that I'm plugging downtown. Just what came in my brain. So we're not seeing a lot with single-family. We're not seeing a lot with condominium as far as prices. What are we seeing with the sales price of multifamily? We're seeing

kind of an increase. This one is a little bit more difficult, though, because the increase actually preceded -- the trend precedes -- the start of the trend really precedes the casino. And what we're seeing is kind of a continuation of that trend. So it's a little bit more ambiguous.

>> CHAIR JUDD-STEIN: But it came -- that trend upwards came after the award?

>> DR. RENSKI: The trend begins closer to 2012 for the City of Springfield.

>> CHAIR JUDD-STEIN: And when did you make the -- oh, that's the actual award.

>> DR. RENSKI: Yeah. And, you know, that would coincide with, you know, the fact that we came out of, you know, a very depressed housing market, especially for, you know, the type of investor properties that multifamily homes really, really are, says right? And so, you know, 2012 we were recovering from that. And so, you know, we start to see it. So while we do see an increase in the volume of sales, we haven't seen it really reflect as much on the price of the sales for the multifamily unit or at least not to the extent where it's clearly distinguishable. Okay.

>> COMMISSIONER CAMERON: So Eastern Mass, the prices have gone up considerably. Western Mass at a much slower rate. Prices are rising.

>> DR. RENSKI: Yep.

>> COMMISSIONER CAMERON: Okay.

>> DR. RENSKI: Yep. And consistent with the economic recovery that has been pretty universal.

>> COMMISSIONER ZUNIGA: Henry, on that graph, the Hampden and Hampshire Counties, right before and after the license is awarded has an interesting bump back and forth. Is that -- what do you make of that?

>> DR. RENSKI: I don't know what that's from, to be perfectly honest with you all. But that would be -- you know, the rest of Hampshire and Hampden Counties, that's -- that's pretty far out you know, as far as you're really talking about, like, Amherst and South Hadley and the areas that get outside of Holyoke. There could be, you know, a few high-value sales that affected that because we're still talking relatively small numbers.

>> COMMISSIONER ZUNIGA: But it comes right up.

>> DR. RENSKI: It comes back up. It might be a data anomaly. You know -- yeah.

>> DR. MELNIK: To Henry's point, if you're talking about a handful of transactions and two of which are way high on the right side of the scale, medians are protected from skewing, but they're still the middle-most score in a range of scores, and there's only 13, then you could still see -- because what happens is 14's the weirdo, right? 13 and 15 look like the same number. And then the trend line is you move forward still looks kind of similar. So I would guess it's something like that.

>> DR. RENSKI: Yeah. And I tried to focus on more the general thing. But when we do see spikes like that when we have the ability to dig down, we usually try to figure out what's going on. We have -- you know, that's a little bit easier to do when you're the one that's putting the data together than, you know, when you're looking at secondary data.

>> CHAIR JUDD-STEIN: So unlike the earlier one on sales, it just looks as though the market here just reflects the overall trend.

>> DR. RENSKI: Yes.

>> CHAIR JUDD-STEIN: That you might be able to draw a conclusion on the other



one with respect to sales that it was perhaps connected.

>> DR. RENSKI: Yeah. Because the timing is much more consistent, right? The announcement of the award. And that's not always a perfect indicator because there was a lot of people that probably would have thought, oh, yeah, Springfield will get the Western Massachusetts license. But here, you're talking about major investments. Sorry, that's single-family I wanted. Oops. Oh, no! Multifamily. But, you know, again, it's pretty dramatic. And it very much coincides with, you know, the announcement of the award and we're not seeing it in other areas. So it's much more strongly suggestive.

And the other thing is that it coincides with what our anecdotal conversations with, you know, people that have a much more kind of intimate knowledge of the local real estate market kind of told us as to what was going on, which I'll get to in a minute.

>> CHAIR JUDD-STEIN: Maybe -- and you're going to address that, but I wondered if prices -- prices could be lagging behind sales. In other words --

>> DR. RENSKI: Speculators could be saying well, the prices are lagging, but I think that this is an opportunity because the -- you know, I see the price of this building below what I think its ultimate market potential would be. That's what speculation is.

>> CHAIR JUDD-STEIN: Yeah.

>> DR. RENSKI: But eventually if there's enough demand, they will go up.

>> CHAIR JUDD-STEIN: You'll see -- yeah.

>> DR. RENSKI: Right?

>> CHAIR JUDD-STEIN: Yeah.

>> DR. RENSKI: But that's my interpretation, you know, again. So rental. So rentals are actually, you know, a topic that's a little bit more kind of getting to, you know, what people, you know, in the residents of Springfield actually kind of experience and face, especially because this market -- there's not a lot -- I mean, Springfield is the city of homes, but most of the single-family housing units are really concentrated in another areas of Springfield, not just in the immediate jurisdiction of the casino, but there is a good multifamily housing and rental market in the downtown part of Springfield. So what do we see? We see rents rising, right? But we also see that same trend in a lot of other areas of the region. So that doesn't mean that somebody's rent, you know, in the immediate area, we can't definitively say that their rent rise had nothing to do with the casino, but there are broader real estate trends that explain rising rents that really are independent of the casino. You know, and again, we're mainly looking at the pre -- you know, the pre-opening time period. We have a little data but not enough that I want to interpret it because I want to wait until I start seeing a trend to know whether something's really going on.

So, you know, so we do see rents rising in Springfield. You know, which is consistent with the anecdotal data that we had collected. But, again, you know, we see that in Chicopee, Holyoke, Longmeadow, further areas in the rental market as well. And so now getting into, you know, a lot of the discussions that we had with folks, you know, about the market really kind of focused on this rising rent issue. And there's been a lot of people that have kind of -- the anecdotal data largely is consistent with what the secondary data is telling us, that there's some, you know, we've seen upward pressure on the housing market, but it's hard for, you know, the housing director to say whether or not even that's attributed to the casino. But they also know that there's a lot

of development projects that are kind of going on and in the works. Right?

And so on the one hand, you know, they might be repeated to the casino, but it also makes it difficult to attribute it to the casino I think is my interpretation of that quote. Right? In 2013, you know, this is just kind of a document of the rate of rental increase that a lot of people have seen. And the second quotation, two to three bedrooms went for under \$1,000. Now they're looking at \$1400. One thing that I'll say about our data -- and I should have mentioned this before -- that our rental data comes from Zillow. And Zillow tracks rental prices of listed properties. So if you're a resident that's in a rental unit, your price might be different than what a new unit that's -- not a new -- it's not new in the sense that it's recently built but something that's on the market. Right. You could be locked into a rental rate for a while just because you're a good tenant and your landlord doesn't want to raise your rate even though a new -- that same unit that goes onto the market, the asking rent might be higher. But Zillow only looks at asking rents. So we think that it's a little bit biased on the upside as far as, like, the actual dollar values.

>> COMMISSIONER ZUNIGA: Unless there was a lot of turnover, right?

>> DR. RENSKI: Unless there was a lot of turnover, yeah. They would get closer together, but I still think it would be biased.

>> COMMISSIONER ZUNIGA: You still think it would be biased.

>> DR. RENSKI: That's a great observation. And this last one that I have on there, because it really kind of coincides with what we are seeing and the difference between the single-family home and the rental markets is that we're not seeing a lot going on in single-family home pricewise. You know, but the rentals would be more sensitive. There was a lot of discussion about the prospect of speculation, especially in the multifamily market which kind of coincides with what we're seeing in sales. During that award period, there was a lot of outside vendors coming into the region buying housing and rating rents. You know, the feeling is that that speculation is related to the casino. And this comes out in a few of the different quotations that we put on there from different people.

Then a related issue to all of this that we don't have any secondary data on but we thought that it was worth kind of mentioning it because it's really on the minds of a lot of people are things like, you know, the displacement from housing units and the prospect of evictions. And, you know, our anecdotal discussions, you know, with people suggest that evictions are on the rise. Again, I stress we did not have access to actual data on this. You know, the world can look very different from different perspectives. But there is at least some anecdotal evidence that they see kind of evictions rising, at least by looking at housing court records. And there's certainly a lot of concern among public representatives of that issue. So that's about what we are able to say at this current point about evictions. The lag in that data is really -- I'm going to go through commercial impacts a little bit more quickly. Oh. Do you have a question?

>> CHAIR JUDD-STEIN: You want to know whether the eviction -- what the causation of the evictions were, but they're suggesting that it is gentrification.

>> DR. RENSKI: I think that it doesn't say, but that would be my assumption. Maybe -- I don't know if -- Dr. Volberg was actually involved in a lot of these interviews, and maybe she has a little bit of insight.

>> CHAIR JUDD-STEIN: My understanding is you don't have enough data.

>> DR. VOLBERG: So the comment from both Liz Bewsee from Arise For Social Justice and from Catherine Ratte who is the principal Planner For the Planning Commission, their assumption is that this is a speculative effort to basically move people out of downtown who have been there for a long time and then, you though, sort of upgrade the properties and then rent them out at market rates. There was quite a bit of discussion in both of those interviews that we did and in the others as well about, you know, this feeling that, you know, the city of Springfield, understandably, wants to have, you know, market-rate housing downtown to revitalize the area. But the challenge for the City, I think, is that in the process of, you know, encouraging economic development, there is this sense that people are being pushed out who have been downtown for a long time but who can no longer afford those rents.

>> DR. MELNIK: And if I can offer something here. I think that's one of the really powerful things about the totality of this research going forward is to continue to track this. There is a temperature within real estate markets in Massachusetts, particularly urban ones, that there is a deep feeling that this is happening. Now, whether or not it actually is statistically is another question. But I think because you're seeing a state where housing prices are so high, and because unemployment rates are so low and there's been a lot of attraction to urban environments, that people who are native to that community are -- the pump's primed already, feeling like are the wolves at the door for my community? We've seen it in other places, says right? So I think it's an important thing to get that sense of talking to folks, using the secondary data to see the trends but then talking to folks and supplementing it which is a part of our work but to continue to track it. Because it's interesting to read those quotes and then our group also worked on the Greater Boston housing report card with the Boston foundation to the degree you're hearing conversations with folks in Roxbury in very different real estate markets but then they are urban areas that, you know, have these elements of up-and-comingness and this fear of gentrification. So I think in ways we're speculating about the speculation.

>> CHAIR JUDD-STEIN: About the speculation.

>> DR. MELNIK: But at the same time, I think it's an important part of what the power of a multiyear research study brings to you because it allows you to create data over time that you couldn't otherwise do.

>> Go ahead.

>> DR. VOLBERG: Sorry. I just wanted to add to that, you know, there's an opportunity here, if this is an early warning sign. And, you know, it -- what I think of key informant interviews as is really the canary in the coal mine. If you'll pardon the analogy. It's really like, oh, did that bird stop chirping? Should I be concerned? It indicates the possibility of an issue that the City of Springfield and I think the state of Massachusetts might have an opportunity here to sort of begin discussions before there's a really huge problem to sort of say, well, what do we as a Commonwealth want to do about this issue if it is up-and-coming?

>> CHAIR JUDD-STEIN: I interrupted, but thank you.

>> DR. RENSKI: I'm here to answer your questions, so it's not an interruption.

>> CHAIR JUDD-STEIN: Thank you.

>> DR. RENSKI: Yeah. Don't feel bad about stopping me. All right. Where was

I? Oh, yeah. Oh. So, yeah. So there's at least, you know, some discussion about, you know, the evidence of eviction. You know, again, you know, I'm a very cautious researcher. You know, I know as a methodologist that you have to be also, you know, that while anecdotal data can indicate things before you notice them in the data, that ultimately the two things, you know, can work complimentary to one another because, you know, as I think Mark was alluding to, one person's perspective on, like, hey, the casino opened up, and then my rent went up. It must be the casino. When the actuality is is they don't know the world outside of the casino from the thousand-foot level that the data allows you to see, that rents have gone up a lot of places.

Commercial impacts were really not -- well, we're seeing something, but it's -- it's hard to say, I think, at this point what's related to the casino. So this is basically showing kind of the change in commercial rentable building area. And everything's indexed so it's really kind of just showing the trends on these three different areas that we're comparing. Now, the interesting thing about this is that the trend's been an upward trend, you know, since basically the recession, which isn't that surprising. That there's been more RBA, as we would say kind of being put on the market. And because commercial real estate, you know, tends to be, again, you know, office buildings and things like that, you know, so it's kind of lumpy, the trends, you have to be very careful.

If you look at the line that we have for the MGM Springfield opened, that jump, that's the MGM Springfield.

>> CHAIR JUDD-STEIN: Yes, yeah. Your report shows that.

>> DR. RENSKI: So now that that's opened, right, it will be interesting to see what that trend will be like after. But you can't really count the opening -- it's, like, oh, yeah. There's a lot more RBA on the market. It was because of the casino. Right? So we have to wait a little while. But the trend is at least positive, you know.

>> CHAIR JUDD-STEIN: I wondered when I read your full report if there was a way to extract that and to know --

>> DR. RENSKI: I'll have to ask my colleague Tom who did a lot of the data drudgery on the commercial side.

>> CHAIR JUDD-STEIN: Because I think --

>> DR. RENSKI: Off the top of my head, I don't think --

>> (Inaudible) it may be doable.

>> DR. RENSKI: Maybe.

>> CHAIR JUDD-STEIN: Or I wondered if it was really the bulk -- it probably was the bulk of the construction, yeah.

>> DR. RENSKI: Yeah. But that will be largely a one-time deal, too.

>> CHAIR JUDD-STEIN: Yes, I understand that.

>> DR. RENSKI: Here's industrial. So honestly speaking as an economic development person, I'm not really expecting industrial to be all that directly related to the casino. At least directly related. If the overall -- you know, over a long arc of time if economic conditions improve in Springfield and improve in the region which, you know, the casino might be part of that, then you might see more, you know, industrial activity going on. But it's too removed of an actual use for my taste to see a lot of, like, conceptual correlation between these things. But you do see a bump. That bump is largely from the rail factory that opened up in Springfield at that same time. Those two

major employers, right. So, again, it's another reason why you have to be very careful, you know, kind of looking at these bumps and looking at the timing events and just purely attributing things because there's other things going on. So. . .

Commercial vacancy rates. You know, again, we kind of see this, you know, they're dropping, which is a good sign for recovery. But it's pretty consistent. It seems like a lot of the secondary kind of outside of the casino activity might be coming online in conjunction more with the post-construction period. So we'll continue monitoring this one. You know, and the trends. So the trends are favorable but, you know, generally consistent with what we're seeing elsewhere. So it's hard to make a very firm association.

Office lease rates really pretty stable. Nonoffice commercial lease rates. This one's a little bit jumpy but, you know, we're kind of seeing, you know, a match between Springfield and the surrounding communities. You know, in terms of the timing of this. In 2018. Anyway. (Inaudible) this activity. I think most of the comments really are kind of -- and this is to kind of be expected, at the time that we were doing interviews was at the very beginning of the operations. And so people are starting to notice, you know, the construction is done. The streetscaping is in. They're noticing more pedestrian activity in and around the casino. There's a little bit of discussion about how far that activity has spread from the casino and somewhat of a general uncertainty of whether or not it's spilling over into a lot of businesses that are outside of the immediate kind of casino and the district. But, again, I think one person said but we'll wait and see what happens in the summer. Right? You know, so our anecdotal information is that, you know, that there's more foot traffic in and around the area, you know, some noticeable improvements in the streetscaping, some noticeable improvements in, you know, pedestrian volume. Nothing, you know, that -- not a huge, tremendous difference with the exception of particular events. Like, you know, I've talked to people that say, like, well, you know, the Food Truck Fridays, there's a lot of people kind of walking around downtown, and it definitely seems like there's more lines at some of the restaurants at lunchtime than there ever used to be before, you know, some of the ancillary businesses. I'm not as concerned about the ones within the casino. I'm more concerned about what's going on in the area around as a planner, you know. Like does it spark economic development beyond that particular place? Is it a spread effect or a backwash effect would be what I would be concerned about.

And so, you know, it's still very, very early to tell. But there's definitely -- you know, a lot of people think that it feels more lively downtown, at least immediately around the casino. That's my summation of, you know, what these different kind of quotes really tell me.

And as always, I took up probably more time than I wanted to or needed to, but I'll be happy to answer any other questions before I turn it over to Rod.

>> DR. VOLBERG: Are there any more slides, Henry? One more.

>> DR. RENSKI: Well, related to quality of life. You know, which is part of my interpretation of kind of the vibrancy of the streetscape and the area.

>> COMMISSIONER STEBBINS: Henry, I would just suggest -- and the folks -- those canaries in the coal mine that Rachel mentioned, I like stakeholder interviews better. You know, going beyond of some the folks that you've listed who were primarily focused on the housing side and think about a Tim Sheehan who

obviously has had some of the commercial development experience with the Chamber just to kind of broaden that mix of voices that you're talking to especially on the commercial business side.

>> DR. MELNIK: Yeah, and if I could offer as part of the research agenda that we proposed going forward, there would be a robust stakeholder engagement exercise that coupled with the real estate. Because, again, the data lags in real estate relative to what's on the ground could be different in terms of bringing those two things together as context. So part of the crowd that we're talking about -- talking with are developer types and those kinds of things to get that sense from them.

>> COMMISSIONER STEBBINS: That's great.

>> COMMISSIONER ZUNIGA: There was a couple of slides on the conclusions. Do you feel you already touched on them?

>> DR. RENSKI: The conclusion is kind of, you know, my recap if you want me to really go over it, you know. Right now we can't really say that it's had, you know, what I would describe as a limited direct impact on the residential real estate market in Springfield and the surrounding communities, but we don't really have post-opening data to look at. So we're really just talking about the kind of thing, you know, you know, the period between the award and the opening, which is more of the domain of speculators than the domain of the kind of long-term economic development that comes from investments in an area that then transforms it more incrementally and over a longer time period. That's the kind of thing that we really want to pay attention to going forward. You know, are there increasingly businesses opening, and are they spreading further from the casino? Do we continue to see a sustained increase in the amount of foot traffic going on? You know, are rents, you know, God forbid, the real estate market slows down, but it will eventually, you know. So what happens in that kind of a market, you know? As you go forward, you know, the things change. And I think Mark did an excellent job kind of pointing this out at the beginning that we're really moving into an entirely new phase. A lot of the big economic impacts I don't really expect during the award phase, the construction phase, other than, you know, he'll be talking about it. It's more of the spillover development that comes from transforming an area which even in -- I mean, this is a large employer in, you know, a confined area, so there is a potential that there's noticeable impacts in the short run, but it's really more of the ones that come from the community transformation are more of the things that, to me, kind of are really the hallmark of development, you know. Successful development or, you know.

So, you know, moving it forward, we have, you know, there's a lot of interesting things to look at. Let me just put it that way. And yeah, I'll leave it at that. The last slide is -- oh, sorry. I keep thinking it's the last slide. The commercial spin-off development remains relatively limited. The commercial spin-off development. We heard discussions earlier today about new things going in. We'll see whether or not that continues and spreads into things that are much clearly unrelated to the casino. And to me the geographic spread is also very interesting.

And so this is what I thought my last slide was which is our acknowledgment of all the people that took time to talk to us, and we're very thankful for their insights.

Okay. So I guess I'll turn it over unless there's another question? More questions?

>> CHAIR JUDD-STEIN: I just want to say I read the full report and the PowerPoint

but I thought the full report was very accessible, and I think it's very interesting. But I understand stay tuned.

>> DR. RENSKI: Oh, yeah. Well, because I wrote it and then somebody else rewrote it and made it more accessible.

[ Laughter ]

>> CHAIR JUDD-STEIN: No, the full report was -- everything was very accessible, so thank you. Well done.

>> DR. RENSKI: Well, thank you. I appreciate that.

>> COMMISSIONER STEBBINS: Very well done.

>> COMMISSIONER ZUNIGA: Can I just say, I came to a meeting in May where you have -- for members of the community, you had the preliminary presentation, a version of this, but it was really preliminary findings. But some members in the community were really interested. And what you alluded to and spoke to directly in some cases, the feeling or the fear by homeowners that their rents are increasing and it's all -- and it's probably due to the casino because of the proximity in terms of time. It's really out there and that's a local concern that is important for us to continue. Think about -- and it's clear that you are -- and to continue to look at with data to corroborate or not.

>> COMMISSIONER CAMERON: Haven't you found that in a lot of your stakeholder interviews that people really are positive about the benefits of the casino?

>> DR. RENSKI: My -- maybe I'll turn that over to you. I'll -- yeah.

>> CHAIR JUDD-STEIN: She raised her hand.

>> So Rachel and I conducted the interviews (away from mic).

>> DR. RENSKI: And they spanned a lot more than just real estate, mind you.

>> I think it depends on the person's position and their interest.

>> COMMISSIONER CAMERON: Right.

>> Those folks that were more about the housing and economic justice, right? They were a little bit more critical in terms of economic development and what can we do. So economic development doesn't necessarily have to go hand in hand with displacement. What can we do to make sure that this is done justly from the municipal perspective. They were also concerned with that but a little bit more just generally. A little more positive. But, yeah, I think it depends on where the stakeholders sit.

>> DR. RENSKI: That's a pretty universal truism, to be quite honest, you know. As a former economic development official before I returned back to academia you know, our expression was always that you shoot at anything that flies and you kind of claim anything that falls. You know. You know, if you see a new building going up, yes, it's related to this thing that we wanted to happen, you know. And then there's a counter to that too, you know.

>> COMMISSIONER CAMERON: About a year ago, I was on a -- just a couple of months after this had opened, and I had my niece on a college tour at Springfield College. And they were very -- obviously, they were trying to impress parents and prospective students. But they were touting all the benefits of, we have more interns, you know, internships for our students now because of this. You know, go down -- we want you to go to the city and see what the casino has done. The streets have been repaved, the other restaurants. So I was kind of amused at how they were touting the benefits to parents and prospective students. So I guess the city has been in a place

where, you know, this is something new, and it is bringing some positives anyway. So I just wondered if you were hearing that. But it is where you sit, right?

>> DR. RENSKI: There were some -- some of the interviews -- and I'm not sure if they actually made the reports -- but there was definitely, like, a lot of people that mentioned, you know, kind of a positive buzz is maybe the best way to describe it. It's, like, well, I'm not really sure, but it feels like Springfield's kind of on the rise, you know. And I think Mark alluded, but we are also entering a period where more broadly, you know, urbanism is, you know, seen as generally favorable by larger populations, especially younger people, you know, whereas past generations, it's, like, oh, you know, you make it by getting out of the city.

>> COMMISSIONER CAMERON: Right.

>> DR. RENSKI: So there's a number of different trends that might be confluencing. And the casino, you know, and the streetscaping that's related to the casino and the related developments that the city is putting forward, you know, that these things do accumulate and create, you know, I think generally a favorable -- you know. We're moving on and moving out, and we're up-and-coming kind of thing. That did, I think, come across in a few of the interviews, if I'm not mistaken, yeah.

>> COMMISSIONER CAMERON: Okay. Thanks.

>> COMMISSIONER ZUNIGA: Thank you.

>> DR. RENSKI: Thank you.

>> CHAIR JUDD-STEIN: Mark, will you be introducing our next speaker?

>> MR. MOTAMEDI: Go ahead.

>> CHAIR JUDD-STEIN: Rod?

>> DR. RENSKI: What happened?

>> DR. MELNIK: It's not a slide. It's a PDF packet.

>> DR. VOLBERG: It's the Commissioners' packet.

>> CHAIR JUDD-STEIN: Do you want to introduce yourself, though?

>> MR. MOTAMEDI: Yes. I will. I am Rod Motamedi, I am a Senior Research Manager. My background is in economic impact modeling and that's what we're going to be talking about, what I'm going to talk about mostly today is the economic impacts of the construction of MGM Springfield. Given that I know everyone's favorite thing to do after a lunch is to look at charts and graphs. And anticipating that, I have a dozen more of them for you.

>> DR. VOLBERG: Get ready to sleep.

>> CHAIR JUDD-STEIN: But they're colorful.

>> MR. MOTAMEDI: First background on the property, the construction period was from March 2015 through March 2018. That construction period is going to differ from the payment schedule that we're going to look at because the payments started a little bit after the construction began and they continued past when the property opened. There was also some construction, some punchlist items that continued after property opening date, but those are pretty small. This is the Commonwealth's first integrated resort casino. Subsequently Encore has opened. But we were pretty eager to look at the construction impacts of this property given that we had only previously looked at Plainridge Park, and we expected to see quite a bit different scenario here.

Another thing that we were curious about, I think the more extent to analyzing the operations of MGM Springfield is that it's an urban casino in the middle of a downtown.



And not only is it in the middle of a downtown, it is integrated into that downtown. And that differs from even MGM's other urban casinos. MGM Detroit is monolithic building in the middle of downtown. It doesn't feel integrated into the city, whereas this is, as we all know, very kind of open and integrated. So we are curious to see how that pans out in the operation, and we were curious to see what it would look like in the construction as well.

The last thing I wanted to point out on the background is we are looking specifically at construction that is different than investment. So the property's total investment far exceeds their construction budget. In addition to construction, they have furniture, fixtures and equipment. They have contingency, design costs, permitting fees, they have the cage cash and operating capital and working capital, all of that's part of their total investment. We are just looking at the construction. So I wanted to clarify. Once we get to the total numbers, you'll see why I wanted to clarify that.

So let's talk about the data. We have talked quite a bit on our team about how we have worked with the licensees to access their primary data. This report and this project wouldn't have been possible without that relationship with MGM to get their construction data. They're the only ones who know what they're spending money on, so we have to get it from them. And they are very helpful in the process. In the interest of time to get this report out as soon as possible, we at the Donahue Institute along with the folks at MGM, along with the research team at the MGC, we had a call all together in -- I think it was January or February that we would get draft data -- so we could get the data quicker and so we could get this report out quicker. And I say that because in some cases you'll see the data that we are going to present here differs from some of the numbers that have subsequently come out or may subsequently come out from MGM. And that's because we took a snapshot in time as of about March in order to get this data ready for today. And they have obviously had plenty of time to do final audits on some of those things or do final versions, and so there is some difference on the data.

That being said, in preparation for this presentation, we went through with the MGM construction folks, and we reconciled all of our data differences. So where there are differences, we know why there are differences. It all reconciles to the final versions. So there isn't -- we've resolved any errors or misclassifications of things. So anything that differs between us and them is merely different snapshots in time. That process actually went on until just this Tuesday. And so there's actually a data point here that's in your packets and in the executive summaries that you have that will differ and our final report that comes out. We found a million more dollars for Springfield. I didn't think anybody would be upset about that, but there it is.

The data that came to us, Indian Orchard messed us up. There was a contractor whose address was Indian Orchard. And when we summed for Springfield, that obviously didn't make it into our Springfield sum, and we found it later. So the data that came to us was the closeout statement. So every contract that MGM had with their contractors when that contract was finished, when that contractor finished all the things they were obligated to do, a closeout statement was issued that had within it the zip code of the company, the total contract value, any subcontractors that that company had, the payment schedule, that company's diversity metrics, whether a woman minority or veteran-owned business and where they were employed, where these workers live,

the worker's diversity metrics and total hours and total wages. And using all this data we were able to create kind of cross-tabulations and the impacts that we will see here today.

To give you a sense of the scale, we had well over 200 closeout -- individual closeout statements that came to us from MGM that we combined for this purpose. Obviously, a project of this scale and complexity is going to have a bunch of components to it, sort of mini-projects within the larger project. And because these same names appear here again and again throughout this presentation and in our final report, I want to just take a brief moment to tell you what they mean. The hotel/podium/armory, that's essentially everything that went into the building that people would consider MGM Springfield. That was the foundations, putting up the walls, everything that went into that building and then the renovations on the armory. I'm going to skip over enabling for a second.

Garage is self-explanatory. It's the garage. Day care and church, self-explanatory. MGM Springfield built a day care. And the church is moving and renovating the church that was on the site. Offsite improvements are almost all essentially roadway improvements that happened around the property to get everything ready. Signage, all interior and exterior signage. And then the two State Street projects and the union project, those were existing buildings that were renovated and integrated, retained and integrated into the overall property. Lastly, enabling. That is all of the activities that are required to enable all this other stuff to happen. So that included site surveying, site prep, demolition, underground utility work, site security, all of that stuff is rolled up under enabling.

So here's a time line of the project. Total construction budget -- total spending was \$573 million and some change. That was divided across these categories. You can see the bulk of the activity happened in kind of 2017. That's when really the work began on putting up the hotel and associated things. You can see that on the left we began with enabling. Then the garage comes in. Then we start foundation work and so on on the hotel. Then we do some of the existing buildings. And then towards the end is the offsite improvement signage, et cetera. Oh, and sorry, the monthly average you saw there was \$12.7 million

So here's the spending by component. Not surprisingly, the hotel podium, armory component was the bulk of the project budget, 70% of the total followed by the garage. And then enabling was a surprisingly large chunk. You know, it was the piece that was required for everything else. And so it was a prominent part of the spending. Together, the hotel -- sort of the building, the main building, the garage and enabling were well over 90% of the total budget. Let me know if you're going too fast.

>> DR. VOLBERG: Slow down.

>> MR. MOTAMEDI: I don't think I'm going too fast. Here let's talk about some of the finer numbers, and here I will slow down. This was spending by county in Massachusetts. Given that we had the spending by contract, we were able to allocate them accordingly. First thing -- there's two things I want to point out on either extreme. The most of the contracts in New Hampshire went to companies based in Hampden County. On the flip side, there were no contracts awarded to counties on the Cape and islands. Not surprisingly they're kind of far away. And in between that, it actually has kind of a long tail. So if you look at \$194 million in Hampden County contracts, the next

largest recipient of contracts was, I think, Worcester -- Suffolk County at \$63 million. It's not on the graph. Suffolk County, roughly 64 million followed by Worcester county, 54 million. That drop-off is pretty steep. So there's this big bulk here at Hampden and then kind of -- and everybody else. Overall, roughly \$374 million of the total construction budget remained in Massachusetts. So that's two-thirds. And so two-thirds was a total construction budget was in Massachusetts. And I had that number here somewhere. Then basically the bulk, about two-thirds of the Massachusetts spending, was in Hampden county. I wanted to point out the Suffolk County one for a minute. Suffolk County tends to be high on the list. One, because it's sort of the hub of commerce and a lot of stuff transits through there. But one of the primary general contractors was based in Suffolk County. And so given that that's where their corporate office is, that's where the address of those payments were.

In terms of the Hampden County contracts, I looked at some of them by their category, and some of the prominent items for Hampden County were electrical, infrastructure, plumbing, HVAC, masonry and site security. Those are some of the prominent sort of by dollar figure items that were Hampden County contracts.

We can zoom in here to the zip codes of the host and surrounding communities. The value that I wanted to mention that will change, you see Springfield there is \$83.96 million. The new value for that is 84.9. So that was that Indian Orchard contract that we rolled in there. So in the final version of this report that will be coming out shortly, this will all be updated.

>> CHAIR JUDD-STEIN: When you do the final, can you supply the Suffolk County number, too, please?

>> MR. MOTAMEDI: Yes. I will -- the report has below this a table of all of this broken out.

>> CHAIR JUDD-STEIN: I see.

>> MR. MOTAMEDI: The label wouldn't fit on the map.

>> DR. VOLBERG: It's in the report.

>> MR. MOTAMEDI: It's in the report. I will look at that for sure.

>> CHAIR JUDD-STEIN: But it was 63 --

>> MR. MOTAMEDI: 63.9 million.

>> CHAIR JUDD-STEIN: Thank you.

>> MR. MOTAMEDI: We have the same problem with the host and surrounding community zip codes. We didn't have room to label all the individual zip codes. We have a table below it in the final report below that articulates all this. So if there's a specific zip code that you have a question about, I actually have all of those here in front of me. But I think the big takeaway here is that we have, again, that total for the host and surrounding communities should be about a million higher, so 176.4 million is the total for the host and surrounding communities and then roughly 85 million for Springfield. So the host and surrounding communities are about 91% of the Hampden County contracts. They're about half -- a little bit under half of the total for Massachusetts and about a third of the total construction budget. So what we found was that there was this interesting effect of proximity. That the closer you got to the site, you had these higher proportions. The bulk of the construction spending was in Massachusetts. The bulk of Massachusetts spending was in Hampden county and the bulk of Hampden county spending was in the host and surrounding communities. And

even within that, the bulk was in Springfield. So as you -- you know, within every layer, the closer you got to the casino, you had the higher proportional share.

So the other side of that story is that outside of Massachusetts, there isn't a whole lot of stuff going on in the other states. So roughly 34 -- sorry, 374 million was in Massachusetts. The next biggest was Connecticut at -- I'm going to round these up -- so 94 million. And most of what happened -- most of the contracts for Connecticut were for concrete and structural steel. Then there was a steep drop-off after. On the legend, the lowest value is \$20,000. So one of those states -- I don't remember which one -- received total contracts with only \$20,000. So specialized item that happened to come from somewhere else. And, again, a very long tail. You know, well into 400 million of the 500 million was from just Connecticut and Massachusetts. The rest of that stuff is pretty small.

There was \$12 million that's not shown on this graph that went to Canada. One of the things I did want to point out is that our data only allowed us to look at the first order effects of the suppliers. MGM Springfield could tell us who their electrical contractor was. But we don't know who the electrical contractor bought their wiring from or who the drywall installer bought the drywall from. That's not a layer that we have access to, which is one of the benefits that we got from the economic modeling which we'll get to. The economic modeling has these supply chains built into it so we can get a better sense of what leaks out of the state due to these supply chain effects.

Shifting gears from the location of the spending, we get to the spending by the company diversity criteria. So here about one-third of contracts by value were awarded to companies that met one of the diversity criteria. Leading that was women-owned companies followed by minority and then veteran-owned businesses. So shifting gears from spending, we get to the workers and wages. I struggled mightily with how to present this stuff, and so I thought I'll just write it, and then we'll go with it that way. So we -- in the closeout statements that we had, if you counted each individual worker line, we had 5,686 workers. However, we figured out very early in the process that there's a lot of duplicates in there in the sense that the same company was on multiple contracts. So there would have been multiple contracts for Rod Motamedi Construction, and they would have hired the same crew over and over again to work on those contracts. So we went through and we de-duped the workers assuming that your name, your race, ethnicity and your veteran status was the same, you were the same person. So we specifically excluded the zip code because we thought, what if you had moved during this process or something. But we figured if you had the same name, race and veteran status, you are the same. And gender, right. So using -- and gender. And so using that logic, we found that roughly 1400 people worked on multiple contracts, were duplicated. And so that leaves the 4250 that you see there. So that's our best estimate of the nonduplicative number of workers.

We found about 2.6 million total hours of work. And these workers were compensated \$173 million for that. If you take the total number of hours and divide them, you get the full-time equivalents to about \$1250. If you take the total number of hours and divide them by the workers, you get the average hours per worker, which works out to about 15 full-time weeks, on average. Which is actually -- that seems -- I don't know to some people that might seem a little, but that's not that unusual for construction. The trades come in and out of the site as needed. So no one's going to

be there for, well, very few people are going to be there for the entire three years or something. The electricians come in when they need them and then they go when the electricians are done. And then average hourly compensation per worker was pretty close to 66.5 cents per hour -- sorry, \$66.50 per hour. I want to take one moment and just focus on the word compensation. That is different than income. We're pretty sure this includes the value of benefits, too. Because you -- if you're bidding on a project, you would bid the total cost of your workers, not just what you pay them. So that is total compensation, not nearly the wage that was given to the workers.

We looked at the host and surrounding community hours -- and sorry for the misspelling. That should be compensation. Something that we had a hunch about in the PPC project was that the folks who live closer to the construction site earned more. We saw that in the PPC project. But we didn't have hours worked for that project. We had here. So our supposition for PPC was that you earned more by living closer because you worked more hours, not necessarily because you had a higher average hourly wage. And that's basically what we did end up finding here. So we did -- we found that if you take the data from the previous slide and you take that hourly wage and turned it into an average per worker, it works out to \$40,700 in compensation for your average worker. So you see here both for Springfield and surrounding communities, their average was considerably higher than that. But you'll see that their average hours worked were also considerably higher than the 612 from the previous slide.

We think this logic actually makes sense in the sense that the construction workforce, the occupational skills of this workforce, is pretty similar across the state. You're not going to import someone from Eastern Mass to come, you know, help you build the foundation or do your wiring or plumbing in Springfield when the construction trades in this area will know how to do that work just fine. But the only -- the reason you'd bring someone from far away on a construction site is because they have some kind of specialized skill, and then you would anticipate that they would get paid more. So that was the logic and that's basically what we seem to have found.

>> COMMISSIONER ZUNIGA: Rod, do you remember how is that different from PPC given that it's a very different community? Or was that mitigated because it was more of a region down there?

>> MR. MOTAMEDI: So this pattern of earnings was the same. The closer you were to the construction site, the higher earnings. But we think it's because it was more hours. But we didn't have hours in the dataset.

>> COMMISSIONER ZUNIGA: Oh, that's right. You said that.

>> MR. MOTAMEDI: It was a supposition that we had that we were glad that we could finally test. And so we don't have any reason to think that would be otherwise for PPC, especially because they had not only access to Southeast Mass labor market but the construction labor market of Rhode Island which at that time still hadn't come back up to its pre-recession levels of employment. So there was plenty of idle construction labor 20 minutes away in Rhode Island that would have been perfectly available to work on PPC.

>> COMMISSIONER ZUNIGA: Right.

>> MR. MOTAMEDI: So here are the number of construction workers by county. The same general pattern here holds that the closer you get to the site, the higher the

percentage. So of the 4250 workers that we found, 2,960 or so were Massachusetts residents, or 70%. Of the Massachusetts total, just about half were Hampden County residents. And you can see the same kind of long tail here. You go from 5400 workers to 300 and some odd for your next highest. So, again, that proximity drop-off is pretty steep.

>> COMMISSIONER O'BRIEN: I'm just having trouble with the graphic of the state.

>> COMMISSIONER CAMERON: Oh, because the Cape and the islands around there?

>> COMMISSIONER O'BRIEN: Well, they are but that's not really the Cape and the islands. Just curious, what's the bottom part?

>> MR. MOTAMEDI: Oh, that's the islands. That's the confusing part. The 2 is Barnstable.

>> COMMISSIONER O'BRIEN: Yep.

>> MR. MOTAMEDI: And then the gray on the bottom are, like, the shape outlines of Dukes and Nantucket.

>> COMMISSIONER O'BRIEN: But were you just trying to get it on the slide, which is why they don't look --

>> MR. MOTAMEDI: Yeah.

>> COMMISSIONER O'BRIEN: Like they would?

>> MR. MOTAMEDI: Excuse me?

>> COMMISSIONER O'BRIEN: It doesn't look like Massachusetts and the Cape. What I'm saying is the reality is some of these there should be nothing on the Cape.

>> MR. MOTAMEDI: Correct. Yeah. So gray is nothing. Yeah, gray is nothing, and that weird shape at the bottom, those two grays --

>> COMMISSIONER O'BRIEN: I don't know if there's a way to clarify that in the final version in terms of making it more visually obvious, I guess?

>> MR. MOTAMEDI: Yeah.

>> COMMISSIONER O'BRIEN: Both in the one where they have nothing and then both in the one where they have two.

>> MR. MOTAMEDI: I will look into that. I'll look into either a different shape file or better labeling.

>> DR. MELNIK: I think some of the census tracks actually are in the water for the ones that border -- that border the ocean. So I think that that's probably some of what we're seeing there. So we can look into that.

>> MR. MOTAMEDI: Yeah. So dukes county includes, what is it, the Elizabeth islands. That's why you have that weird tail at the bottom. And so Gosnold. Yes.

>> COMMISSIONER O'BRIEN: The rest of it is proportionally accurate. When it shifts, it just looks a little odd.

>> MR. MOTAMEDI: We'll try to find a way to make that look better. I agree. Any other questions on this, or should I move on?

Okay. So here are the workers by host and surrounding communities. So recall that there were 50 -- 1524 workers who reside in Hampden County. Of that, 1120 are host and surrounding communities. So again, about almost 75% of the total Hampden County workers. So here again, the majority within the host and surrounding communities are Springfield based. These worker numbers aren't going to change. We had -- we were able to deal with these better different than the companies. So

these should be right. What did I want to point out here? One of the things I wanted to point out was workers were more widely distributed than the contracts were. So 91% of the Hampden County contracts were awarded to companies based in the host and surrounding communities. But 73% of the Hampden County workers were in the host and surrounding communities. And so that's not entirely surprising that companies are going to be a single point, and their workers are going to come from all over the place unnecessarily from the same city or town that the company is in. So we expected to see a wider dispersal of workers versus the company. So you'll see that even on the previous slide, we actually two workers who lived in Barnstable County, whereas there were no contracts awarded to anything on the Cape and islands.

So now I want to get to race and ethnicity of workers. Our general finding here for the various geographies that we looked at, whether we looked at Massachusetts workers, surrounding community workers, or in this case we see on the slide the host community workers is that the racial and ethnic mix of the construction workers essentially reflected the population that they were drawn from. So statewide, 73% or so, roughly three quarters of all the workers were white. That's not terribly different from the composition of the state as a whole.

If you look here for Springfield, you'll see that 38% of the construction workers self-selected white or other for their race, ethnicity. And you'll see the population as a whole, 35%. That's pretty much the same. So the share of minority workers and the share of minority population was also essentially the same. What we found was -- that was a major difference was that the black population was overrepresented in the construction relative to their share of the population, and Hispanic workers were underrepresented in construction workers versus -- or compared to their share of the population.

>> CHAIR JUDD-STEIN: Do you think that attributed to language issues or --

>> MR. MOTAMEDI: One of the things that we tried to attribute it to and unfortunately couldn't was let's look at a different representative population. What if the population we looked at were people who claimed their occupation as construction? Because maybe that population is, in fact, more black and less Hispanic. Unfortunately the margins of errors on that in the census data are so large that we didn't think it was terribly reasonable to use. So we haven't been able to investigatory areas, whether it might be language barriers, whether it might be just training through the trades if these are mainly union, you know, have they come up through the trades or whether this is just reflective of whatever the construction population is. I think part of that is this next slide. This is very much reflective of what the occupation -- the construction occupations are like. We found a pretty small share of female workers. And we know that Springfield is not 87% male. But obviously that's more representative of what the construction trades look like. Nevertheless, you're actually twice as likely to be female if you're from Springfield than if an average Massachusetts worker. Unfortunately twice as likely means you went from 7 to 13%, but it's still a big improvement.

One of the things I did want to point out was this -- to give you some context -- Boston has had a 10% target for female representation on construction projects for a long time now. And I think Mark can correct me if I'm wrong. But I think they've rarely, if ever, projects rarely, if ever, meet that target. So the MGC has had a program of increasing female representation in the trades. I know the trades

themselves have. So I think this is far more representative of a goal that has not yet been achieved in terms of increasing the number of females in the trades rather than preferential hiring of men.

>> COMMISSIONER ZUNIGA: It took a lot of effort, right, Jill?

>> CHAIR JUDD-STEIN: Mm-hmm.

>> COMMISSIONER ZUNIGA: More about that later.

>> MR. MOTAMEDI: And so last year we have veterans. So again, the share of workers who identified as veterans, pretty small. But, again, you are basically twice as likely to be a veteran if you're a Springfield resident than if you were the average Massachusetts worker.

Okay. So now we'll get into the economic impact stuff. I want to take just a brief moment to talk about economic models and sort of what they are. They come off as kind of technical esoteric and black box-y to most people. So I wanted to open a small window on that before we get into what we use them for. They work on the basic premise that at a very fundamental level, one person's spending is another person's income. So MGM corporation spent \$573 million building MGM Springfield. That means their suppliers had \$573 million worth of income. The suppliers then spent \$173 million on -- to compensate their employees who then had \$173 million worth of income, who then spent it on other things.

A big chunk of that remainder between the 573 and the 173 went to the suppliers of the vendors. They had to buy all of that physical structure from somewhere. The concrete, the asphalt, the plumbing, the wires, the carpeting. It all had to come from somewhere. So those suppliers then have their own suppliers and their own employees who then have their own suppliers and their own employees. So what the economic models do is essentially try to capture all of that, this business-to-business chain of events. And then the consumer chain of events. I have now got money. I go spend it on rent and food services and clothing and whatever. And how do those businesses then benefit, and how do they then benefit other businesses? So that's what the economic model tries to do. It is essentially mathematical representation of all of these linkages. You introduce some kind of shock, change, which in this case is what if we built a casino in Springfield. And then you see how that ripples through.

So the key concepts that we're going to be talking about, the first is employment. Economic models, consider employment to be kind of a roster count or a head count. It's not a count of employed individuals. Companies say I have this many jobs. Company B says I have this many jobs. And that's how many jobs there are. Even though the same person might occupy one job here and one job here. It's really a count of jobs. Full-time, part-time, self-employed are all counted as one. Output is business revenue or business activity. And value added is essentially output, less the cost of all the things you had to buy to make your output. So if you think of a car, GM sells a Corvette, the price of the Corvette is their output, their value added is the price minus everything that they had to buy to make the Corvette, minus the steel, minus the wiring, minus the whatever.

>> DR. VOLBERG: And pay.

>> MR. MOTAMEDI: Well, no, pay isn't value added because the workers add value. All of the stuff they bought from somebody else that came premade gets subtracted to get you value add. And the reason that is important is that it actually represents net



new economic activity so it's also called gross product. Gross state product, gross domestic product, that's value added. It's not output.

Economic models have to be built around regions. In this case we built six regions. Can you see it's still the shape. So the weird Cape region persists. But so we have six regions built around the existing economic and sort of commuting relationships of the state. I think this is pretty self-explanatory for folks familiar with the state.

So employment impacts. Direct is MGM Springfield. Induced -- sorry, indirect is that business-to-business chain of events that I discussed. And induced is primarily that consumption-based chain of events. And so what you see here is we look at the averages. 593 workers were the average number of workers in a particular year. And that led to about 1,050 total workers elsewhere in the state. So the difference between those are workers who had nothing to do -- people who have jobs and had nothing to do with building MGM Springfield. They weren't -- they weren't on the site. They weren't employed by one of the companies working on the site. So they could have been suppliers of suppliers. They could have been Red Rose, you know, an increase in hiring of waitstaff at Red Rose or whatever it might have been. These are all kind of new. Obviously these workers come with a paycheck. So the state as a whole gained \$397 million of new income versus the 173 that MGM directly paid. So again, that's a pretty big increase.

What we found was that essentially for every dollar of compensation paid to construction workers, there was an additional \$1.30 of compensation -- of income created in Massachusetts. So that was a pretty decent size impact. And if you look at the jobs, it's basically -- I think it's .8. .8 jobs for every one construction job.

>> COMMISSIONER ZUNIGA: Rod, this number is employment totals, are these full-time equivalencies?

>> MR. MOTAMEDI: No. These would be a job. So it would be whether it's full time, part time or self-employed.

>> COMMISSIONER ZUNIGA: Okay.

>> MR. MOTAMEDI: The model looks at -- sorry, I'm moving away from my microphone. The model looks at the -- or considers the average structure of a particular industry. So an industry like food services where the majority of workers are part time, you'll end up seeing a very low productivity. So the average labor productivity might only be \$30,000 a year per worker. Or \$50,000 per year per worker because that worker might only work 20, 25 hours a week. And so that structure, the average employment structure of these industries is built into the model so you just put in a job as a job and don't have to worry about whether it's full time, part time or self-employed.

And so I have one final slide. We'll look at the economic activity and the knock-on effects of that. Cumulative output, you'll see \$849 million. Construction was \$573 million. So that's a pretty substantial bump there as well. We found 48 cents of additional Massachusetts economic activity for every dollar of construction. So think about that in a way that's easier to understand. For every \$2 that was spent on construction, \$1 of additional economic activity was created in Massachusetts after accounting for leakage out of the state through importation of inputs, leakage out of the state through commuting, and leakage out of the community through taxation and so

forth. So even after accounting for all of that, you're still getting a dollar of additional economic activity for every \$2 of construction spending.

>> CHAIR JUDD-STEIN: I think you lost me on that.

>> MR. MOTAMEDI: Sure.

>> CHAIR JUDD-STEIN: Can you just walk me through the chart a little bit please?

>> MR. MOTAMEDI: Okay. The third column from the left, cumulative output. If you look at the Massachusetts row, we have \$849 million of total output. So that is the total amount of business revenues that were created in the economy as a result of building MGM Springfield. Of that 849, it's not shown on this chart, is the \$573 million of total -- the total construction budget that MGM spent. So the difference between those is the additional economic activity that was created in the state through these ripple effects and through these knock-on effects. And that 849 accounts for all the losses in the state's economy through importing goods and services from out of Massachusetts, because when you import goods, you export money. So that money then leaves the state economy.

>> CHAIR JUDD-STEIN: Right.

>> MR. MOTAMEDI: Commuting. If you import a worker, you export their wages to their home community. And then taxation. So taxation is also a leakage from current period economic activity. So every time you pay sales tax or corporate income tax or so on, that is also a leakage out of here. So even after accounting for all of that, we still get \$849 million from an input of \$573 million. Was that -- sometimes I get -- sometimes it's my version of simple is not simple. So if that -- when I --

>> COMMISSIONER O'BRIEN: I'm just wondering if maybe it needs to be on that page.

>> COMMISSIONER ZUNIGA: Yeah, the 573 --

>> CHAIR JUDD-STEIN: The 573 --

>> MR. MOTAMEDI: Yeah, I'll have to split it up for every county because every county obviously has a portion. So I think I will do that. Perhaps just put Metro Boston, construction vendors, you know, then additional southeast construction vendors, then additional -- something like that.

>> DR. MELNIK: We'll play with different ways of demonstrating.

>> MR. MOTAMEDI: This is the executive summary table.

>> CHAIR JUDD-STEIN: Sure, it was just me trying to follow. Thank you.

>> DR. VOLBERG: We had to do an entire -- I think it was like an educational session where Rod came in and spoke with several of the Commissioners to explain these concepts sort of behind closed doors. They're not sort of --

>> MR. MOTAMEDI: Intuitive.

>> DR. VOLBERG: Intuitively graspable, so it's certainly understandable that you would wonder what it actually is saying.

>> CHAIR JUDD-STEIN: I'm catching up. Thank you.

>> MR. MOTAMEDI: Yeah, the economist did a good job --

>> COMMISSIONER ZUNIGA: Actually, we might have done that after the last time you were talking about this language.

>> DR. VOLBERG: I believe it was after Rod presented on DPC construction.

>> COMMISSIONER ZUNIGA: And either Commissioner McDonald or --

>> DR. VOLBERG: Commissioner McHugh.

>> MR. MOTAMEDI: Economists have designed a club-y language that no one else understands and isn't unfortunately welcoming.

>> DR. MELNIK: And the critical component is the spin-off effect, it's more than just the direct impact on the economy. Even with money spinning out of state, there is this broader economic impact that has a broader benefit to people than just the simple, hey, we had a bunch of construction workers who were here and built a building.

>> MR. MOTAMEDI: So in every region that we have here, the total -- the total economic activity exceeds the value of construction contracts. So let's look at Cape and islands, for example about. They had cumulative \$6 million of total economic activity as a result of the economic. Recall they have \$0 of direct construction contracts. So no contracts were awarded to any companies in the Cape and islands and yet the Cape and islands saw \$6 million of benefit cumulatively over this process, so an annual average of a million dollars a year.

>> CHAIR JUDD-STEIN: That's why you said in your report that every county benefited. I think I read that.

>> DR. MELNIK: Right, right.

>> CHAIR JUDD-STEIN: But it was overall.

>> DR. MELNIK: Right, and it's through that spend. Which is again, a really important element of doing, in our opinion, the modelling within a project like this. This isn't the only project where we do this kind of econometric modeling but it is one of the bigger ones, and, you know, to talk about what is the economic benefit, it's, you know, hey, it's the construction worker. It's the business-to-business. It's the building-to-building, it's the business-to-business, and then it's the person having money in their pocket and they go to the bar after, and what that all does in the economy to, you know, again, to the benefit of folks in the community.

>> MR. MOTAMEDI: Ultimately at the end of the day, if all licenses envisioned in the legislation, enabling legislation are awarded, that's still 4 out of 351 cities and towns that would have a caste. So the question, you know, we look at is how are casinos creating economic wealth, not just those who reside in these cities and towns. Part of that is looking at where they live and the companies. After that is okay, then what happens? Even the places where the workers live and the places where the companies are could still end up being a minority of cities and towns in the state so we'd look to look at how this sort of spreads everywhere.

>> CHAIR JUDD-STEIN: Thank you.

>> MR. MOTAMEDI: I think that's good.

>> CHAIR JUDD-STEIN: Thank you.

>> DR. MELNIK: So then what's next? So this next slide is just highlights some of the things that are coming. The real estate and the construction reports will be released soon. This was an executive summary of what Rod had been working on. That will be released in the near term. Coming up in December we'll be releasing the MGM lottery report which will look at lottery sales locally and how that's trended over time. We work closely with a professor at Nevada-Reno, Mark Nichols, and he's been doing that work with us for the last several years. So that comes out. In December we're also going to do the latest operating report for PPC. In the operating report what we look at is the different than the construction report where we're looking at the impacts as they relate to the building-to-building, the operating reports are the operation

of the casino. So in this case we're talking about dollars spent by the licensee. But then we're also taking into account activities by the patrons. So picking off patrons and asking, again, as I joked earlier, how much money did you win or lose? Did you spend money outside of the casino? Would you have gone somewhere else? And those are really important questions on impact because a dollar spent at a Red Sox game or Encore from the economy's perspective, we don't care, right? It's money in the economy. The bigger question is, I wouldn't have spent money. I came here special. I would have gone to Mohegan Sun. Those are the kinds of things we want to get at within there. And then in the spring of 2020, we'll be doing the MGM new employee survey. And in that getting a sense, again, of who's been hired, where they're coming from. Just as a highlight of a piece of information from PPC, we found that 50% of workers at PPC when we did the first new employee survey were folks who were either unemployed or underemployed at the time of being hired. So those are the kinds of questions that we'll be able to answer this spring as we come out with the MGM.

>> COMMISSIONER ZUNIGA: And I know you're in discussions. You've been having these discussions as we speak, but when could we see the MGM operating? First operating report? Is there any time on that?

>> DR. MELNIK: Spring. Yeah, late spring 2020.

>> MR. MOTAMEDI: We just started the data collection conversations early so we're pretty early in the data collection process.

>> COMMISSIONER ZUNIGA: This is something that we started to talk about with Mark relative to some of the priorities, some of the interests in the community, for example, even though you have a cadence to a lot of these reports, MGM, in my opinion, the operations report is more of a priority than, say, the PPC -- what is this, the second or the third year of the operations report?

>> DR. MELNIK: Right. That's fair.

>> The issue was timing (Inaudible).

>> DR. MELNIK: Yeah. Understood about the importance and sensitivity of it, but as Becky is saying, you know, this is where you guys are very helpful in this situation for us, too, because, I mean, one is there's a lot of pressure points on the licensees, you know, because they're running a business. But then separate from that, we need them to give data to us. So there is a lot -- and there is different ways in which data are provided. So there is that dance that's already built into it, but understood about the importance of getting those things out there quickly. To the extent that we can always work closely with others at the MGC and with the licensees, the quicker we get data, the quicker we can turn things around.

>> COMMISSIONER STEBBINS: And I think to pick up on that point, that translates, I think, Mark, where you've been focused is how can this research kind of translate for other stakeholders.

>> DR. MELNIK: Right.

>> COMMISSIONER STEBBINS: Doing patron survey, what can that mean to the local tourism bureau, the city, you know, kind of who are the shareholders that are interested in what the actual results are.

>> DR. MELNIK: Right. No, that's an excellent point. And I think one that we should continue to discuss about, you know, one is the leverageability of different elements of the data and how that could be helpful to different parts of the community.

I think the other thing that we've been really sensitive to is trying to think more about the broadest reach possible out of the information that we are able to create out of this project. That includes dashboards and infographics but also trying to maintain that accessibility while having that academic and policy lens within the work and being sure that stakeholders of a wide variety, whether it be, you know, the Tim Sheehans of the world or, you know, person who lives in Springfield and is just worried about their community and wants to know. So I think that's something as this project continues to evolve, particularly as we are -- as the industry matures within the marketplace, that there's a lot of opportunities for different ways of using this information and I think really cutting edge and interesting ways.

>> CHAIR JUDD-STEIN: Excellent. Do we have any more questions for this panel? This has been --

>> COMMISSIONER ZUNIGA: Thank you.

>> CHAIR JUDD-STEIN: We're very, very happy to be able to have these presentations today and how fortunate to be here in Springfield, so thank you. And thank you for your patience on our timing today.

>> COMMISSIONER CAMERON: Thank you.

>> COMMISSIONER STEBBINS: Thank you. Great work.

>> CHAIR JUDD-STEIN: And now we're -- a quick break? No. Okay. We only have one more item. You're really uncomfortable? On a scale of -- we're going to proceed with Workforce, Supplier and Diversity Development. Director Griffin. Please -- do you guys need -- thank you, Director Griffin, for your patience today, but very interesting report. So thank you.

>> MS. GRIFFIN: It was very interesting and very pertinent to this next topic.

>> CHAIR JUDD-STEIN: Right. We're looking at Workforce, Supplier and Diversity Development. And a special guest.

>> MS. GRIFFIN: So Commissioners, the next topic is our vendor spotlight. And I'm going to introduce to you -- some of you know Mr. Lamont Clemons who is seated to my right. And Lamont is here representing S-CEL-O Painting Company. And it's an MBE union painting company that had quite a bit of work on the MGM project. They were a subcontractor working on the parking garage, 95 State Street. They also worked on the podium and the hotel. So I just wanted to really turn it over so you could see, you know, firsthand, you heard about the research, but you could see firsthand some of the benefits. And so I'm going to turn it right over to Lamont.

>> MR. CLEMONS: Thank you. Appreciate it. Good afternoon. How are you guys doing? I just wanted to thank you guys for inviting me in and having me in first and foremost. I'll be thanking you guys for a few other things later in my conversation. I'd just like to start off with a background about ourselves, our company. We are a family-owned company that's been -- that's born and raised here in Springfield, Massachusetts. We've been here for about 34 years. Up until this point we were doing small and medium-sized jobs. I would say we've had some -- I would say one of our larger projects was probably about the size of the 95 State Street job alone for us here. So just to tell the magnitude of what the growth has been just predicated on what has happened already here. So I'm one of eight children, so it was a race to the cereal in the morning.

[ Laughter ]

And fortunately we had some parents that really instilled some incredible work ethic in us and literally our model was the only place of success that comes before work is in the dictionary. So we definitely had some great work ethic which was great. Our only -- our vehicle within that work ethic was obviously the painting company that my father had started. So that was the direction that I decided to go in with him and it's been a very, very incredible journey. I would say up to getting the MGM job, we were, like I said, cruising pretty well, but this has absolutely changed the financial fabric of our family tree. I can also pretty much thank you guys, the Gaming Commission in particular, for really putting -- I consider you guys kind of pioneers, to be honest with you. Because we've been in the construction realm for a long time and I've never seen a site with this amount of diversity and inclusion, with this amount of females on it. And you can pretty much talk to anyone on site that says the same thing. I think, you know, honestly, this is a pioneering type of thing that you guys did. And hopefully you guys have set a precedent that will be carried on throughout the state, continuous on multiple jobs because I think it's going to really even out the playing field for a lot of people and really put a lot of families in a completely different and unique situation. So I want to thank you on behalf of my kids to, you know, when I have kids and my grandkids and my great-grandkids because this is absolutely been incredible. And also I think you guys had an incredible partner with MGM in particular with respect to this because they followed you guys' lead and really, really delivered on so many different angles. I can't explain it, you know. My father is more so old-school so he would think that this type of thing would be a smoke and mirror type of scenario where nothing really came to fruition. But it absolutely did here. 150%. So I want to thank you guys for that in particular.

Also wanted to discuss a little bit about what we've been able to do. So we've employed dozens and dozens of painters on this job. Obviously like Jill said, we did the 11th floor 95 State Street and did the podium and also expanded our business model because when we were looking at the podium, we went outside of just painting. We also sealed the concrete of the 125,000 square feet which is now something that we do permanently, which is a great thing. And we also were able to really secure some more work just based off of the fact of getting a job of this magnitude. As I've mentioned previously, we did some work down with Encore. So this piggybacked and went directly down to Encore, worked with them on the hotel project over there. That was excellent. You know, had a good experience down there with Encore. Again, we were able to expand over to the eastern part of the state, which is -- if you guys know, you know, Springfield's kind of like the redheaded stepchild of the state some of the people feel. So I feel like being able to expand over there really helped us in leaps and bounds and now we're able -- we're actually doing some contracts with soap painting which is another painting contractor over in the eastern part of the state as well, which has been absolutely amazing. And then now MGM is actually -- we've done now six projects for them even afterwards. Not only did they do their commitment in front, but even afterwards when they really didn't have to work with us, they came back and worked with us directly. And now we've done multiple of their projects that you guys probably heard about earlier. We're doing the VIP lounge currently. The plaza bar, outside the island bar. The sports book when it comes and then the hotel, they're making some changes in there, changing 24 rooms into 12 suites. So we got all of

those projects as well. Hoping for Wahlburgers, you know, some of the other stuff that's upcoming. And I'm firmly and confidently strong that we're going to get those, you know, really because of, you know, you guys and what -- you guys and the leadership that MGM has been able to really put together here. So I'm absolutely ecstatic, truly, truly appreciate everything that you guys have done for us.

I just wanted to talk a little bit more about who we've been able to employ. So obviously we've had dozens and dozens of painters. But because we are from here, Springfield, you know, I went to middle school, you know, went to school with a lot of people and the families and their kids that are around here. So we're able to engage with them and now put them into the workforce of the painting workforce where we were able to -- I literally had a conversation with a kid who was 24 years old, you know, he was painting with his dad for quite some time. Had came to me before we got this job and eagerly was saying I want to be on the MGM job. And I was, like, you'll have to come on as an apprentice. That's going to involve you working all week. And then on Saturday, going to class about an hour and a half away. And enjoying your Sunday and coming back and doing the same thing all over again. I'm happy to say that he definitely did do that. And obviously, because his hours increased, he was able to move from a 50% to a 55 to a 60 and is continuing to work within the union model, which is something that a lot of the inner city kids here in Springfield were completely unfamiliar with that even being a possibility, to be honest with you. We've been able to walk them through it in the same fashion that MGM really walked us through this type of job. You know, obviously with us doing those, you know, smaller and medium-sized jobs, this job involved a lot more paperwork. MGM was extremely, extremely great with walking us through that process which I thought was incredible. I really wish that this could be ran -- you know, this exactly what happened here could happen across the nation. I think it would make the nation a really better place. And definitely has already made Springfield and Western Mass a better place just predicated off of what you guys have done. So I guess that will be it for me for today. So it's been great.

We were also able to -- I'm sorry -- employ multiple women, females, which we still are employing, which is also a good thing. I think it's great to you know, get it for that one-shot deal. But when you have people continuously working for you, it really, really speaks, you know, speaks some volumes. And you're continuing to hold to those same diversity goals that you guys have just naturally as a business without having to have an actual mandate or anything of that type of goal. So I think it's incredible. Looking forward to it and hoping to continuously build and get more work and honestly develop and continuously help other companies that are -- that were in the situation that we were prior to I think is really our goal so I can't wait.

>> MS. GRIFFIN: Thank you so much, Lamont, and thanks for being patient. Do you have any questions, Commissioners?

>> COMMISSIONER CAMERON: So I think what you're saying is you were given an opportunity, but you had to -- you had to do the work. You had to do really good work or they wouldn't have hired you back. Would you agree with that?

>> MR. CLEMONS: That's fair to say.

>> COMMISSIONER CAMERON: Yeah. And the other point is so now you're giving opportunities to others. You realize the value including women. And maybe you wouldn't have realized, you know, until you saw it working, the model working, you

looked around and saw people who look like you, who look different than other jobsites, right?

>> MR. CLEMONS: Exactly.

>> COMMISSIONER CAMERON: You just didn't give yourself enough credit, frankly.

>> MR. CLEMONS: Oh.

>> COMMISSIONER CAMERON: You know what? They seriously wouldn't have continued to hire you back if you didn't do really good work. So that's a credit to you and your company and your enthusiasm is -- hey, I'd like to work for you. You know. You have that kind of enthusiasm, which is great for people to be around.

>> MR. CLEMONS: Thank you.

>> COMMISSIONER CAMERON: So I thank you for the work you do.

>> MR. CLEMONS: I appreciate it truly.

>> CHAIR JUDD-STEIN: Well, I'm having my house painted right now. They're lucky they already have the contract.

[ Laughter ]

>> COMMISSIONER ZUNIGA: You'd be having second thoughts.

>> CHAIR JUDD-STEIN: I'd be going with you right now.

>> COMMISSIONER ZUNIGA: Yeah, I was going to say something along those lines that Commissioner Cameron is saying. You give us a lot of credit and a lot of other people deserve the credit, not just you and the work and the people that you employ and their ability to perform. But a lot of people around not just MGM, the city, Jill, perhaps, here especially. There was really this sense of this would be a missed opportunity if a casino project that comes, you know, so infrequent to an area like Springfield would be -- would go without, you know, the promises that they make, especially when it comes to the local and the minority. It's something perhaps you alluded to very -- in a very subtle way but has happened in other perhaps through the thinking of your father when you mentioned him, has happened in the past and has been a real missed opportunity and a real tragedy, in my opinion.

So this story that you tell, I encourage you to continue to telling it to others like the ones you mentioned, the kids who may not consider a career in the trades or who may not see because it's a short-term commitment that can be grueling in terms of working and going to school at the same time. Just seeing what could be at the end of that road, if you will. I encourage you to do that because you speak to it very well. And that's the pay it forward, if you will.

>> MR. CLEMONS: Absolutely. And I wouldn't be remiss if I do name my kids or at least middle name, Bruce or Jill or what have you.

[ Laughter ]

during the process even now, again, like, you know, having us come and speak here is great. I welcome doing this because I feel like the message needs to be delivered. I do the same thing in the local barbershop and the soul food restaurant my sister owns, pretty much everywhere I go around here because I think that message is important for people to know and really see. And so I appreciate that. And again, any opportunity, I get the opportunity to really speak on this I think I'm going to definitely do that. And then ultimately the goal is because the construction trade skill set is dying as a whole. I ultimately want to be able to put together a program where these kids can really



understand how they can transition into the trades a little stronger and hopefully we'll stay tuned. I'm talking to the assistant superintendent of Springfield public schools a little bit about things as well just regarding that because there is -- you know, there's a lot of talent that's retiring. And I think that we need to make sure that the kids understand that you can make an incredible living in construction and also it's a really valuable trade. You know, also, you know, keeping people working with their hands as well.

>> COMMISSIONER ZUNIGA: Absolutely.

>> COMMISSIONER STEBBINS: I just want to add, you know, I think Lamont and his company's story is a great story within the story of what casino gaming has meant to Massachusetts and your line about, you know, these opportunities changing the financial fabric of your family's future is you know, a message that just will stay with me. But kudos to you because you're also involved in the community with rotary and everything else. So it's not only running a business, it's being engaged in what's going on in your community, and that's, you know, a great asset for the City of Springfield to have and for the region and for your company to have, too.

>> MR. CLEMONS: Thank you.

>> COMMISSIONER STEBBINS: Congrats.

>> MS. GRIFFIN: Well, thank you for being very patient. So I know you have other things to get to.

[ Laughter ]

>> CHAIR JUDD-STEIN: It's really -- you're really demonstrating such great leadership, you know, in addition to the contribution you're making to your trade and to others. But, you know, leverage that for life.

>> MR. CLEMONS: I had amazing parents.

>> CHAIR JUDD-STEIN: That's excellent.

>> MR. CLEMONS: And a family that was very acceptive and I think it's important that a lot of these kids get the opportunity to have that as well. So I think employing their parents ultimately is how it will continue to pay it forward.

>> CHAIR JUDD-STEIN: That's excellent. Congratulations. Thank you.

>> COMMISSIONER CAMERON: Thank you.

>> COMMISSIONER ZUNIGA: Thank you.

>> MS. GRIFFIN: Thanks so much. Thank you.

>> COMMISSIONER CAMERON: Thanks again.

>> MS. GRIFFIN: So to my right is Lisa Clauson and of course you know Crystal Howard, program manager. Lisa is with the Carpenters Labor Management Program. I think she has spoken before the Commission. Maybe not in a while, though. So I'd like to welcome her back. And we're here to update you on an upcoming event that we're putting together, Diversity Summit.

>> CHAIR JUDD-STEIN: Jill, can you speak right into your microphone?

>> MS. GRIFFIN: Ooh, sorry.

>> CHAIR JUDD-STEIN: Thanks.

>> MS. GRIFFIN: And I'll just say that Lisa, in addition to being a partner in the planning of this summit, was really the visionary behind the concept. So I have to give her kudos. But Tuesday, says October 8th, 12:30 to 3:30 at Smith College, we are

focusing on the practical applications and proven strategies to increase diversity in construction. And this summit is really intended to focus on the central and Western Mass regions, which are underaccessed by especially women but also certain people of color. And we're going to feature the best practices in construction diversity that were evidenced by both of our category 1 licensees including, we have Vice President of development in construction for MGM Springfield, Brian Packer, coming back into town. And we'll also showcase the Build a Life Recruitment Campaign and the strategy that the Commission launched with our partners in CTE back in 2017, designed to increase women in the building trades. So we really want to ensure that the robust group of new recruits to the trades that came on really for the MGM project are kept employed, in addition to encouraging new opportunities and new projects. I'm actually going to turn it over to Lisa to talk a little bit more about the program.

>> MS. CLAUSON: All right. Sure. Thank you, Jill. You know, I just have to say, it's -- I had the concept of doing something coming off of the successful completion of MGM and Encore at the time was still finishing up. And I just appreciate how quickly the Gaming Commission, Commissioners Stebbins, the staff, kind of embrace the idea of doing something to highlight what was done with the casinos. And it's extremely useful to be modeling it for what other institutions could do and how they could also similarly achieve their construction needs and at the same time create opportunity both for MBEs like Lamont's company and also on the workforce side for women and people of color in the trades.

And it's been really terrific for the Gaming Commission and the UMass Building Authority's also at the same time been doing strong enforcement and encouraging their contractors to meet goals that the state has on diversity in construction. And having those two examples and those two models has been what we constantly are touting when we're talking with both municipalities that are considering it as well as private institutions. And so coming off of the MGM build we have been starting to find inroads on both of those fronts in central and Western Mass. So right before MGM was built as we knew and were working to recruit more women and people of color, we got Mount Holyoke College. They were having a construction of a new student center to put goals on that project. And so it enabled us to start training some people who then ended up furthering their career in the casino. But then since then Smith College have been doing it with the construction of a new library they have, over a \$100 million job that's happening there. In Worcester, WPI has just decided to start putting diversity goals on some of their construction projects. So there's an academic building that they have coming up where they're going to do it for the first time. Holy Cross has told me they're going to start. There's been internal conversation on how to do it and are going to start looking to apply diversity goals to their construction projects.

The YWCA in Worcester is expanding their facility doing a renovation expansion, and they decided to adopt diversity goals for that project. And then on the public side, the City of Springfield has revamped kind of the enforcement of diversity requirements they already had on city contracts. I'll talk more about that in a minute. But the City of Worcester also has just announced very strong diversity goals for all of their public construction work. And Ed Augustus, the City Manager, will come to the event on the 8th and he's going to be on the panel and speak about that work. And then in this Region, East Hampton currently has an ordinance considering where they're going to

put diversity goals on their construction work, and we've had some good conversations in the town of Amherst as well about doing it.

In each place it's kind of where we can show them this model of how the Gaming Commission has done it and the two casinos did it has been terrific to then hold up of here's different practices. Here's different tools on how you can do it of tracking, of, you know, it takes some effort, but it doesn't necessarily have to add much to what you're doing already in terms of work or costs to it.

And this event on the 8th has been a place where, as we've been going out and talking about to the WPIs of the world and the Smith Colleges of the world about taking this approach, it's great having this event that we can say, come here and come learn more about it and hear from, you know, institutions and state officials who have been doing it already. And it gives them some more confidence and then taking a look and taking it on and not just that they're hearing from a union about it but they're hearing from other institutions that have done it.

So in the City of Springfield, working with Mayor Sarno and his staff team and working with some city Councilors. The city did a disparity study a little over a year ago. And then the City of Worcester did a similar one as well where they took a look at -- they had some researchers at UMass Boston who did analysis of the workforce and made the argument for how there's women and people of color are not proportionately in the industry as they could be and are often in similar jobs, high physicality where they're earning less money. And so if given the opportunity, you know, would then be, you know, the opportunity and the training could make the switch over. Based on that study the City of Springfield, we've been working over the past year and have kind of revamped how their enforcement process, and they've gone to some AOC meetings of yours and also of the UMass Building Authority. The city staff who are going to be doing the compliance work and some of the city Councilors have gone as well. And have adopted more of an AOC model on how they're going to start doing tracking and having the general contractor come in and monthly reports on their numbers and are very much kind of taking a page out of the model that got developed here through your work. They just, in September, we had the first meeting where there are some new projects going on right now in the City of Springfield, a big school in particular that's being built in the north end where they're now starting to do that tracking. And we're really excited for what it will bring.

They already had diversity requirements on city contracts, says but again, they hadn't really been enforced for a while. Their numbers are 30% local hires, Springfield residents of Massachusetts employees that are hired by a company. 20% people of color. 6.9% women and 5% veterans. And the City of Worcester, meanwhile, did their own disparity study, and that came out with recommendations that the women numbers could be as high as 10%, with what's currently out there to be able to easily recruit and 38% for people of color. And the City Manager, we were kind of counseling maybe going a little more conservative initially but decided that he wanted to set really high numbers and then figure out a process that can slowly kind of bring companies to meeting those.

So, again, it's kind of really set. The work you've done has really set the stage for other places to take it on. And I think given other places, the confidence that can be done, especially when it was done in such big projects that it can be done more easily

than on smaller projects. And I'm really excited about the October 8th event as an opportunity to kind of showcase that and for, you know, institutions to come and learn more. And so we've heard already from a variety of different -- some colleges, some universities, some nonprofit developers, some for-profit developers, some hospitals that they've RSVPed and that they're looking forward to coming and learning more that afternoon.

>> MS. GRIFFIN: And I would be remiss if I didn't ask Commissioner Stebbins if you have any more to add since you've been really involved in the planning as well.

>> COMMISSIONER STEBBINS: No, thankfully I haven't which is probably why it's going to be a success. Lisa has done great work in working with our team, with Jill and Crystal, and I think back to the MGM project and the diversity requirements and trying to recruit minorities and women into the construction trades and the challenge that they face as opposed to Boston where it's, like, okay, we'll work on this project. We'll jump to another project. There was a big concern in Western Mass as to after MGM, then what? So, you know, kudos and credit to you to starting to talk to these other institutions to get them thinking about diversity, help them kind of, you know, refill this construction workforce that, you know, as Lamont said, is starting to age out, and how do you give new opportunities to folks that may not have considered the construction trade. So, you know, Jill and Crystal have been right at the forefront of this, and it's been great to work with our building trade partners because they're helping to get the message and kind of carry on this legacy. I think the gaming bill has created of there are opportunities there and how do we keep it going, you know, central and Western Mass, so thank you.

>> MS. CLAUSON: Sure. And, again, I really appreciate the staff time that's been given to help plan this event. And I know that there's lots of other things going on, and it's, you know, not something that, you know, any of us could just drop and organize, and so it's been kind of a variety of hands on deck and that's been very helpful and I know it's resources that it takes to do that.

>> MS. GRIFFIN: Thank you, Lisa.

>> COMMISSIONER CAMERON: Thank you. It's great that you're encouraging others, and I think the key thing that you said was, you know, other places have had diversity goals, but they weren't enforced. That really is critical. I know, Jill, from just talking to you, and Bruce, month-by-month meetings, every month. You know, unless you stay on it, it's not going to happen.

>> MS. CLAUSON: Yeah. I mean, I think it's been interesting, too, the UMass Building Authority has just goals on theirs. They don't have requirements. You guys putting it as part of the licensing, you know, some of the points that could be gotten through licensing got the casinos to do it as requirements which was really great. But even with goals, they've been -- at UMass Amherst, the projects are all exceeding their goals, and it's through, again, these best practices that you guys have put in place and that contractors are now feeling, okay, you know, we should do this. We need to do it to get that next job. And what we've been finding is more of our contractors are saying, okay, let me put someone -- some more diversity on my core crews. So it's not just for where there's a job that has that requirement. Let me fill that quota or that need. But, oh, this person was a good contract -- a good carpenter, a good electrician or good operator. And, you know, it's more important in this day and age. And so let me, then,

start reflecting that and continue to employ that person. And that's what we love getting those calls saying we're looking for the right fit for our, you know, X type of company. Who have you got? And we say, well, we've got lots of people you can consider. Let me talk to you about them.

>> COMMISSIONER STEBBINS: That's great.

>> COMMISSIONER ZUNIGA: Great efforts.

>> CHAIR JUDD-STEIN: Thank you. And we're looking forward to the forum very much.

>> MS. CLAUSON: Thank you.

>> CHAIR JUDD-STEIN: Thank you. You're all set. Crystal, all set? Thank you. Thank you so much.

>> MS. GRIFFIN: Thank you.

>> CHAIR JUDD-STEIN: So we'll move on to item number 9. Commissioners' updates.

>> COMMISSIONER CAMERON: So I think the only update I have is that we -- several of us did go to New Jersey earlier in the week to really immerse ourselves in their sports betting operation. I think a lot of lessons learned. A lot of really positive information. If at some point we are asked to regulate sports betting, I think that was a good base of information to start with. So we'll go from there.

>> CHAIR JUDD-STEIN: And we'll be following up with the feedback that we received. It was very dense. And so we'll be following up for next steps to make sure we relay what we learned, probably with Justin's lead. Any other update?

Item number 10. Nothing reserved that I know of. So do I have a motion to adjourn?

>> COMMISSIONER CAMERON: So moved.

>> COMMISSIONER ZUNIGA: I second.

>> CHAIR JUDD-STEIN: All those in favor.

[ Vote taken ]

Opposed? 5-0. Thank you.