

1 THE COMMONWEALTH OF MASSACHUSETTS
2 MASSACHUSETTS GAMING COMMISSION
3 PUBLIC MEETING #167
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6 CHAIRMAN

7 Stephen P. Crosby
8

9 COMMISSIONERS

10 Gayle Cameron

11 James F. McHugh

12 Bruce W. Stebbins

13 Enrique Zuniga
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19 October 29, 2015 10:30 a.m. - 2:37 p.m.

20 HYNES CONVENTION CENTER

21 900 Boylston Street, Room 312

22 Boston, Massachusetts
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P R O C E E D I N G S :

CHAIRMAN CROSBY: I am going to call to order the 167 public meeting of the Massachusetts Gaming Commission, 167, on October 29 at the Hynes Auditorium. The first item on our agenda will be the approval of minutes, Commissioner McHugh.

COMMISSIONER MCHUGH: The minutes, Mr. Chairman, are in the book, the minutes that is of the meeting of October 15. And I would their approval in the form they appear there with the customary reservation of rights to change, make mechanical changes and correct typographical errors.

COMMISSIONER ZUNIGA: I second that.

CHAIRMAN CROSBY: Any discussion about the minutes? All in favor?

COMMISSIONER MCHUGH: Aye.

COMMISSIONER CAMERON: Aye.

COMMISSIONER ZUNIGA: Aye.

COMMISSIONER STEBBINS: Aye.

CHAIRMAN CROSBY: All opposed? And I did not vote as I was not at that meeting.

1 Next up, Ombudsman Ziemba.

2 MR. ZIEMBA: Good morning, Mr.
3 Chairman and Commissioners. First on the
4 agenda is the Region C request for application
5 two, RFA-2 evaluation process update.

6 On Tuesday within the deadline, we
7 received a response from Mass Gaming and
8 Entertainment, MG&E, regarding questions that
9 we raised in the context of our administrative
10 completeness review that is required under our
11 regulations. On that same day, Tuesday,
12 Licensing Director Paul Connelly issued a
13 letter to MG&E stating that MG&E's RFA-2
14 application is complete.

15 Under the Commission's regulations,
16 the notice begins the Commission's review of
17 the RFA-2 application.

18 As for immediate next steps, we are
19 working to get the new MG&E documents on our
20 secure systems for review by the review teams.
21 That could be done today or tomorrow. We are
22 also working to get the additional non-
23 confidential documents up on our website. The
24 goal for that is by mid to late next week.

1 Following that, the next significant
2 event is next Thursday, November 5. On that
3 date MG&E will make its 90-minute presentation
4 to the Commission. This 90-minute presentation
5 is an opportunity for MG&E to present its
6 application to the Commission.

7 As a reminder, this is not a public
8 hearing involving public testimony like our
9 host and surrounding community hearings.

10 However, as always, we welcome comments from
11 anyone before or after the presentation mainly
12 through our website, MGC Comments.

13 On February 12 (SIC) we will hear
14 from surrounding community and impacted live
15 entertainment petitioners and MG&E in the
16 response to such petitions. We recently
17 received MG&E's response to the petition.

18 There is both a written response to the
19 petitions. They have been included in your
20 packet. And then on the date of the
21 presentation on February 12 (SIC) we have
22 verbal presentations by both petitioners and a
23 response by MG&E.

24 So, these meetings are the beginning

1 of a very thorough review by the Commission.
2 One further thing I will mention is that after
3 numerous consultations with our review
4 consultant, Pinck and Co., we have determined
5 that staff will assume the majority of the
6 coordination responsibilities for the Region C
7 review.

8 This will enable us to ensure that
9 our review is as resource efficient as possible
10 while still being comprehensive and thorough.
11 We still have the benefit of our team of
12 specialty consultants, which will be utilized
13 in our review.

14 At this time, I'd like to thank the
15 Pinck and Co. team for all of their RFA-2
16 reviews that have been completed to date and
17 for their continuing assistance as we move
18 forward towards completion of these projects.
19 Certainly, they would be available to assist us
20 in any way possible and especially over the
21 next few weeks they will help us in the
22 transition.

23 Any questions on that?

24 CHAIRMAN CROSBY: Anything on this

1 item?

2 COMMISSIONER ZUNIGA: No, I think it
3 is very helpful. I just had a question on the
4 petitions. Do we know whether all the
5 petitioners, the universe of petitioners have
6 been submitted?

7 MR. ZIEMBA: That is the universe of
8 petitioners. As you'll see from the responses,
9 there is potential that agreements could be
10 reached before the date of the hearing.

11 COMMISSIONER ZUNIGA: Before
12 February 12?

13 MR. ZIEMBA: No, before November 12.

14 COMMISSIONER STEBBINS: Before their
15 presentation.

16 COMMISSIONER ZUNIGA: Before their
17 presentation.

18 CHAIRMAN CROSBY: Before their
19 presentation?

20 MR. ZIEMBA: Quite possible.

21 CHAIRMAN CROSBY: Before the MG&E
22 presentation?

23 MR. ZIEMBA: It's possible. It's
24 possible.

1 CHAIRMAN CROSBY: John, have we
2 picked dates for the two public hearings?

3 MR. ZIEMBA: No. We have a
4 tentative schedule that is included in your
5 packet, but we have not chosen all of the dates
6 for our hearings. But I think potentially it
7 is still a little bit premature to do that
8 because we first have to learn the entire
9 universe of surrounding communities and
10 impacted live entertainment venues.

11 CHAIRMAN CROSBY: Right.

12 MR. ZIEMBA: As we get a little bit
13 further, we can maybe establish those dates.

14 CHAIRMAN CROSBY: That's fine,
15 great. Anything else on this item?

16 COMMISSIONER CAMERON: John, this
17 entire schedule assumes arbitration.

18 MR. ZIEMBA: You are correct.

19 COMMISSIONER CAMERON: That is just
20 based on past experience but there is a
21 possibility, correct -- that that would not
22 occur and this whole schedule would be
23 adjusted?

24 MR. ZIEMBA: You are exactly right.

1 COMMISSIONER CAMERON: Okay.

2 MR. ZIEMBA: You are exactly right.
3 And in such instance, it could mean a decision
4 could be made much earlier than the projected
5 date here.

6 CHAIRMAN CROSBY: That's a good
7 point, Commissioner, thank you. Just to expand
8 on that for anybody in the audience, the
9 schedule anticipates the possibility that the
10 host -- that the applicant MG&E and one or more
11 of the surrounding communities or the impacted
12 live entertainment venues may not be able to
13 come to an agreement, in which case there will
14 be a mandated arbitration process which will
15 extend things.

16 For the sake of being cautious, as
17 Commissioner Cameron points out, we are
18 assuming that there will have to be that
19 arbitration process. If there isn't, if MG&E
20 and all those parties, surrounding communities
21 and entertainment venues, are able to come to
22 agreements then we would all be very happy.
23 And this process would be a couple of months
24 quicker probably, a month or two quicker.

1 Thanks for that. Anything else? Okay, next
2 up.

3 MR. ZIEMBA: Chairman and
4 Commissioners, Wynn Everett joins us today to
5 present their quarterly report and to then
6 present their latest site plan for the
7 Commission's review. No vote is scheduled by
8 the Commission today.

9 This site plan is the culmination of
10 many months of efforts by the Wynn team
11 following the Commission's request that Wynn
12 review its design that was included in the
13 conditions to Wynn's license.

14 Wynn followed that with a
15 presentation to the Commission at the end of
16 January of new renderings of the design of its
17 proposed hotel. Throughout the rest of the
18 year during quarterly reports and through
19 conversations with Commission and Commission
20 staff, Wynn provided updates on further changes
21 and revisions.

22 We are also joined by our consulting
23 team including Rick Moore of City Point
24 Partners, Ray Profilio of Epstein Joslin

1 Architects, Jason Lawson from PMA and I believe
2 Frank Tramontozzi. Frank Tramontozzi is here
3 as well from Green International.

4 They have been reviewing Wynn's
5 design and have provided comments to the Wynn
6 team that the Wynn team will address in their
7 presentation. Wynn will include some of those
8 responses to those specific issues. And then
9 Rick Moore and the team can provide further
10 background regarding the issues that they
11 raised to the Wynn team after Wynn's
12 presentation.

13 I will note that the site plan
14 review, the design review is affiliated but it
15 is separate from the current Section 61 review
16 that is before us and other agencies such as
17 the Massachusetts Department of Transportation,
18 MassDOT. That review including the review of
19 Wynn's both immediate plans for Sullivan Square
20 and long-term plans for Sullivan Square is
21 ongoing.

22 After the presentation and responses
23 from our consultant team, I would recommend
24 that the Commission could discuss some further

1 steps. The Commission could take to get
2 further public input on the design.

3 And specifically, staff including
4 General Counsel Blue, Director Driscoll and I
5 recommend that we place a request for comment
6 on our website for any comments related to the
7 design. And on a very central place on our
8 website, we could include all of the relevant
9 documents that we have been provided today.

10 And this would be a very good way
11 for us to further get public comment from
12 individuals and other parties, official parties
13 that want to provide further comment regarding
14 these designs. A similar section could be
15 created for the MGM design, which we'll discuss
16 in a few minutes. However, first things first.

17 I think Bob DeSalvio, Wynn Everett's
18 president, and Chris Gordon from the Dirigo
19 Group and any other members of the Wynn team, I
20 think there might be one or two other members
21 out there, to first present their quarterly
22 report and then to give us the latest on their
23 designs.

24 COMMISSIONER MCHUGH: Could I, just

1 as we start, put this in the context at least
2 that I understand it and to pick up on the
3 theme, the public comment theme that you just
4 mentioned a minute ago.

5 The Section 61 Findings that we're
6 going to make under the certificate that the
7 Secretary of Environmental Affairs issued
8 require a public hearing. It's an amplified
9 Section 61 process.

10 So, this today is an exercise
11 designed to provide to the public information
12 about the nature, specific nature, detailed
13 nature of the project as it now stands and the
14 changes that have been made. So, that by the
15 time we get to that public hearing process,
16 people will have not only the things on our
17 website to look at but the presentation and the
18 commentary that goes forward today to absorb
19 and think about as they formulate their own
20 questions.

21 The two are going forward in
22 parallel, although as you mentioned the site
23 design is separate from the section -- site
24 design approval is separate from the Section

1 61. But both of those, the vote on whether to
2 approve the site changes and the site design as
3 it presently stands and to approve the Section
4 61 Findings comes at the end of this process
5 after we have received that public comment and
6 held that public hearing. Is that the context
7 in which we are working?

8 MR. ZIEMBA: That's right. What I
9 wanted just highlighted that today's
10 presentation is focused on the design on-site
11 facility. Discussions regarding the off-site
12 infrastructure they continue in earnest.

13 COMMISSIONER MCHUGH: Okay. Great.
14 Thanks.

15 MR. ZIEMBA: Bob?

16 MR. DESALVIO: Thank you, John.
17 Good morning, Commissioners. I'm joined today
18 by Chris Gordon. And also Jacqui Krum will
19 probably be joining us shortly. She is over at
20 your offices on another matter and will join us
21 as soon as she can.

22 Before I begin, I would like to
23 publicly acknowledge Commissioner McHugh. I
24 know I believe today is your last public

1 meeting. And I wanted to just say on behalf of
2 the Wynn team, thank you so much for your
3 service to the Commonwealth.

4 I certainly know that when you start
5 gaming in a new jurisdiction, I've now been
6 through this in New Jersey and in Pennsylvania
7 and now here, it is an extremely difficult job.
8 I think you did an amazing job all the way
9 through on your term. And just on behalf of
10 the licensee, I want to say thank you for your
11 service. And I believe you did a great job for
12 the Commonwealth.

13 COMMISSIONER MCHUGH: Thank you very
14 much, Mr. DeSalvio.

15 MR. DESALVIO: So, let's kick this
16 right off. I'm going to turn this over to
17 Chris Gordon, who's got a number of updates on
18 permitting.

19 MR. GORDON: Thank you. We're going
20 to walk you through the status of our
21 permitting. As you know, the MEPA certificate
22 has been issued and as was mentioned, we are
23 now working on our Section 61 Findings.

24 The highway department, the Gaming

1 Commission, DCR, DEP and others going along
2 well. Not completed yet, it involves several
3 public meetings, it involves a number of
4 different issues, but we're on course. And
5 that's going well.

6 The other big permit we're working
7 on is the Chapter 91 permit, which you've heard
8 about in the past. The relevant news today is
9 the comment period ended. We received five
10 comment letters. We responded to those comment
11 letters today.

12 The responses go back in. Good
13 comments, good responses no big surprises. So,
14 we expect that process to keep going. So,
15 we're on schedule for the Chapter 91 work as of
16 today.

17 Other work, the site plan review by
18 the city of Everett, the dates are on the
19 slide. But we did apply for, had several
20 meetings and did gain approval from the city of
21 Everett for the site plan approval. So, we've
22 completed that step in the process since we met
23 last.

24 Also, the notice of intent, which is

1 the language for the Conservation Commission in
2 Everett, we also applied for that. We had a
3 series of public meetings and also gained
4 approval for that. And the appeals period has
5 ended. So, we are through both site plan and
6 Conservation Commission in the city of Everett
7 with the plan that you're going to see today.

8 Site remediation, as you know, one
9 of our first actions is to get going on the
10 cleanup of the site. About 2000 samples have
11 been finished, soil and water samples. I'll
12 show you a plan in a second of that. Also the
13 release abatement measures plan has been filed
14 and accepted by the DEP. So, that work is
15 complete.

16 Plans and specifications were
17 developed. And we're also pleased to say that
18 we bid that work out. And a national firm that
19 happens to be local, Charter Contracting, was
20 selected to be our remediation contractor. It
21 is a highly qualified remediation contractor.

22 We also were asked to do a public
23 involvement process, the PIP process which is
24 done by petition. We did that. We had the

1 public meetings. We filed the documents and
2 we've satisfied that requirement and we'll
3 continue to satisfy that with future updates to
4 the community as well as through our electronic
5 communication. And the contract --

6 CHAIRMAN CROSBY: Sorry. Maybe you
7 were going -- Go ahead. What were you going to
8 say?

9 MR. GORDON: They've started. They
10 mobilized. They're out there. If you went by
11 the site today, you would see the project sign
12 is up. The job trailers are there and the
13 surveyors are working. So, as soon as the
14 paperwork is all properly filed, they'll start
15 actual physical work hopefully in November.

16 CHAIRMAN CROSBY: This is something
17 which is sometimes misunderstood. Apparently,
18 the remediation can go forward prior to the
19 Section 61. This is not part of your
20 construction. This is remediation which can go
21 forward on its own schedule, which is good
22 news.

23 MR. GORDON: That's correct.

24 CHAIRMAN CROSBY: Great.

1 MR. GORDON: And the remediation is
2 about four months. I say about because you
3 never quite know until you get in the ground.

4 Winter doesn't stop this. So, they
5 will keep going. So, assuming they start
6 digging any day now, it's about four months
7 until we are done. We had two public meetings
8 as requested, one in Everett, one in
9 Charlestown to talk primarily about trucking.
10 A lot of interest in where the trucks go, how
11 the trucks are secured. So, we've done that.

12 And I think they were very
13 successful. We talked about where the soil
14 goes to certain landfills, how it gets there.
15 So, we went through a lot of the process on
16 that.

17 We also talked about dust control,
18 dust monitoring, work hours, and a lot of the
19 things that you'd expect a community to want to
20 know about. So, we've done that and now we
21 continue to implement that. So, even though
22 we've talked about it, now we've got to do it.
23 So, the dust monitors are going up. The trucks
24 are being prepared. So, we think we're in good

1 shape on remediation.

2 This is the plan. We actually like
3 this. That shows the 2000 samples where
4 everything was sampled. It's amazing the site
5 is still there after all that digging, but all
6 of those samples are done. All of those
7 samples are tested. We have the lab reports.
8 So, we know exactly what's down there.

9 This plan shows the three areas we
10 call the hotspots. One is here, one is here,
11 and one is here. Those are the three worst
12 areas of contamination.

13 COMMISSIONER ZUNIGA: Could you do
14 that again, Chris? I'm sorry.

15 MR. GORDON: Yes. There is two.
16 There's two that are really excavation and one
17 that is in situ stabilization. And I'll get
18 into a little bit more detail, but these three
19 are the worst contamination on the site.

20 And not surprisingly, if you look at
21 the historic photos, it's where the largest
22 tanks were or the largest delivery vehicles
23 were. So, a lot of the tanks may have leaked.
24 There may have been other issues.

1 These two areas get excavated. This
2 area gets what is called in situ stabilization,
3 which is a soil mixing process. In summary, at
4 the end of the next four months, these three
5 sites will be fully remediated. And that means
6 the site is dramatically cleaner than it is
7 today.

8 It'll still have the normal soil
9 issues for construction. The site isn't
10 spotless then, but the worst of it is by far
11 will be gone at the end of that process.

12 CHAIRMAN CROSBY: Great.

13 COMMISSIONER MCHUGH: Does that mean
14 that the digging and excavation is confined to
15 the two pink areas?

16 MR. GORDON: Well, there's digging
17 here, but it's in situ stabilization, which
18 means we're going to mix the soil with an
19 additive. And that's going to stabilize the
20 soil and calibrate the pH level. So, there
21 will be digging here but there won't be as much
22 soil removal.

23 These two are pure removal. They
24 put sheathing around it. You remove the soil.

1 And it's going to go to either New Hampshire to
2 a landfill, Michigan or to one up in Canada
3 depending on the nature of the soil.

4 CHAIRMAN CROSBY: Was there testing
5 done of the waters either of the inlet or right
6 on the --

7 MR. GORDON: Every one of these dots
8 is a test.

9 CHAIRMAN CROSBY: Okay. I was
10 looking at it backwards.

11 MR. GORDON: That's all in the
12 water. And some of those are samples from the
13 ground, the dirt where they actually go down
14 and take a sample. And a lot of those are
15 water samples. But at each point where there's
16 a dot, that was actually a soil sample in the
17 soil in the inlet testing the sediment.

18 Then we also did some groundwater
19 testing on the edge as well to understand the
20 migration and quality of the groundwater.

21 CHAIRMAN CROSBY: And there weren't
22 any places underwater that needed to be
23 excavated, apparently?

24 MR. GORDON: Not in this phase. We

1 are still working out with the DEP later in the
2 future whether there's any work in the water to
3 deal with some of the sediment that's there.

4 CHAIRMAN CROSBY: Okay.

5 MR. GORDON: This is just to give
6 you a sample. This is a solar powered dust
7 monitor. There's going to be eight of those
8 around the site.

9 They are electronically tied into
10 the phones and the computers of all of the
11 staff on site. So, if there's any dust that
12 exceeds any of the normal tolerances, the
13 project stops. Work is modified to reduce the
14 dust. However, if it's just a windy, dusty day
15 they'll stop anyway.

16 These are meant to monitor what's
17 going on with the dust, which has been a bit
18 question of the communities whether or not this
19 stuff is going to glow around. It isn't going
20 to blow around, but just in case it did, we can
21 track it.

22 These are the trucks. What's
23 important here is they are lined. Each truck
24 is lined. The liners are put over the

1 material. That material is sealed. Then there
2 is another liner that goes on top of the truck
3 itself. That truck is put over, that's sealed.
4 And then the trucks are tracked by GPS so we
5 know exactly where they go.

6 So, we have approved three truck
7 routes that really get them to 93, which is
8 where they want to go. Then we'll track them
9 from there. There's a bill of lading when you
10 start. There's a bill of lading when you
11 finish. So, we can track that.

12 We're also going to spot check.
13 Quite frankly, we're going to have vehicles out
14 there checking to see where they go, what they
15 do. So, we've got a very close control on the
16 trucking.

17 It's five to six trucks a day on
18 average. It peaks at maybe 15 during the
19 remediation, but it's a relatively small
20 number.

21 COMMISSIONER ZUNIGA: Chris, are
22 those volumes what was initially anticipated in
23 general terms?

24 MR. GORDON: Yes. We're about where

1 we were for the volume. Again, once you get in
2 the ground, you're never sure exactly what it
3 is, but it's not going to vary very much. So,
4 we're pretty much where we were from a volume
5 point of view.

6 Design, and Bob is going to walk you
7 through it in much more detail in a minute, but
8 I want to give you an update on the design
9 process. We view the project in four packages,
10 the onsite work. We've got the foundation and
11 the garage, the hotel, what we call the podium,
12 which is really the gaming and the food
13 beverage and the site and marine.

14 The foundation and garage package is
15 the furthest along. We're going to submit that
16 in the next month or so to the city of Everett
17 to start the building code review. So, the
18 foundation and the garage work is far along in
19 design. It's near a point where they can do a
20 detailed code review of that because that's the
21 first thing we're going to build.

22 The hotel tower is second. That's
23 very far along. This means a lot of detail
24 that Bob's going to show you about exactly how

1 the tower lays out. Those drawings are quite
2 complete. You'll see that in a minute.

3 Podium is starting to catch up. The
4 podium is the hardest work, because it's all of
5 the gaming, all of the food and beverage, all
6 of the retail, the back of house. That is the
7 next piece that will fall into place.

8 Then of course the site and marine
9 work will be the last to get built. But that's
10 also coming along with landscaping and the
11 waterfront and that sort of stuff. So, the
12 design package is far along.

13 Off-site infrastructure, a key part
14 of our mitigation commitments. The design team
15 was selected. The last time we met, we were in
16 a process of selecting a design team. AECOM,
17 who is a major national highway as well as
18 other engineering firm.

19 They were picked with a full array
20 of sub-consultants to work on this. And
21 they're just starting to get there. So, the
22 survey will get done this fall. They're
23 working on roadway safety audits. They're
24 getting going with the highway department in

1 the different cities and towns and all of the
2 mitigation work. So, they're ramping up
3 quickly and will be ready for -- to start the
4 permitting process for all of the off-site
5 mitigation.

6 A little separate, as you know, we
7 started Sullivan Square early because it was a
8 key part of our licensing. So, Howard/Stein
9 Hudson who is a separate but equal
10 transportation firm is doing the work on that.

11 We have a meeting, for example,
12 tomorrow we have a meeting with -- Actually,
13 this afternoon we have a meeting with the city
14 of Boston's highway department on the next
15 discussion about Sullivan Square.

16 So, that's a little before 25
17 percent design. We're probably at 20 percent
18 design now. We'll meet with the city of
19 Boston, get their feedback and keep going
20 through that design process.

21 Site preparation, we went out and if
22 you remember the site from your early site
23 tours, it was a mess. It had broken down
24 fences and railroad ties and junk cars and

1 everything else.

2 We literally just cleaned up the
3 site. We weren't doing construction. We went
4 out there with a contractor. Cashman was
5 selected through a process and we trucked off a
6 lot of the debris that was sitting on the site.
7 The barrels and sheds and everything else was
8 properly disposed of and taken care of.

9 We put up a new fence. We put up a
10 project sign. Now we've got a gate guard. So,
11 there's actually some control on the site. So,
12 the entire site is fenced. The entire site is
13 cleaned. Now we can actually get started.

14 So, if you went out there today, it
15 looks as good as a vacant lot can look. It
16 looks much better than it did.

17 Project schedule, there's a number
18 of slides here because we wanted to include
19 them, but I'm not going to walk you through
20 that. There's like 10 slides of the bar chart.

21 But let me give you the highlights
22 of the six-month schedule you've got there. We
23 are still on course with our longest permitting
24 lead, which is the Chapter 91. We expect by

1 the February timeframe to be through the
2 Chapter 91 process.

3 And that would mean after that
4 there's two other permits, Army Corps and water
5 quality that have to fall into place after
6 Chapter 91. So, it's probably an end of
7 February kind of timeframe to be permitted. We
8 would then expect a March or April start of
9 construction.

10 Then if that happens, as you know
11 from our prior dates here that puts us in the
12 second half of '18 to finish. So, we're on
13 track for that. We certainly are gearing
14 toward that. We are ramping up quickly.

15 We're interviewing construction
16 managers. And we want to pick somebody by
17 January to build the building. So, we hope to
18 have a contractor on board by January. The
19 remediation is moving along as we mentioned.
20 So, we can go through the details but that's
21 sort of the big picture of where we are on the
22 construction.

23 And the off-site mitigation, again,
24 a lot of detail there. But the bottom line is

1 it's got to be done before we open and we know
2 that. So, we've got to make sure that all that
3 roadway work is done before we open.

4 So, I'll just click through these
5 quickly but there is a whole bunch of details
6 there. And we've shared these with Jason and
7 the PMA team. And we're certainly happy to
8 engage any discussions about those.

9 CHAIRMAN CROSBY: Does anybody have
10 particular questions about the schedule?

11 COMMISSIONER CAMERON: You were
12 going to just run through some of the
13 highlights, is that what you just said?

14 MR. GORDON: That's what it was.
15 We're happy to get into more detail.

16 COMMISSIONER CAMERON: That would be
17 good.

18 CHAIRMAN CROSBY: He just did. You
19 were just saying you just did, right?

20 MR. GORDON: We can get into more
21 detail if you would like.

22 COMMISSIONER CAMERON: Because it's
23 difficult to read.

24 MR. GORDON: These bar charts, we

1 wanted to submit them for information, but
2 you're right. They're not what you really want
3 to dive into.

4 The big activities now are on sort
5 of parallel tracks. The design team, and Bob
6 is going to introduce some of those folks in a
7 minute, but the design team is deeply engaged
8 designing all day every day. And there's
9 conference calls and meetings and a lot of work
10 going on with the design team. So, that's
11 gearing up toward a March start of
12 construction.

13 The permitting team is very busy and
14 they are working on all of the Section 61 stuff
15 that John mentioned, the Chapter 91 work,
16 additional work with Everett. And then that
17 will start to roll into all of the off-site
18 permitting work. The site remediation is
19 really site prep, site remediation which we
20 talked about.

21 And then there's a lot of
22 preparation for demolition, preparation for the
23 highway work. So, that's sort of the big
24 activities going on now. Behind the scenes, we

1 are putting construction contracts together,
2 insurance, the labor agreements, all of that
3 stuff is being lined up so we'll be ready to go
4 when we go.

5 COMMISSIONER ZUNIGA: Chris, I know
6 you mentioned this before and probably it
7 hasn't changed, but remind us in general. The
8 critical path goes through at this point the
9 remediation obviously.

10 MR. GORDON: No, it goes through
11 Chapter 91.

12 COMMISSIONER ZUNIGA: Chapter 91.

13 MR. GORDON: It goes through Chapter
14 91. Then it goes to the Army Corps permit,
15 which can't be issued until after Chapter 91.
16 Then it goes to as deep as we can get in the
17 hole to put the caissons in. The caissons
18 being the foundation for the tower.

19 Then it comes back up through the
20 tower. Then it's sort of a tie between the
21 tower and the back of house because we want to
22 get the climate control system on about a year
23 before we open because of the quality of
24 finishes in the building.

1 So, between the hotel tower and the
2 back of house cooling and heating system that's
3 sort of going to be tied for who gets done
4 first. And that'll be the critical path of
5 getting open.

6 The most work is in the podium, but
7 the good news there a lot of that stuff can be
8 done off-site. In other words, building the
9 podium is not the hard part. The hard part is
10 populating it with all of the gaming equipment,
11 all of the technology, all of the furniture.
12 And a lot of that can be prepared well in
13 advance.

14 Was there more detail on the
15 schedule?

16 COMMISSIONER CAMERON: No, that was
17 helpful. I just struggled to read it even with
18 glasses.

19 MR. DESALVIO: Yes, that's a tough
20 chart.

21 MR. GORDON: If you want we can have
22 a meeting and really get into the nuts and
23 bolts, because there's a lot here that's
24 important. Let me just get through these and

1 we'll get to the next piece of this.

2 COMMISSIONER ZUNIGA: But at this
3 point, you're still predicting the later part
4 of 2018?

5 MR. GORDON: Correct.

6 MR. DESALVIO: We've been using
7 second half of '18 because it just depends on
8 so many different issues whether it's
9 permitting, getting the GC on board, having
10 them go through their methods and how they're
11 going to get the building built.

12 MR. GORDON: Bob.

13 MR. DESALVIO: Great. The next
14 section we want to talk about his project
15 diversity. The next slide has the numbers.
16 Before I get into the numbers though, I want to
17 acknowledge Roy Peterson is here from Jacobs.
18 Roy, where are you, if you could just stand up.

19 This is a team effort. I get to
20 report on the numbers but in reality there are
21 folks that are making this happen. The Jacobs
22 team has been very instrumental in this in
23 trying to bring some new folks into the team.
24 This is difficult because you've got to

1 identify. You've got to qualify. You've got
2 to integrate them with your staff. They've
3 been very good about working with us on that
4 along with the team in Las Vegas, Karina
5 Ashworth, Roger Thomas, DeRuyter Butler. And
6 of course championing this has been Jenny
7 Peterson working alongside Jill and your team
8 and the access and opportunity committee to
9 make this happen.

10 But this is truly a team effort and
11 I want to acknowledge that because I know
12 Commissioner Cameron you asked me at the end of
13 the last meeting when we did the update, do you
14 think we're going to see more progress as we
15 move into the next quarter.

16 And I'm really happy to report today
17 that we've made some really good progress along
18 this front. This slide, actually I'll take you
19 through a few of the highlights. For the MBEs
20 now we've got eight contracts, about \$2.6
21 million worth of work.

22 We added a line in here. Not only
23 do we have the percentage of total contracts,
24 but we added what's in the contract pipeline,

1 because these things happen over quite a period
2 of time between finding companies, making sure
3 that they are qualified, making sure they apply
4 for a license with the MGC, making sure they
5 have the designation for what type of firm they
6 are.

7 So, some of these take actually
8 months. So, what we did is was we added up not
9 only what we've got, but some things in the
10 pipeline to give you a better sense of how the
11 design side would play out.

12 CHAIRMAN CROSBY: Is the 9.4
13 cumulative?

14 MR. DESALVIO: Yes. So, that right
15 now -- I'm sorry?

16 CHAIRMAN CROSBY: In other words
17 that's 6.8 plus 2.8 or something like that.

18 MR. DESALVIO: Right, that's
19 correct. You've read that correctly. So, what
20 we're saying is our goal was 7.9. And if
21 everything happens that's currently in the
22 pipeline, we'd look like we would come in about
23 9.4 percent. Again, these are not exact
24 because this is a moving target as we are doing

1 this.

2 On the WBEs, three contracts about
3 \$600,000. In the pipeline total would get us
4 to about 7.6 on a 10 percent goal.

5 And on the veteran front, these are
6 fairly significant contracts about \$3.1
7 million. If we add this all up, we are almost
8 through the pipeline in this particular case.
9 It would total out to about 6.6 percent on a
10 one percent goal. That's because we wound up
11 with a couple of significant contracts.

12 So, when you blend that out overall,
13 it looks like about 13 total M, W and VBE
14 contracts, about \$7.6 million. With everything
15 in the pipeline, it would play out to about
16 23.6 percent over a goal of 18.9 percent.

17 CHAIRMAN CROSBY: This is of awarded
18 contracts, percent of awarded?

19 MR. DESALVIO: Pipeline is not yet
20 awarded. So, this includes both.

21 CHAIRMAN CROSBY: This is just out
22 of curiosity, does the pipeline have everything
23 in it or is there stuff that isn't even in the
24 pipeline yet?

1 MR. DESALVIO: For the design part,
2 we're through the large part of it. There may
3 be some additional design pieces that come
4 along. But I think Chris we are about \$50
5 million all in on this design work.

6 MR. GORDON: There will be some
7 future opportunities during construction, but
8 this is the big chunk.

9 MR. DESALVIO: The heavy lifting on
10 this is upfront. Again, please understand it's
11 a moving target. So, these are not exact until
12 you literally get through and actually place
13 these contracts. But the point is that
14 significant progress has been made on this
15 front. We're happy to report that.

16 COMMISSIONER ZUNIGA: But the
17 denominator in these numbers is the total of
18 the design cost.

19 MR. DESALVIO: Roughly \$50 million.

20 COMMISSIONER ZUNIGA: Right.

21 MR. DESALVIO: Now the next charts,
22 I am not going to go into these in depth for a
23 couple of reasons. This is now the contracts
24 awarded on the construction phase.

1 So, as you can imagine we haven't
2 done the large contract for the GC for the
3 whole project. So, we only have a very small
4 amount. You can see the numbers on this chart.
5 This was just Cashman's work to clean up the
6 site.

7 So, even though it's a small amount
8 of work, we were required to start reporting.
9 And now remediation will follow right behind
10 that. That is a large contract. Chris
11 mentioned Charter earlier. They are a
12 minority-owned firm. And they just got a very
13 large contract, but it's not reported yet.
14 That one will be coming in our next report. It
15 was too new for this.

16 COMMISSIONER ZUNIGA: They are also
17 based in Boston?

18 MR. GORDON: Yes, they are based in
19 Boston.

20 MR. DESALVIO: That's correct.

21 COMMISSIONER CAMERON: But even
22 though it's a small amount, the numbers are
23 good.

24 MR. DESALVIO: The numbers are good.

1 The numbers are good.

2 MR. GORDON: As Bob mentioned, the
3 Charter contract is over \$5 million. And that
4 will dwarf these numbers when we put that in
5 the numbers.

6 MR. DESALVIO: So, we're off to a
7 good start there on the construction phase.

8 And then also since Cashman began
9 cleaning up on the site, we were required to
10 start our workforce participation numbers as
11 well. So, it was good for us to get in the
12 habit and the practice of getting that started
13 out on the site.

14 As you can see here, again, just a
15 small amount of workers. On the minority front
16 we had four workers. We had one woman out
17 there, no veterans yet but again this was just
18 a contract with a few people out there working
19 on the site. And it gave us the ability to get
20 this whole process started.

21 The next topic I want to talk about
22 was community outreach. I won't go through all
23 of these because we had so many events during
24 the quarter. But basically, we are all over

1 the place trying to meet and greet and find
2 people. Whether it was community meetings,
3 career showcases, the Greater New England
4 Minority Supplier Development Council, meeting
5 with the trades, we did a service day where we
6 went to the Kennedy Center Daycare in
7 Charlestown. We did some paint work on the
8 project.

9 Everett, we were the prime sponsor
10 of Villagefest, which was a wonderful community
11 event that was put on by Mayor DeMaria and the
12 city of Everett. So, needless to say you can
13 see from the list we are very active out there
14 and engaging the community.

15 COMMISSIONER STEBBINS: Bob, I want
16 to just compliment you on one of the things you
17 have listed on the events and outreach, which
18 has been at the top of the list, the meeting
19 with the local career centers.

20 I know Jenny has been going out with
21 some of the women leadership of the building
22 trades specifically going into the state career
23 centers, making sure the staff who are
24 interacting with people looking for work on a

1 daily basis are aware of -- think of
2 construction opportunities and construction
3 careers when you're coming in and thinking
4 about where your next job opportunity might be.

5 So, kudos to her for that kind of
6 outreach and doing in partnership with some of
7 the leadership on our A and O committee that's
8 pretty spectacular.

9 MR. DESALVIO: Yes. She has been
10 really active in that. And I give her a lot of
11 credit for advancing our numbers forward and
12 will continue to do so. Thank you for
13 acknowledging that Commissioner.

14 So, I'm going to switch gears and
15 get into the design review. I want to start by
16 bringing back up -- these were the renderings
17 that I showed at the January meeting. So, this
18 one is of course the daytime shot of the hotel
19 tower design. It shows our really great
20 location right on the Everett waterfront and
21 our six and a half acre outdoor harbor area.

22 The next slide shows the nighttime
23 shot to give you an idea of the proposed
24 illumination of the building. And again, how

1 it sits nicely out on the waterfront.

2 The next shot actually shows you
3 part of the arrival sequence as you approach
4 the porte cochere entry to the property. You
5 can see it's nicely landscaped as it slopes
6 down into the water area, and meets up with the
7 harbor walk and where the water taxis will come
8 in. I think it will give our guests arriving a
9 very warm inviting sense of arrival.

10 The next shot is one we created.
11 This is back further as you come in off of
12 Broadway and as you enter the access road and
13 you're going past the podium area of the
14 property, before you get into where you would
15 make a decision to whether you're going into
16 self-park or valet. And it shows the tower
17 from the other side.

18 Again, we're really happy with the
19 way the building presents itself from all of
20 the angles. The design team has done an
21 amazing job.

22 I want to move on to the site plan.
23 This is a little bit of an enhanced version of
24 the site plan probably from what you saw

1 previously. What's interesting to note is the
2 heavy amount of landscaping. We are working
3 with two different groups on this, Lifescapes
4 International has worked with Mr. Wynn for many
5 years on some of the landscape architecture
6 that's been done on some of his award-winning
7 projects.

8 But we also integrate Pam Shadley
9 who has been a wonderful resource who knows the
10 local area and the types of plant materials
11 that we would use in order to create the living
12 shoreline.

13 We think you're going to be very
14 pleased with how the landscape design lays out.
15 As a matter of fact, we are in the process of
16 building a new complete site model and will be
17 having that delivered out to our development
18 office within a few months at which time we'll
19 get you out there to have a look at it.

20 It's an integration of the new
21 landscape plan along with the new building
22 design. Because if you recall, the old model
23 that we had had the previous tower. So, we
24 really updated the entire model and will be

1 looking forward to showing you that at a later
2 date.

3 A couple of more comments though
4 that I'd like to bring up before we get to the
5 actual floor plan of the building. In the new
6 site plan, Chris mentioned this earlier, we
7 raised the building up about 11 feet. Part of
8 that was we eliminated one floor of the garage,
9 but it also gave us the opportunity to do
10 significantly less excavation and moving soil
11 off of the property.

12 It also gave us better accommodation
13 for future sea-level rise. And for now, we're
14 up to, correct me if I'm wrong Chris, the 500-
15 year flood mark. So, for us making sure that
16 that building is safe and secure and up high
17 enough was a critical part of the component.
18 And we worked with our team and with Jacobs to
19 make sure that we had what we thought was
20 appropriate.

21 Now with that comes -- As you raise
22 the building as you can imagine the
23 complications come with that is how do you
24 provide for all necessary ADA access. So,

1 that's something that we've been focusing on.

2 Jacobs has been very helpful with us
3 in making sure that we comply with all local
4 codes. And then recently Jacqui Krum reached
5 out to David D'Arcangelo. And David, as you
6 know, is the director for the Mass. Office on
7 Disability.

8 We're going to set up a meeting with
9 him at a later date as we secure all of the
10 plans, review the ADA access. We just want to
11 make sure the building is 100 percent
12 completely accessible. And between the work
13 that we do with Jacobs and any other
14 suggestions we get as part of the process,
15 we'll make sure that happens.

16 As part of that review, at the end
17 of the retail esplanade, the building is now
18 higher than it used to be. So, when you come
19 out onto the deck, we've added an elevator that
20 will now obviously take you -- anyone who would
21 be in a wheelchair or who did not want to go
22 down a set of stairs or a ramp, there will be
23 an elevator that will bring you down to the
24 event lawn area.

1 So again, I just wanted you to know
2 that we are thinking a lot about this. And we
3 want to make sure that this building is
4 completely equipped for all ADA access as it
5 rose in elevation.

6 The other thing is we added a
7 turnaround lane at the very end -- Chris could
8 point that out. -- at the very end out by the
9 water. There was a couple of reasons for this.

10 In dealing with the city of Everett
11 and their emergency management folks, we want
12 to make sure that emergency vehicles could not
13 only get to the far end of the site and be able
14 to turn around and get back into the main area,
15 we also made an arrangement so that ambulances
16 could leave that turnaround and get out onto
17 the harbor walk just in case there was any
18 issues out there.

19 We can literally come off of the
20 turnaround at the end, get out on the harbor
21 walk. And that would get us all the way around
22 the front of the property.

23 COMMISSIONER ZUNIGA: With vehicles?

24 MR. DESALVIO: With an ambulance,

1 you cannot get a fire truck on the harbor walk,
2 but we can get an ambulance out there. So, if
3 anyone got hurt, because remember there's going
4 to be bikers coming through on their bicycles,
5 lots of folks walking. And the city thought it
6 would be a good idea that if we ever needed to
7 get an ambulance out front that turnaround will
8 give us the ability to do that.

9 Also, it gives us the ability to get
10 to the backside of the main ballroom, which is
11 out at the end of the esplanade area right
12 where Chris is pointing. We've got some area
13 there for loading and unloading.

14 So, if we have to service any events
15 that are out in the ballroom, we can very
16 easily go down the back, go around the
17 roundabout, drop off materials and get to that
18 as well. So, it was really for lots of
19 different accessibility areas.

20 Of course, that will be landscape
21 screened from the rest of the harbor walk. But
22 we thought that was a great addition to the
23 site plan.

24 Now you're taking a look at the main

1 casino floor level. We are very pleased with
2 the development work that has gone into this.
3 This represents probably two years' worth of
4 work. Chris, do you mind if I ask you to drive
5 a -- starting out at the entry road on Broadway
6 and coming in, Chris is going right past --
7 There's now an entrance and an exit for self-
8 park underneath the building. We separated
9 those. I'll talk about that a little bit later
10 on.

11 As you move around over to the hotel
12 porte cochere entrance, Mr. Wynn and the design
13 team have been working on a real amazing
14 arrival sequence for what's going to happen in
15 the lobby atrium area.

16 When you come into the property, you
17 are able to access the retail and food and
18 beverage esplanade from both sides all the way
19 without actually going into the casino. And it
20 leads all the way out to where the convention
21 complex is out at the far end of the area.

22 And we made particular care to look
23 at right where Chris is pointing now, if there
24 was not an event going on in the ballroom and

1 you wanted to go out and see what was going on
2 on the waterfront, the esplanade ends and then
3 you're able to go past the ballroom and out to
4 a deck area that takes you down to the event
5 lawn.

6 And that is going to be gorgeous.
7 It's going to have windows that will overlook
8 the harbor walk. And we really wanted to make
9 that area of public accommodation extremely
10 special. So, people that are crisscrossing and
11 want to move through the site and view what's
12 going on outside can do so and pick up those
13 windows all the way at the end.

14 We've got 16 different retail
15 stores. There's 12 food and beverage outlets
16 throughout the property and a beautiful
17 esplanade.

18 As you move past the arrival and go
19 right into the main casino, there's a bank of
20 elevators right where Chris -- that's the hotel
21 bank of elevators that take you up through the
22 tower. And then the area in yellow is of
23 course the main casino area with its
24 circulation shown.

1 We've been working a lot on the
2 design of what that will look like. We added a
3 buffet restaurant up on the top of the casino
4 area right where Chris is pointing. To the
5 right is lots of back of the house areas, our
6 loading area.

7 The dark area right there where
8 Chris is pointing is the central plant. So,
9 we've got accessibility to the service yard.
10 Really the flow of how this building works and
11 how guests move through it and how we can
12 service our guests has really been thought out
13 very carefully over the last couple of years of
14 the design process.

15 COMMISSIONER ZUNIGA: Bob could you
16 just highlight the main access points to the
17 casino just as a refresher?

18 MR. DESALVIO: Right there. Then
19 there are in the corners there are some
20 elevators. That corner, the far right, Chris
21 over here, down on that corner as well. Then
22 if you move to the left to the bus arrival,
23 right where Chris is pointing now, we have an
24 area that is able to accommodate bus arrivals.

1 So, when you come in, there will be
2 an elevator, escalator and some stairs that
3 will get you up to the main level. And from
4 there you can choose to either go right into
5 the casino or you can go left and just go right
6 into the retail esplanade.

7 COMMISSIONER ZUNIGA: Right. And
8 those elevators are also coming from underneath
9 obviously. If the patron decides to self-park,
10 they can come into any of those four points,
11 basically?

12 MR. DESALVIO: That is correct.
13 This particular slide shows what is the second
14 level of the casino. If you start in lobby
15 area, Chris, there is a set of curved
16 escalators that will get you from the lobby
17 level up to that second level.

18 And on the left side when you come
19 up, there is a food and beverage outlet that'll
20 probably be a three meal period restaurant that
21 overlooks the atrium lobby.

22 On the right-hand side will be a bar
23 area, a piano bar area that will be nice for
24 entertainment and again, will overlook the main

1 lobby area.

2 As you move forward through, you now
3 come into what is the second level of the
4 casino and what we are calling the chairman's
5 salon. So, that is for higher limit gaming.
6 We have both tables and slots in that main
7 area. This gives them a really very nice
8 unique setting that overlooks the main casino
9 floor.

10 And then as you work your way down,
11 let's head down to where the sports bar is.
12 So, as you traverse down that side of the
13 property, we've got a sports bar at the far
14 end. And then we have a space -- I'm going to
15 talk about this a little bit later when we get
16 into the program changes. That's what we're
17 looking at now for an ultra-lounge, which is
18 something new. And I'll get to that a little
19 bit later about what our thinking is on that.

20 And then just north of that Chris
21 the poker room. We've got 95 tables in a poker
22 room that sits above the main casino floor in
23 its own area. Then the area immediately to the
24 right is of course more back of the house, our

1 human resources areas, our offices.

2 In this particular case, I know you
3 know most of these buildings wind up with
4 basements, but we didn't set ours up that way
5 obviously because of the parking underneath the
6 building. So, we wound up with two level back
7 of the house areas so we could accommodate all
8 of the functions that we need to for the
9 property.

10 CHAIRMAN CROSBY: Bob, you were here
11 last winter. You well know that there ae many
12 months when people are not going to be enjoying
13 the harbor walk.

14 Have you given any thought to how
15 you are going to get people who come by water
16 taxi to the facility in bad weather? Are they
17 just going to have to walk through the rain and
18 snow?

19 MR. DESALVIO: If you go back one
20 slide, Chris. Let's go back to the main level.
21 That's even a better way to look at it. So,
22 you can see where the docks are.

23 We purposely put the dock areas as
24 close to that front porte cochere as possible.

1 Obviously, we will be highly monitoring and
2 taking care of any snow removal issues. As
3 matter of fact, we are going to be using a snow
4 melt system for the access drive and a good
5 part of it to make sure that we constantly keep
6 that clear.

7 But obviously, clearing all the
8 pathways, we'll have the abilities if we need
9 to if it was bad weather to simply run people
10 up with some of our staff and umbrellas if
11 needed. You only have to traverse a short area
12 and then you come up and you're underneath the
13 porte cochere and into building.

14 MR. GORDON: This zig zag here,
15 those are the ramps that deal with the tides.
16 So, people that come off the ramp are going to
17 end up right here. And then there's a very
18 nice staircase to the front door. There's also
19 a ramp that goes up there. So, if you come off
20 the ramp, it's a very short walk before you're
21 under cover.

22 MR. DESALVIO: As close as we can
23 get. If need be in really bad weather, we'll
24 umbrella it if we have to.

1 COMMISSIONER MCHUGH: But the
2 portion of the traffic that you've assigned to
3 water taxis is dependent on the ability to use
4 this year-round, right?

5 MR. DESALVIO: Correct. We've had
6 some discussion about this. It is very rare
7 when they cut off completely water access from
8 us say down into Boston Harbor. It happened, I
9 believe, for a short period last winter in what
10 was probably the worst winter we've seen in a
11 long time.

12 But for most of the winters from
13 what we understand and since our water taxis
14 will be enclosed, we can operate so long as
15 there is no ice or any issues in the harbor.
16 If it becomes a safety issue, they cut off
17 service.

18 COMMISSIONER MCHUGH: I understand
19 that. But I'm really following up on Chairman
20 Crosby's question about the dock area and the
21 accessibility. It's one thing -- If you're
22 going to get six percent of your people coming
23 to the facility by water taxi that's a lot of
24 umbrellas.

1 MR. GORDON: The ramps are designed
2 to be ADA compliant. As you know, from the
3 downtown water facilities here with the tides
4 that's tricky. So, we've got a very similar
5 ramp you see at Rowes Wharf, Logan Airport.
6 So, the ramps will all be ADA compatible for
7 anybody to use. And they'll have to be
8 maintained. Of course, if there's an ice storm
9 or anything like that they'll have to be
10 cleared like any sidewalk or any other access.

11 COMMISSIONER MCHUGH: I hear you.
12 Okay.

13 COMMISSIONER ZUNIGA: Bob on that
14 slide, what is that C at the very front of the
15 -- at very middle mezzanine. Is that a
16 skywalk?

17 MR. DESALVIO: Those are stairs from
18 the main casino floor that leads up to the
19 chairman salon and the higher limit gaming
20 area. Those are curved stairways with a bar, a
21 lounge right at the base on the main casino
22 level.

23 MR. GOROND: Another thing this
24 allows us to do is the white space is double

1 height, which is very unusual. Most of the
2 casino floor will be double height with a very
3 ornate grand ceiling and columns. So, it's
4 going to look dramatically different than you
5 might see in a lower ceiling casino.

6 MR. DESALVIO: Okay. As we move up,
7 now this is the third level on this particular
8 level, you can see in the reddish color as you
9 come off the main set of elevators, we have our
10 hair salon, our gym. We have an indoor pool
11 area and we have a very large spa operation.
12 That's become a signature operation for the
13 Wynn facilities both in Las Vegas and Macau.

14 So, we are working diligently now on
15 the interior design. We think that will be a
16 tremendous amenity for our particular property.
17 So, on that floor, the rest of the floor is
18 primarily back of the house, but we still have
19 some office space up there.

20 The indoor pool, we decided to do
21 the pool indoors, but we do have glass panels
22 that slide and would open up in good weather.
23 So, you take in advantage of the views of the
24 harbor. Because here you are up above the

1 porte cochere and looking right out into the
2 harbor area.

3 MR. GORDON: And you're also on the
4 green roof.

5 MR. DESALVIO: And we've got green
6 roof below that.

7 CHAIRMAN CROSBY: I didn't quite
8 realize how far along you were. Have we talked
9 with you about -- This is really getting into
10 the details but -- the GameSense location,
11 where our office is going to be, the state
12 police?

13 MR. DESALVIO: Yes, that is part of
14 the presentation that I'm going to get to in a
15 little bit. We could probably just do it now.

16 CHAIRMAN CROSBY: That's all right.

17 MR. DESALVIO: Let's go back to the
18 main floor. We worked alongside with your
19 staff on picking locations. The GameSense
20 office is going to be right about where that
21 red dot is.

22 So, we wanted it centrally located.
23 So, you've got this bus arrival area here.
24 You've got the end of the retail esplanade.

1 So, that gave us a good location that was close
2 to where all the action would be on the casino
3 floor but not actually on the floor. Kind of
4 similar to where -- I think of Plainville where
5 it's close but not directly right in the middle
6 of it.

7 CHAIRMAN CROSBY: Where is the
8 access point from the garage?

9 MR. DESALVIO: There is one right
10 here. So, you've got elevators up from the
11 garage. This is where the bus operation is.
12 You've got anyone who comes in the front or is
13 on the esplanade and you're going to wind up
14 right in this same location.

15 So, it's really a nice high-traffic
16 area. We showed it to Mark. He's been sent
17 the plans. He wanted to make sure the front
18 was open so it's inviting for the front. Then
19 there's a private area for the counseling, any
20 counseling issues that's more of an enclosed
21 area.

22 Also your question about the
23 Commission and state police offices, they are
24 generally right in here. Those plans have been

1 sent to Bruce Band. We met last week, state
2 police have reviewed. We went through with
3 Bruce and reviewed the travel paths for where
4 any cash would go and making sure that we
5 highlighted safety and making sure that
6 protection of assets was front and center.

7 We've given them full design
8 development documents for that. We received a
9 series of comments back from Bruce, state
10 police. We've already incorporated those
11 changes in the plan and all that has been done.

12 Chris brings up a good point. The
13 lottery, we have the requirement for eight
14 units. So, what we've done is found high-
15 traffic areas here and over here near central
16 places where people would go to and from.
17 We've located the lottery terminals. So, we'll
18 make sure that that is covered as well.

19 So, we can advance probably to the
20 parking levels. Oh, hotel tower was next.
21 What we did is we wanted to show you a typical
22 floor of the tower. So, starting from left to
23 right, Chris is now pointing to the end suites.
24 Those are up and down the entire tower

1 including up at the top of the building.

2 CHAIRMAN CROSBY: That's for the
3 Commission, right?

4 MR. DESALVIO: The Commission will
5 be able to tour and take a look at them, I'm
6 sure, once they are built. And at the top of
7 the tower we do have two that are two-level.
8 So, those will be some really special suites at
9 the top of the tower.

10 Then as you move there, Chris is
11 pointing to what is called the parlor suites.
12 Those are going to be spectacular, great water
13 view out towards the front of the building.
14 The rest of the floor then has a mix of kings
15 and doubles.

16 We've got obviously some of the
17 darker areas are the back of the house areas.
18 We've got back of the house where Chris is
19 pointing now. And then of course the main
20 circulation through the elevator core.

21 As you know, the rooms -- This is
22 where Mr. Wynn was very proud of this design
23 work and truly bringing back the era of the
24 grand hotel. The minimum hotel size, 610

1 square feet. These will be by far the nicest
2 guest rooms in the region. We think that
3 they'll be very well received whether it's
4 through meeting and convention guests or our
5 casino guests.

6 CHAIRMAN CROSBY: What is a standard
7 luxury suite?

8 MR. DESALVIO: You mean outside of
9 Wynn?

10 CHAIRMAN CROSBY: Yes.

11 MR. DESALVIO: Like a high-end
12 luxury guest room in most hotel are 350 maybe
13 to 400 square feet, just depending on usually
14 the age of the property. The older the
15 property the smaller the rooms. But even new
16 ones that are built, very rare you would see
17 anything outside of Las Vegas that would
18 approach 600 square feet.

19 CHAIRMAN CROSBY: Wow.

20 COMMISSIONER STEBBINS: What's an
21 attachable room?

22 MR. DESALVIO: So, we can connect if
23 there's families and you need to connect
24 through an interior door. So, we have those

1 setups. So, sometimes those are positioned
2 near suites so a one-bedroom suite can become a
3 two-bedroom suite or if somebody rents a king
4 and let's say wants a double-double next to
5 them. Then we can attach all of the way
6 through.

7 COMMISSIONER ZUNIGA: Is there any
8 gaming on any one of these rooms?

9 MR. DESALVIO: Not on the hotel
10 tower, no. The next series of diagrams show
11 the parking garage. Just some things to note
12 that are new in the process. We dramatically
13 increased the amount of circulation flow at the
14 arrival sequence and giving us more capacity
15 there.

16 A couple of the comment letters came
17 in, they wanted to make sure that traffic
18 wouldn't back up out towards Broadway or the
19 street. So, what we did is we pushed further
20 into the garage to create more opportunity for
21 circulation and get the cars in.

22 As I mentioned earlier, we separated
23 the in from the out of the garage. Originally,
24 when you saw our plans, it was all in that same

1 area. So, now -- And Chris if you could just
2 point to where the location. That's in and
3 then out. And we've set these up with speed
4 ramps for accessibility and getting in and out
5 of the garage quickly.

6 The next floor this shows you as
7 you're now migrating down. This is level B2.
8 Then the next floor is B3 in the garage. So,
9 we are now three levels under the building.

10 As far as now I'm going to move into
11 the program update. So, you've got a slide and
12 I want to make some special comments.

13 COMMISSIONER MCHUGH: Before we
14 leave the site, could I ask a couple of
15 questions?

16 MR. DESALVIO: Sure.

17 COMMISSIONER MCHUGH: There have
18 been some questions about how to get a feel for
19 the height of this building. I know we've
20 talked in the masse. We've talked about its
21 relationship to the height of the nearby
22 windmill for example.

23 Is there any way for people who are
24 interested in thinking about the height and the

1 width to get some indication of what that's
2 going to look like? Balloons on a string for
3 example?

4 MR. GORDON: The nearest to height,
5 and this may not answer your question, but
6 you're correct. The windmill when the blade is
7 at its highest point is almost exactly the
8 height of the building by coincidence. And
9 next-door there is the tallest smokestack is
10 500 feet. And we're 386 feet. So, we're 115
11 feet shorter than the tallest smokestack.
12 We're just about the right height of the
13 windmill.

14 So, that is just a general rule of
15 thumb if that helps. We haven't done anything
16 like mark up the height because it'd pretty
17 tough at that height.

18 COMMISSIONER MCHUGH: I know
19 construction wise you can't put up a markup.
20 That's helpful. It might be helpful to answer
21 some of those questions to think about balloons
22 for example on a calm day. And to allow people
23 just to take a look at it to satisfy themselves
24 in relationship to the other things that are

1 there.

2 MR. GORDON: Some of our computer
3 models allow us to bring the lens back and you
4 can actually see the building on the site. So,
5 for example, some of the rendering you saw were
6 up close but we can do the same thing by
7 pulling the lens back and look at what the
8 building actually looks like there.

9 COMMISSIONER MCHUGH: I think that
10 would be helpful.

11 MR. GORDON: For example, the
12 Everett planning board asked us to do a
13 rendering as you drove south on 99, which we
14 never really thought of. So, we did it, and
15 you can see it. So, we don't have it here but
16 in other words you can see coming South down 99
17 you can see the tower to the right. At least
18 for the planning board, it was very helpful.

19 COMMISSIONER MCHUGH: I was just
20 going to say we're headed toward a public
21 meeting and a public discussion. These are
22 questions that are already surfacing. So, it
23 would be helpful to do some of that in advance
24 so that people could see, could really see.

1 CHAIRMAN CROSBY: What it would look
2 like from Somerville, from Assembly Square,
3 from Charlestown coming across the bridge, if
4 it's not a big deal, I think that would be
5 interesting.

6 MR. GORDON: The building is
7 modeled. I don't want to speak too fast here,
8 but we can drop into the model. We've done it
9 for several locations the planning board asked
10 for. There's not reason we couldn't do it in
11 other locations. So, let's look at that and
12 see how many different spots we can do it from
13 as you approach the site from different
14 locations.

15 CHAIRMAN CROSBY: I think that would
16 be a useful addition to the public
17 conversation.

18 COMMISSIONER CAMERON: The other
19 question, I'm looking at the questions that's
20 in the packet, you'll see it, is the lighting.
21 The folks were interested in what the lighting
22 will look like during the day and at night.
23 So, if there's a way to demonstrate that that
24 may be helpful as well.

1 MR. GORDON: Let me show you one
2 slide here that I think is coming up, this one.
3 One of the things that we're working with the
4 city of Everett is the two lighting plans.

5 One is photometric plan of the
6 ground-level lighting. Is it safe? Is it
7 adequate? Does it feel like everybody feels
8 comfortable walking around?

9 The other one is lighting up the
10 tower. Because the towers like this are
11 typically lit so you can see them. That's the
12 point of being able to see them. So, we're
13 working with the city of Everett to try to mark
14 that up so they can understand what that's
15 going to look like. And we're happy to share
16 that with Commission of course as well.

17 The first one is easier. The first
18 one is a series of fixtures, foot candle
19 counts, locations that's more technical. The
20 second one is more like this where you try to
21 figure what does it a look like at night. So,
22 as we develop that of course we're happy to
23 share that with the Commission.

24 COMMISSIONER MCHUGH: Yes. I think

1 that would be an important thing as well. The
2 nightclub has been eliminated from the
3 facility. Can we talk a little bit about that
4 where the nightclub went?

5 MR. DESALVIO: Sure. We started and
6 we had a little bit of this discussion back in
7 January when we introduced the new hotel tower.

8 The original nightclub plan was
9 about 25,000 or so square feet. It was out at
10 the end of the retail esplanade. So, when we
11 went back and started to do some design work
12 with Mr. Wynn and the team, we started to
13 really think about that and say now you've got
14 25,000 feet in a prime location at the end of
15 the esplanade. And based on the liquor laws in
16 the Commonwealth, it's very different. This is
17 very different from Las Vegas.

18 So, now you've got a situation where
19 a nightclub is in use Friday and Saturday
20 nights, may be a third if you get an industry
21 night. By the time people get out to their
22 nightclubs after having dinner, it's now 10:00
23 or 11:00 at night. And here you've got to
24 shut down early.

1 So, when you add up the total number
2 of hours during a week that you would have that
3 facility open and where it was located and the
4 size of it, we thought that was not a very good
5 use of space whatsoever.

6 So, in rethinking it, we
7 repositioned the ballroom space which was
8 located originally above the casino, we brought
9 that down. We moved that particular space out
10 to the end of the retail esplanade thinking
11 that that space would be in use the better part
12 of 200, 250 days a year from all of the meeting
13 and convention and trade show and any other
14 activity we've got.

15 It also gave us the opportunity to
16 combine indoor and outdoor spaces for events.
17 So, we started to think about things we might
18 want to do a food and wine festival, an arts
19 show, an antique show, some other event. Now
20 we get the advantage of taking the outdoor six
21 and a half acres of event lawn and combining it
22 with what's now about 37,000 square feet of
23 meeting and convention space.

24 And from our perspective and in

1 thinking about areas of public accommodation
2 when we were thinking through our Chapter 91
3 license, we thought this is a much higher and
4 better use of the space.

5 So, we made that decision back when
6 we changed the hotel tower to shift that and
7 move that program out to the end.

8 What happened after that is we had a
9 -- That's kind of long story to this. And it
10 brings us up to something that we were talking
11 about as late as last week. We then started
12 thinking about some of the areas that were left
13 on the second floor after we had made that
14 move.

15 At one point, we went through a
16 series of exercises and thought we might add a
17 theater. We might add a small theater to the
18 second floor. As a matter of fact, it shows I
19 think in some of the plans that have been
20 submitted along the way. So, we give that a
21 lot more thought.

22 As you can imagine, in our
23 organization, every single square inch of this
24 space gets evaluated. Mr. Wynn collects the

1 opinions of all of the operators. We really
2 want to make sure we try to get it right.

3 So, we started thinking about what
4 you do -- The theater was going to be
5 relatively small. It was going to be 400
6 seats. You look at the cost of entertainment.
7 You look at trying to move acts in and out of a
8 second floor corner location of the building.
9 It was extremely problematic. The cost of
10 entertainment versus return versus the type of
11 shows you could do. We fairly quickly came to
12 the understanding that we didn't think that was
13 in the cards.

14 And then -- Wait a minute,
15 Commissioner. Hold that thought for one
16 second. And then when I'm done, I'll tell the
17 whole story and then we can get back and answer
18 any questions you want.

19 So, the most recent thinking is that
20 since we lost the nightclub space and we're not
21 going to have a theater, what other amenity
22 could we had to maybe replace the thought of
23 the nightclub. The idea came to introduce an
24 ultra-lounge concept.

1 Why this is so current is that right
2 now we are converting a space in Wynn Las Vegas
3 that is Tryst Nightclub now. And we're going
4 to be converting that into more of a, what
5 we're hearing from the nightlife gurus, is a
6 much more current concept, which is a smaller
7 ultra-lounge. A little quieter than your
8 typical nightclub space, better for mingling.
9 Better with probably the age group that would
10 typically visit a Wynn.

11 It's not just for young people but
12 it's for all of us to go visit. So, the
13 current thinking is that we're going to be
14 developing this new nightlife space in Las
15 Vegas. It will be open early next year. We're
16 going to get some great learning out of that.

17 And take this remaining space that
18 we've got and develop this ultra-lounge concept
19 as kind of a replacement for where we were
20 originally with the nightclub. It's much
21 smaller. I think we have about 8000 square
22 feet or so for this space.

23 But the reason I'm going on about
24 this is to kind of let you into the process

1 that we go through, the iteration that we go
2 through when we think about the building. As
3 we've been doing this over the last year and
4 half, we've tried to come up with what's the
5 right concept for the marketplace.

6 So, that's the long-winded answer
7 about where we are in the nightclub world.

8 COMMISSIONER CAMERON: And I assumed
9 that you said this is Boston and a sports bar
10 would be a better use of that space.

11 MR. DESALVIO: We have that as well.

12 COMMISSIONER CAMERON: That's what
13 I'm saying. I saw the sports bar.

14 MR. DESALVIO: We added that early
15 on. We said if we open this building without a
16 sports bar, we're probably in deep trouble.
17 So, that was something -- And by the way the
18 team is having a lot of fun developing that.

19 This is the first time that the Wynn
20 organization has really gotten into really
21 design and development of a very unique and
22 interesting sports bar. We've got some
23 wonderful ideas that will play out as that gets
24 shown to the public at a later date.

1 COMMISSIONER MCHUGH: I have another
2 question but before we leave this what's the
3 difference between a lounge and an ultra-
4 lounge?

5 MR. DESALVIO: Ultra lounge is a --
6 A lounge is typically where you would go to get
7 a beverage, meet some folks. An ultra-lounge
8 is a little bit higher level of nightlife
9 experience. You may put in a DJ. You might
10 even put in possibly a small live act. It's
11 going to have probably more opportunity for
12 booth seating. So, it just has a higher
13 elevated level of experience. That's typically
14 in the industry they call that an ultra-lounge.

15 COMMISSIONER MCHUGH: Great, thanks.
16 We talked a little bit about the convention
17 space there at the end. And then the circular
18 area in the grass that used to have stadium
19 seating I think earlier is now called an event
20 space. Could you talk a little bit about that
21 and how that works now, what the concept is?

22 MR. DESALVIO: Absolutely. Early
23 development on, you are correct, it was going
24 to have some tiered seating. So, we had a

1 series of design charrettes with the folks in
2 Vegas that do the meeting, convention, banquet
3 facilities. And it came through loud and clear
4 that if you go ahead and rake it with some
5 permanent seating, it becomes very hard to do
6 multiple types of events.

7 So, the idea was they asked us if we
8 could make it level. This way we could tent
9 it. We could do all kinds of functions in
10 there as opposed to just having it be set up as
11 an amphitheater. So, we thought again higher
12 and better use, better public accommodation in
13 the space. So, the steps went away and we are
14 now calling it an event lawn.

15 COMMISSIONER MCHUGH: That's
16 helpful, thanks. I don't know when you get to
17 the programming elements whether you're going
18 to talk about --

19 MR. DESALVIO: That was going to be
20 my next section.

21 COMMISSIONER MCHUGH: Are we going
22 to talk about public transportation? I know
23 you've made a significant contribution to the
24 MBTA operations, and I wanted to explore that a

1 little bit. Are you going to do that?

2 MR. DESALVIO: Yes, that is in one
3 of my program notes coming up. We are going to
4 talk about as it relates to the parking garage
5 discussion.

6 COMMISSIONER MCHUGH: Great, good.

7 MR. DESALVIO: So, let's go to the
8 program chart. So, I would like to highlight a
9 few items on this particular chart. First and
10 foremost is that we are very pleased to say
11 that after a couple of years of development of
12 this program, there's basically about no
13 change.

14 You can see it listed there. It
15 ultimately comes in at about three percent.
16 But literally as we keep changing the building,
17 those numbers go up and down slightly every
18 time we move a wall or change anything. So,
19 for the most part our program elements, other
20 than the garage, have remained constant all the
21 way through the process.

22 I'm also pleased to report that we
23 spend a lot of time working with Mayor DeMaria
24 and the team in Everett that is working on the

1 project to show them steps in the way about
2 where we are with the project.

3 As you know, they are our host
4 community. They are very interested in what is
5 going on in the building. And we've had a
6 series of meetings along with the Everett
7 design team and their project team up through
8 and including the mayor who I spoke with this
9 morning about this. And he wanted me to relay
10 onto the Commission that they feel very
11 comfortable about where we are from a program
12 perspective.

13 I mentioned earlier we met with all
14 of your staff as we talked about things like
15 the state police, the gaming offices, the
16 responsible gaming. We talked about the
17 lottery terminals.

18 You know we've increased the size of
19 the hotel. The hotel originally was 504 rooms.
20 It's now 629. The spa area, including the spa,
21 the pool and the amenities and the hair salon,
22 that space got a little bit larger as part of
23 the process.

24 And the reverse of that is the

1 retail and the food and beverage got a little
2 bit smaller. So, what you can see happening is
3 we moved some of the square footage into hotel,
4 spa and amenities because we thought that that
5 was the right move for the market.

6 That's still by the way, we still
7 have 16 retail stores as part of the operation
8 which is a large number of retail stores for
9 any one operation. And there's 12 food and
10 beverage operations as part of it, which I
11 don't believe has changed much at all I don't
12 believe from the original application. I think
13 we were in that 10 to 12 range when we were
14 back proposing the project originally.

15 We of course made the elimination of
16 the nightclub. Chris and I talked earlier
17 about the glass walkway that was added around
18 out by the convention space. This is the
19 revised program that went through the MEPA
20 process. So, this is the most current of the
21 programs.

22 With that I don't know if you had
23 any questions on program, I'd be happy to
24 answer them. But we feel really good about

1 where we are from a program perspective and
2 that basically it hasn't changed in terms of
3 square footage overall minus the garage.

4 COMMISSIONER ZUNIGA: So, where is
5 the ultra-lounge in this?

6 MR. DESALVIO: That would be in the
7 food and beverage number. Any questions on
8 that? And if not, the next I wanted to talk
9 about parking.

10 As you know we made in our most
11 recent environmental filings, we did make a
12 change in the garage area. Our off-site
13 parking number has not changed. That's been
14 800. It was 800. It still is 800. Overall,
15 our parking number went from 4518 to 3736 with
16 a reduction of 782 spaces. Again, I mentioned
17 earlier that was when we raised the level of
18 the building up and removed one level of the
19 garage.

20 Again, we think there were some real
21 benefits to doing that including the
22 accommodations for sea-level change, less
23 excavation.

24 CHAIRMAN CROSBY: Bob, excuse me.

1 That doesn't make the demand go away. What was
2 the calculation in the demand that made you
3 think you could get away with 782 fewer?

4 MR. DESALVIO: Because when we look
5 at our model in terms of the traffic counts and
6 the parking demand and having our consultants
7 take a look at that, the number that we
8 currently have accommodates our parking needs.

9 MR. GORDON: It exceeds it actually.

10 MR. DESALVIO: And it actually
11 exceeds it through our analysis that we've
12 done. Also, during all of the feedback that we
13 got through the entire environmental process, I
14 can't tell you how many letters, comments about
15 trying to reduce the footprint of the parking
16 garage and try to make more about accommodating
17 public transit. And this became a theme that
18 we heard loud and clear as we went through the
19 environmental impact process.

20 So, you think about where we wound
21 up -- Obviously, we have water taxi service to
22 the property. We're going to be connecting to
23 both Malden's and Medford's mass transit
24 stations so we can pick up both the T and

1 commuter rail.

2 We added the orange line subsidy
3 that I know Commissioner McHugh just mentioned.
4 We think that is very significant. That orange
5 line subsidy, not only will it increase the
6 amount of trains that are available for
7 customers but we specifically added a piece
8 that would help us in the late-night hours, in
9 the evening hours where there's quite a bit of
10 casino traffic.

11 So, we started back with our
12 original demand model to make sure that we had
13 the number of spaces that we need for the
14 project. And then we focused a lot of energy
15 and attention on mass transit through both the
16 orange line, the water taxi and our shuttle
17 pickups. And we think we've got the right mix.
18 And again just in covering that with the
19 Everett team as well, they feel the same way.

20 COMMISSIONER ZUNIGA: But wasn't
21 that one of those comments precisely by MassDOT
22 in terms of considering reduction of the
23 parking?

24 MR. DESALVIO: We heard that across-

1 the-board.

2 MR. GORDON: There's the whole
3 traffic inducement issue, what's the right
4 balance between enough and not too much? As
5 Bob said, our analysis which is in our
6 environmental filing, shows that we exceed what
7 the demand projection is even with a reduction
8 in spaces. And it seemed to satisfy several
9 different items. One which is we want to make
10 sure we have enough parking so nobody is
11 backing up and that sort of stuff. But it
12 isn't too much parking where it's going to
13 encourage people to drive.

14 COMMISSIONER MCHUGH: Where did the
15 original numbers come from?

16 MR. GORDON: There's a parking
17 section in our FEIR and our SFEIR and it uses
18 various national standards and codes to derive
19 for hotels, food and beverage, casino,
20 convention that sort of stuff. And it does a
21 calculation of what the parking would be.

22 Then it factors in -- There's a
23 number of different factors they use for both
24 increasing and decreasing that based on

1 adjacency. And then in addition to that we
2 added a couple of factors to make sure the
3 garage wasn't full. We wanted to make sure
4 there was some extra room so it wasn't packed.
5 And even after all of that we've got in excess
6 of that.

7 MR. DESALVIO: Commissioner just one
8 other comment on that. We started out, if I'm
9 not mistaken, we started out at about 2900 in
10 the garage at the original application. Then
11 through the design process, it grew and then
12 came back down to where we actually wound up
13 now back to the original number.

14 I think it was 2900 and I think now
15 we are at 2936. So, it almost wound up going
16 full-circle right back to where we started.

17 COMMISSIONER MCHUGH: I get that.
18 But the fact that it grew and then shrunk
19 raises questions about why it grew and why it
20 shrunk and how plastic this number really is.
21 And I know we'll hear more from our consultants
22 about that.

23 And I recognize the increase in the
24 water traffic that occurred throughout the

1 planning process. It went from three to six.
2 I recognize the extra trains on the orange
3 line. But the shuttle buses between Wellington
4 and the facility and the other location, they
5 were always part of the mix.

6 MR. GORDON: That's correct.

7 COMMISSIONER MCHUGH: So, I wondered
8 whether the improvements that you made are
9 somehow tied to the 792 decreased parking
10 spaces.

11 MR. GORDON: Not directly. They're
12 indirectly. You're right. The number has
13 settled out where we think it's the right
14 number. The projections of the demand were
15 always the same. And in some of our midstream
16 filings, we far exceeded the demand.

17 And after thinking about it and
18 getting some pushback through the environmental
19 process, we brought it back closer to the
20 demand. So, it's still above the demand.

21 But it isn't directly tied to if you
22 add two percent here -- In other words, if you
23 add more on the water shuttle that helps, more
24 on the orange line that helps. But that didn't

1 drive exactly the 700 some odd space reduction.

2 COMMISSIONER MCHUGH: I hear you.

3 Undoubtedly, you've given this a great deal of
4 thinking but this is something that I think the
5 Commission will look to our experts and a
6 dialogue with you to make sure this number is
7 the best that we can project.

8 Obviously, all if these things are
9 projections. And projections are not the
10 reality until we see what the reality is. But
11 still it seems to me this is such an important
12 element of the whole approach that we need to
13 make sure we are confident that it's right.

14 MR. GORDON: First of all, we are
15 happy to participate and go through that.
16 Second of all, we are as worried as anybody
17 about not having enough parking, because you
18 don't want to be known as a place you can't
19 park. We have gone through it very carefully
20 and we're happy to share that with everybody.

21 MR. DESALVIO: Maybe that would be a
22 good opportunity to bring up that last slide
23 we've got. We did some comparables here. A
24 lot is made about various ratios about parking.

1 In this particular case, what we
2 tried to do is get the most updated information
3 we could. So, we plugged in our number, which
4 is when you look at our total parking count
5 versus the gaming positions, we wind up with a
6 .82 ratio.

7 We got some information back about
8 the MGM current program. And it looks like
9 they're running at about .94. We now know the
10 Plainridge number because it's now live. And
11 they're at 1.2. But they also have to
12 accommodate not only the gaming but also
13 accommodate the racing at the same time. So,
14 they show a little bit higher.

15 You probably heard over the years,
16 industry numbers kind of floated around at that
17 one-to-one ratio.

18 So, when you think of us in an urban
19 setting which is very different than what would
20 you find in some casino operations, and you
21 look at our heavy focus on shuttles, water,
22 mass transit and really trying to keep cars off
23 the road, we're very comfortable with the .82
24 as part of the process. Trust me,

1 Commissioner, we have spent a lot of hours
2 looking at this. And hopefully we've got this
3 right.

4 MR. GORDON: For due credit, this
5 original version of this came from your
6 consultant which came from a company named
7 Stantec who worked with the city of Boston.
8 We've updated it based on the new numbers but
9 the concept came out of a comment letter that
10 came in through the environmental process.

11 COMMISSIONER MCHUGH: Okay. I know
12 you've put a lot of work into this. A lot of
13 thought has gone into it. And I guess all I'm
14 saying is I think the Commission needs to fully
15 understand how we got here and what the process
16 is. And we'll rely on our experts to work with
17 you to help us understand that.

18 MR. DESALVIO: With that we are
19 going to open up for any questions, any more
20 questions.

21 CHAIRMAN CROSBY: Anybody?

22 MR. ZIEMBA: We also have our
23 consultants if you wanted to hear from them.

24 COMMISSIONER CAMERON: Did our

1 consultants have anything to add of value to
2 inform us of this process? I know you've been
3 looking at it Rick.

4 MR. MOORE: Thank you, Commissioner.
5 We have been talking with the applicant.

6 COMMISSIONER MCHUGH: Rick, would
7 just introduce yourself.

8 MR. MOORE: Sure, Rick Moore from
9 City Point Partners. As John mentioned
10 earlier, Ray Profilio and Frank Tramontozzi are
11 here, the architect and transportation
12 engineer, a civil environmental engineer.
13 We've developed some comments. We've shared
14 them with you. We've shared them with Wynn.
15 And I think they have addressed most of them in
16 a very reasonable fashion.

17 I think overall, our message is
18 these changes -- We would agree with Wynn that
19 these changes, the three percent you can look
20 at individual changes but they are normal in
21 this type of process as you move from the
22 planning to the more detailed design. You
23 would not expect not to have these kind of
24 changes. And they're fairly modest. I think

1 they've identified them.

2 If we could just go to the site plan
3 just a couple of points based on your comments.
4 One comment that you made about the concern of
5 the access from the water to the casino,
6 particularly in winter and inclement weather
7 which we talked about the past. Keep in mind
8 that Wynn has committed to a transportation
9 demand management plan that includes that six
10 percent that will be monitored over time.

11 And if for some reason whether it be
12 public transportation or the water taxi are out
13 of kilter, there's provisions to go back and
14 look at that. In fact, it is incumbent on Wynn
15 to come up with plans to address that.

16 So, if people aren't coming because
17 they're getting wet in the rain there is an
18 opportunity for the Commission to negotiate and
19 talk about how that may be corrected. They are
20 committed to that six percent. And they need
21 to do what they need to do to get there.

22 In terms of the site plan, I just
23 point out just so you have a rough idea, the
24 open area at the end here that's about a little

1 over two acres. The distance from the water to
2 the front of the building is a little over a
3 football field. It's a little over 300 feet.
4 So, that's a fairly good size area.

5 We think moving the convention
6 facility to take the position of the nightclub
7 is a reasonable approach. And I think that
8 will be a spectacular place for conventions.
9 One of the concerns we have, although it will
10 be active more days than a nightclub for
11 instance, there will be days when there are no
12 conventions there.

13 And we wanted to make sure that the
14 patrons of the rest of the facility felt
15 comfortable getting access to what will be a
16 fairly nice open space. You heard about the
17 connection inside and the glass windows to make
18 it comfortable for people to move out there
19 particularly in nice weather.

20 And as was pointed out, there are
21 also two other access points to the open space.
22 So, we think that will work well. By and large
23 the elimination of the nightclub and the moving
24 of the convention makes a lot of sense to us.

1 In terms of the parking, this is not
2 an exact science. And if we can go to that bar
3 chart, there is not a lot of information on
4 parking at casinos. And you have to be very
5 careful in using parking numbers in terms of
6 the context of where the casino is. Is it an
7 urban location? Is it not an urban location?

8 So, I think that one parking space
9 per the so-called industry-standard is a good
10 place to start when you're planning a facility
11 like this. But we're passed the planning
12 stage. And Wynn as you have seen with all of
13 the work they've done to move design forward,
14 they are way past the planning stage.

15 And they've actually looked at
16 numbers that apply to their particular
17 facility. And as Bob has mentioned and Chris
18 has mentioned, there is a natural tension not
19 to put too much parking in because of the cost
20 on the one hand, and to not park enough and
21 discourage people from coming to your facility.

22 So, this is a natural tension in any
23 kind of development process. And gives
24 everybody basically the same reason to come up

1 with the right number. Based on what they've
2 done, we believe that the .82 parking spaces
3 per gaming position is a reasonable number and
4 where they should be given those two issues of
5 tension.

6 And if you look at the work they did
7 to come up with their so-called peak demand,
8 and you compare that to what they're parking
9 on-site, they have about a little over 80
10 percent utilization rate. They do have some
11 factor of safety.

12 And I think we think that factor of
13 safety is reasonable. And when you convert it
14 into a parking space per gaming position, it
15 also seems reasonable. So, we're fairly
16 comfortable that this is as close to the right
17 number as you're going to get. And those are
18 the main points that I would make.

19 CHAIRMAN CROSBY: Great. That's
20 very helpful.

21 COMMISSIONER CAMERON: Thank you.

22 CHAIRMAN CROSBY: That was a good
23 idea to bring you up. Any other questions or
24 thoughts? It was really good presentation.

1 And it's exciting to see this begin to
2 materialize. Thank you all very much.

3 Let's take a quick break before we
4 get to your last item.

5
6 (A recess was taken)

7
8 CHAIRMAN CROSBY: We are ready to
9 reconvene at 12:10. Ombudsman Ziemba, I think
10 you have another agenda item.

11 MR. ZIEMBA: Thank you Chairman and
12 Commissioners. I will briefly outline a
13 process for review of MGM's recent design
14 change by the Commission.

15 I recommend that we ask MGM to
16 present its latest submissions, the notice of
17 project change document and its site plan
18 review application that was submitted to
19 Springfield at a Commission meeting in the very
20 near future, either on November 5 or November
21 12.

22 This presentation would focus on
23 just what is included in this document. What I
24 was hoping that could be accomplished through

1 this presentation is just to have MGM or its
2 consultants walk through what is specifically
3 in the documents. Then I would then further
4 recommend that we ask MGM to provide a
5 furthermore detailed and robust presentation at
6 the Commission meeting on November 19.

7 MGM is currently working to finalize
8 a significant amount of information about
9 costs, economic benefits and employment
10 opportunities that they want to furnish to the
11 city of Springfield and to the Commission.

12 This further information will be
13 available just before the meeting that we have
14 scheduled on the 19th. In between the 19th and
15 now, Gaming Commission staff and our
16 consultants will review all of the information
17 that received today including the notice of
18 project change document and the site plan
19 review document.

20 And we will be conducting our review
21 of that but additional information will be
22 necessary for our review. MGM has been made
23 aware that we are seeking additional
24 information. And I believe that that should be

1 forthcoming as soon as possible from the MGM
2 staff.

3 We are taking a look at the design
4 review as we just described as a process that
5 is in parallel with our Section 61 review
6 process. Counsel Blue at a prior meeting
7 described how we are trying to fulfill our
8 responsibilities under the Massachusetts
9 Environmental Policy Act, the so-called MEPA
10 process, to issue Section 61 Findings to ensure
11 that we are providing prudent measures so that
12 we are mitigating any potential impacts to the
13 environment.

14 So, we are hoping to move that
15 forward as quickly as we possible can. The
16 information that has been presented to date
17 will be useful in that regard.

18 In tandem with our review, we
19 understand that the MEPA staff is now reviewing
20 the notice of project change document that was
21 submitted by MGM. And it's anticipated that
22 MEPA may issue a final decision on that notice
23 of project change document by 18 November. And
24 therefore, a presentation on the 19th would

1 have some very timely information for MGM to
2 further provide.

3 One further thing I would like to
4 talk about in regard to the review is our
5 ongoing effort to ensure that both the public
6 is informed about changes that may be proposed
7 by MGM, and that we also receive the input that
8 is necessary for our review. Indeed, input has
9 been the hallmark of our reviews to date
10 throughout our review process for the
11 applications, and now that we are into the next
12 stage of our review.

13 As you know, we have received
14 requests that we seek further input from
15 residents of the city of Springfield and its
16 officials. For example, earlier this week at a
17 Springfield City Council meeting, councilors
18 discussed asking the Commission to hear
19 directly more from Springfield residents and
20 from councilors. Another such request from Mr.
21 Circosta is included in your packet.

22 I think what's important is that all
23 parties should have the benefit of facts upon
24 which they may comment. And the process that

1 I've just identified would enable all those
2 involved and all those who are reviewing to
3 have the information as soon as practicable so
4 that they can begin their reviews while we work
5 with MGM to get out as much information as they
6 possibly can.

7 So, consistent with that the
8 recommendation that we put forward regarding
9 the Wynn review proposal that we create a
10 section on our website that is dedicated to the
11 ongoing review of MGM's potential design
12 reviews that we follow that same process. That
13 we put all of the relevant documents as we
14 receive them at Commission meetings, and we put
15 those in a central place so those out there can
16 find the documents and have the ability to
17 comment on that.

18 In addition, that we ask MGM to
19 present information in a timely manner. We
20 understand that they have some significant work
21 in assembling documents and making sure it is
22 in a presentable form. And we're going to be
23 respectful of their need to make sure that they
24 get out the information in the best way

1 possible.

2 But that said, I think that there is
3 some value for getting out information as soon
4 as it possibly could be put out there in a
5 reasonable form. That's why I've recommended
6 this bifurcated process on the fifth and on the
7 19th. Not all of the information is going to
8 be available on the fifth. We will still be in
9 the context of our reviews at a staff level.

10 But if MGM could at least present
11 the facts of what it submitted on the fifth, I
12 think that that would serve an important
13 function to educate the public and anyone else
14 out there that is hopefully trying to
15 understand the changes.

16 While our process is ongoing, we
17 completely understand that there's a process
18 that is going on at the local level within the
19 city of Springfield, City Council. We
20 carefully monitor their meeting schedule. We
21 understand that they are taking all of these
22 changes very seriously.

23 They are going to continue to get
24 input from residents from the city of

1 Springfield. We monitor the press. We monitor
2 a lot of different communications in addition
3 to communications that are sent directly to us
4 by city of Springfield residents.

5 So, in that regard, we recommend at
6 least that initial step of assembling all of
7 the documents, putting them in a central place
8 on our website, collecting information in a
9 similar manner as we have done throughout our
10 review processes. And that would be a good
11 method for us to both to inform and to receive
12 input. As we go forward, and more information
13 is made available, we can consider additional
14 steps. But I think that's the recommendation
15 that I have today.

16 COMMISSIONER STEBBINS: What is your
17 timeframe for the comment period, John?

18 MR. ZIEMBA: I think it should be
19 ongoing because the design review process could
20 go on well after the Section 61 review process.
21 So, I don't think that we have a final date on
22 when that design review process will conclude.

23 I know that the city of Springfield
24 is trying to do things as quickly as they can

1 but understanding all the information that they
2 can and collecting information that they need.
3 But potentially, our Section 61 Findings could
4 be issued in advance of final design.

5 And as we've seen from the Wynn
6 presentation, design is an evolving process
7 with all of these projects. Even while we're
8 in the middle of construction, most certainly
9 MGM will come up with some ideas that they
10 think can improve their project. And we'll
11 have to evaluate that in that context.

12 COMMISSIONER MCHUGH: That certainly
13 happened even with Plainridge.

14 MR. ZIEMBA: That's exactly right.

15 COMMISSIONER STEBBINS: I like that
16 idea, obviously, sharing all the documents that
17 come in. I think what will be helpful and
18 maybe it's a conversation for Mike Sangalang is
19 taking out the presentation portion that we get
20 at these meetings from our licensees and
21 segmenting out that piece of the video and
22 attaching it to documents and information on
23 the website so somebody's not trying to sit and
24 listen to the whole meeting until the relative

1 information gets presented.

2 MR. ZIEMBA: That's a great idea.

3 COMMISSIONER STEBBINS: We'll leave
4 that to somebody who's got a little more tech
5 savvy than you and I.

6 CHAIRMAN CROSBY: You heard that
7 Mike. That's a good point. Good suggestion.

8 There's been requests have come to
9 us about an opportunity for the public to
10 contribute. Did you include that in what you
11 just got through talking about? Is there a
12 time when we would offer the opportunity for
13 the public to talk to us?

14 MR. ZIEMBA: That could be
15 considered by the Commission. I think that the
16 near-term goal would be to collect as much
17 information and get it in a reasonable form for
18 people to provide comment on in advance of us
19 determining the final steps of how that should
20 be presented to the Commission.

21 People today can submit their
22 comments. And we're going to ask them for
23 their comments through our website, through
24 other methods. MGM certainly is aware of

1 comments. We ask them to provide us updates
2 regarding their comments.

3 At least as of now, maybe it might
4 be more of a beneficial task to focus on
5 getting the information collected in a central
6 place so that people have the ability to
7 comment on the latest information. And for MGM
8 to be able to provide at least some answers to
9 the questions that numerous folks have been
10 presenting to date, including us but the city
11 council, the city administration and others.

12 But further public comment, we
13 certainly have done that through numerous
14 methods. Through direct public comment to the
15 Commission that could be considered by the
16 Commission at any time now or later.

17 CHAIRMAN CROSBY: Yes. I'm mixed on
18 this. There is a request in our book and there
19 have been others that we do something in
20 Springfield to give people an opportunity to
21 talk. On the other hand, Springfield is going
22 to be making this decision themselves.

23 The city of Springfield is going to
24 be going through this same process of reviewing

1 the proposed changes. And maybe it's they who
2 should have a public hearing. I don't want us
3 to just ignore them. We do have a number of
4 requests to have that happen. We are going to
5 be having one because we were told to for the
6 Wynn project. So, it's something we need to
7 think about.

8 As you say, we don't have to decide
9 it now, but we do need to decide it. Maybe
10 it's something we ought to talk about with
11 Springfield too. If they intend to have a
12 public hearing, maybe there's no need for us to
13 do that.

14 MR. ZIEMBA: We can certainly do
15 more outreach to the city administration and
16 others in Springfield and to MGM to determine
17 exactly what is anticipated over the process.

18 I think what MGM is doing right now
19 is they're trying to respond to the latest
20 request for more information from the city of
21 Springfield. Once they respond to that
22 document request that would kick off a period
23 of review by the city staff, which would then
24 kick some time periods out of 45 days of a

1 public hearing by Springfield City Council.

2 But certainly we can move forward
3 and talk to the administration in Springfield
4 and MGM regarding what is anticipated in the
5 near-term.

6 CHAIRMAN CROSBY: Yes. Okay.

7 COMMISSIONER STEBBINS: John, one of
8 the documents you talked about was the site
9 plan review that gets submitted to the city.

10 And this week there was a story
11 saying the city wanted more information for the
12 site plan. In your conversations with the
13 city, it would be great to kind of get their
14 feedback or an estimate on timing to receive
15 that material back. Or maybe in talking with
16 our representatives from MGM here, figuring out
17 the timeline for that piece of it.

18 MR. ZIEMBA: I think in
19 conversations with MGM and Springfield that the
20 response is likely due within days rather than
21 weeks to that. But, perhaps all of the
22 information won't be in the concrete form that
23 was specifically asked for in the application.

24 But MGM is trying to make provision

1 for providing that information in a timely way.
2 They mention in the letter that we have a copy
3 of in the packet from Chairman Murren that the
4 week of the 19th, predating our Commission
5 meeting, there will be a lot of communication
6 with the city of Springfield on some of these
7 key deliverables, on a lot of the economic
8 information and cost information that folks
9 have asked for.

10 CHAIRMAN CROSBY: Okay. Anything
11 else on this topic?

12 COMMISSIONER ZUNIGA: Are they
13 presenting at all or talking about the notice
14 of project change?

15 MR. ZIEMBA: No. That wasn't due
16 for today. What I was recommending is that we
17 could either bring them in on the fifth or on
18 the 12th to give us that presentation in
19 advance of the much more robust presentation on
20 the 19th.

21 CHAIRMAN CROSBY: This was just to
22 talk about what is the process of the
23 conversation or presentation going to be.
24 Anything else?

1 COMMISSIONER MCHUGH: No. That's
2 very helpful. Very thoughtful as usual.

3 CHAIRMAN CROSBY: Are you finished,
4 Mr. Ombudsman?

5 MR. ZIEMBA: I am finished.

6 CHAIRMAN CROSBY: It happens to be
7 right on time. It's now 12:30. We have one
8 item left on the agenda. I'm sorry. We have
9 one more item before we get to the last item.
10 We can get through racing -- It's not going to
11 take terribly long I think, right, Dr.
12 Lightbaum? Why don't we finish racing. And
13 then we can decide whether we want to plow
14 through for fantasy sports or take a lunch
15 break. Okay, Alex.

16 DR. LIGHTBAUM: Good afternoon Mr.
17 Chairman, Commissioners. The first item we
18 have on the agenda is a request by George
19 Brown, the chairman of the Mass. Thoroughbred
20 Breeders Association asking to run five races
21 at Finger Lakes in New York.

22 On August 20, the Commission
23 entertained a similar request but it was very
24 specific only if Suffolk Downs did not race.

1 Now we've obviously -- Suffolk is racing. Once
2 they race Saturday, they will have raced nine
3 Mass. bred races there.

4 When the breeders looked at the
5 funds coming in, they have more money than they
6 anticipated. So, what they would like to do is
7 continue racing this year up at Finger Lakes.
8 Do five more races \$35,000 each to get more
9 money out to different members.

10 CHAIRMAN CROSBY: This would be
11 Mass. breds only?

12 DR. LIGHTBUAM: Correct.

13 COMMISSIONER ZUNIGA: And this is
14 money from the Race Horse Development Fund
15 carved out for the Mass. bred program.

16 DR. LIGHTBAUM: Yes. They also get
17 some money from simulcasting and entry fees but
18 the majority of it comes the Race Horse
19 Development Fund. They still anticipate having
20 about half million dollars left over at the end
21 of the year to carry forward, which this year
22 they had the big influx with the money from the
23 license fees that's a one-time deal.

24 COMMISSIONER STEBBINS: How long

1 does Finger Lakes keep racing?

2 DR. LIGHTBAUM: I am not sure but
3 obviously for the next five weeks. So, my
4 recommendation is to approve this request.

5 COMMISSIONER CAMERON: I think it's
6 a reasonable request. There was such a limited
7 opportunity here in the Commonwealth to race
8 for the Mass. bred that I think they were able
9 to make this deal. Many of those horses are up
10 at the Finger Lakes anyway. So, I think it's
11 reasonable and one we should approve.

12 COMMISSIONER STEBBINS: Mr. Chair,
13 I'd move that the Mass. Gaming Commission
14 approve the request of the Mass. Thoroughbred
15 Breeders Association to run five restricted
16 Mass. bred races at Finger Lakes Racecourse in
17 New York in 2015 after the nine stake races at
18 Suffolk Downs is complete.

19 COMMISSIONER CAMERON: Second.

20 CHAIRMAN CROSBY: Second,
21 Commissioner Cameron. Any further discussion?
22 All in favor, aye.

23 COMMISSIONER MCHUGH: Aye.

24 COMMISSIONER CAMERON: Aye.

1 COMMISSIONER ZUNIGA: Aye.

2 COMMISSIONER STEBBINS: Aye.

3 CHAIRMAN CROSBY: Opposed? The ayes
4 have it unanimously.

5 DR. LIGHTBAUM: The next issue on
6 the agenda is just a letter to Mr. Alcott at
7 Suffolk Downs. They made a request to change
8 their post time. This is one of the items that
9 the Commission had delegated authority to the
10 head of the Racing Division to authorize if it
11 was time sensitive.

12 Obviously, they needed to get the
13 information out to people before this meeting
14 when the post time was going to be. So, this
15 is just for information purposes that they are
16 going to race at 11:05 this Saturday.

17 COMMISSIONER CAMERON: Thank you.

18 DR. LIGHTBAUM: And then the next
19 thing is just to -- We've published this on our
20 website but we've got the different times that
21 we're going to have the public hearings for the
22 different racing licenses.

23 Brockton and Middleborough is going
24 to be Wednesday, November 4 at 1:30 at the

1 conference center at Massasoit. Plainridge
2 Racecourse will be on November 4 at 10:00 a.m.
3 at the Plainville Council on Aging. And then
4 Suffolk Downs will be on November 5 at 3:00
5 p.m. at the Boston Convention and Exhibition
6 Center.

7 CHAIRMAN CROSBY: Is Commissioner
8 Cameron covering those?

9 COMMISSIONER CAMERON: I certainly
10 am, Mr. Chair. I believe Commissioner Stebbins
11 is joining me as well.

12 COMMISSIONER STEBBINS: I get to tag
13 along, absolutely.

14 CHAIRMAN CROSBY: Right. Anything
15 else? That's just informational, right?

16 DR. LIGHTBAUM: Yes.

17 CHAIRMAN CROSBY: Anything else from
18 your side of the shop?

19 DR. LIGHTBAUM: No, that concludes
20 it.

21 CHAIRMAN CROSBY: Thank you very
22 much. Now it is we have one item left which is
23 the fantasy sports conversation. I suspect
24 that will take a while. We could take a break

1 or we could plow through. I'm kind of leaning
2 towards taking a break.

3 Food is pretty close, so let's try
4 to do it in half an hour. See if we get back
5 here at 1:00 or very shortly thereafter. So,
6 we will adjourn temporarily until about 1:00 for
7 lunch. And we will then take up our fantasy
8 sports topic.

9

10 (A recess was taken)

11

12 CHAIRMAN CROSBY: Ladies and
13 gentlemen at about 1:10 we are reconvening the
14 167 meeting of the Mass. Gaming Commission at
15 the Hynes.

16 We have one item left on our agenda
17 again, which is a discussion about fantasy
18 sports. Before we start this, I want to put a
19 little context in this among other things, what
20 we are and what we aren't doing. And what our
21 role is and what our role is not.

22 We are not the decision-makers on
23 any of the policy questions that might come --
24 might have to be resolved by policymakers.

1 That will be to some extent the Attorney
2 General, but fundamentally the Legislature and
3 the Governor.

4 We do however have an interest in
5 the gaming world. And we do have a lot of
6 experience in introducing a new gaming
7 industry. And we have a lot of experience in
8 the issues of whether and how to regulate,
9 whether and how to license and so forth.

10 There's been some expressions of
11 interest on the part of the Governor and the
12 Legislature, the legislative leadership, the
13 speaker and the president in having us weigh in
14 with whatever thoughts we might have,
15 recommendations, suggestions. And we are more
16 than happy to do that.

17 We have a modest legislative mandate
18 to kind of keep an eye particularly on the
19 electronic world in part to make sure that we
20 continue to keep an eye out for the health of
21 the lottery. So, we do have a mandate to kind
22 of watch what is happening out there.

23 We also have some concern that our
24 licensees, our casino licensees don't have the

1 playing field radically changed on them while
2 they are in the midst of investing lots of
3 money in a bricks and mortar casino. So, we
4 have a number of interests here.

5 But the key point is to make sure
6 that it's clear that we are not a decision-
7 maker nor are we a regulator of fantasy sports
8 at this point. At this point, there isn't one.
9 And if there were to be one, whether and who
10 would do it would be up to the Legislature and
11 the Governor.

12 Commissioner McHugh within the last
13 year, maybe even going further back has taken a
14 particular interest in the evolving electronic
15 Internet-based sports. At various times over
16 the last year, year and a half different ones
17 of them have been principally in the news.

18 There was a big who-ha about online
19 poker. There's been lots of discussion about
20 online games in general. There's been some
21 discussion about online lottery games. At
22 various times, different ones of them are the
23 main topic of media discussion.

24 It happens that at the moment

1 fantasy sports is the main one. And we will
2 end up focusing on fantasy sports. But as far
3 back as a year ago Commissioner McHugh and I
4 discussed his interest in sort of tracking all
5 of these new electronic Internet-based gaming
6 possibilities in order that we could be kept
7 abreast. He was working on a memorandum, which
8 would kind of give an overall status report of
9 all of these new industries before he left.
10 One of them is fantasy sports but only one.

11 So, I thought it was a good place to
12 start to have Commissioner McHugh kind of give
13 an overview of the status of the Internet
14 gaming world. Maybe give us a heads up about
15 other things we're going to need to keep an eye
16 on in the future. And then we'll pivot into a
17 more detailed focus on the fantasy sports
18 issues.

19 The memorandum that he will now talk
20 about is in our folder, posted on the web in
21 its entirety. Commissioner McHugh.

22 COMMISSIONER MCHUGH: All right, Mr.
23 Chairman. Thank you very much. I'll be brief
24 about this because the memorandum is in the

1 packet and is available online. And there are
2 hyperlinks in it to the various sources, many
3 of the sources on which I relied.

4 But I have been following this for
5 several years and it is a rapidly evolving
6 area. And that's why this memorandum that I
7 wrote probably will be out of date in three or
8 four days. But in any event, it's what things
9 look like at least to me today.

10 And the basic background is that
11 Internet gambling is illegal in the United
12 States with a number of exceptions. The
13 default is that it is illegal, except for games
14 of skill and horse racing.

15 Throughout Europe, it is a very
16 different picture. Internet gambling is
17 heavily regulated, widely available in Europe.
18 Illegal Internet gambling is widely available
19 here. And so far as anyone can tell, it is
20 here a big business. The fact that it is such
21 a big business is one of the drivers toward a
22 regulated market here in the United States.

23 Internet gambling is allowed in
24 three states Nevada, Delaware and New Jersey

1 with respect to casino type games. Initially,
2 before the games were rolled out there, there
3 was concern about making sure that the players
4 of these Internet games were --

5 CHAIRMAN CROSBY: Rather than have
6 the memo on the web feed, which nobody is going
7 to be able to read, why don't we have the
8 Commissioners on the web feed. Sorry.

9 COMMISSIONER MCHUGH: Two of the big
10 initial concerns as this was being rolled out
11 was whether or not you can make sure and insure
12 that the people playing the games were within
13 the state boundaries where the games were being
14 offered.

15 And whether you could assure that no
16 underage players were playing. That has been
17 largely so. The industry has largely solved
18 that Internet gambling is up and running in
19 Nevada and Delaware and New Jersey. And a
20 geolocation mechanism has been created that
21 assures that the players are within the state
22 borders.

23 The identity protocols are
24 significant and rigorous. Nobody can prevent

1 somebody who is overage from giving a credit
2 card or an account number to an underage
3 person. That's just impossible to prevent.
4 But by and large people are satisfied with that
5 piece of it as well.

6 One of the problems to its
7 implementation has been the reluctance of
8 credit card companies for a variety of reasons
9 spelled out in the memorandum to pay and
10 process gambling charges even in the legal
11 sites. But recently PayPal, which is a very
12 big payer in Europe and a big payer in other
13 spheres here in the United States, has begun
14 testing payment protocols in New Jersey. That
15 may well resolve the problem that the credit
16 card concerns have created.

17 There basically are five different
18 kinds of Internet gambling now. Casino-style
19 gambling, social gambling, skill-based betting,
20 which really isn't gambling, sports betting and
21 fantasy, and I'll just touch briefly on each of
22 those.

23 The casino-style gambling is
24 prevalent in New Jersey. Basically, in New

1 Jersey you can go to a website hosted by a
2 casino. And in New Jersey all of the licensees
3 are casino operators. And you can find slot
4 machines. You can find blackjack games. You
5 can find poker games. You can find everything
6 electronically that you could find in a casino.

7 In Delaware the same is true. New
8 Jersey accounts for about 90 percent of the
9 Internet gambling revenue in the United States
10 for the moment. Delaware accounts for a very
11 small amount of it. And in Nevada, there is
12 only poker. Only poker is allowed.

13 Because there are so few players in
14 Nevada and so few players in Delaware, Delaware
15 and Nevada had entered into a compact that
16 allows Delaware players to play poker in Nevada
17 over the Internet and Nevada players to play
18 poker in Delaware over the Internet.

19 In Massachusetts, there is no
20 Internet gambling. There are three bills in
21 the Legislature. One would allow if enacted
22 online lottery games. A second would allow
23 online -- what the bill says are online games
24 of skill including fantasy sports and poker.

1 And the third would allow casinos to operate
2 online gambling under regulations the
3 commission promulgates.

4 None of those bills has gotten out
5 of committee at this point. Two of them --
6 Similar bills to two of them were in the
7 Legislature last year and did not get enacted.

8 So, that's casino style money
9 gambling. And you go to the sites. You put
10 down money. You play the games. You get money
11 or you lose money. And it's just like being in
12 a casino itself.

13 A second type is social gaming. And
14 social gaming takes the name that from
15 initially at least the entry and the pathway to
16 the social game was through Facebook. And much
17 of the gaming play is an invitation to get your
18 friends to play with you. You give information
19 to the operator of the game. But now, there
20 are social games that you can access from
21 places other than Facebook.

22 And what differentiates the social
23 game from the casino games I just described is
24 that you play for play money. And you can't

1 take the money out of the game. In other
2 words, you can't win money in the game and then
3 use the money for goods and services or other
4 tangibles outside the game itself.

5 CHAIRMAN CROSBY: You said you
6 cannot.

7 COMMISSIONER MCHUGH: You cannot.
8 And typically, gambling is defined as a price
9 for a chance for a prize. If you get all three
10 of those together you've got gambling. If you
11 take the prize away from it, which the social
12 games do, you don't have gambling. You have a
13 price for a chance but no tangible prize.

14 All of these games operate -- And
15 there still notwithstanding the fact that you
16 can go to them alone as standalones not through
17 Facebook, there still are an enormous number of
18 available games on Facebook. All you have to
19 do is go to your homepage and click on the
20 column on the left-hand side that says games.
21 And there's an almost infinite number of
22 offerings that will appear.

23 They operate, the vast majority of
24 them do on a so-called freemium model, which is

1 that you go to the game and you get a certain
2 amount of play money to start for free. You
3 start off with some play money. And if you use
4 up all of that play money, you can buy more for
5 real money. And as a consequence across the
6 globe, there are estimates that the social
7 gaming of that type is a \$30 billion business
8 today, which is astonishing. But there it is,
9 those are the estimates.

10 A third category are games of skill.
11 And those aren't gambling, because you are
12 actually playing a game that requires skill to
13 play. Although there are elements of chance in
14 the game inevitably, but skill predominates.

15 I listed in that memorandum a
16 website called Skillz, not because I'm
17 advocating or touting Skillz, S-K-I-L-L-Z, but
18 because if you go there, you can see a true
19 skill game. There's a bowling game there that
20 depends on how you actually throw the ball down
21 the lanes. It is for all intents and purposes
22 a game of skill.

23 And you can bet in that game. You
24 can find another player to play against. And

1 you can bet in that game against the other
2 player. You both put in the same amount of
3 money. And the winner gets the pot.

4 And there are other like games
5 around. And you play that one on a tablet.
6 Others you can play on a desktop. But that one
7 is a tablet-based game.

8 Then there is betting on horses.
9 And there's regular horse-race betting. There
10 are a number of apps where you can sign up.
11 They all operate in a model called advanced
12 deposit wager. You go to the website, you put
13 some money in a pot. Then you bet out of that
14 pot. Then if you win, the winnings are put
15 into that pot. If you lose, the money is taken
16 out of the pot, but the pot is there. So,
17 you're not paying on each race as it occurs.

18 This is allowed under the same set
19 of federal laws that allow off-track betting in
20 other contexts and forums. And it is a vibrant
21 live industry in which you can bet on horse
22 races taking place anywhere in the world. You
23 are not limited to a particular track.

24 Many of these sites allow you to bet

1 on races in England, the Middle East and other
2 places, South America where horseraces are
3 going. All in real-time, all with track odds
4 and all for all intents and purposes as if you
5 were there at the track except you are not.

6 Professional and college sports
7 betting, betting on professional and college
8 sports events is we know a large enterprise in
9 the United States. There are estimates of the
10 amount wagered but on the Internet, it's
11 illegal. There's a federal statute that bans
12 it.

13 It is legal in Nevada. There are
14 Nevada bookmakers who are authorized. It is
15 also legal in Delaware, because there was an
16 exemption from the banning statute that carved
17 out Delaware and Nevada because they allowed
18 sports gambling at the time the statute was
19 passed.

20 In Nevada, it works through
21 bookmakers. You can go bet on the fortunes of
22 the Red Sox, for example, if you want at the
23 bookmaker there. In Delaware, it operates on a
24 so-called parlay system. You have to bet on a

1 number of contests. And you bet on all of
2 those contests in order to win the wager at
3 all. So, it's not the same kind of
4 individualized betting that occurs in Nevada.

5 And New Jersey currently has a
6 lawsuit pending in an effort to have sports
7 betting allowed in New Jersey and have the
8 courts declare the federal statute that
9 prohibits it unconstitutional.

10 They've lost at the federal district
11 court level. They've lost at the panel level
12 in the Court of Appeals which is the next step
13 up. But the Third Circuit, which is the
14 appellate court that governs that area has
15 recently allowed a motion to have the case
16 reheard by the entire court. And it is going
17 to be very interesting to see what that court
18 does when it does get to the new hearing.

19 As I said in the memorandum, lurking
20 in the shadows sort of thus far but soon to
21 emerge is something called E-Sports. That is a
22 form of sports betting and sports play that has
23 gained a huge audience but it's not a
24 mainstream audience yet. That will change next

1 year.

2 The largest Internet purveyor of
3 this kind of betting -- of this kind of sports
4 activity is something called Twitch TV which is
5 owned by Amazon. And they estimate and say
6 that they are now broadcasting over the
7 Internet 1.5 million Internet games each month
8 to 100 million monthly viewers.

9 Basically, the way this works is you
10 have two professional athletes, and there is a
11 professional group of athletes who play these
12 games. In fact, the State Department has
13 authorized a professional sports visa for the
14 players of these games. They play these games
15 with illusory or imaginary -- They are typical
16 battle games or contest games, either people
17 shooting guns at each other or armies of
18 bizarre looking creatures attacking each other.

19 And two players, each has either a
20 bunch of gunmen or has a bunch of these armies.
21 And they attack each other. And somebody
22 ultimately is standing at the end when all of
23 the shooting is done. That person wins.

24 They distribute the games over the

1 Internet. You can tune in on any of these
2 sites where these games are played. And you
3 will hear play-by-play as the live play-by-play
4 by a broadcaster and then a coed person. It's
5 a replica of professional sports.

6 And there are also in countries and
7 jurisdictions where it is legal betting
8 opportunities. The odds keep changing as the
9 betting keeps changing as the game progresses.
10 You have not only a chance to bet but to
11 improve your bet as things go forward.

12 That's where this is now. It's
13 well-known to a demographic, I think, but not
14 to mainstream yet. But that's going to change
15 next year because Turner Broadcasting is going
16 to have two 10-week tournaments in which a
17 number of these professional athletes get
18 together and do these battles.

19 And it will be like a pyramid, like
20 a playoff. Then the last two will be standing
21 on Fridays. And their battles will be
22 broadcast on Turner TV live on Friday nights.
23 So, you can tune into the Friday night battles
24 on Turner Broadcasting each week.

1 And finally we have fantasy sports
2 betting which is the topic we want to spend
3 some time on today. Initially, fantasy sports
4 started with rotisserie leagues, so-called
5 rotisserie because it started in a restaurant
6 called the Rotisserie.

7 It was season long activity in which
8 you began at the beginning of a major league
9 baseball or major league professional football
10 season assembling a team of real players. And
11 you played with that team throughout the
12 season. You paid an entry fee to a league.
13 You could trade players as you went along. You
14 could change the team.

15 And at the end of the season,
16 whoever had the best record with the fantasy
17 team, and the best record was dependent on the
18 actual performance of the various players on
19 your team that person got all of the entry fees
20 as a prize or at least a large percentage of
21 them.

22 That's morphed now into the thing
23 that we're most familiar with and has attracted
24 the attention of all of us into daily fantasy

1 sports in which you assemble -- the process is
2 essentially the same. You assemble a team, but
3 the outcome of the game is based on how the
4 team does in one or two days rather than over
5 the course of the season.

6 And there are other approaches.
7 Indeed, if you go to the Red Sox website, you
8 can go to the major league baseball site where
9 there is a game called Beat the Streak in which
10 you pick a player and if that player beats Joe
11 DiMaggio's 56 game hitting streak, which I
12 think was 1941, if that player beats that
13 streak then you win the prize but you stay with
14 that player all the time.

15 There are other variance not offered
16 by major league baseball in which you can go
17 and pick for example 57 players. And if they
18 all get a hit on the same night, you win. You
19 beat the streak and get whatever pot is there.

20 So, there's a lot of variety to the
21 fantasy, the short-term fantasy world. The
22 weekly prizes, the daily prizes are in the
23 millions of dollars. It's big business. It's
24 gotten a lot of publicity.

1 And that's what we are here to talk
2 about today. But that's the context in which
3 this occurs.

4 CHAIRMAN CROSBY: That's great. I
5 feel like we have crammed for a test. Can I
6 hold all of this in my head and remember it,
7 but it's really helpful.

8 I think as we go through this
9 process, I want to be mindful of the fact there
10 will be other things. It sounds like this E-
11 Sports thing will take off. Maybe we ought to
12 be thinking about a template sort of for how we
13 might suggest the Legislature consider all of
14 these things as they start to come along.

15 So, let's turn our attention to the
16 last thing on Commissioner McHugh's list, which
17 is fantasy sports. Again, I just want to set
18 a little bit of a quick context.

19 I think that the decision-makers,
20 policymakers about fantasy sports are basically
21 going to have to decide four things. One is
22 fantasy sports legal. The Attorney General is
23 the chief law enforcement officer of the
24 Commonwealth. She has already weighed in on

1 this issue.

2 She picked her words quite
3 carefully, I think. She said something to the
4 effect of, at least on first impression that
5 she did not believe that the fantasy sports was
6 in violation of any state or federal law.
7 That's not precisely the same as saying it's
8 legal.

9 But she is the person who will make
10 this decision at the outset. But she has gone
11 onto say, I've noticed in the last day or two
12 that really the question for the Legislature,
13 and I think we agree with this is whatever the
14 technicality of the law are at the moment, and
15 we're going to talk about this in a minute,
16 whatever they are whether it is technically
17 legal or technically violates a law or not, the
18 question really is should it be legal?

19 Do we want fantasy sports to be
20 legal? The Attorney General I think has pretty
21 much laid that out there. So, there's that
22 threshold question. Should it be legal?

23 I think she would probably agree
24 that whatever the Legislature decides, pro or

1 con that we would be well-served by some
2 legislative intention to a statute that spoke
3 to it directly, so we could understand clearly
4 what is legal and what isn't legal.

5 In any case, we won't be talking
6 other than for background information we won't
7 be weighing in on whether or not it's legal.
8 But if it is legal, if the Commonwealth decides
9 that it is legal and wants to move forward,
10 then it has to decide should it be regulated.

11 There are all different kinds of
12 regulation. You could have a regulation which
13 is regulated by an entity such as the Gaming
14 Commission. Or you could just have consumer
15 protection laws like we have for lots of other
16 consumer activities. Should it be regulated?
17 That's a question I think we can offer some
18 advice on.

19 The next question would be if it is
20 regulated who should do the regulating? That's
21 not for us to decide. That's for the
22 Legislature to decide. And we won't be
23 weighing in on that question.

24 The last question is if it should be

1 regulated what needs to be regulated? What
2 needs to be attended to? Do we look at this
3 through the same prism as we look through
4 casinos in terms of that kind of regulation?
5 Or is it a different kind of regulation? And
6 again I think our experience can be beneficial
7 in that thought process.

8 So, we'll primarily be focusing on
9 the issue of should it be regulated? And if so
10 what needs to be regulated, what issues, what
11 critical variables need to be attended to by
12 the Legislature in a regulatory environment.

13 So for starters, we asked a member
14 of our legal staff to -- Catherine do you want
15 to introduce Justin and his task?

16 MS. BLUE: Yes. For the
17 Commissioners and for our people watching us
18 online, Justin Stempeck is an attorney in our
19 legal department. I asked Justin to take a
20 look at the concept of fantasy sports. He has
21 done an overview of both the law in
22 Massachusetts and then what's going on in other
23 jurisdictions.

24 So, he's happy to answer any

1 questions or present on anything you would like
2 him to discuss. His memo is in the packet as
3 well.

4 CHAIRMAN CROSBY: Thanks. Justin?

5 MR. STEMPECK: Good afternoon, Mr.
6 Chairman, Commissioners. As Catherine
7 explained, the memo I put together essentially
8 it's a survey of looking at the history in
9 Massachusetts of gaming law both statutory and
10 in case law to see how the framework evolved,
11 what it applies to, what it doesn't apply to.
12 And then also looking at some federal statutory
13 frameworks that are at issue and you've
14 probably seen referenced in the news as well as
15 some you may not have seen.

16 And then also looking at a sampling
17 of how some other states are addressing the
18 situation be it through regulation like Nevada
19 or through legislation like some other states
20 or through some other mechanisms.

21 Probably the best place to start is
22 in the Commonwealth itself. Looking in the
23 Commonwealth, really what I examined was the
24 divide between what's called an illegal

1 lottery, which is the hazard of a wager based
2 on chance to win a prize, as Commissioner
3 McHugh mentioned.

4 That I think is important to know is
5 not just a lottery as a normal person may think
6 of it where you buy a lottery ticket, you have
7 a chance to win something. Lottery has been
8 broadly applied in a whole range of games that
9 I go through in the case law that I cite there,
10 but where the court analyzes whether there's a
11 predominance of skill versus chance in a
12 particular situation. That's always been a
13 question of fact.

14 The courts look at a variety of
15 different factors to render their conclusions.
16 So, those factors have ranged in the various
17 case they've looked at.

18 The other sort of half of the
19 analysis is looking at there's some statutory
20 framework in Massachusetts that addresses
21 betting pools and registration of bets. Those
22 statutes are interesting in that they
23 criminalize a lot of the behavior associated
24 with running these registration -- these bet

1 registration services or these betting pools.

2 But there's sort of a gap in the
3 explanation of exactly -- statutory definition
4 of say a bet. The case law defines a bet.
5 There's case law that is good in Massachusetts
6 that's fairly old but it's been repeated as
7 recently as 1992, which talks about a bet as
8 risking money upon an incident where one or
9 both parties could lose by chance. There's an
10 uncertain outcome. So, that says that's a bet.
11 And there's cases that say that.

12 So, you have to look in those two
13 lenses, the lens of illegal lottery, the lens
14 of whether there's sports pools and some sort
15 of registration of bets in a given contest and
16 look at those. That's sort of a question I
17 would say that perhaps falls outside the Gaming
18 Commission simply that's for the decision-
19 makers, as you mentioned Mr. Crosby.

20 That's a statutory interpretation
21 question. It may be an analysis of the case
22 lawtype of question. So, there's not a lot of
23 law in Massachusetts that goes through that
24 betting definition framework, but there is

1 some. And it's important to look at that. And
2 that has some definitions therein.

3 Beyond the sort of divide between
4 the betting pools and the illegal lotteries in
5 Massachusetts, we have to be aware of the
6 federal framework here. Probably the most
7 commonly cited statute as it applies to daily
8 fantasy is UIGEA which is on the Unlawful
9 Internet Gambling Enforcement Act, which was a
10 federal statute passed in 2006, which really
11 was a statute that addressed financial
12 transactions.

13 It was prohibiting financial
14 transactions between gambling institutions and
15 banks and credit card companies. And that
16 statute has been referenced thousands of times
17 in recent articles.

18 But the statute itself at the very
19 beginning it says there's a rule of
20 construction. And the rule of construction
21 explains that this particular statute is not
22 meant to abrogate or interfere with any state
23 law that addresses the same topic or any
24 federal law that addresses the same topic.

1 So, it's a very narrow scope when
2 you look at UIGEA. UIGEA has what has been
3 cited many times a carveout for fantasy sports.
4 And the carveout exists in the definition of a
5 bet or wager under UIGEA. I cite it in my
6 memorandum, but you'll see it has certain
7 criteria you have to meet in order to qualify
8 as a fantasy sport under UIGEA in which case
9 UIGEA does not apply to you.

10 So, it's a narrow statute that I
11 think some sources may have misinterpreted and
12 broadly used and perhaps unintentionally as
13 being the sort of rubber stamp of approval, but
14 not necessarily.

15 There are other statutes that are
16 federal that are worth looking at as well.
17 There is the Illegal Gambling Enforcement Act,
18 which is often called IGBA which talks about
19 federal enforcement of illegal gaming.

20 It's predicated upon a violation
21 under state law of a gambling statute. So,
22 there's a lot of things that happen. If a
23 state law on gambling is found to be triggered,
24 then that can in turn trigger a variety of

1 different federal statutes, which I discuss in
2 the memorandum.

3 So, there's a lot of concerns here
4 to thing about when you are looking at the
5 various cases, the various statutory frameworks
6 as to if it's determined under one rubric to
7 qualify as a particular outcome, does that
8 trigger further repercussions in other
9 statutory frameworks or in some other context.

10 So, it's not just an easy decision
11 you say yes or no. There's a lot of nuance to
12 this that will trickle down upon a rendering of
13 decision one way or the other by the powers
14 that be.

15 So, I'm happy to go into detail
16 about anything else you may have questions
17 about, but the memorandum is in the Commission
18 packet.

19 COMMISSIONER MCHUGH: Two points
20 that I drew from your very thoughtful and
21 thorough memorandum, were (1) that it's really
22 hard to figure out where in the scheme of
23 Massachusetts and federal law this fits. And
24 by this I mean fantasy sports in terms of its

1 permissibility and impermissibility. Am I
2 right in that?

3 MR. STEMPECK: Yes. That's correct,
4 Commissioner McHugh. It hasn't been addressed.
5 It's a relatively new field. It has not been
6 specifically addressed in Massachusetts. And
7 trying to find a parallel in the history of
8 Massachusetts jurisprudence is not easy to do
9 because nothing really matches this footprint.

10 COMMISSIONER MCHUGH: So, you can
11 make arguments that it does. You can make
12 arguments that it doesn't.

13 MR. STEMPECK: That's exactly right.

14 CHAIRMAN CROSBY: Which is my
15 suggestion in the long run is rather than
16 debate whether it is or isn't, the Legislature
17 will probably need to step up and make a
18 statement as to whether it wants to be or not.

19 COMMISSIONER MCHUGH: Right. And a
20 second point that I drew from your memorandum
21 is that this UIGEA carveout as you've talked
22 about, this exception to the UIGEA law
23 basically says that certain transactions,
24 monetary transactions between a bank and

1 another entity, a financial transaction is
2 prohibited under certain circumstances but
3 those certain circumstances don't exist if
4 we're talking about fantasy sports as that is
5 defined in the statute. It doesn't do anything
6 more than say that fantasy sports are not
7 subject to this federal law dealing with
8 particular kinds of monetary transactions.

9 MR. STEMPECK: That's right. The
10 carveout essentially is activity or to qualify
11 as fantasy sports under the carveout of UIGEA
12 that particular operation will be exempt from
13 UIGEA but it doesn't speak to other state law,
14 other federal law.

15 CHAIRMAN CROSBY: Okay. So, that is
16 two lays of the land. Now I think --

17 COMMISSIONER ZUNIGA: I did have a
18 question on your memo. There's the statute 271
19 section 16(A) that talks about betting pools.
20 You just mention this very briefly. It does
21 prohibit the legal registration of buying or
22 selling of pools upon the results of a trial or
23 contest of skill.

24 Maybe this hasn't been tested at the

1 state level, but is this something that could
2 apply here?

3 MR. STEMPECK: I think it could have
4 the potential to apply under certain
5 circumstances. There's one case that talks
6 about what a betting pool is. And it discusses
7 it as a combination of stakes out of which the
8 money for the winner is derived with the
9 operator of that particular pool taking some
10 percentage.

11 So, there's one case that discusses
12 it. It's an older case, but this particular
13 statute, it has, as you can see, fairly archaic
14 language. And it hasn't really been tested in
15 a modern context to see its applicability under
16 something like daily fantasy sports.

17 But I agree that that's some curious
18 language there when it is talking about the
19 wagering or registering of bets on a contest of
20 skill, which is kind of the hot button word
21 now, skill versus chance. So, I think it bears
22 certainly additional investigation.

23 CHAIRMAN CROSBY: Principally on the
24 questions now is the time we start thinking

1 about, should this be regulated and if so what
2 should be regulated? I hope at the end of the
3 day we will sort of come up with a plan of
4 attack, how we are going to try to get our arms
5 around all of these issues and when we might be
6 able to get back to the Legislature.

7 I know Commissioner Cameron has been
8 at an international conference recently which
9 was explosive with information and discussion
10 about fantasy sports. And I think she's got a
11 lot of stuff to say.

12 COMMISSIONER CAMERON: Yes, that's
13 true Mr. Chair. First of all, I want to thank
14 Commissioner McHugh. This was very thoughtful.
15 It's really important that we as a Commission
16 keep up with all of the latest trends, because
17 we don't know when and what will be available
18 here in the Commonwealth in the future. And
19 for us to have a working knowledge and
20 understanding is really important for us I
21 think.

22 Timely conference the week before
23 last, International Gaming Regulators
24 conference in which fantasy was a prominent

1 topic. Regulators from around the world, a
2 presentation on fantasy from a technical
3 perspective and lots of legal questions as
4 well. I have to say the consensus from
5 regulators around the world is that it should
6 be regulated.

7 Lots of discussion and one regulator
8 after another saw issues and said hey, this
9 needs to be regulated. So, it was timely for
10 me to be there.

11 And I would just like to talk about
12 some of the concerns that were brought up at
13 the conference and then a couple of follow-up
14 conference calls afterwards to flesh out some
15 of the issues.

16 But I think the first issue is the
17 credibility and the integrity of fantasy
18 sports. I think that was a concern, an
19 overwhelming concern with people, regulators as
20 well as those who have some technical
21 expertise.

22 And the player fairness, if you get
23 in early do you have a better deal than if you
24 bet later. Again, these are just concerns.

1 They haven't been fleshed out. Everybody was
2 asking questions and trying to get a handle on
3 this. Group play, the policy questions about
4 that. Computer playing against an individual,
5 commonly referred to as bots.

6 Scripting programs, computer aided
7 mathematical analysis like a decision tree to
8 help you decide how your wager is going to go,
9 what team you pick. The game fairness itself,
10 is everything available to everyone.

11 Group play, five people in one
12 location, a collusion issue. Can a system be
13 hacked? Can the account be altered? Can the
14 outcome be altered? Can you change your lineup
15 after you submitted it? These are all
16 questions that were debated, and I think lent
17 itself to asking these questions.

18 Insider information, that lends
19 itself -- We are talking about a lack of
20 transparency of information here. Questions
21 about licensing and background checks. No
22 outside auditors involved.

23 You can't meet the winner. It's a
24 screen name. Descriptions of fantasy where

1 Internet game with a mix of skill and chance.
2 So, the talk about all skill, there was no
3 consensus on that that's for sure.

4 Where is the money coming from?
5 Where is the money going? Are there separate
6 player accounts from balance sheets? AML and
7 money-laundering discussed, a huge issue.
8 There are no safeguards for that right now as
9 there is with other forms of gaming. We know
10 how hard we've worked as a Commission to look
11 at that issue and make sure our licensees have
12 the proper policies in place there.

13 Responsible gaming is another huge
14 piece of this. The National Center for Problem
15 Gaming has just issued a position paper here
16 with fantasy sports. And they had a number of
17 concerns. They mentioned that the demographics
18 of fantasy sports participants, predominately
19 young male enthusiasts, high risk for gambling
20 addiction, in their opinion. They are
21 preoccupied, unable to stick to limits of time
22 and money.

23 They talk about the difference in
24 fantasy sports how it has evolved. And

1 traditionally, as Commissioner McHugh pointed
2 out, it was long-term kinds of things. You'd
3 play for a whole season. There was less risk.
4 But now the contests are faster and they
5 believe that there is more -- a higher risk to
6 developing a gambling problem. So, certainly
7 they are advocating some kind of regulation
8 with regard to fantasy sports.

9 Some of the legal concerns
10 discussed. Again, we get back to consumer
11 protection. But inside the game what is the
12 winning percentage? Is there a limit on
13 entries? Is there a legal recourse for the
14 consumers? Again, a transparency issue. What
15 are the conditions of the contest? There is a
16 lack of disclosure on winnings.

17 Unregulated advertising, and one of
18 the attorneys said that Massachusetts residents
19 are the greatest participants in fantasy
20 sports. Now I haven't verified that but I was
21 provided with that information. So, it is
22 certainly something for that reason we should
23 be looking at.

24 I am speaking for one Commissioner,

1 but I certainly was convinced that this is an
2 area which should be regulated. I might have a
3 little bit of a unique perspective. I have
4 always been very interested in sports betting.

5 I spent a good deal of my career in
6 New Jersey dealing with illegal sports betting.
7 I have seen the harm. I am in no way comparing
8 fantasy to illegal activities around sports
9 betting in other locations other than when an
10 industry goes unchecked. There are real
11 possibilities for things to happen that
12 certainly we would want to protect the
13 consumer.

14 I know there's one league for
15 example that their players can play. That's at
16 least an issue --

17 CHAIRMAN CROSBY: Professional
18 league where they can play?

19 COMMISSIONER CAMERON: Yes, one
20 league. There's a limit on how much, but I
21 just think in the least that is a perception
22 issue. So, just a lot of issues to think
23 about, a lot of opportunity for individuals to
24 (A) have a problem with this and (B) not have

1 the right protections in place in this
2 industry.

3 So, I certainly came away thinking
4 that there are issues here. And I as one
5 Commissioner think there is a need to regulate
6 this industry.

7 CHAIRMAN CROSBY: Anybody else?

8 COMMISSIONER ZUNIGA: Well, I do
9 too. I want to draw a parallel or talk about
10 the similarities of daily fantasy with other
11 forms of gambling that are widely recognized as
12 gambling. And I know there's distinctions, but
13 in the case of poker, everybody knows that
14 there's skill involved. There's many forms of
15 skill.

16 You can be a good reader of
17 telltales, other signs or you could be a good
18 bluffer. You could do good odds, counting
19 cards or whatever it may be. There's an
20 element of chance, obviously because you get
21 your hand dealt and you don't control that.
22 But the skill comes after that element of
23 chance is introduced. And the performance of
24 the cards is fixed. An ace is always going to

1 beat a king and so on.

2 In the world of fantasy sports I
3 would argue it's reversed. The skill comes in
4 first where you pick the players. And the
5 chance comes in later when the players perform
6 well or not so well. And there an added
7 version of variability here just in the sheer
8 numbers of combinations that any one person can
9 play, can choose by having 10 picks from a
10 large number of players.

11 I did a quick calculation. And if
12 you have 10 picks of a large pool of people in
13 fantasy sports, you would have 10 factorial
14 number of probabilities or rather combinations.
15 One of them is likely to be the winner against
16 somebody else.

17 There is also elements of I don't
18 know the hand of my competitor. I don't even
19 know who that competitor is in the world of
20 fantasy. But you are indeed competing against
21 that person or many others that you may not
22 know.

23 And I think there's also other
24 similarities to other games. There's an

1 element of pari-mutuel at play here at least in
2 some contests. So, that would fall under the
3 racehorse arena. There's elements of sports
4 betting, etc.

5 And I know we're not trying to
6 answer the question of the legality here, but I
7 think there's enough similarities to other
8 forms of gambling that have been widely
9 accepted as gambling that it merits the
10 regulation that Commissioner Cameron and
11 everybody seems to be coalescing around. I
12 don't know why with those similarities we would
13 treat an 18-year-old and a 21-year-old
14 differently. The fantasy sports for example
15 currently allow 18-year-olds to play in their
16 sites. They also are allowed to do
17 transactions with credit cards, which we
18 thoughtfully went through a very long process
19 of understanding and regulating. And there is
20 no credit card at the casino or the lottery
21 here in Massachusetts.

22 Why would it be different, and I'm
23 just asking a rhetorical question, why is it
24 now accepted simply because there is some

1 carveout or some lack of definition if the
2 activity can be replicated just as much.

3 If you pay fantasy for a whole
4 season that may be a different story. But you
5 can play every day that may change the
6 equation.

7 So, the responsible gaming issues,
8 the credit is another area that I think are to
9 be looked at. I also know or happen to be
10 thinking about there is somebody drawing a line
11 just like in the sports book. Somebody is
12 saying and making a judgment call that Tom
13 Brady is going to be worth more than Tony Romo
14 or whatever the case may be.

15 COMMISSIONER MCHUGH: That's clear.

16 CHAIRMAN CROSBY: Or Peyton Manning
17 or Drew Brees.

18 COMMISSIONER ZUNIGA: That Tom Brady
19 is going to be at the top, but even Tom Brady
20 has a bad day every once in a while, by the
21 way. And there is that element of chance that
22 I was talking about earlier.

23 And you just mentioned this very
24 quickly Commissioner, but if that line

1 progresses over time, you are either coalescing
2 around sports booking or coalescing around
3 pari-mutuel betting, in my opinion. And if
4 that line is not visible to the participants,
5 there may be a real question of consumer
6 protection there, in my opinion.

7 I don't know if it is or isn't, but
8 that was allegedly what gave trigger to this
9 investigation by the FBI relative to the
10 allegation of insider trading. If the people
11 making the lines are also able to gamble
12 elsewhere, then maybe the game is not really as
13 fair as one might seem.

14 And I think it all goes back to the
15 question of fairness, which was the first point
16 you made. For the participants to continue to
17 engage, which I think is something that the
18 industry would be very interested in, they have
19 to be perceived as being fair. And I think
20 there would be a case for disclosure,
21 regulations for example just like there is in
22 the world of finance to ensure the public
23 confidence in the process that at a minimum
24 would be a starter for all participants.

1 So, I for one think that there is a
2 big business case, if you will, for regulation.
3 I know that there are other questions to
4 answer, but that's a big issue in my opinion.

5 COMMISSIONER MCHUGH: I would just
6 like to jump in on the fairness piece here. If
7 you think about it, as we all have, all of our
8 gambling regulations and they are now hundreds
9 of pages long, are designed to protect
10 basically two interests, maybe three, the
11 integrity and fairness of the play that's
12 offered to the bettor, the consumer, to ensure
13 that the game, the dice game, the card game is
14 what it purports to be.

15 And a second major interest is to
16 protect the revenue stream and the taxes and
17 the investments that the Commonwealth is
18 getting. And together they promote consumer
19 confidence which is a third interest. And the
20 consumer confidence in turn will get people to
21 continue to play the game.

22 And so far the tax piece is not
23 present in the fantasy world but the consumer
24 protection interests that underlie most of the

1 gaming regulation are. And it extends well
2 beyond the credit, the collection practices and
3 the like.

4 It's everything that is built into
5 the regulations as to how the game is run. The
6 fact that you can't change the dice. The fact
7 that only one person can touch the dice. The
8 fact that you have to call out when the bets
9 are over. And this highly prescriptive
10 atmosphere and machine that we've created is
11 designed to ensure that the thing is what it
12 purports to be, and that people can have
13 confidence that somebody is watching to ensure
14 that the thing is what it purports to be.

15 And it seems to me that any
16 transaction or any form or any vehicle by which
17 lots of money can be transferred from one
18 person to another needs that kind of oversight
19 from an exterior source to ensure that the
20 conditions under which that money is being
21 transferred from one to another are conditions
22 (A) that everybody knows about and (B) that are
23 in fact observed.

24 So, it seems to me that this is when

1 you get to that level no different from the
2 Commodities Futures Trading Commission, the New
3 York Stock Exchange rules, the SEC rules. All
4 of this is designed to do the same thing at
5 bottom. And just need to have somebody
6 watching carefully when big sums of money are
7 being transferred from one person to another in
8 other than a purely private transaction.

9 CHAIRMAN CROSBY: Commissioner
10 Stebbins, did you want to weigh in?

11 COMMISSIONER STEBBINS: Sure. I
12 don't want to go through and echo everything
13 that my colleagues have said. For the most
14 part, I generally agree with the comments that
15 you've touched upon.

16 I think for me there are three areas
17 of concern, interest that I have, much of those
18 have been touched upon already. I am a former
19 rotisserie guy. To show you how long ago I
20 played, they would mail us the results every
21 week. So, this certainly wasn't anything as
22 tech savvy as it is today. And I usually
23 drafted guys who were already on the DL, just
24 to show you how good I was.

1 I think what's been interesting is a
2 lot of the developments that have taken place
3 in the last few weeks is that there has been
4 statements from within the industry talking
5 about protecting the integrity of the game, the
6 integrity of their devices. That is obviously
7 a similar comment we hear as we approached
8 introducing expanded gaming in the
9 Commonwealth.

10 I followed the developments of the
11 industry saying there is certainly room for us
12 to self-monitor ourselves. I worked for a
13 manufacturing association. I think there would
14 have been a lot of people concerned if we all
15 decided to monitor ourselves on behalf of all
16 manufacturers.

17 Some of the other areas that
18 interest me, Commissioner Cameron laid a lot of
19 them out. But some of the basic just going
20 through one of the websites that's been
21 discussed, my concern was not really
22 identifying or finding a complaint process.

23 If you go down to Plainridge right
24 now and start to play one of our machines,

1 there's somebody you can call upon to contest
2 the results of the machine. They can pull the
3 device out of the machine. You can call a
4 gaming agent to come over and talk to them.
5 They can go back and reveal surveillance
6 footage.

7 And one of these sites even said
8 that one of the principles for agreeing to play
9 is that you will not be allowed to participate
10 in a class-action lawsuit. So, there are some
11 pieces of it there that are being taken away
12 that I didn't see protected an individual from
13 at least being able to raise a complaint with
14 one of the sites they are playing on.

15 I guess the third thing I want to
16 touch on is as we go through this thoughtful
17 conversation about regulation, and Commissioner
18 McHugh's memo laid it out pretty specifically,
19 the interesting elements as we move into a new
20 age with the Internet piece of gaming on the
21 horizon, that we are thoughtful and considerate
22 that things that we talk about, I think we also
23 need to consider in the broader picture of the
24 future trends of Internet gaming.

1 How are bricks and mortar facilities
2 may use pieces of Internet-based gaming to
3 advance their business interest as well.

4 With that being said, I certainly
5 think we need to move the conversation ahead,
6 move the discussion ahead, perhaps bring in
7 some subject matter experts on the technology
8 side of this who can help us give additional
9 guidance and further our conversation around
10 potential regulations.

11 COMMISSIONER ZUNIGA: You know I
12 think that is key. Something that I was
13 thinking about as Commissioner McHugh was going
14 through his overview of the Internet gaming
15 developments that could very well be stale very
16 soon.

17 What the approach of each of these
18 states is to their view -- We're thinking about
19 our own state of course. -- our view of these
20 particular case may open the door to a number
21 of games that we don't know of. The notion
22 about what's in the future, what's the next
23 version.

24 If the platform is the Internet and

1 technology and the speed at which things get
2 developed and we simply see this as well, we
3 are calling it skill so we are okay. That may
4 mean a number of things in the very near future
5 that we just may not be prepared to deal with
6 just because of the way that technology and all
7 these games evolve.

8 So, having that thoughtful process I
9 think, maybe engaging other parties. I was
10 thinking we would probably put some talking
11 points, a memo, maybe like what we did with our
12 prior white paper relative to the tax law as it
13 applied to the Gaming Act, and for the purposes
14 of ensuring some robustness to the gaming
15 industry maybe there is something that we can
16 put together to advance that conversation and
17 inform policymakers as to what the decision
18 points may be.

19 One of which is there is a big
20 unknown here depending on how even something as
21 simple as the definition of bet is looked at,
22 whether by a court or by others.

23 CHAIRMAN CROSBY: I think it's
24 clear, certainly the consensus here and it's

1 commonsensical I think that there needs to be
2 some degree of regulation of this phenomenon,
3 but there already is.

4 We have consumer protection laws on
5 the books, which would relate to this of some
6 sorts. And there are lots of transactions. I
7 think of used car salesmen. We regulate used
8 cars. We have a Lemon Law. Then the Attorney
9 General has a whole range of laws that she can
10 use to oversee a number of transactions.

11 We don't necessarily set up a
12 regulatory body for every industry that needs
13 to be regulated. We come at this from the
14 standpoint of the casino industry, which is the
15 most heavily regulated industry on earth in a
16 way that I think all of us think maybe is a
17 little much.

18 And I think -- I don't have an
19 answer to this, but I think we need to think
20 about this industry and try to get some kind of
21 a philosophic frame on it. Why does it require
22 what level of regulation? Does it require an
23 agency or does it just require some new
24 consumer protection laws?

1 The casino industry is a cash
2 business, which is an extraordinary,
3 extraordinary phenomenon as we now are
4 beginning to see ourselves. And it's an
5 industry with roots in as we know organized
6 crime and has a terrible history.

7 This is neither one of those. So, I
8 just think we need to think carefully about
9 what is the appropriate level and structure.
10 There has got to be something of the kinds of
11 things we've already talked about.

12 But I wonder whether Justin,
13 Catherine, Paul Connelly, who is going to help
14 us on sort of the broad policy side of this
15 might think a little bit about whether there is
16 a way, is there a mechanism for saying this is
17 why this particular industry deserves this
18 level of regulation.

19 Why is this different from the
20 casinos or is it? Why this different from car
21 sales or is it? What are the variables that
22 make this subject to whatever level of
23 regulation? So, that's one thing. I think we
24 need to try to be really thoughtful and

1 intentional about that.

2 Should the operators be licensed?
3 That's really interesting. It's at the heart
4 of where we are in our industry again for
5 understandable reasons in the past. But I
6 think again we need to kind of think about why
7 do we license. We don't license everybody who
8 does business. We do make them do certain
9 things, but if you want to come in and open a
10 grocery store -- Again, why do we require some
11 people to be licensed?

12 Why do we require the casino
13 operator to go through the incredible
14 suitability checks that we put them through?
15 And do those same criteria apply here? I don't
16 know whether they do or don't, but there needs
17 to be some contextual framework that gives
18 reason to where we propose coming down on this.

19 The idea of outside experts now
20 beginning to think about how we go forward
21 here, I want to be very careful that we don't
22 cut the grass of the Legislature. They will be
23 having hearings. They will be having people
24 come in and talk about stuff.

1 But I think if we were to use some
2 outside help in helping us frame these
3 questions, what issues might the Legislature
4 want to look into? What might be a philosophic
5 structure of regulation? Why might we
6 recommend that this be heavily regulated or
7 less heavily regulated?

8 If we are having outside people --
9 and maybe the industry too. They have a right,
10 I think, to weigh in on these kinds of
11 questions. I know there are people from the
12 industry here. I would welcome their
13 contribution to helping us figure out what are
14 the questions that we might want to give the
15 Legislature to ask. We're not going to give
16 them answers.

17 We have to keep in the backs of our
18 minds we do have one fiduciary obligation to
19 the casino industry. And we have been very
20 firm that we believe that it would not be fair
21 to change the rules of the road, to change the
22 competitive environment radically without the
23 bricks and mortar folks at least being at the
24 table. And I think we do have an obligation to

1 think about that. And that should be in the
2 backs of our minds.

3 The issue of taxes, as Governor
4 Baker said there are already taxes applied here
5 on profits if and when there ever are profits
6 in this industry. There are taxes applied to
7 winnings, as we are very familiar. Should
8 there be more? I don't know.

9 I do think we want to be mindful of
10 the fact that if we came in heavy on this, you
11 can crush an industry like this overnight.
12 There is some misimpression that people are
13 making money hand over fist. As I understand
14 it, nobody's making money in this business yet.
15 They're operating at a huge burn rate with
16 borrowed money or raised money. We don't want
17 to kibosh that industry unless we decide we
18 want to kibosh that industry. We don't want to
19 do it by accident.

20 So, those are some of the things
21 that I think. And hearing the kinds of issues
22 that they raised in conferences, this kind of
23 issues you raised are great. And that's why I
24 think we can be really constructive and say to

1 the Legislature if you do look into this these
2 are the kinds of things we want to consider.
3 But I would like to get that overarching kind
4 of approach as well.

5 Commissioner Cameron, you're
6 interested in following through on this I
7 think. And Commissioner McHugh is too, but he
8 is not going to be here. So, I think having
9 you kind of be our point person if that works.
10 But we will all be involved in this.

11 And I think the idea eventually
12 would be to pull together a white paper,
13 hopefully pretty quickly because this is moving
14 pretty fast. The industry absolutely has to
15 know what the rules of the road are so it can
16 get its act together. That we could address
17 these issues at least do we think it should be
18 regulated if so why and what. Maybe we can
19 begin to outline something like that over the
20 next relatively very few number of weeks.

21 COMMISSIONER ZUNIGA: And in doing
22 so, we talked a lot about those aspects. They
23 cannot be simply the question of the legal
24 framework even though that's a key one. But

1 the business model has to be examined.

2 What are the operations really, what
3 is that algorithm at least in general terms?
4 Understand how people -- How does that
5 calculation take place, and how are the
6 winnings determined?

7 CHAIRMAN CROSBY: This is
8 interesting. This might be one where you could
9 sort of take point because this is an area that
10 you understand and are particularly interested
11 in. And I'm I just winging it here. Please
12 agree or disagree, but I would think maybe it
13 would be of interest to you if somebody from
14 industry or more than one were willing to come
15 in and talk about the business model to help us
16 understand.

17 COMMISSIONER ZUNIGA: I think that's
18 key.

19 COMMISSIONER CAMERON: Mr. Chair, we
20 have been on a couple of conference calls. We
21 tried to educate ourselves.

22 CHAIRMAN CROSBY: You and Enrique?

23 COMMISSIONER CAMERON: Yes. And
24 another one with Commissioner Stebbins. So, we

1 are in the process of educating ourselves,
2 speaking to experts. We are positioned to take
3 these concerns that we brought forth verbally
4 today and put them on paper with some meat.

5 I think the idea of just laying out
6 the concerns is an approach. Sharing it with
7 the Attorney General's office. We've already
8 had conversations with them about this. I know
9 they're looking at a lot of legal issues. So,
10 sharing this information, bringing these
11 concerns forward I think is appropriate.

12 CHAIRMAN CROSBY: The Attorney
13 General considers this important enough that
14 she has dispatched her General Counsel Richard
15 Johnston to join us all day long. Thank you
16 for coming to join us.

17 I think that would be a really
18 interesting thing to pursue. Any other
19 thoughts sort of preliminary either about
20 things you might want to consider, how to
21 approach it?

22 COMMISSIONER CAMERON: Well, I think
23 there will be other things to consider but I
24 think we will have some sessions with experts.

1 We'll bring them in. They've already
2 volunteered to come in and talk to us about
3 these issues.

4 And we will just work through it,
5 figure out what we want to put down and have a
6 draft to present and see what further work is
7 needed.

8 So, I think the first step is to
9 bring some folks together in talking about
10 what's important and what the concerns are and
11 laying them out there.

12 CHAIRMAN CROSBY: Okay, great. I
13 don't think we need any votes or anything. I
14 think we are ready to go on this one.

15 We do have one other issue, I am
16 sorry to say. As everybody in the room knows
17 this is Commissioner McHugh's last day. I'm
18 happy report that we have had two extraordinary
19 Gaming Commission celebrations of Commissioner
20 McHugh's contributions.

21 We had a party where one of our
22 state troopers has a rock band and he and his
23 band came and played. And there were a number
24 of testimonies. We had a staff meeting. At

1 the end of the staff meeting, there were a
2 number more.

3 Commissioner McHugh has made me
4 promise that we won't go back and do any of
5 that again. I guess I'll keep my promise.

6 But the Attorney General has asked
7 for an opportunity to be heard before
8 Commissioner McHugh leaves. I think Richard
9 Johnston is here on her behalf.

10 MR. JOHNSTON: Yes. Chairman
11 Crosby, I've been dispatched here for two
12 reasons. One was to listen to this excellent
13 presentation on fantasy sports and one to bring
14 the Attorney General's comments about
15 Commissioner McHugh. She unfortunately
16 couldn't be here because she's traveling on AG
17 business out of state but she did ask me to
18 read a statement on behalf of Commissioner
19 McHugh, which I will do.

20 I want to thank Judge McHugh for his
21 years of service on the Gaming Commission and
22 for his commitment to public service. As one
23 of the initial Commissioners, Judge McHugh
24 helped shape the policies and procedures by

1 which the Commission has functioned. He
2 brought his judicial insight to bear on the
3 many legal issues that have arisen with this
4 new industry.

5 During more than his quarter century
6 serving on the bench, Judge McHugh presided
7 over many significant matters and his tireless
8 work led to important reforms that ensure a
9 more equal access to justice for all
10 Massachusetts residents.

11 Judge McHugh will leave a lasting
12 impact on the legal profession, those of us in
13 public service and the people of the
14 Commonwealth. We thank Judge McHugh for his
15 significant contributions and wish him all the
16 best in his well-deserved retirement.

17 CHAIRMAN CROSBY: Here, here.

18 COMMISSIONER MCHUGH: Thank you very
19 much. Please convey my thanks to the General
20 for that very generous notice.

21 I want to say just a couple of words
22 here. We did have an overwhelming sendoff last
23 week, two indeed. But I wanted to say publicly
24 that this has been an incredibly rewarding

1 journey.

2 We came together three and half
3 years ago, a little bit more than three and a
4 half years ago now, seven people, the five of
5 us sitting here, Janice Reilly and Jamie Ennis.
6 We moved into a big empty room at 84 State
7 Street and couldn't figure out for the first
8 couple weeks how we're going to fill it up.

9 We didn't know each other. Steve
10 and I had worked, Chairman Crosby and I had
11 worked together before. So, we knew each other
12 professionally, but we didn't really know each
13 other well. One of the many thoughtful things
14 the Legislature did when they put this statute
15 together was place requirements on the
16 backgrounds of the Commissioners so that we got
17 an array of backgrounds, an array of outlooks,
18 an array of experiences to bring to bear on
19 this new and important industry.

20 Bruce came from the manufacturing
21 world. He had been a White House fellow, the
22 business world knew that world, was familiar
23 with it, was comfortable with it.

24 Enrique came from the business, an

1 MBA, served on two really important financing
2 boards, had been in government, had been in
3 government finance. Gayle had started out
4 patrolling the New Jersey Turnpike by herself
5 at night, wound up second-in-command at the
6 state police in New Jersey. Steve, an
7 entrepreneur, government service, educator.
8 And I came from a legal background.

9 And we through a lot of really hard
10 work got to know each other really well and to
11 trust each other really well. And to think
12 through the complex problems with which we were
13 faced. And to try to build because we all had
14 the same ultimate outcome, to try to build a
15 first-class public agency.

16 When I was first interviewed and I
17 was asked why I wanted to do this, I said that
18 that was the reason. It's a new industry. I
19 thought the public should be protected, but
20 above all I thought it was an enormously
21 challenging opportunity to build a first-class
22 public agency. Very few people are given that
23 opportunity. And that's what the challenge, I
24 thought, this job entailed.

1 And as I look now back across those
2 three and a half years and think about the team
3 we have assembled -- I want you to understand
4 who they are. So, I'm going to just say one
5 word about each of the leaders of the dream
6 team. Our HR Director is Trupti Banda, more
7 than 13 years of HR leadership in the public
8 and private sector. Catherine Blue, our
9 General Counsel who is here today, more than 30
10 years' experience including General Counsel in
11 large public agencies and in the private
12 sector.

13 Paul Connelly who is also here
14 today, our Director of Licensing who was active
15 and had an important role in public safety in
16 the Department of Homeland Security, technology
17 in the private sector.

18 Elaine Driscoll, our Public
19 Information Officer who has been a public
20 information officer in Los Angeles and New York
21 and for the Boston Police Department here, all
22 high visibility, high tension organizations who
23 has been invaluable to us as we've moved along.

24 John Glennon, our Chief Information

1 Officer, over 30 years of information
2 technology leadership in the public and private
3 sectors. Jill Griffin, our Workforce, Supplier
4 and Diversity Development Director, 15 years'
5 experience and served as a senior director of
6 programs at the Boston Foundation. Derek
7 Lennon our CFAO who has done financial work on
8 the legislative committees up on the hill and
9 was the CFO for the Department of Conservation
10 and Recreation.

11 Alex Lightbaum, our Director of
12 Racing, who is here today, 26 years of
13 experience in the racing area, a veterinarian,
14 well-respected in that industry. Janice Reilly
15 who has been with Steve forever and who has
16 held many important positions who is our Chief
17 of Staff. Mark Vander Linden who is the head
18 of our responsible gaming, who has been the
19 executive officer in the Office Problem
20 Gambling, Treatment and Prevention at the Iowa
21 Department of Public Health.

22 Karen Wells who is here today, our
23 Director of the Investigations and Enforcement
24 Bureau, most recently served as Undersecretary

1 for Law-Enforcement at the Massachusetts
2 Executive Office of Public Safety. Assisted by
3 Bruce Band who had an enormous important role
4 in New Jersey gaming regulation and by Loretta
5 Lillios who served with distinction in the
6 Middlesex County DA's office, in the AG's
7 office.

8 John Ziemba, our ombudsman who is
9 present at every meeting and who was cochair of
10 the government practice, the section of one of
11 the area's major law firm and served as acting
12 Secretary of Transportation. And our state
13 police unit headed by Detective Lieutenant
14 Brian Connors who is at the rear of the room.
15 That is I submit to you unmatched by any state
16 police unit in the Commonwealth and is filled
17 with people who not only are outstanding law
18 enforcement officers but outstanding people as
19 well.

20 That is an A Team. And it is at
21 this point, a great source of pride to me that
22 we were be able to put together a group of that
23 caliber of that quality to carry forward the
24 work of this Commission and protecting the

1 interests of the citizens of the Commonwealth.

2 We're at an important point now in
3 the evolution of the Commission. We are about
4 to get a new Executive Director. We are about
5 to get a new Commissioner to replace me. And I
6 have every confidence in the Attorney General's
7 thoughtful selection process that we'll have
8 somebody who will be able to move seamlessly
9 into the position that I've held.

10 But it's been a great journey.
11 There are some issues and things that we might
12 have done differently, but you can't sail
13 through uncharted seas without a few bumps
14 along the way. It's a terrific group and I am
15 really proud to have had the opportunity to
16 have worked with all of you. Thank you very
17 much.

18 CHAIRMAN CROSBY: Thank you,
19 Commissioner. Do I have a motion to adjourn?

20 COMMISSIONER ZUNIGA: So moved.

21 CHAIRMAN CROSBY: All in favor, aye.

22 COMMISSIONER MCHUGH: Aye.

23 COMMISSIONER CAMERON: Aye.

24 COMMISSIONER ZUNIGA: Aye.

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COMMISSIONER STEBBINS: Aye.

CHAIRMAN CROSBY: Opposed? The ayes
have it unanimously. Thank you all.

(Meeting adjourned at 2:27 p.m.)

1 ATTACHMENTS:

- 2
- 3 1. Massachusetts Gaming Commission October
- 4 29, 2015 Notice of Meeting and Agenda
- 5 2. Massachusetts Gaming Commission October
- 6 15, 2015 Meeting Minutes
- 7 3. Region C Southeastern Massachusetts
- 8 Estimated Category 1 (Resort Casino)
- 9 Timeline with attachments
- 10 4. Wynn Everett October Presentation
- 11 5. MGM Springfield October 26, 2015 Letter to
- 12 City of Springfield Regarding Design
- 13 Changes
- 14 6. October 27, 2015 Letter Regarding
- 15 Springfield MGM Casino Project with
- 16 attachments
- 17 7. MGM Springfield October 15, 2015 Notice of
- 18 Project Change
- 19 8. Massachusetts Gaming Commission October
- 20 26, 2015 Memorandum Regarding
- 21 Massachusetts Thoroughbred Breeders
- 22 Association Request to Race at Finger
- 23 Lakes Racecourse, New York with attachment
- 24

- 1 9. Massachusetts Gaming Commission Division
2 of Racing October 21, 2015 Letter Approving
3 Suffolk Downs Post Time Change
- 4 10. Racing Division's Public Hearing Notice
5 Brockton Agricultural Society-Running
6 Horse Racing License Application
- 7 11. Racing Division's Public Hearing Notice
8 Middleborough Agricultural Society-Running
9 Horse Racing License Application
- 10 12. Racing Division's Public Hearing Notice
11 Plainridge Park Casino Harness Horse
12 Racing License Application
- 13 13. Racing Division's Public Hearing Notice
14 Suffolk Downs-Running Horse Racing License
15 Application
- 16 14. Massachusetts Gaming Commission Legal
17 Division October 23, 2015 Memorandum
18 Regarding Daily Fantasy Sports
- 19 15. October 26, 2015 Commissioner McHugh
20 Memorandum Regarding Internet Gaming
- 21 16. Email of Justin Evans Regarding Daily
22 Fantasy Sports

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24

1 GUEST SPEAKERS:

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3 On behalf of Wynn MA, LLC

4 Robert DeSalvio, Wynn

5 Chris Gordon, Dirigo Group

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7 Rick Moore, City Point Partners

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9 Richard Johnston, Chief Legal Counsel,

10 MA Attorney General's Office

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12 MASSACHUSETTS GAMING COMMISSION STAFF:

13 Catherine Blue, General Counsel

14 Dr. Alex Lightbaum, Interim Director of Racing

15 Jason Stempeck, Staff Attorney

16 John Ziemba, Ombudsman

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C E R T I F I C A T E

I, Laurie J. Jordan, an Approved Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Laurie J. Jordan, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive on Transcript Format.

I, Laurie J. Jordan, further certify I neither am counsel for, related to, nor employed by any of the parties to the action in which this hearing was taken and further that I am not financially nor otherwise interested in the outcome of this action.

Proceedings recorded by Verbatim means, and transcript produced from computer.

WITNESS MY HAND this 2nd day of November, 2015.



LAURIE J. JORDAN
Notary Public

My Commission expires:
May 11, 2018