



## Region A - Local Community Mitigation Advisory Committee Minutes

**Date/Time:** October 18, 2016 – 2:00 p.m.

**Place:** MAPC, 60 Temple Place, 3<sup>rd</sup> Floor, Boston, Massachusetts

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

### Call to Order

John Ziemba, Ombudsman to the Massachusetts Gaming Commission called the meeting to order and introduced himself. He then asked each member to introduce themselves.

Mr. Ziemba discussed a determination by the State Ethics Commission relative to Gaming Policy Advisory Committee (GPAC) committee’s determination and how that impacted the representatives that are municipal employees. He described the ongoing work with the Ethics Commission and the supplemental budget submission to the legislature.

Mr. Ziemba then discussed that the predominant purpose of this meeting is to solicit comments for the 2017 Guidelines for the Community Mitigation Funds using the 2016 Guidelines as a base and improving upon them. As the development of the casinos progress, the Community Mitigation Fund will be more robust and there will be significant change in future years when the casinos are operational.

Mr. Ziemba gave an overview to put the elections of officers in perspective. He explained the multi-levels of the committees, how the membership is comprised, and the issues of quorum requirements especially where there are no Region C members at present. His goal is that the mitigation guidelines will continue to improve as more funding becomes available. The focus of the committees’ role will become even more important as the Community Mitigation Fund grows. That being said, Mr. Ziemba asked for volunteers for the position of chair for this committee. Richard Caraviello, representing Medford volunteered to be the Chair of the Region A LCMAC; upon motion duly made and seconded, he was unanimously voted the chair of the LCMAC. Ron Hogan of Malden discussed his interest in the position on the Subcommittee on Community Mitigation and his knowledge of the gaming industry. Upon motion made by Mr. DePriest of Chelsea and it being seconded, by Colin Kelly, Mr. Hogan was unanimously voted as the representative from the Region A LCMAC for the Subcommittee on Community Mitigation.

Mr. Ziemba then explained the focus of the next two meetings on the Community Mitigation Fund (CMF). He described the fund as having basically two time periods: prior to opening of the casinos and once the casinos are operational. The fund is initially comprised of fees received from the licensees in the amount of \$17.5M. After two CMF rounds, there is approximately \$13.2M left. This amount may be further diminished in the future as the Sheriff's office will likely require further assistance of \$1M - \$1.2M for the next 3 years. The Sheriff's office ran a facility that needed to relocate after 29 years and this funding is to cover rent increases. This leaves approximately \$12M for the next 3 years. MGM is scheduled to open September 5, 2018 and Wynn, June 2019, so no significant funding will be available until the last quarter of 2018. It has been approximated that Wynn may provide \$11.5M and MGM may provide \$6.5M each year throughout the license period. Impacts can be mitigated by the mitigation fund and also perhaps by funds required under the Host Community Agreements and Surrounding Community Agreements.

Mr. DePriest asked whether the projections were based on a calendar year or a fiscal year. Mr. Ziemba explained that it's based on a 12-month period. The issued reserve funds were intended to stay with the communities, however, the Commission will reauthorized their use every year. There are two periods in the funding, the pre-operational and operational.

Mr. Caraviello asked about funds paid directly by the casinos to the communities.

Mr. Ziemba explained that by statute the Community Mitigation Fund is available every year. The goal is to have the Commission vote the 1<sup>st</sup> week of December on the Guidelines. That will provide the communities time to draft their applications by the February 1st deadline. The Commission is aiming for two meetings in each Region A & B of the Local Community Mitigation Committees, two meetings with the Subcommittee on Community Mitigation and the Gaming Policy Advisory Committee meeting. At the October 13<sup>th</sup> Commission meeting, the policy questions regarding the Community Mitigation Fund were presented. It is likely that additional questions and revisions will be made on these policy questions for the next meeting.

The general theme in the policy questions are that the money has to last until the casinos are operational. The question of whether the existing funds should be spent now, during the pre-operational phase or preserved for when the casinos have commenced operations where there is a need for guidance and regarding limiting the amounts awarded to make the money last. The 2016 Mitigation Fund spent less than the targeted amount. The unknown is what will be the future needs of the communities. There are currently three categories of grants, the Reserve Grant, the Transportation Grant and the Specific Impact Grant. The Reserve Grants have a rolling deadline, the Commission will annually determine if those grants will be reauthorized.

There was a question regarding the availability of funds. Mr. Ziemba noted that some communities have larger funding available through their surrounding community agreements. These surrounding community agreements were established so that the communities would know there is focused funding available to mitigate a variety of possible impacts.

Ms. Galazka asked about the balance of the \$13.2M and whether the reserves were already taken out. Mr. Ziemba said that the reserves were already taken out. The current specific impacts grants are due to communities experiencing impacts only during the construction phase; not during the operational phase.

Mr. Hogan asked if there were any specific impacts funded. Mr. Ziemba replied that yes the City of Springfield requested funding for a valet service program to mitigate a parking impact. Mr. Hogan asked for clarification as to whether that was an anticipated impact. Mr. Ziemba mentioned that MGM had funded many parking spaces to mitigate the impacts in Springfield.

Mr. Hogan asked how do the reserves relate to other grants?

Mr. Ziemba noted that Transportation Planning Grants require that 100% of the reserves be spent prior to receiving additional transportation funding, similar to specific grants in which 50% of the reserve must be spent.

Mr. Delaney used Chelsea as an example of a community that is using its reserve to assist in funding transportation mitigation. Chelsea used both reserve and transportation grants for funding.

Ms. Krum asked if there was a deadline to expend the reserve funding. John explained that the Commission has to re-authorize the use of the reserve every year. She then asked about an instance where a community such as Saugus may not use any of its reserve. In this case, the Commission could vote to withdraw the reserves on any unexpended funds. Mr. Ziemba noted that Saugus has decided to expend some of its reserves on economic development.

Mr. Ziemba then turned the Committee's attention to question 12 of the Policy Memo. *Should the 2017 CMF be used to support and help leverage resources to address the financial constraints on access to programs that support residents of the Springfield or Everett areas trying to obtain their high school or work readiness credentials to be eligible for employment?* At the last Commission meeting part of the meeting was spent discussing whether pre-employment training could be an allowable use of the Community Mitigation Fund.

Question 12 was developed by Commissioner Stebbins and Jill Griffin, the Director of Workforce Supplier and Diversity Development. The funding under the Gaming Economic Fund starts once the casinos are operational. The funding of workforce development programs needs to start prior to the casinos opening. Ms. Griffin described the lack of pre-employment training, and whether this fund be an allowable use as workforce funding. Both the union construction jobs and the operational casino jobs require a high school diploma or equivalency. She detailed that 9.3% of people in the Boston Metropolitan area or 292,000 people who are age 25 and older have not achieved a high school diploma. The highest need is in Gateway cities and the focus is on unemployed and the underemployed.

One representative could not see the Community Colleges doing gaming training. He asked the question of what Wynn does for its employees with regard to retraining of employees. The response was that Wynn retrains employees from other places to the Wynn way to doing things.

Ms. Galazka asked about non-profits running the programs. Mr. Ziemba explained that governmental agencies managing the programs are allowable but that the funds cannot go directly from the Commission to any non-profit.

Mr. DePriest mentioned that it's not unlike a CDBG. Mr. Tocco expressed that culinary training is one area where there is a need and whether or not specific pre-job training at the Community College level would work and it would keep capital expenses limited. Mr. Caraviello could not see gaming training in vocational schools; Mr. DePriest thought Community Colleges is where the training belongs.

Mr. Hogan mentioned that he would like to slow the grant process down.

Mr. Ziemba then turned the Committee's attention to question 6 of the Policy Memo: *"Should the Commission revisit its guideline regarding grants involving private parties?"*

The CMF is for construction based impacts; some businesses may be hurt; there is funding for governmental entities; but the grants have to be for public purpose for example, the CMF can assist the city on parking – help has to be public due to the anti-aid provision in the constitution.

A question was raised about the meaning of a public purpose? Additionally that there are some impacts no one will know until the casino is open. Mr. Ziemba said that the CMF is to offset construction and operational impacts in communities. Ms. Krum mentioned as an example the MEPA impacts on Broadway if it had to be closed.

Mr. Hogan asked what guidelines would create more focus on impacts without discouraging applicants. Mr. Ziemba mentioned that it may be helpful to limit the funding in the early years until the impacts are known. Ms. Krum mentioned that Wynn would love to see funds go back to communities in amounts that would provide real change.

Mr. Ziemba then turned the Committee's attention to question 5 of the Policy Memo: *How and when should the CMF Guidelines reflect the work of the Lower Mystic Regional Working Group?*

The Lower Mystic Regional Working Group's primary concern is transportation. He noted that not all communities were represented in this working group. The question is how should the Community Mitigation Fund any handle any recommendation for this group? Mr. DePriest indicated that his community is not a part of this group and does not feel that recommendations from the LMRWG should be part of this policy group. Mr. Hogan from Malden agreed with that opinion. It was mentioned that different people will have different interests as time goes on. Mr. Hogan mentioned the importance of balancing the interests and that by not being a party to the LMRWG the community would not have the complete picture of the situation.

Mr. Ziemba then turned the Committee's attention to question 13 of the Policy Memo: *Should the Commission place a limit on grants in each gaming region based on the projected tax revenues generated for the CMF by the gaming facility in that region? If so, should such limit be instituted during the construction period or when the Category 1 facilities are operational?*

Mr. Hogan expressed concerns over unanticipated mitigation which could not have a scope creep; way to take care that the community who yells the loudest doesn't necessarily get the most money otherwise the fund would lose its intended meaning.

The genesis of the fund is from the Commission who work and reflect on what already out there; there always is room about how funds work together; it is important that the Commission is a responsible steward of the mitigation fund.

Mr. Hogan mentioned that as we get away from direct intent and ensure funds are not being wasted, what is going to be the fairest way to go about granting the funding? Mr. Ziemba mentioned that a major focus is whether the application ties into the casino development.

Mr. Hogan was concerned about the influence that a community may have when it does a better job in selling the needs of its community impact through the application.

Mr. Ziemba mentioned that funding for Planner requests are an example of the possible spillover effect; it's difficult to demonstrate how funding requests tie into the casino development.

Mr. Hogan acknowledged that applications to the CMF must be quantifiable.

How do you make sure that qualified employees coming to Wynn are not taking away from the local businesses?

Ms. Garcia was concerned over the community impact and economic development. Mr. Ziemba then mentioned economic development effecting housing, gentrification; housing values; educational dollars and assisting communities offset influx or outflow of people. A determination of how are dollars allocated within the Community Mitigation Fund needs further consideration.

Mr. Caraviello asked if there is an economic drain on small businesses and mentioned that nobody knows how bad the potential drain could be and whether funding through local chambers of commerce could assist.

Mr. Hogan stated that there needs to be a specific manner for managing the funding as it can get out of control.

Mr. Ziemba moved to the topic of planning grants due to the limited time left in the meeting. He noted that planning grant studies do require lead time. The question is whether or not there should be a cap amount on transportation planning grants. He noted that at the last Commission meeting (October 13) the issue of the Commission placing a limit on grants in each gaming region based on the projected tax revenue and whether such limit should be instituted during the construction period or when the Category 1 facilities are operational. The discussion continued on the topic of the Gaming Local Aid Fund and that the funding is not available until after the casinos are operational.

Mr. Ziemba explained that planning grants studies require lead time and asked whether there should be a cap on amounts of transportation grants.

Mr. Caraviello asked about area distributions. Mr. Ziemba mentioned that Plainridge does not have to pay to the Community Mitigation Fund. If a tribal casino goes into Region C, that casino does not have to pay into the fund until it's operational.

Ms. Galazka wondered if an in-kind match could be required on the application. Mr. Ziemba thought that in-kind matches should be asked for, additionally, there are federal earmarks and whether the CMF should fund projects not just planning. Mr. DePriest thought funding projects was iffy; scheduling funds through TIP would tie funds up and the money may be wasted on activities that never happen; design funds work better.

Mr. Ziemba made a motion to adjourn the meeting at 3:30, upon motion duly seconded, it was unanimously voted to adjourn.

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

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

1. Notice of meeting and agenda
2. Membership of Gaming Policy Advisory Committees
3. M.G.L. c. 23K Section 68
4. M.G.L. c. 23K Section 61
5. Open meeting Law Guide
6. Certificate of Receipt of Open Meeting Law Materials
7. State Ethics Commission letter to MGC dated 9/2/2015
8. Summary of conflict of Interest Law for State Employees
9. Acknowledgement of Receipt
10. 2016 Community Mitigation Guidelines
11. Policy Questions for Discussion by the Local Community Mitigation Advisory Committees and the Subcommittee on Community Mitigation Relative to the 2017 Community mitigation Fund ("CMF") Guidelines