



THE CITY OF SPRINGFIELD, MASSACHUSETTS

Springfield Casino Site Committee

Paula Meara, Chairwoman

William Pepin, Vice-Chair

July 16, 2012 Report of Committee

Springfield's Casino Site Committee Members

Chairwoman Paula Meara - Retired Springfield Police Chief

First and only female Police Chief in the City of Springfield. Will provide a unique perspective on crime prevention.

William Pepin – General Manager WWLP 22 News

Member of the Spirit of Springfield Board of Directors and long time leader in the community.

Zaida Luna – Springfield City Councilor Ward 1

Entering her second term on the Springfield City Council, long time community activist, employed in the Human Service field.

Bud L. Williams – Springfield City Councilor At-Large

Long time member of the Springfield City Council, retired probation officer Springfield District Court,

Chairman Planning and Economic Development Committee of the Springfield City Council.

Timothy Rooke – Springfield City Councilor At-Large

Chairman of the Finance Committee of the City Council, Vice President Chase Clarke Stewart and Fontana and currently the longest serving member of the Springfield City Council.

Timothy Allen – Springfield City Councilor Ward 7

Entering his second term on the Springfield City Council, Professor Springfield College, Member Human Service Committee.

James Ferrera – President Springfield City Council

Employed by the Massachusetts Trial Court.

Dr. Martin Markey – Retired Psychologist

Long time distinguished record of community service in our city, father of seven (including former City Councilor Patrick Markey).

Maurice Thomas – Employed Baystate Medical Center

Retired Veteran (Honorably Discharge), long time community activist, involved in youth sports programs.

Martin Loughman – Employed Massachusetts Trial Court 14 years

Born raised and currently residents in the City's South End Neighborhood. Father of five children, active in many community organizations.

Therese Plasse – Secretary 10 years of East Springfield Golden Age Club

Resident of East Springfield for 46 years, active in Mary Mother of Hope Church.

Moses Gonzalez – Resident East Springfield, community activist, married, father of three children all currently attending Springfield Public Schools

Dr. Bobbie Rennix – Doctorate in Educational Leadership

37 years of service in the Springfield Public Schools, Former Principal Homer Street School, Adjunct Professor American International College, President of the Springfield Exchange Club.

Richard O'Connor Jr. – Assistant Director of Financial Aide at American International College

Homeowner and resident of Ward 2, Adjunct Professor American International College.

Reginald Green - Hampden County Sheriff's Department 15 years

Member of the Ward 2 Community Watch program, homeowner.



THE CITY OF SPRINGFIELD, MASSACHUSETTS
Springfield Casino Site Committee

Special Committee of The City Council

President, James J. Ferrera

Paula Meara, Chairwoman

William Pepin, Vice-Chair

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Memo

To: Wayman Lee
From: Paula Meara, Chairperson
CC:
Date: May 11, 2012
Re: Casino Site Committee – organizational meeting

NOTICE OF MEETING

The Springfield Casino Site Committee of the City Council will meet on Tuesday, May 15, 2012 at 5:00 P.M. in Room 200 of City Hall. Your attendance is necessary to help expedite this matter. All interested parties are invited to attend. Thank you.

AGENDA

1. Several items will be discussed at this meeting including:

Legal matters, mission statement, committee organization, meeting locations, educational component, public comment and any new business that is proposed.

2. All other business brought properly before this Committee.

Robert Arieti
Administrative Aide

Springfield Casino Site Committee

TUES, MAY 15, 2012

Present: Chairman Paula Meara, William Pepin, Zaida Luna, Bud Williams, Timothy Rooke, Timothy Allen, James Ferrera, Maurice Thomas, Martin Loughman, Moses Gonzalez, Dr. Bobbie Rennix, Richard O'Connor

Absent: Dr. Martin Markey, Therese Plasse, Reginald Green

Meeting started at 5:03pm on May 15, 2012 in City Hall with welcoming of members and Introductions. The meeting was called to order in the City Council anteroom, then moved to the City Council chambers.

Open Meeting Law Requirements/ Handouts

Clerk Waymann Lee provided an overview of the open meeting law. He encouraged everyone to read and sign the certificate of receipt of open meeting law at the end of the handout he provided. He also handed out and went over the summary of the Conflict of Interest law for municipal employees. He also requested that everyone sign the back page stating they have received this information. Submit the receipts to the Clerk.

Appointment of Vice- Chair and Clerk

Chairman Meara has chosen William Pepin to be Vice Chair and Richard O'Connor to be Vice Chair and Clerk.

Councilor Rooke made a motion which was seconded by Councilor Ferrera appointing them to Vice Chair and Clerk positions. Approved by Voice Vote.

Alternate Members

Chairman Meara is going to have Bob in the Council office keeps a list of people interested in being an Alternate. Members of the committee can provide Bob with names as well.

Comcast Live Meetings

Comcast is willing to show the meetings live as long as they are held on Monday, Tuesday, or Wednesday Night.

Meeting Dates- Day/ Time

Discussed when meetings should be held. Several members in favor of having meetings on Monday at 5pm before regular City Council meetings.

Councilor Williams asked about frequency of meetings. Chair Meara seems them as monthly at first but possibly more frequently as determined by the committee.

Special meetings will be held as needed.

Sub- Committees

Chair Meara proposes two sub-committees. One will focus on sites and one on gaming companies. No members were appointed to these sub committees to date.

Purpose/ Mission of the Committee

To help determine the best possible Casino development for the City of Springfield- For its residents and businesses. To ensure that all residents and business owners are well informed of any casino suggestions.

Chairman Meara stated our end goal is to produce a report that can be used by the City Council, Mayor and others.

Councilor Rooke suggested any meetings with Developers or Vendors be held in executive session due to confidential negotiations in which they may be involved.

Councilor Williams asked about the scope of the Committee. Looking to see what the committee can and can't do. Chair Meara responded we are here to collect information to pass up to the City Council. She sees the committee looking at sites and examining the pluses and minuses of each site.

Chair Meara also mentioned the City Council will be involved in any Land/ Issues and special permits. Site committee report will be helpful to the council in making these decisions.

Members of the Committee encouraged viewing the Mass. Gaming website. Councilor Williams also has some casino materials that may be helpful. Bob Arieti will be the person who sends information to all members of the committee.

Formal Invitation to Mayor Sarno

Chairman Meara will draft a letter on the committee's behalf to the Mayor. She will discuss our willingness to work with the Mayor. She will also inform him that he is welcome at all the meetings.

Councilor Williams encouraged this to be done in light of recent comments the Mayor has made about Casino's and the Site Committee.

Public Speak Out

We will have a public speak out session 15 minutes before each regularly scheduled meeting.

Discussion/ Questions

Discussed having a website so residents can give the committee suggestions and feedback. Andy Doty from the IT department said he would be willing to help the committee with setup. He also said he would be willing to set it up so we can have e-mail blasts go out to members of the committee.

Moses Gonzalez talked about going out and talking to residents in the possible site areas to get feedback. He said they need to be informed of what a casino will bring to their neighborhood so they can make an informed decision before voting. He also talked about how the city has voted down a casino before.

Councilor Williams stated the city voted down a casino gambling in 1995 when it was illegal in Mass.

Councilor Allen stated he hears casinos are 3-5 years away from being opened in the state. He was looking to see when a referendum may be held. No clear answer available.

Atty. Tom Moore from the City Law department spoke- He said issues such as referendum voting will be clear as the State's Casino Commission gets up and running fully. More information has been coming from the Commission in the past few weeks.

He discussed what is called a Host Agreement- Mayor is responsible for negotiating the agreement and the City Council will need to approve it.

Talked about the RFP for a Consultant. The consultant will be helping the City with the Community Host Agreement.

He sees the committee advising the council on land use, zone changes and special permits. He did caution that all negotiations are functions of the executive office.

Councilor Allen asked if the law department could put together a brief summary for the Committee. Mr. Moore agreed to do this.

Next meeting will be held at 5pm on June 4th in the City Council Chambers.

Meeting ended at 5:52pm.

Memo

To: Wayman Lee
From: Paula Meara, Chairperson
CC:
Date: June 6, 2012
Re: Casino Site Committee – Chamber of Commerce, Planning Dept.

NOTICE OF MEETING

The Springfield Casino Site Committee of the City Council will meet on Monday, June 11, 2012 at 5:00 P.M. in the City Council Chambers. Your attendance is necessary to help expedite this matter. All interested parties are invited to attend. Thank you.

AGENDA

1. Discussion with Mr. Jeff Ciuffreda, Executive Director of the Greater Springfield Chamber of Commerce, on casino impact on local businesses and historical perspective of the casino issue.
2. Discussion with Mr. Phil Dromey, Deputy Director of Planning, on the Zoning and Special Permit procedures and processes as they relate to the location of a casino in the City of Springfield and an overview of the current Zoning laws and regulations relative to casino location.
3. All other business brought properly before this Committee.

Robert Arieti
Administrative Aide

Springfield Casino Site Committee

June 11, 2012

Present: Paula Meara, William Pepin, Zaida Luna, Bud Williams, Timothy Rooke, Timothy Allen, James Ferrera, Maurice Thomas, Martin Loughman, Therese Plasse, Moses Gonzalez, Dr. Bobbie Rennix.

Absent: Dr. Martin Markey, Richard O'Connor, Reginald Green

Meeting started at 5:05pm

Jeff Cuiffreda- Executive Director of Greater Springfield Chamber of Commerce

Mr. Cuiffreda discussed that the Chamber is now starting to study the possible impacts of a casino in Springfield now that casino gaming has been approved in the state.

He said there is no doubt casinos will have a large impact on employment. Labor is always important to the Chamber especially given the City has a 9.2% unemployment rate.

Chamber believes the State legislation (house bill 3807 now chapter 194) as written if properly carried out will address business concerns. He makes several references to items discussed in Attorney's Moore memo.

He discussed concerns about infrastructure. The Chamber doesn't want to see a casino plan that ignores the city's already existing assets.

He sees the Site committee needing to be focused on two tracks. The first track being Springfield is chosen for a casino. Second track if Springfield is not chosen then we need to work with other communities looking at Casino's (Palmer, Holyoke, etc).

He said Chamber also concerned about the impact of casinos on such things as the Mass Mutual Center, Basketball Hall of Fame, City Stage, etc. He mentioned written into the state legislation is a requirement that developers need to sign agreements with these attractions. He mentioned section 18 of the bill calls for cross marketing/ promoting of local businesses

He said that some downsides of casinos such as crime, loss of jobs, impacts on small businesses, problem gamblers are all things that need to be studied more.

Councilor Williams asked if the Chamber will be working with other chambers in the valley. He said that full thought has not been given to this as of now.

Philip Dromey- Deputy Director of Planning

He discussed that casino's would currently fall under indoor places of amusement. A casino would require at least one special permit be approved by the City Council.

Depending on location other special permits/ zone changes may be required

Special permits also may be needed for height of hotels based on which site is chosen

Mr. Dromey mentioned the City is working on a zoning modernization plan, trying to add more controls. Complex projects would have to go through a tiered review process. Clearly a casino would go through the highest tier review process.

Chair Meara asked if the Council would need to approve special permits before the public vote on a casino. Attorney Moore is unsure if this would happen before a vote. Mr. Dromey thinks the developer would want to wait till after the public vote before going for special permits.

Councilor Allen asked if the Page Blvd. site was all zoned the same. Yes all zoned business A

Councilor Allen also asked about land use issues being addressed before public vote or after public vote. Answer unclear at this time

Councilor Rooke: Thinks the City Council, Mayor and Site committee members need to sit down to make sure on the same page. He doesn't want to see the Mayor in favor of one proposal and the council in favor of something else. Etc. He mentioned we may only get one chance and we need to be united. He suggested a meeting with the Mayor.

Chair Meara asked if we should try and set up a meeting with the Mayor. Councilor Ferrera made a motion to do so. The motion was seconded by Councilor Rooke. Vote was unanimous.

New Business

Bill Pepin made a motion that we set aside time to formally invite the public to come forward with comments/ concerns. Public speak out will take place at the start of the meetings. Everyone was in favor.

Interoffice Memo

Date: June 4, 2012
To: Paula Meara, Chairperson
Cc: file, Casino Site Committee Members
From: Philip Dromey, Deputy Director of Planning
RE: Casino Site Committee – Zoning

Chairperson Meara:

Below is a brief outline of the zoning issues regarding the location of a casino in Springfield:

Current Zoning:

The Springfield Building Commissioner and Zoning Administrator have determined that a casino would fall under the zoning classification of an "indoor place of amusement".

Indoor Places of Amusement are allowed in the following zones:

- Business A – City Council Special Permit
- Business B - City Council Special Permit
- Business C - City Council Special Permit
- Industrial A - City Council Special Permit

Proposed Zoning:

Under the proposed zoning modernization project, which is currently being worked on by the staff, the requirement for an indoor place of amusement would remain the same. A City Council special permit would be required in all the zones listed above.

However, in addition to the special permit needed for the indoor place of amusement, an additional special permit would be triggered under the proposed Tiered Review Thresholds. The proposed Tiered Review system allows for additional site review for residential and commercial projects. The overall size of the proposed development determines the level of review. This level of review ranges from a simple administrative site plan review up to a City Council Special Permit.

It is the staff's opinion that due to the size of a casino development, the threshold for a City Council Special Permit would be triggered.

As can be seen, under the proposed zoning modernization project, additional controls and reviews would be required.

Memorandum

From: Thomas D. Moore, Associate City Solicitor
To: Springfield Casino Site Committee
Date: June 4, 2012

RE: Summary of Casino Legislation

This memorandum was written for the purpose of providing a summary of the newly enacted Act Establishing Expanded Gaming in the Commonwealth for the advisory committee to the Springfield City Council, established by the City Council President, and named the "Springfield Casino Site Committee".

Attached to this memorandum are "A Brief Summary of An Act Establishing Gaming in the Commonwealth", which includes bulleted information by category (Exhibit A); and "A Section by Section Summary of the Act", (Exhibit B).

Massachusetts legislation and state process.

Chapter 194 of the Acts of 2011, "An Act Establishing Expanded Gaming in the Commonwealth", was approved November 22, 2011. Section 16 of the legislation creates a new chapter in the General Laws, chapter 23K, which creates legalized gaming in the commonwealth as well as a "Massachusetts Gaming Commission". The Commission established in chapter 23K of the General Laws, includes members appointed by the governor, the attorney general and the treasurer.

M.G.L. Chapter 23K, Section 19 establishes three gaming license regions. The Commission may grant 3 licenses for casinos, divided by regions of the Commonwealth. The licenses will be valid for an initial period of 15 years. This section also requires any gaming

license awarded to an applicant with simulcasting or live horse racing to continue to conduct either simulcasting or live horse racing or the Commission will suspend the license.

The legislation contains an application procedure. G.L. Chapter 23K, Section 15 establishes the prerequisites for any applicant for a gaming establishment license, including agreeing to be a lottery reseller and obtaining a MOU with the host community, surrounding communities, as well as certain entertainment venues.

This section also requires a referendum vote from the host community and the payment of community impact fees to the host community and provides in part:

“No applicant shall be eligible to receive a gaming license unless the applicant meets the following criteria and clearly states as part of an application that the applicant shall:

...
(6) demonstrate to the commission how the applicant proposes to address lottery mitigation, compulsive gambling problems, workforce development and community development and host and surrounding community impact and mitigation issues as set forth in the memoranda of understanding required under this chapter;

(7) identify the infrastructure costs of the host and surrounding communities incurred in direct relation to the construction and operation of a gaming establishment and commit to a community mitigation plan for those communities;

(8) provide to the commission a signed agreement between the host community and the applicant setting forth the conditions to have a gaming establishment located within the host community; provided, however, that the agreement shall include a community impact fee for the host community and all stipulations of responsibilities between the host community and the applicant, including stipulations of known impacts from the development and operation of a gaming establishment;

(9) provide to the commission signed agreements between the surrounding communities and the applicant setting forth the conditions to have a gaming establishment located in proximity to the surrounding communities and documentation of public outreach to those surrounding communities; provided, however, that the agreement shall include a community impact fee

for each surrounding community and all stipulations of responsibilities between each surrounding community and the applicant, including stipulations of known impacts from the development and operation of a gaming establishment;

(10) provide to the commission signed agreements between the impacted live entertainment venues and the applicant setting forth the conditions to have a gaming establishment located in proximity to the impacted live entertainment venues; provided, however, that the agreement shall include, but not be limited to, terms relating to cross marketing, coordination of performance schedules, promotions and ticket prices;

(13) have received a certified and binding vote on a ballot question at an election in the host community in favor of such license; provided, however that a request for an election shall take place after the signing of an agreement between the host community and the applicant; provided further, that upon receipt of a request for an election, the governing body of the municipality shall call for the election to be held not less than 60 days but not more than 90 days from the date that the request was received; provided further, that the signed agreement between the host community and the applicant shall be made public with a concise summary, approved by the city solicitor or town counsel, in a periodical of general circulation and on the official website of the municipality not later than 7 days after the agreement was signed by the parties; provided further, that the agreement and summary shall remain on the website until the election has been certified; provided further, that the municipality that holds an election shall be reimbursed for its expenses related to the election by the applicant within 30 days after the election; provided further, that the commission shall deny an application for a gaming license if the applicant has not fully reimbursed the community; provided further, that, for the purposes of this clause, unless a city opts out of this provision by a vote of the local governing body, if the gaming establishment is proposed to be located in a city with a population of at least 125,000 residents as enumerated by the most recent enumerated federal census, "host community" shall mean the ward in which the gaming establishment is to be located for the purpose of receiving a certified and binding vote on a ballot question at an election; provided further, that, upon the signing of an agreement between the host community and the applicant and upon the request of the applicant, the city or town clerk shall set a date certain for an election on the ballot question in the host community; provided further, that at such election, the question submitted to the voters shall be worded as follows:

"Shall the (city/town) of _____ permit the operation of a gaming establishment licensed by the Massachusetts Gaming Commission to be

located at ____ [description of site] ____? YES ____ NO ____” ;
provided further, that the ballot question shall be accompanied by a
concise summary, as determined by the city solicitor or town counsel;
provided further, that if a majority of the votes cast in a host community in
answer to the ballot question is in the affirmative, the host community
shall be taken to have voted in favor of the applicant’s license; provided
further, that, if the ballot question is voted in the negative, the applicant
shall not submit a new request to the governing body within 180 days of
the last election; and provided further, that a new request shall be
accompanied by an agreement between the applicant and host community
signed after the previous election; provided further, that if a proposed
gaming establishment is situated in 2 or more cities or towns, the applicant
shall execute an agreement with each host community, or a joint
agreement with both communities, and receive a certified and binding vote
on a ballot question at an election held in each host community in favor of
such a license;

(14) provide a community impact fee to the host community;

(15) formulate for commission approval and abide by a marketing program
by which the applicant shall identify specific goals, expressed as an overall
program goal applicable to the total dollar amount of contracts, for
utilization of: (i) minority business enterprises, women business enterprises
and veteran business enterprises to participate as contractors in the design of
the gaming establishment; (ii) minority business enterprises, women
business enterprises and veteran business enterprises to participate as
contractors in the construction of the gaming establishment; and (iii)
minority business enterprises, women business enterprises and veteran
business enterprises to participate as vendors in the provision of goods and
services procured by the gaming establishment and any businesses operated
as part of the gaming establishment; and

(16) formulate for commission approval and abide by an affirmative action
program of equal opportunity whereby the applicant establishes specific
goals for the utilization of minorities, women and veterans on construction
jobs; provided, however, that such goals shall be equal to or greater than the
goals contained in the executive office for administration and finance
Administration Bulletin Number 14. In furtherance of specific goals for the
utilization of minorities, women and veterans on construction jobs, the
licensee shall send to each labor union or representative of workers with
which the applicant has a collective bargaining agreement or other contract
or understanding, a notice advising the labor union or workers’
representative of the applicant’s commitments.

At the state level, the M.G.L. Chapter 23K, Section 17 requires the Commission to conduct a review of any suitable applicant. The Commission will determine which communities will be considered surrounding communities for the purpose of impact fees and community mitigation and help to negotiate agreements between the developer and the communities. Surrounding communities will have the ability to negotiate a "surrounding community memorandum of understanding" and a community may or may not be designated a "surrounding community" at the time of application.

"In making that determination, the commission shall consider the detailed plan of construction submitted by the applicant, information received from the public and factors which shall include, but not be limited to, population, infrastructure and distance from the gaming establishment and political boundaries. If the commission determines a city or town to be a surrounding community and the applicant has not finalized negotiations with that community in its application pursuant to section 15, the applicant shall negotiate a signed agreement with that community within 30 days and no action shall be taken on its application prior to the execution of that agreement. Notwithstanding clause (9) of said section 15, in the event that an applicant and a surrounding community cannot reach an agreement within the 30-day period, the commission shall have established protocols and procedures for ensuring the conclusion of a negotiation of a fair and reasonable agreement between an applicant and a surrounding community in order to allow the applicant to submit a timely and complete application."

Similarly, the Commission will also determine which live entertainment venues will be considered impacted live entertainment venues and help negotiate agreements between the venues and the developer. The Commission will hold a public hearing on all gaming establishment applications. The Commission would then make a final decision on the application.

"(b) After a review of the entire application and any independent evaluations, the commission shall identify which live entertainment venues shall be designated as impacted live entertainment venues of a proposed gaming establishment; provided, however, that any live entertainment venue that has negotiated an agreement with the applicant that was submitted with the application shall be considered an impacted live entertainment venue by the commission. If the commission determines a live entertainment venue to

be an impacted live entertainment venue and the applicant has not finalized negotiations with that live entertainment venue in its application pursuant to section 15, the applicant shall negotiate a signed agreement with that live entertainment venue within 30 days and no action shall be taken on its application prior to the execution of that agreement. Notwithstanding clause (10) of said section 15, in the event an applicant and an impacted live entertainment venue cannot reach an agreement within the 30-day period, the commission shall have established protocols and procedures for ensuring the conclusion of a negotiation of a fair and reasonable agreement between an applicant and an impacted live entertainment venue in order to allow the applicant to submit a timely and complete application. A gaming licensee's compliance with such agreements shall be considered upon a gaming licensee's application for renewal of the gaming license."

The application process will include a public hearing at the state level.

"(c) The commission shall conduct a public hearing on the application pursuant to section 11 ½ of chapter 30A. An applicant for a gaming license and a municipality designated as a host or surrounding community shall be given at least 30 days notice of the public hearing. The commission shall hold the public hearing within the host community; provided, however, that the host community may request that the commission hold the hearing in another city or town.

(d) The public hearing shall provide the commission with the opportunity to address questions and concerns relative to the proposal of a gaming applicant to build a gaming establishment, including the scope and quality of the gaming area and amenities, the integration of the gaming establishment into the surrounding community and the extent of required mitigation plans and receive input from members of the public from an impacted community. During the hearing, the commission may take the opportunity to read into the record any letters of support, opposition or concern from members of a community in the vicinity of the proposed gaming establishment.

(e) Not sooner than 30 days nor later than 90 days after the conclusion of the public hearing, the commission shall take action on the application. The commission may: (i) grant the application for a gaming license; (ii) deny the application; or (iii) extend the period for issuing a decision in order to obtain any additional information necessary for a complete evaluation of the application; provided, however, that the extension shall be not longer than 30 days.

(f) Upon denial of an application, the commission shall prepare and file the commission's decision and, if requested by the applicant, shall further prepare and file a statement of the reasons for the denial, including specific

findings of fact by the commission and the recommendation from the bureau relative to the suitability of the applicant pursuant to sections 12 and 16. Applicants may request a hearing before the commission to contest any findings of fact by the bureau relative to the suitability of the applicant.

(g) The commission shall have full discretion as to whether to issue a license. Applicants shall have no legal right or privilege to a gaming license and shall not be entitled to any further review if denied by the commission.”

The applicant has minimum investment requirements. Section 10 (a) provides:

“ The commission shall set the minimum capital investment for a category 1 license; provided, however, that a gaming licensee shall make a capital investment of not less than \$500,000,000 into the gaming establishment which shall include, but not be limited to, a gaming area, at least 1 hotel and other amenities as proposed in the application for a category 1 license; and provided further, that the commission shall determine whether it will include the purchase or lease price of the land where the gaming establishment will be located or any infrastructure designed to support the site including, but not limited to, drainage, utility support, roadways, interchanges, fill and soil or groundwater or surface water contamination issues, whether or not the applicant is an eligible owner or operator under chapter 21E and has suitable capital to finance its operations and the proposed capital investment. Upon award of a gaming license by the commission, the applicant shall be required to deposit 10 per cent of the total investment proposed in the application into an interest-bearing account. Monies received from the applicant shall be held in escrow until the final stage of construction, as detailed in the timeline of construction submitted with the licensee’s application and approved by the commission, at which time the deposit shall be returned to the applicant to be applied for the final stage. Should the applicant be unable to complete the gaming establishment, the deposit shall be forfeited to the commonwealth. In place of a cash deposit, the commission may allow for an applicant to secure a deposit bond insuring that 10 per cent of the proposed capital investment shall be forfeited to the commonwealth if the applicant is unable to complete the gaming establishment.

Local Review and approval

As indicated above, prior to application to the state, there are agreements and MOU’s required, as well as a referendum vote. In addition, it appears that all local permitting requirements must be met for construction of any project. Specifically, section 15 provides that no applicant shall be eligible to receive a gaming license unless the applicant shall: “(12) comply

with state and local building codes and local ordinances and bylaws, including sections 61 to 62H, inclusive, of chapter 30”.

In considering and issuing permits, licenses and other administrative approvals and decisions, the respective agency, department, board, commission or authority shall also consider reasonably foreseeable climate change impacts, including additional greenhouse gas emissions, and effects, such as predicted sea level rise.

Acceptance of a Community Host Agreement in Springfield would require the approval of both the City Council and the Mayor. Negotiation of agreements with potential developers is an executive function, reserved for the Mayor exclusively; however, the advisory committee here is able to act as a collector of facts and an advisor to the City Council in its deliberations. The City Council’s role in this process will be to carryout its role in land use decisions under the Springfield Zoning Act (i.e. vote on zones changes, special permits, etc.); to vote on the approval of a Community Host Agreement; to vote on whether to “opt out” of the ward based process for the host agreement referendum.

Specifically, the legislation provides that in any city with a population of at least 125,000, residents may be limited to the “host community” being defined as only “the ward in which the gaming establishment is to be located” for the purpose of receiving a certified and binding vote on a ballot question at an election, unless the governing body of the community votes to “opt out” of the ward limitation provision.

Presently, one proposed developer has publically stated that it intends to seek a license for a parcel in East Springfield at the site of the former Westinghouse facility. This facility is located in Ward 2. As such, unless the City Council votes to “opt out”, only Springfield’s Ward 2 residents will be able to vote on weather to approve any host agreement that is negotiated, even

though the proposed site is close to the border of Ward 8, and will likely impact other Wards in the City. Should there be any other proposals, in any other Wards, only the voters within that Ward would be allowed to vote, unless the City Council votes to “opt out” of this statutory provision.

EXHIBIT A

A Brief Summary of An Act Establishing Expanded Gaming in the Commonwealth.

Resort Casinos

- This bill permits no more than 3 resort casinos to be licensed in 3 regions (Region A: Suffolk, Middlesex, Essex, Norfolk and Worcester counties; Region B: Hampshire, Hampden, Franklin and Berkshire counties; Region C: Bristol, Plymouth, Barnstable, Nantucket and Dukes counties).
- Each licensee who is awarded a resort casino license shall be required to pay the commonwealth a one-time licensing fee of not less than **\$85 million**. Each resort casino will be required to invest a minimum of not less than **\$500 million** into the gaming establishment. The Gaming Commission will set the license fee and capital investment for each region at the time of the RFP.
- Resort casinos will be taxed at a rate of **25%** of gross gaming revenue.

Slots Licensee

- There shall be 1 slots license to be awarded pursuant to an open competitive bid process to a qualified applicant in **any** region.
- The qualified licensee shall be required to pay the commonwealth a minimum licensing fee of **\$25 million**.
- The slots licensee will be required to invest a minimum of **\$125 million** into the gaming establishment, which excludes traffic mitigation.
- The slot machine facility will be taxed at a rate of **40%** of gross gaming revenue. In addition to the gaming tax, the slots facility is required to pay an additional **9%** of gross gaming revenue for race horse development funding. This will equal a combined tax rate of **49%**.

Native American Gaming

- The legislation acknowledges the legal and political uncertainty at the federal level surrounding Native American Gaming by federally recognized Native American Tribes in the Commonwealth, while ensuring that a competitively bid license in Region C (the southeastern region) can move forward in accordance with a predetermined timetable. This objective is accomplished by:
 - Authorizing the Governor to enter into a compact with an eligible federally recognized Native American Tribe in Region C;
 - Allowing the Governor to enter negotiations only with a tribe that has purchased, or entered into agreement to purchase, a parcel of land for the proposed tribal gaming development and scheduled a vote in the host communities for approval of the proposed tribal gaming development;
 - Requiring that any compact negotiated by the Governor be ratified by the General Court;
 - Limiting the amount of time within which the Governor and Native American Tribe can negotiate a compact, and the General Court can ratify the compact, until July 31, 2012;
 - Requiring, in the absence of a timely negotiated and ratified compact, the Gaming Commission to publish a request for applications for a Category 1 License in Region C no later than October 31, 2012;
 - Also, if the Native American Tribe is prevented from taking land into trust for gaming purposes by the federal Department of the Interior by August 1, 2012, then the Commission is required to forthwith publish a request for applications for a Category 1 License in Region C.
 - Providing the Governor with a \$5M appropriation with which to hire the necessary legal and policy experts and also requiring the Gaming Commission to provide assistance to the Governor in the negotiation and execution of a compact.

Regulatory Structure

- The bill creates an independent commission made up of 5 members, 1 of whom shall be appointed by the governor, 1 by the attorney general and 1 by the treasurer with the remaining 2 appointed by a majority vote of the governor, attorney general and treasurer. The governor shall designate the chair of the commission.
- The commission shall be responsible for awarding and issuing all licenses and the regulatory enforcement of the gaming laws at the gaming establishments.
- The bill also creates a new division of gaming enforcement in the office of the attorney general which shall be responsible for criminal enforcement of the gaming laws.
- New gaming enforcement units will also be created in the State Police and the Alcoholic Beverages Control Commission.

Regulatory Assessment

- Gaming licensees shall be required to pay an annual license slot machine fee of \$600 per machine to pay for the operation of the commission. Licensees shall also be billed for the cost of investigations into their establishments.
- Any additional costs incurred by the commission shall be assessed to the gaming licensees in proportion to the number of gaming positions at each establishment.

Licensing Process

- The Gaming Commission requests applications for all gaming licenses and sets deadlines for their receipt. Applicants shall be required to seek a referendum from their host community with the vote taking place within 3 months of the date on which it was requested.
- Upon receipt of an application for a gaming license, the commission shall conduct a thorough background investigation of an applicant and an applicant's affiliates and financial backers. This process will take approximately 4-6 months. If the commission determines that an applicant has failed to qualify for a gaming license due to a lack of personal or financial integrity or irresponsible gaming practices, the commission shall cease any further action on the application and deny the applicant a gaming license.
- If an applicant passes the background investigation, then the commission shall review an applicant's entire proposal to operate a gaming establishment. The bill sets forth a number of criteria and policy objectives upon which the commission shall judge an applicant suitable to receive a gaming license. Some critical criteria are protecting the lottery, promoting local businesses, utilizing local workforce, promoting tourism and addressing problem gambling.

Community Mitigation Provisions

- Contained in the bill is a twofold approach to community mitigation where responsibility is shared between the operators and the commonwealth.
- Operators must negotiate impact agreements with the host community and any surrounding communities that will be impacted by the operation of the gaming establishment as determined by the commission.
- \$400,000 licensing fee for category 1 licenses with \$50,000 used to assist host and surrounding communities with costs associated with the negotiation of an agreement with the gaming establishment.
- Community Mitigation Subcommittee under the Gaming Policy Advisory Committee.

Compulsive Gambling Provisions

- \$5 million will be annually assessed in proportionate shares on all gaming licensees to fund compulsive gambling and other addiction services programs.

- All applicants for a gaming license have to agree to provide complimentary on-site space for a counseling service center and display information on the signs of problem gambling, how to access assistance and how to add one's name to the list of excluded persons.
- Successful applicants for a gaming license must demonstrate to the commission any additional measures they will take to address problem gambling including, but not limited to, training employees to identify patrons exhibiting signs of problem gambling and prevention programs targeted toward vulnerable populations.

Lottery and Local Aid Provisions

- All gaming licensees are required to be lottery retailers and must demonstrate that all lottery games are readily accessible to patrons and submit a plan with their application detailing how they will mitigate any negative impacts to the lottery.
- Successful applicants for a gaming license must demonstrate how they will protect the lottery from any adverse impacts due to expanded gaming as well as how they will develop marketing plans targeted toward out-of-state residents.
- This bill also recognizes the need to protect and increase local aid, not just due to this recession, but as a duty to our cities and towns. Therefore, 100% of tax revenue received from the slots licensee shall be dedicated to local aid. As soon as one of the resort casinos is operational, then 25% of the total tax revenue will go directly to local aid.
- In addition to local aid, this bill also creates a local capital projects fund to provide cities and towns with an additional source of funding to complete local projects which has a dedicated revenue source of 2% of total tax revenue from the gaming establishments.

Horse Racing Provisions

- 9% assessment of gross gaming revenue for the category 2 slot license for race horse development funding.
- Commission may allow simulcasting at category 1 facilities with a percentage to be dedicated to the Race Horse Development Fund.
- 5% of the Gaming Revenue Fund is dedicated to race horse development funding.
- The creation of a 5 member horse racing committee that shall make recommendations on how the funds in the Race Horse Development Fund shall be distributed to support the thoroughbred and standardbred horse racing industries.

Other Provisions

- Public employees who participated in gaming policy will be prohibited from working for a gaming licensee for a period of 1 year after leaving employment with the state.
- This bill updates our money laundering statute and adds statutory provisions to prosecute enterprise crime.

Jobs

- Expanded gaming in the commonwealth could create **over 15,000 jobs within the next 5 years.**
- The level of required capital investment at the gaming establishments, combined with the market exclusivity of the resort casinos, can generate over **7000 direct jobs**, over **6000 construction jobs**, and approximately **3000 indirect and induced jobs** in the commonwealth.

Funds

Gaming Licensing Fees

- 10% to community mitigation.
- 14.5% to transportation infrastructure
- 11% to local capital projects.
- 13% to manufacturing.
- 17% to community college programs.
- 1.5% to tourism.
- 23% to healthcare payment reform.
- 5% to local aid stabilization.
- 5% to Race Horse Development Fund.

Revenue from Slots Licensee

- 100% to local aid.

Resort Casino Revenue

- 20% to local aid.
- 10% to Rainy Day (except if there is a deficiency in local aid).
- 14% to education.
- 4.5% to local capital projects.
- 6.5% to community mitigation.
- 2% to MA Cultural Council (75% of which goes to a competitive grant program for non-profit community performing art centers).
- 1% to tourism.
- 9.5% to economic development.
- 10% for debt reduction.
- 15% to transportation infrastructure.
- 5% to public health.
- 2.5% to Race Horse Development Fund.

EXHIBIT B

An Act Establishing Expanded Gaming in the Commonwealth

Section by Section Summary

SECTION 1. This section authorizes the appropriations described in section 2A.

SECTION 2A. This section authorizes the transfer of \$5 million to the Governor to cover costs related to the negotiation and execution of a compact with a federally recognized Indian tribe in the Commonwealth. This section also authorizes the transfer of \$500,000 to the Attorney General for the implementation and operation of the division of gaming enforcement.

SECTION 3: This section establishes a new definition for the term "illegal gaming" for the purposes of statutory construction.

SECTION 4: This section repeals the enabling statute for the State Racing Commission.

SECTION 5: This section makes a technical correction to reflect the State Lottery Fund name change to the State Lottery and Gaming Fund.

SECTION 6: This section makes a technical correction to reflect the State Lottery Fund name change to the State Lottery and Gaming Fund.

SECTION 7: This section repeals the enabling statutes for the Retired Greyhound Care and Adoption Council and the Greyhound Adoption Trust Fund.

SECTION 8: This section establishes a gaming liquor enforcement unit within the Alcoholic Beverage Control Commission. The unit will have the authority to enforce, regulate and control the distribution of alcoholic beverages in a gaming establishment.

SECTION 9: This section establishes a division of gaming enforcement within the Office of the Attorney General. The division of gaming enforcement will have the authority to investigate and prosecute allegations of criminal activity related to the operation of a gaming establishment or games.

SECTION 10: This section repeals the enabling statute for the State Gambling Advisory Commission.

SECTION 11: This section makes a technical correction to reflect the elimination of the State Racing Commission.

SECTION 12: This section makes a technical correction to reflect the elimination of the State Racing Commission.

SECTION 13: This section makes a technical correction to reflect the elimination of the State Racing Commission.

SECTION 14: This section makes a technical correction to section 38 of chapter 22C of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 15: This section authorizes the Colonel of the State Police to establish a gaming enforcement unit to investigate criminal violations related to gaming.

SECTION 16: This section creates a new chapter in the General Laws, chapter 23K, with creates legalized gaming in the commonwealth and establishes the Massachusetts Gaming Commission.

Chapter 23K: The Massachusetts Gaming Commission

Section 1. This section establishes the objectives of the General Court in the legalization of expanded gaming.

Section 2. This section establishes definitions for use in the chapter.

Section 3. This section establishes the Massachusetts Gaming Commission. The Commission would consist of 5 commissioners appointed the governor, attorney general and treasurer for 5 year terms. 2 of the 5 commissioners must be approved by a majority vote of the governor, attorney general, and treasurer, and a chairman is appointed by the governor. Commissioners would be subject to a background check prior to appointment. Members and employees of the Commission would be prohibited from gambling at any establishment in the Commonwealth. The Commission will appoint an executive director to be the executive and administrative head of the Commission.

Section 4. This section grants certain powers and duties to the Commission. These powers and duties include developing additional criteria to assess the value of applications for gaming licenses and to determine which applicants shall be awarded gaming licenses, gaming vendor licenses and other licenses required under the chapter.

Section 5. This section requires the Commission to promulgate certain regulations and sets out the areas over which the Commission could promulgate regulations.

Section 6. This section creates an investigation and enforcement bureau within the Commission to be the primary enforcement agent for regulatory matters under this chapter. This section further provides the gaming enforcement unit of the state police with exclusive police jurisdiction over criminal activity occurring inside a gaming establishment, concurrent jurisdiction with local law enforcement over all other policing matters and requires the execution of a memorandum of understanding between the state police and local law enforcement.

Section 7. This section authorizes the Commission to administer and enforce existing simulcasting statutes. This section also authorizes the Commission to grant simulcasting licenses to gaming establishments.

Section 8. This section requires the Commission to include specific provisions in the request for applications for all categories of gaming licenses.

Section 9. This section allows the Commission to set out the terms of the application for a gaming establishment license, and sets out certain requirements for that application. These requirements include detailed descriptions of timelines, location and hiring practices. As well as plans to identify, evaluate and mitigate social, economic, cultural and public safety impacts on surrounding communities.

Section 10. This section requires all applicants for category 1 licenses to make a minimum capital investment of at least \$500M and establishes a minimum licensing fee for category 1 licenses of at least \$85M.

Section 11. This section requires all applicants for the category 2 license to make a minimum capital investment of at least \$125M and establishes a minimum licensing fee for the category 2 license of at least \$25M.

Section 12. This section requires the Bureau to investigate the background, reputation and character of any applicant for a gaming establishment license. If the Bureau does not find the applicant suitable, the application will be denied. If the Bureau finds the applicant to be suitable, the Bureau would make a recommendation to the Commission to commence a review of the applicant's entire application.

Section 13. This section requires applicants for a gaming license or any person required to be licensed by the Commission to provide all information requested by the Commission and creates an affirmative duty to provide truthful information or risk ineligibility for licensure.

Section 14. This section sets out disclosure and qualification criteria for the close associates of the gaming license applicants.

Section 15. This section establishes the prerequisites for any applicant for a gaming establishment license, including agreeing to be a lottery reseller and obtaining a MOU with the host community. This section further requires a referendum vote from the host community and the payment of community impact fees to the host community.

Section 16. This section sets out the grounds for denying gaming and key gaming employee licenses. Applications shall be denied if applicants have been involved in criminal activities, have lied to the Commission, have committed acts that form a pattern of misconduct that makes the applicant unsuitable, or keeps close associates whose

relationship with the applicant could pose injury to the gaming industry or Commonwealth.

Section 17. This section requires the Commission to conduct a review of any suitable applicant. The Commission will determine which communities will be considered surrounding communities for the purpose of impact fees and community mitigation and help to negotiate agreements between the developer and the communities. The Commission will also determine which live entertainment venues will be considered impacted live entertainment venues and help negotiate agreements between the venues and the developer. The Commission will hold a public hearing on all gaming establishment applications. The Commission would then make a final decision on the application.

Section 18. This section establishes certain criteria that the Commission would use to evaluate gaming establishment applications. These criteria include protecting the lottery from adverse impact; the use of local businesses; utilizing sustainable development principles; maximizing revenues received by the Commonwealth and creating a secure and robust gaming market.

Section 19. This section establishes the gaming license regions. The Commission may grant 3 licenses for casinos, divided by regions of the Commonwealth. The licenses will be valid for an initial period of 15 years. This section also requires any gaming license awarded to an applicant with simulcasting or live horse racing to continue to conduct either simulcasting or live horse racing or the Commission will suspend the license.

Section 20. This section establishes the category 2 license. The Commission may grant 1 competitively bid slot license to a qualified applicant. This license is renewable every 5 years. This section also requires any gaming license awarded to an applicant with simulcasting or live horse racing to continue to conduct either simulcasting or live horse racing or the Commission will suspend the license.

Section 21. This section establishes the conditions of a gaming establishment license. These conditions include abiding by statements made in the application; complying with all laws of the Commonwealth; making capital expenditures of 3.5% of net gaming revenue and paying gross gaming revenue daily to the Commission.

Section 22. This section requires corporations holding gaming licenses to report any changes in corporate officers or board of directors to the Commission, as well as, requires approval from the Commission for the disposition of corporate securities.

Section 23. This section requires category 1 and category 2 licensees to issue annual reports to the Commission demonstrating that they are abiding by the statements made in

the application and allows the Commission to review the business operations of any gaming licensee.

Section 24. This section requires all gaming licensees to maintain existing racing facilities and increases the number of live racing days to 125. After 3 years, the Commission may adjust the number of required racing days.

Section 25. This section prohibits gaming licensees from conducting gaming without an operation certificated issued by the Commission.

Section 26. This section allows the Commission to grant a gaming establishment a license to serve alcohol and provides the division of gaming liquor enforcement within the Alcohol Beverage Control Commission with the authority to enforce, regulate and control the distribution of alcoholic beverages in a gaming establishment.

Section 27. This section establishes procedures for gaming licensees to issue credit to patrons.

Section 28. This section authorizes gaming licensees to provide certain complimentary services to patrons through complimentary distribution programs filed with and approved by the Commission.

Section 29. This section requires that gaming establishments allow patrons to limit their betting on cashless wagering systems. Patrons may also receive monthly win/loss statements from gaming establishments.

Section 30. This section establishes licensing and registration requirements for gaming establishment employees. All gaming establishment employees are required to be licensed or registered with the Commission and to pay a fee for the license or registration as set by the Commission.

Section 31. This section establishes licensing and registration requirements for gaming vendors and associates. All gaming and non-gaming vendors are required to be licensed or registered with the Commission every 3 years and to pay a fee for the license or registration as set by the Commission.

Section 32. This section requires labor organizations, unions, and affiliates representing casino employees to register with the Commission and prohibits these organizations from holding a financial interest in a casino with employees they represent.

Section 33. This section sets licensing and operational requirements for junkets and junket representatives.

Section 34. This section establishes a process for a conservator to take temporary control of a gaming establishment in the event of a revocation or suspension of a gaming license.

The conservator is required to have experience in the field of gaming management and experience operating a high caliber gaming facility.

Section 35. This section authorizes the Bureau to issue orders, as necessary, for enforcement and to assess a civil administrative penalty on a licensee or registrant for noncompliance.

Section 36. This section establishes civil penalties for violations of this chapter. Under this section, the Bureau may assess civil administrative penalties following written notice of the Bureau's intent to assess a penalty and provides a licensee or registrant with the right to an adjudicatory hearing.

Section 37. This section establishes criminal penalties for violations of this chapter. This section includes criminal penalties for: operating a game or gaming device in violation of this chapter; employing unlicensed or unregistered individuals; working without a license or registration; conducting gaming after a licensee has expired; knowingly failing to exclude those placed on the exclusion list; and willfully failing to report, evade or pay fees and/or taxes.

Section 38. This section establishes criminal penalties for lying to a gaming control authority.

Section 39. This section establishes criminal penalties for cheating or swindling a gaming establishment.

Section 40. This section establishes criminal penalties for using a device to cheat or swindle a gaming establishment.

Section 41. This section establishes criminal penalties for distributing or manufacturing a device to cheat or steal from a person using a gaming establishment.

Section 42. This section establishes procedures for the seizure and forfeiture of all devices used, sold or manufactured in violation of this chapter

Section 43. This section establishes criminal penalties for underage gaming and allowing underage gaming. Under this section, an individual must be at least 21 years old to gamble in a gaming establishment in the Commonwealth.

Section 44. This section requires all penalties collected under this chapter and renewal fees to be deposited into the Gaming Revenue Fund.

Section 45. This section establishes a list of persons to be banned from gaming establishments, including persons identified as criminal threats and persons placing themselves on a self-exclusion list.

Section 46. This section prohibits applicants, associates, key gaming employees and agents from making campaign contributions.

Section 47. This section requires all political contributions made by an applicant for a gaming license to any municipal employee of the host community to be disclosed to the Commission and the city or town clerk of the host community.

Section 48. This section makes gaming licensees subject to the corporate tax law.

Section 49. This section prohibits gaming establishments from receiving other tax credits offered by the Commonwealth.

Section 50. This section establishes all liability of gaming licensees to the commonwealth as a debt to the commonwealth.

Section 51. This section requires a gaming licensee to establish whether any patrons winning in excess of \$600 owe past-due child support or taxes, and if so, to first distribute said winnings to the IV-D agency and the Commonwealth before distributing the remaining winnings, if any, to the patron.

Section 52. This section requires gaming licensees to report any patrons winning in excess of \$600 to the Department of Transitional Assistance and to the IV-D agency in order to identify whether any of said patrons are also receiving public assistance.

Section 53. This section deposits unclaimed winnings in the Gaming Revenue Fund after a period of a year.

Section 54. This section remits winnings by a person under the age of 21 to the Gaming Revenue Fund.

Section 55. This section requires a category 1 licensee to pay a daily tax of 25% of gross gaming revenues and a category 2 licensee to pay a daily tax of 40% of gross gaming revenues. A category 2 licensee will also be required to pay a daily assessment of 9% of gross gaming revenue to the Massachusetts Race Horse Development Fund.

Section 56. This section establishes fees to be assessed on gaming licensees by the Commission for the purposes of its operation, including a \$600 assessment on each licensed machine. This section also requires the Commission to assess an annual fee of not less than \$5 million to address issues associated with compulsive gambling.

Section 57. This section establishes the Massachusetts Gaming Control Fund to fund operational activities of the Commission. This section requires the Commission to exist as a state agency for purposes of state finance law, participate in available commonwealth central services and submit an annual finance plan to the secretary of A&F, the House

and Senate Committees on Ways and Means and the Joint Committee on Economic Development and Emerging Technologies.

Section 58. This section establishes the Public Health Trust Fund, to be used to address issues associated with compulsive gambling.

Section 59. This section establishes the Gaming Revenue Fund. All of the money received from a category 2 licensee will be transferred to the Gaming Local Aid Fund. The remaining money from this fund will be transferred to the Massachusetts Cultural Council, Massachusetts Tourism Fund, Community Mitigation Fund, Local Capital Projects Fund, Gaming Local Aid Fund, Stabilization Fund, Education Fund, Economic Development Fund, the General Fund for debt reduction, the Transportation and Infrastructure Development Fund, the Public Health Trust Fund, and the Race Horse Development Fund.

Section 60. This section establishes a Race Horse Development Fund.

Section 61. This section establishes the Community Mitigation Fund.

Section 62. This section establishes the Transportation Infrastructure and Development Fund, to be used for transportation and related infrastructure projects.

Section 63. This section establishes the Gaming Local Aid Fund.

Section 64. This section establishes the Education Fund.

Section 65. This section requires the Commission to make an annual audit of all gaming licensees and to report the results of the audits with the clerks of the House and Senate.

Section 66. This section requires the Commission to use an independent testing laboratory to test slot machines and other gaming equipment.

Section 67. This section requires the Commission to evaluate the status of federally recognized Native American tribes within the Commonwealth to establish land in trust for the purposes of tribal economic development.

Section 68. This section establishes a 15-member Gaming Policy Advisory Committee to discuss and make recommendations on matters of gaming policy. The Committee would also have three subcommittees in the areas of community mitigation, addiction services and public safety. The host communities and surrounding communities may also form community mitigation advisory committees and submit recommendations.

Section 69. This section requires the Commission to submit a monthly report on its activities, including gaming revenue and expenses, to the Governor, Attorney General, Treasurer, the Senate and House Committees on Ways and Means, the Joint Committee

on Revenue and the Joint Committee on Economic Development and Emerging Technology.

Section 70. This section requires the Commission to annually submit a detailed report of the Commission's activities within 90 days after the end of a fiscal year.

Section 71: This section requires the Commission to create an annual research agenda in order to understand the social and economic effects of expanded gaming and to conduct a baseline study of problem gambling in the Commonwealth.

SECTION 17. This section makes a technical correction to section 7 of chapter 23K to reflect the repeal of chapters 128A and 128C of the General Laws on July 31, 2014.

SECTION 18. This section would amend chapter 29 of the General Laws by adding new sections that establish the Local Aid Stabilization Fund, the Gaming Economic Development Fund, and the Local Capital Projects Fund.

SECTION 19. This section would make a technical correction to reflect the State Lottery Fund name change to the State Lottery and Gaming Fund in section 38 of chapter 29 of the General Laws

SECTION 20. This section would make a technical correction to reflect the State Lottery Fund name change to the State Lottery and Gaming Fund in section 38 of chapter 29 of the General Laws.

SECTION 21. This section would make a technical correction relative to the Gaming Commission in section 1 of chapter 32 of the General Laws.

SECTION 22. This section would make a technical correction relative to the definition of employee in the Gaming Commission in section 2 of chapter 32A of the General Laws.

SECTION 23. This section would make a technical correction relative to illegal gaming in section 94 of chapter 41 of the General Laws.

SECTION 24. This section prohibits any person or business with an interest in a gaming establishment from making campaign contributions in excess of \$200 in a calendar year

SECTION 25. This section would make a technical correction to reflect the State Lottery Fund name change to the State Lottery and Gaming Fund in section 18C of said chapter 58 of the General Laws.

SECTION 26. This section would repeal the statute establishing distribution for pari-mutuel wagering.

SECTION 27. This section updates the income tax statute relating to non-residents to ensure that winnings at gaming establishments under Chapter 23K are taxable to non-residents as lottery or wagering transactions under section 5A of Chapter 62 of the General Laws.

SECTION 28. This section would amend withholding of taxes on wages to require withholding on horse and dog racing, slot machines, keno, and bingo winnings.

SECTION 29. This section updates the requirement that employers provide statements of wages earned and taxes withheld to employees to also include payees and entities required to withhold taxes from payees

SECTION 30. This section would amend the requirement for annual reports by entities doing business in the commonwealth to ensure that entities withholding taxes on winnings report the names of the individuals to the commissioner.

SECTION 31. This section would amend the corporate apportionment formula to source receipts from gaming operations.

SECTION 32. This section would make an additional change to the corporate apportionment receipt formula from gaming operations..

SECTION 33. This section would make a technical correction to reflect the State Lottery Fund name change to the State Lottery and Gaming Fund

SECTION 34. This section would make a technical correction to section 2 of chapter 128 of the General Laws relative to the elimination of greyhound racing in the Commonwealth.

SECTION 35. This section would make a technical correction to section 2 of chapter 128 of the General Laws relative to the elimination of greyhound racing in the Commonwealth.

SECTION 36. This section would make a technical correction to section 2 of chapter 128 of the General Laws relative to the elimination of greyhound racing in the Commonwealth.

SECTION 37. This section makes a technical correction to section 1 of chapter 128A of the General Laws relative to the elimination of the State Racing Commission.

SECTION 38. This section makes a technical correction to section 2 of chapter 128A of the General Laws relative to the elimination of the State Racing Commission.

SECTION 39. This section would repeal the statute relative to horse and dog racing.

SECTION 40. This section would make a technical correction relative to section 1 of chapter 128C of the General Laws relative to the elimination of the state racing commission.

SECTION 41. This section would repeal the statute relative to simulcasting.

SECTION 42. This section would make a technical correction to section 1 of chapter 137 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 43. This section would make a technical correction to section 2 of chapter 137 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 44. This section would make a technical correction to section 3 of chapter 137 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 45. This section would make a technical correction to section 18 of chapter 139 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 46. This section would make a technical correction to clause 2 of section 177A of chapter 140 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 47. This section would make a technical correction to section 26A of chapter 180 of the General Laws relative to the elimination of greyhound racing in the Commonwealth.

SECTION 48. This section would establish a new Chapter 267A relative to money laundering.

SECTION 49. This section would prohibit former state, county or municipal employees who participated in legislation on expanded gaming from acquiring an interest in, or accepting employment with, a gaming licensee for a period of 1 year after leaving municipal employment.

SECTION 50. This section would amend section 6 of chapter 268B of the General Laws relative to legislative agents under this chapter who holds a license issued by the Massachusetts gaming commission.

SECTION 51. This section would make a technical correction to section 1 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 52. This section would make a technical correction to section 2 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 53. This section would make a technical correction to section 3 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 54. This section would make a technical correction to section 5 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 55. This section would make a technical correction to section 5A of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 56. This section would make a technical correction to section 6 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 57. This section would make a technical correction to section 7 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 58. This section would make a technical correction to section 8 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 59. This section would make a technical correction to section 14 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 60. This section would make a technical correction to section 16A of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 61. This section would make a technical correction to section 17 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 62. This section would make a technical correction to section 19 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 63. This section would make a technical correction to section 20 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 64. This section would make a technical correction to section 22 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 65. This section would make a technical correction to section 23 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 66. This section would make a technical correction to section 28 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 67. This section would make a technical correction to section 31 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 68. This section would establish a new Chapter 271A relative to enterprise crime.

SECTION 69. This section would make a technical correction to section 39 of chapter 272 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 70. This section would amend section 12A of said chapter 494 by extending to July 31, 2014, the period that dog race track licensees shall pay a daily percentage of amounts wagered by patrons into the Greyhound Capital Improvements Trust Fund and the Greyhound Promotional Trust Fund.

SECTION 71. This section would amend said section 12A of said chapter 494 by providing a new deadline of July 31, 2014, upon which funds not expended in the Greyhound Capital

Improvements Trust Fund and in the Greyhound Promotional Trust Fund shall be deposited in the General Fund.

SECTION 72. This section would amend section 13 of said chapter 494 by extending to July 31, 2014, the provisions governing the issuance of licenses to conduct racing meetings.

SECTION 73. This section would make a technical correction to section 13 of chapter 494 of the Acts of 1978 relative to the elimination of greyhound racing in the Commonwealth.

SECTION 74. This section would make a technical correction to clause (d) of section 13 of said chapter 494 relative to the elimination of greyhound racing in the Commonwealth.

SECTION 75. This section would make a technical correction to section 13 of said chapter 494 relative to the elimination of greyhound racing in the Commonwealth.

SECTION 76. This section would amend section 15 of said chapter 494 by extending to July 31, 2014, the provisions detailing the annual information to be provided to the General Court by the state racing commission.

SECTION 77. This section would amend section 9 of chapter 277 of the Acts of 1986 by extending to July 31, 2014, the provisions governing the distribution of winnings to patrons by dog racing meeting licensees.

SECTION 78. This section would amend section 3 of chapter 114 of the Acts of 1991 by extending to July 31, 2014, the period that the running horse track licensee shall pay into the Running Horse Capital Improvements Trust Fund and the Running Horse Promotional Trust Fund.

SECTION 79. This section would amend said section 3 of said chapter 114 by providing a new deadline of July 31, 2014, upon which funds not expended in the Running Horse Capital Improvements Trust Fund and in the Running Horse Promotional Trust Fund shall be deposited in the General Fund.

SECTION 80. This section would amend section 4 of said chapter 114 by extending simulcasting to July 31, 2014.

SECTION 81. This section would amend said section 4 of said chapter 114 by extending simulcasting to July 31, 2014,

SECTION 82. This section would amend section 5 of said chapter 114 by extending to July 31, 2014, the provisions governing the distribution of winnings to patrons by horse racing meeting licensees.

SECTION 83. This section would repeal section 13 of chapter 101 of the Acts of 1992.

SECTION 84. This section would amend section 45 of chapter 139 of the Acts of 2001 by extending to July 31, 2014, further provisions governing the conduct of live racing and simulcast wagering in the commonwealth.

SECTION 85. This section would amend section 20 of chapter 449 of the Acts of 2006 by extending to July 31, 2014, further provisions governing the conduct of live racing and simulcast wagering in the commonwealth.

SECTION 86. This section would include provisions relative to the Racing Stabilization Fund.

SECTION 87. This section would create the Racing Stabilization Fund.

SECTION 88. This section would stagger the terms of the appointments to the Massachusetts Gaming Commission.

SECTION 89. This section requires that the Commission consider current employees of the state racing commission as eligible for employment with the commission.

SECTION 90. This section requires that gaming licenses show preference in hiring to any qualified persons who were employed by simulcasting and live racing licensees.

SECTION 91. This section would allow the governor to enter into a compact with a federally recognized tribe for a category 1 license.

SECTION 92. This section requires that the greyhound meeting licensees shall remain licensed as greyhound racing meeting licensees until July 31, 2014.

SECTION 93. This section establishes a Gaming Licensing Fund to receive all licensing fees collected from applicants and transfers them from the Fund to the Community Mitigation Fund, the Transportation Infrastructure and Development Fund, the Local Capital Projects Fund, the Manufacturing Fund, the Community College Fund, the Tourism Fund, the Healthcare Payment Reform Fund, the Local Aid Stabilization Fund and the Stabilization Fund.

SECTION 94. This section authorizes the transfer from the Stabilization Fund to the Commission for the start-up and operational costs of implementing chapter 23K of the General Laws. The transfer will be reimbursed from licensing fees established under chapter 23K.

SECTION 95. This section makes transfers to the Local Aid Stabilization Fund.

SECTION 96. This section would require a host community which has adopted the provisions of chapter 43D file a proposal with the interagency permitting board to designate the site proposed for a category 1 facility as priority development site.

SECTION 97. This section requires that a gaming establishment supply customer tracking data to the Commission

SECTION 98. This section would create the Manufacturing Fund.

SECTION 99. This section would establish the Community College Fund.

SECTION 100. This section would create the Healthcare Payment Reform Fund.

SECTION 101. This section would declare the Commonwealth of Massachusetts exempt from federal laws relative to the use and transportation of gambling devices.

SECTION 102. This section would deem legal all shipments of gambling devices into the Commonwealth in accordance with federal law.

SECTION 103. This section would require the Massachusetts Gaming Commission to study the existing charitable gaming laws and the need to replace the statutes. The Commission would be required to make a report to the House and Senate Clerks and Joint Committee on Economic Development and Emerging Technology by April 1, 2012.

SECTION 104. This section would require the Massachusetts Gaming Commission to study the existing pari-mutuel and simulcasting statutes and the need to replace the statutes. The Commission would be required to make a report to the House and Senate Clerks and Joint Committee on Economic Development and Emerging Technology by January 1, 2013.

SECTION 105. This section would require the Horse Racing Committee established under section 60 of chapter 23K of the General Laws to report its recommendations for the distribution of race horse development funds to the Massachusetts Gaming Commission and to the House and Senate Clerks. The report must be submitted not later than 180 days after the effective date of this act.

SECTION 106. This section would require the Alcoholic Beverage Control Commission to study the need to update its regulations to protect current holders of alcoholic beverage licenses from unfair competition with gaming establishments. The report must be filed with the treasurer, the governor, and the House and Senate Clerks not later than June 30, 2013.

SECTION 107. This section would limit the scope of subsection (c) of section 26 of chapter 23K and the regulations promulgated thereunder with respect the distribution and consumption of alcohol.

SECTION 108. This section would require that the first report required under section 71 of chapter 23K be submitted not later than 2 years after the effective date of this act.

SECTION 109. This section would require that a host community vote occur after the effective date of chapter 23K.

SECTION 110. This section would make sections 4, 11, 12, 13, 37, 38 and 40 of this act and section 7 of chapter 23K effective 180 days after the effective date of this act.

SECTION 111. This section would make clause (41) of section 4 of chapter 23K effective July 31, 2012.

SECTION 112. This section would make sections 17, 39, and 41 effective on July 31, 2014.

SECTION 113. This section would make section 31 effective for tax years beginning in January 1, 2012.

SECTION 114. This section would make section 32 of this act effective on December 31, 2018.

SECTION 115. This section would make section (a) of section 87 effective April 1, 2012.

SPRINGFIELD CITY COUNCIL

36 COURT STREET SPRINGFIELD, MA 01103 (413)787-6170 FAX (413)787-6833

JAMES J. FERRERA, III, PRESIDENT

June 25, 2012

Neighborhood Councils and Civic Associations

Dear President:

On behalf of Chairperson Paula Meara and Vice Chair William Pepin of the Springfield City Council Casino Site Committee, I am inviting you or a member of the neighborhood council or civic association to attend the speak-out portion of the committee meeting. I would also ask you to encourage residents and business owners from your neighborhood to attend as well and stay for the entire committee meeting. Please call the City Council before noon on any regularly scheduled meeting to sign up for speak-out.

I believe, as does the Committee, that every neighborhood group and citizen should an opportunity to express their opinion relative to a casino development in the City of Springfield. I also believe that any suggestions and concerns from our city residents on this matter will make a casino development, if it occurs, a much better project than it otherwise would be.

Mayor Sarno has stated that a casino referendum will be citywide and I fully agree with his position relative to holding a citywide referendum instead of a ward only referendum. A casino development in Springfield could easily be the largest development in Springfield's history. If a casino is approved for Springfield it must only be approved, if needed, it can bring substantial and long-term benefits to the entire city.

Your attendance and comments along with neighbors from across the City at the committee's speak out is important and will become a major part of the committee's deliberation on casino development. The next regular scheduled meeting of the committee is July 16, 2012 in the City Council Chambers at 5:00pm. For additional meeting dates you can contact the City Council office at 413-787-6170.

Sincerely,

James J. Ferrera, III
City Council President

SPRINGFIELD CASINO SITE COMMITTEE

June 25, 2012

Mayor Domenic J. Sarno
36 Court Street
Springfield, MA 01103

Dear Mayor Sarno:

City Councilor Timothy Rooke, a member of the City Council Site Committee expressed his opinion that the Mayor should meet with the Committee to discuss the impact of a casino in Springfield. Other committee members agreed and therefore as Committee Chairperson, I am formally inviting you to attend a Committee meeting.

I realize that you have avoided public discussion on the potential of a casino coming to our City so if this invitation is one you cannot honor perhaps you could direct the Economic Development Director to attend. Kevin Kennedy has attended a number of meetings relative to casino development and has spoken out on the issue publicly several times.

I believe a casino development in Springfield could have a tremendous impact on our City. I also believe the more information, transparency and community participation into the process of determining whether a casino is right for our City will help you and the City Council to make the important decisions that lie ahead.

The next regular scheduled meeting of the Casino Site Committee is July 16, 2012 before the City Council meeting. I look forward to hearing from you on this matter.

Yours Truly,

Paula Meara
Chairperson City Council Casino Site Committee

cc City Council Casino Site Committee Members

SPRINGFIELD CASINO SITE COMMITTEE

36 Court Street Springfield, MA 01103

Paula Meara, Chairperson

springfieldcasinocommittee@gmail.com

June 25, 2012

Stephen Crosby, Commission Chair
Massachusetts Gaming Commission
84 State Street
Boston, MA 02109

Dear Commissioner Crosby:

Springfield City Council President, James Ferrera and I enjoyed meeting you and the other Gaming Commission Members, including Commissioner Cameron, at the Education Forum on Community Mitigation held in Framingham on June 18, 2012.

Thank you for giving Council President Ferrera and myself the opportunity to speak at the Forum. We share the Commission's views on transparency, public outreach, and citizen participation into the casino development process. In Springfield we are in the process of encouraging all of our neighborhood councils to assist us in getting their community to participate in our public speak out efforts.

We believe a casino development in Springfield, if approved, must be the catalyst for further development that will ultimately bring more revenue, people, and attractions into our city. Springfield, as a city, has a great deal to offer, but fortunately it has some problems as well. We would be remiss in our duty if we did not consider how a casino development could become part of the solution to many of those problems.

I look forward to meeting with you again and hope to have the Massachusetts Gaming Commission meet with our local committee here in Springfield.

Yours Truly,

Paula Meara
Chairperson City Council Casino Site Committee

cc City Council Casino Site Committee Members

An Educational Forum on Casino Gaming:

Potential Economic Impact of Gaming in Massachusetts

June 14, 2012

Dr. Clyde W. Barrow is Chancellor Professor of Public Policy at the University of Massachusetts, Dartmouth and Director of the UMass Dartmouth Center for Policy Analysis. Dr. Barrow has been studying the economic, fiscal, and community impacts of casino gaming for the last 17 years. He is project manager for the New England Gaming Research Project, which publishes an annual New England Casino Gaming Update and a biennial New England Gaming Behavior Survey. His research has been published in many academic journals, and his expert commentary has been featured in prominent national newspapers including *The New York Times* and *The Wall Street Journal*. Dr. Barrow has been invited to testify to the Illinois, Massachusetts, Michigan, New Hampshire, and Rhode Island state legislatures, as well as other state and federal agencies. He also serves as General Manager and Partner of Pyramid Associates, LLC, specializing in regional economic development, survey research, and the economics of gaming markets. He is also a Gaming Specialist for the Gerson Lehrman Group, LLC where he provides briefings and consultation about the gaming industry to capital management firms, investment banks, venture capital funds, and bond traders.

Carl Jenkins is a Managing Director at CBIZ Tofias in the Forensic, Litigation and Valuation Services Group. Carl has over 30 years of experience providing consulting, forensic and valuation services to private and public companies. He is a Massachusetts licensed CPA with Accreditation in Business Valuations, a Certified Anti-Money Laundering Specialist, a Certified Fraud Examiner, a Past Commissioner of the Massachusetts Judicial Nominating Commission, and a past member of the Joint Trial Board of the American Institute of Certified Public Accountants. He has appeared before probate, district, superior and federal courts as an expert witness on accounting, financial and valuation issues. He frequently speaks on fraud, valuation and forensic issues to local and national professional associations, law firms and banks. Carl is the co-author of "Casino Gaming in Massachusetts: An Economic, Fiscal & Social Analysis," commissioned by the Greater Boston Chamber of Commerce.

Steve Norton is the Executive Director of the New Hampshire Center for Public Policy Studies, a private non-profit and non-partisan think tank whose mission is to enhance and enrich the policy conversations on issues of critical importance to New Hampshire's future. Prior to joining the Center in 2005, Steve worked for the New Hampshire Department of Health and Human Services, most recently as the State's Medicaid director. Between 1990 and 1998, Steve worked as a Research Associate at the Urban Institute in Washington DC where he conducted health services research. A native of Gilford, New Hampshire, Steve now lives in Concord with his family. In 2008 he was selected as one of New Hampshire's 25 up and coming leaders by Business NH magazine. He is the former chair of the board of the New Hampshire Center for Non-Profits, a member of the Federal Reserve Board's New England Public Policy Advisory board and sits on the Concord, NH Zoning Board.

Michael Pollock began analyzing the casino industry in 1978 and served as spokesman for the New Jersey Casino Control Commission from 1991 through 1996. He was a close advisor to the chairman, and oversaw the Office of Legislative Liaison. Pollock is the author of the award-winning book, *Hostage to Fortune: Atlantic City and Casino Gambling*, published by the Center for Analysis of Public Issues in Princeton. This book was a pioneering examination of the impact of casinos on Atlantic City and New Jersey. He has led economic impact studies in Korea, Guam, Indiana, Connecticut, Illinois, Louisiana, Florida, Oregon and Massachusetts, and was the principal author of the 2008 report, "Comprehensive Analysis: Projecting and Preparing for Potential Impact of Expanded Gaming on Commonwealth of Massachusetts." He has testified before the International Tribunal at The Hague, the U.S. Senate Indian Affairs Committee and the U.S. Senate Select Committee on Indian Gaming, and has been a featured speaker at the Congressional Gaming Caucus, a group of U.S. House of Representatives members from gaming jurisdictions. He has also testified before several legislative committees in the United States.

Dr. Martin Romitti is the Director of Economic and Public Policy Research at the University of Massachusetts Donahue Institute, Managing Editor of *MassBenchmarks*, an economic journal published by the university in cooperation with the Federal Reserve Bank of Boston, and heads the Massachusetts State Data Center. He also serves on the Board of Directors for the national Council for Community and Economic Research and chairs the national Labor Market Information Training Institute. Prior to joining the UMass Donahue Institute, Dr. Romitti worked extensively in the legislative and executive branches of state government in Missouri. His decade plus experience in economic development policy and practice includes the evaluation of economic impacts for a host of major development projects ranging from sports stadiums to transportation system improvements to casinos. In particular, Dr. Romitti worked with the Missouri Gaming Commission to conduct an economic analysis to determine the greatest return on investment for the state's final available casino license among several different locations proposed by applicants.

Stephen J. Szapor, Jr. is a senior partner and co-founder of The Innovation Group of Companies where he provides high-level research, analysis, strategic planning, finance, marketing, operational and management expertise to gaming and leisure industry clients throughout the globe. A 23-year veteran of the gaming entertainment and hospitality industries, he serves in a Senior Partner Capacity for The Innovation Group and its affiliates, including Innovation Capital, Innovation Marketing, and Innovation Project Development. He has held senior level positions, including Chief Executive Officer, Chief Operating Officer and Chief Financial officer for several public companies where he was instrumental in completing several complex restructurings and turnarounds. He is a past Chairman of the Board of the Colorado Tourism Office, a member of the Center for Global Leadership Advisory Council for Villanova University's School of Business and a frequent guest lecturer at a number of universities and industry conferences.

Doug Walker is a professor of economics at the College of Charleston, in Charleston, SC. Previously he taught at Georgia College, Louisiana State University, and Auburn University. He received his Ph.D. in economics from Auburn in 1998. Walker has published more than 25 journal articles on the economic and social impacts of gambling, in journals such as *Public Choice*, *Journal of Health Economics*, *Contemporary Economic Policy*, *Public Finance Review*, and *International Gambling Studies*. He serves as the Economics Editor of *Gaming Law Review and Economics*, a Regional Assistant Editor for *International Gambling Studies*, and is on the Editorial Board of the *UNLV Gaming Research and Review Journal*. Walker has two books, *The Economics of Casino Gambling*, published by Springer in 2007, and *Casinonomics*, forthcoming by Springer in 2013.

Massachusetts Gaming Commission

to host

Public Educational Forum

Monday June 18, 2012

Massachusetts Gaming Commission Joins the Metropolitan Area Planning Council to Increase Awareness of Issues Related to Community Mitigation

Community Members Encouraged to Participate in Educational Forum Focused On Community Impact

WHO: Members of the *Massachusetts Gaming Commission* including **Chairman Steve Crosby; Commissioner Gayle Cameron; Commissioner James F. McHugh; Commissioner Bruce F. Stebbins and Commissioner Enrique Zuniga; Metropolitan Area Planning Council** Executive Director, **Marc Draisen;** Former City Manager and Community Development Director (Henderson, NV) and former President of the *American Planning Association*, **Mary Kay Peck;** Economic Development Director (Dedham, MA), **Karen O'Connell;** *Central Massachusetts Planning Commission* Principal Planner, **Vera Kalias;** Former Selectman (Monson, MA) **Kathleen Conley Norbut** and *SRPEDD* Executive Director, **Steve Smith**

WHAT: Community members are encouraged to join the Massachusetts Gaming Commission, the Metropolitan Area Planning Council and panelists to discuss important mitigation issues which will affect cities and towns as the casino licensing process progresses. The forum will cover a myriad of mitigation and regional planning matters for the Commission and the community to carefully consider as the Commonwealth embarks on the introduction of expanded gaming. The session will provide the opportunity to hear from a panel of experts with experience from both Massachusetts and out-of-state who will be able to provide unique and informative perspectives on this process.

To attend the forum in person, please complete the registration form on our website. The community may also submit questions for the panelists by completing the 'Contact the Commission' form at www.mass.gov/gaming or tweeting your question for @MassGamingComm with hashtag #AskMGC.

Members of the public unable to attend the event are encouraged to watch the forum via live stream.

WHERE: Sheraton Framingham Hotel and Conference Center
Grand North Ballroom
Framingham, MA

WHEN: Monday, June 18, 2012
9:00am- 11:30am

About MAPC

The Metropolitan Area Planning Council (MAPC) is the regional planning agency serving the people who live and work in 101 cities and towns of Metropolitan Boston. Our mission is promoting smart growth and regional collaboration. We work toward sound municipal management, sustainable land use, protection of natural resources, efficient and affordable transportation, a diverse housing stock, public safety, economic development, an informed public, and equity and opportunity among people of all backgrounds. Established in 1963, MAPC is a public agency created under Massachusetts General Law Chapter 40B Section 24.

About MGC

The mission of the Massachusetts Gaming Commission is to create a fair, transparent, and participatory process for implementing the expanded gaming law passed by the Legislature and signed by the Governor in November, 2011. In creating that process, the Commission will strive to ensure that its decision-making and regulatory systems engender the confidence of the public and participants, and that they provide the greatest possible economic development benefits and revenues to the people of the Commonwealth, reduce to the maximum extent possible the potentially negative or unintended consequences of the new legislation, and allow an appropriate return on investment for gaming providers that assures the operation of casino-resorts of the highest quality. For more information on MGC, please visit www.mass.gov/gaming.

Massachusetts Gaming Commission

to host

Public Educational Forum

Monday June 25, 2012

Massachusetts Gaming Commission Hosts Educational Forum To Address Issues Related to Problem Gambling

Commission Joins Academic and Treatment Experts to Raise Awareness and Minimize Potential Impact

WHO: Members of the *Massachusetts Gaming Commission* including **Chairman Steve Crosby; Commissioner Gayle Cameron; Commissioner James F. McHugh; Commissioner Bruce F. Stebbins** and **Commissioner Enrique Zuniga**; *Massachusetts Council on Compulsive Gambling* Executive Director, **Marlene Warner**; *Gemini Research* President, **Dr. Rachel A. Volberg**; *Harvard Medical School* Assistant Professor of Psychiatry **Debi LaPlante**; *Gaming Laboratories International, Inc.* General Counsel and Director of Government Affairs **Kevin Mullally** and additional research and gaming experts.

WHAT: As part of an ongoing series to educate the Massachusetts Gaming Commission (MGC) and the community on various matters associated with the introduction of expanded gaming, the public is encouraged to attend the Commission's fourth educational forum focused on problem gambling. The Commission will be joined by an esteemed panel of experts in the area of treatment, research and academics.

The forum is intended to educate the MGC and the community about the current status of problem gambling as well as the treatment resources available in the Commonwealth. The forum will highlight critical information for the Commission's consideration as the process of expanded gaming moves forward. The session will also feature personal stories of individuals who have struggled with this issue as well as insight for industry professionals on matters of treatment and research.

To attend the forum in person, please complete this [registration form](#). The community may also submit questions for the panelists by completing the 'Contact the Commission' form at www.mass.gov/gaming or tweeting your question for @MassGamingComm with hashtag #AskMGC.

WHERE: North Shore Community College
MBTA Building, Room T102
300 Broad Street (entrance on Market Street)
Lynn, MA 01901

WHEN: Monday, June 25, 2012
1:00pm- 4:30pm

DIRECTIONS:

Directions to Lynn Campus & public transportation info:

<http://www.northshore.edu/about/locations.html>

Campus Map including parking:

http://www.northshore.edu/safety/pdf/Lynn_Map.pdf

Bldg 3, Parking A

Entry to the building (Rm T102) is on Market Street.

About the Massachusetts Council on Compulsive Gambling

Founded in 1983, the Massachusetts Council on Compulsive Gambling is a private, non-profit health agency dedicated to providing leadership to reduce the social, financial, and emotional costs of problem gambling, and to promote a continuum of prevention and intervention strategies including: information and public awareness, community education and professional training, advocacy and referral services for problem gamblers, their loved ones and the greater community.

About MGC

The mission of the Massachusetts Gaming Commission is to create a fair, transparent, and participatory process for implementing the expanded gaming law passed by the Legislature and signed by the Governor in November, 2011. In creating that process, the Commission will strive to ensure that its decision-making and regulatory systems engender the confidence of the public and participants, and that they provide the greatest possible economic development benefits and revenues to the people of the Commonwealth, reduce to the maximum extent possible the potentially negative or unintended consequences of the new legislation, and allow an appropriate return on investment for gaming providers that assures the operation of casino-resorts of the highest quality. For more information on MGC, please visit www.mass.gov/gaming.

COMPREHENSIVE ANALYSIS:

Projecting and Preparing for Potential Impact of Expanded Gaming on Commonwealth of Massachusetts

Prepared for the Commonwealth of Massachusetts,
Deval L. Patrick, Governor
Timothy P. Murray, Lieutenant Governor
August 1, 2008



1201 New Road, Suite 308
Linwood, NJ 08221 USA
609.926.5100
www.spectrumgaming.com

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Executive Summary

The Commonwealth of Massachusetts engaged Spectrum Gaming Group, an independent research and professional services firm, to analyze a legislative proposal to authorize three commercial destination casino resorts in the state, and to project its potential impacts.¹

Four core themes resound throughout our analysis that would help ensure that gaming advances public policy in Massachusetts:

1. Public policy should be designed to maximize capital investment, a critical element that separates successful gaming markets from less-successful ones.
2. A robust, comprehensive bidding process should be established to attract the highest quality applicants and to ensure that such applicants develop policies that inure to the best interests of the Commonwealth.
3. Casino licensure, as envisioned in this legislation, is tantamount to a regional monopoly. We suggest that it should require a concomitant responsibility on the part of each licensee to operate in the public interest.
4. The interests of all stakeholders – from operators and investors, to patrons, small business owners and taxpayers – should be parallel. This means that policies and practices must be designed to ensure that all interested parties benefit, and that no interests are sacrificed.

A vigorous licensing process designed to evaluate bids based on how applicants intend to advance the public interest on a variety of fronts is required to ensure the development of a gaming industry that operates in the best interests of Massachusetts.

Many impacts can be expected that can be characterized as related to general economic trends, or that would occur in any industry that targets consumer spending – including the prospect of enhanced competition among private businesses. With that in mind, we caution that there can be no guarantees from the Commonwealth or from casinos that all impacts will be positive. The public and private sectors must maintain realistic expectations, and guide public policy where it can be guided.

Based on our research, analysis and experience, Spectrum reached the following conclusions:

Economic Impact

- Three destination casinos in Massachusetts could generate between \$1.23 billion and \$1.78 billion in annual gross gaming revenue in their first year of stabilized

¹ Our assumptions for each potential property include the following: 160,000 square-foot casino; 3,000 slot machines; 180 live table games (120 traditional, 60 poker); 2,000-room hotel; 100,000 square feet of convention/meeting/event space; \$1 billion in actual construction costs.

operations. The likely projection is \$1.5 billion in annual gaming revenue. The following table provides a range of revenue projections for one casino in each of the three regions:

Total est. gross gaming revenue (in millions)				
	Region 1	Region 2	Region 3	Total
Low case	\$452.3	\$438.1	\$ 336.4	\$ 1,226.8
Moderate case	\$542.1	\$526.8	\$ 432.7	\$ 1,501.6
High case	\$643.4	\$623.4	\$ 509.7	\$ 1,776.5

- The casinos would each create an average of 4,377 direct jobs.
- Every direct job in the casino industry would yield approximately 0.5 jobs elsewhere in the local economy. The statewide employment impact of this industry would be a total of 20,000 jobs throughout Massachusetts.
- Turnover at the Massachusetts casinos would be about 25 percent, which translates into approximately 1,100 job openings annually at each casino. These will be disproportionately greater in certain job categories, such as unskilled, entry-level positions, where the turnover rate could reach as high as 40 percent.
- The Massachusetts casinos in our moderate-case, or likely, scenario would add about \$1 billion to the gross regional product of the Boston area and \$2 billion to the gross regional product of Massachusetts.
- This moderate scenario shows that \$596.7 million in total government revenue -- including indirect revenue -- would be generated, including funds that would be available for property tax relief. This amounts to 39.7 percent of projected gaming revenue.
- Each Massachusetts casino would create an estimated 3,000 direct construction jobs.
- Total annual salaries and wages would be \$121 million for a Boston casino and \$119.6 million for each of the two casinos in the eastern and western regions of Massachusetts. With benefits, total compensation would be \$157.3 million for Boston and \$155.5 million for each of the other two properties. This represents more than \$468 million in annual direct compensation in Massachusetts with three casino properties. With benefits, the average compensation level for casino workers in Massachusetts would be \$35,641. Without benefits, the average is \$27,417.
- Lottery sales in counties near the three destination casinos in Massachusetts would decline, at least in the short term. Long-term, our view is that the Lottery will not be significantly affected by the introduction of casinos in Massachusetts, particularly with the development of cross-marketing plans and other strategies designed to protect the Lottery.
- Conventions and meetings at a destination casino would generate at least \$7.2 million in annual spending at other area businesses, and also would create annual demand for more than 26,000 room nights at other lodging facilities.

- The potential for substitution away from existing entertainment, bars, restaurants, hotels and other businesses can be addressed through effective public policy. The impact of casinos on other businesses – whether a substitution or complementary effect – is likely to be felt within a relatively short distance of the casinos. Without knowing where the three Massachusetts casinos would be located, we cannot project the specific local impacts on businesses. Any adverse effects casinos may have on other industries could be significantly mitigated if the locations for the casinos are chosen wisely, with an eye for strategic placement, and if applicants for licensure affirmatively address this issue in their competitive bids.
- The agencies regulating Massachusetts casinos would have a projected combined annual budget of about \$16.1 million, with most of that funding coming from the gaming operators.
- Legalizing commercial casinos could open the door to Indian tribes to also offer Class III (Las Vegas-style) gambling. However, such casinos would require tribal-state compacts, over which the Commonwealth would have significant negotiation power. Tribes could offer Class II (bingo-based) gaming without a tribal-state compact. Although a Class II tribal casino would represent competition to commercial casinos in the state, a Class III facility would pose much more of a threat.
- Unless and until the open question of a potential tribal casino in Massachusetts is resolved, that uncertainty will be perceived by capital markets and commercial operators as a heightened risk. Added risk would be reflected in a higher cost of capital – i.e., sources of capital will demand greater returns to compensate for the increased risk. This would result in less capital being invested, which would lead to fewer jobs, less gaming revenue and less overall benefit to the Commonwealth.

Social Impacts

- The social impacts of casino gambling are significantly more difficult to objectively analyze and estimate. We concur with the conclusion of prominent problem-gambling epidemiologist Dr. Rachel Volberg: “The negative impacts of gambling [which chiefly concern the social impacts] typically take much longer to emerge than the positive impacts and they’re also often much harder to measure in terms of quantitative and economic terms.”
- Massachusetts likely would have the largest budget among all casino states that could fund problem gambling programs. Existing programs in Massachusetts presently treat problem gamblers who visit out-of-state casinos. These out-of-state casinos presently contribute no funding for such Massachusetts programs.
- While treatment for problem gambling would be funded from state revenue, the casino licensees should have primary responsibility to develop comprehensive “responsible gaming” policies to address this issue. Such plans should be viewed as a critical element in evaluating competitive bids.
- Destination casinos – because they will drive high levels of visitation – will have a significant impact on the demand for law enforcement and related services. For

example, a significant increase in driving under the influence (DUI) arrests should be expected. Local law enforcement agencies – particularly in rural areas – could face serious demands for their services, which must be anticipated.

- Casinos located near high-volume highways that have adequate access can cause less disruption to the host and surrounding communities; casinos nestled among towns, farther from high-volume highways, can potentially fuel considerable disruption in terms of traffic, quality of life, and maintenance costs.

Casino Visitation

- Destination casinos collectively would generate an average of between 18,000 and 27,000 visits per day.
- Three Massachusetts destination casinos would draw between 43 percent and 65 percent of all Massachusetts gaming trips and spending, or between \$572 million and \$864 million annually.
- Massachusetts residents have been spending an estimated \$1.1 billion annually on gaming alone in Connecticut and Rhode Island. Massachusetts casinos could recapture about \$500 million to \$700 million of that annual total.
- Complementing such recaptured spending, Massachusetts would see the importation of new gaming revenues from neighboring states ranging from about \$650 million to \$900 million. Overall spending on casino gambling by Massachusetts residents would increase by \$125 million to \$150 million over present levels.
- Casinos can complement existing attractions, add perceived value to tourists and business travelers who are considering Massachusetts as a destination, and help attract incremental capital investment for the tourism industry.

Recommendations

The public sector in Massachusetts has broad discretion and powerful leverage at the outset to ensure that the successful bidder takes whatever steps are necessary to advance the public interest on a wide variety of fronts. Such leverage would be at its zenith during the bidding phase, in which applicants would recognize that they must compete against each other in their zeal and in their creativity in developing strategies to advance the public interest. Once licenses are issued, and casinos are operational, we caution that such leverage would largely disappear.

Using that leverage to require that all bidders submit comprehensive, credible plans that are in congruence with public policies can be justified by the proposed legislation, which essentially creates up to three regional monopolies. No other private businesses that target consumer discretionary spending, from hotels to restaurants, could reasonably expect that Massachusetts would protect them from potential in-state competition. Our core recommendation is to develop a robust bidding process designed to ensure that all applicants develop financial, marketing and other plans that fully operate

in the public interest. To that end, all applicants must develop comprehensive plans that address a variety of concerns and policies, including:

- Protecting the Lottery.
 - Targeting conventions and meetings to increase overnight visitation and increase utilization of existing convention facilities.
 - Developing cross-marketing plans with other local businesses.
 - Training local workers.
 - Promoting tourism.
 - Addressing problem gambling.
- The selection process must be developed and guided by appointed officials who possess the political ability and independence to establish rigorous standards in a variety of areas. Such officials must be vested with the ability – and willingness – to weigh applications and, if necessary, deny any and all applications, should such applications fall short of these standards.
 - The Commonwealth must maintain the highest possible degree of independence from fiscal pressure to help ensure the highest-quality facilities that operate in the public interest. Fiscal pressures could enhance the appeal of proposals to allow for the relatively quick installation of slots at racetracks or other facilities, operating under a higher tax rate, but such facilities would likely have different business models than destination casinos, and would thus be less likely to advance the same public policies. Visitors to well-capitalized destinations – as opposed to, say, smaller, under-capitalized properties that target convenience-driven, local adults – will likely stay longer and spend more. The greater the level of capitalization, the less vulnerable a gaming industry would be to competition from the expansion or introduction of gaming in other states.
 - The Commonwealth should use a staggered bidding process, focusing on Region 1 as the first license to be awarded. This would allow stronger bidders that are not successful in one region to pursue plans in another. It would also allow the most efficient operators – who would be more likely to build properties that would further public policy – more than one opportunity to participate in Massachusetts gaming. The drawback of a staggered process is that it could significantly add to the length of time in which the Commonwealth would not be realizing anticipated revenue. This could be ameliorated, however, by allowing operators to build temporary facilities.
 - Regulators should be wary of any bids that attempt to win licensure by promoting higher rates beyond the 27 percent minimum. Higher rates – while they might be tempting as a means of addressing near-term budget shortfalls – would likely result in less investment, fewer jobs and potentially less overall gaming revenue in the long term. Even at a 27 percent tax rate, Massachusetts casinos would be at a material disadvantage against their most direct competitors in Connecticut, as well as against some more distant competitors in New Jersey and elsewhere.

The Commonwealth must protect the Lottery by using multiple tools:

- All bids for any future casino destinations in Massachusetts should include plans designed to minimize any negative impact on the lottery.
 - The casinos should assume financial responsibility for protecting the lottery against any adverse impact from the new casino competition.
 - Require casinos to develop plans to increase ticket sales to out-of-state residents.
 - Require casino operators to develop and follow through on cross-marketing strategies with the lottery.
 - At least one of the two gubernatorial appointees to the Massachusetts State Lottery Commission should be a representative of the casino industry to help coordinate all efforts to grow lottery revenues.
 - Reconsider the proposed 3 percent guaranteed long-term growth rate, as it is perhaps too ambitious for a lottery that has proven to be so successful. (The lottery's success will make it increasingly difficult to achieve such growth over time, requiring higher per capita spending from adults who already are spending more on lottery tickets than their counterparts in other states.) Rather, we suggest that the Legislature consider a lower target growth rate, yet require applicants for casino licensure to develop plans designed to achieve that 3 percent growth rate.
- Casino applicants should be weighed, in part, on how they intend to develop cross-marketing arrangements with appropriate nearby businesses. Such arrangements must recognize, and serve the interests of both the casino and the outside business.
 - Any Indian casino should, ideally, be one of the three state-issued commercial licenses. An Indian casino that operates outside of the Massachusetts regulatory system could potentially generate no gaming-tax revenue to the Commonwealth and would likely cause a significant decline in the gross gaming revenues of one or more of the commercial casinos. Any compact negotiated by the state should seek to ensure a level playing field – notably with respect to the tax on gross gaming revenue – among all gaming operators.
 - Massachusetts should adopt an efficient but relatively strict approach to the regulation of its gaming industry at the start to ensure the public's trust. This regulatory scheme should:
 - Create regulations for the control of the assets that thoroughly address rules for table games and controls for slot machines.
 - Include a visible presence on the casino floor and be accessible to the public and casino employees.
 - Create a licensing structure that addresses all those that participate in the gaming industry, including operators, employees and vendors.
 - Create an investigative agency that is independent of the regulatory agency.

