



ANNUAL REPORT







## December 2020

### **Governor**

Charles D. Baker

### **Attorney General**

Maura Healey

### **Treasurer**

Deborah Goldberg

Chairs of the House and Senate  
Committees on Ways & Means

Chairs of the Joint Committee  
on Economic Development &  
Emerging Technologies

Clerks of the House and Senate

## **HONORABLE MADAMS AND MESSRS.**

We are pleased to deliver the ninth annual report of the Massachusetts Gaming Commission. This report covers the details of our operations for the Fiscal Year 2020 (ending June 30, 2020), and is submitted in accordance with G.L. c. 23K, §70.

On March 14, 2020, the Commission voted to temporarily suspend operations at the casinos, racing and simulcasting venues in the Commonwealth due to the extraordinary circumstances brought upon by the spread of COVID-19. The Baker-Polito administration and state public health officials, as part of Phase 3 of the Commonwealth's reopening plan, allowed for the reopening of casinos and racetracks. Consistent with that plan, the Commission voted to allow casino and racing operations to re-open in July 2020 under significant occupancy limits and in accordance with specific health and safety requirements imposed by the Commission. To date, all licensees continue to operate under those restrictions.

The term of the Category 2 gaming license is five years. The fifth full year of operations for Plainridge Park Casino concluded on June 24, 2020. Prior to this date, the licensee and its parent company, Penn National Gaming, Inc., satisfactorily submitted documentation in accordance with MGC procedures established for the renewal of its license. The Commission performed a detailed evaluation of this documentation and associated considerations. On September 30, 2020, after a well-attended public hearing, the Commission voted unanimously to renew the gaming license for a second term of five years commencing from the June 24, 2020 expiration date.

MGM Springfield celebrated its second anniversary on August 20, 2020, while Encore Boston Harbor marked the first anniversary of its opening on June 23, 2020. Massachusetts collected \$195 million in total gaming tax revenues for the fiscal year (including Plainridge Park Casino), which reflects operations from July 1, 2019 to March 15, 2020, the date the casinos suspended operations.

Calendar year 2020 marked the sixth year of funding for mitigation projects across the Commonwealth with a total of \$6.7 million in grants. In addition, in this fiscal year, the MGC maintained funding for workforce development activities that leverage existing efforts at the state and local levels to help provide opportunities for employment, despite a decrease in funding to the Community Mitigation fund due to the suspension of casino operations.

We are always available to discuss with you, at your convenience, the efforts the Commission is making, the results it is achieving, and any other aspect of our operations about which you would like additional information.

# MISSION

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**The mission of the Massachusetts Gaming Commission is to create and maintain a fair, transparent, and participatory process for implementing the expanded gaming law** passed by the Legislature and signed by the Governor in November, 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 expanded gaming, and allow an appropriate return on investment for gaming providers that assures the operation of casino-resorts of the highest quality.

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# LETTER FROM THE CHAIR



Fiscal Year 2020 marked the Massachusetts Gaming Commission's ninth fiscal year of operations. Established on March 21, 2012, the MGC is committed to decision-making and regulatory processes that are fair, transparent, and

participatory. At the heart of our responsibilities is an obligation to ensure public confidence in the integrity of the gaming license process and strict oversight of the gaming establishments. This report details the Commission's operations and milestones over the course of this past fiscal year.

The last nine months of 2020 presented unprecedented challenges and risks due to the COVID-19 pandemic. With the unwavering professionalism of our internal team and the consistent, resilient cooperation of our three licensees, the MGC successfully navigated a temporary suspension of all casino operations, followed three months later by a sustained re-opening of the gaming facilities under extensive COVID-19 health and safety guidelines adopted by the Commission.

## HIGHLIGHTS OF FY20

On March 14, 2020, prior to Governor Baker's declaration of a state of emergency, the Commission voted to temporarily suspend all gaming, racing and simulcasting operations due to the public health threat of COVID-19. In anticipation of executive action authorizing the phased reopening of the industry, the Commission convened several historic, public, and virtual roundtable discussions with its three licensees to develop casino and racing-related COVID-19 protocols. The Commission formally adopted those protocols in advance of the Governor's statewide Phase 3 reopening authorization. They were accepted by the Governor without amendment as the industry's health and safety standards. On July 2, 2020, the Commission vacated its March 14 order and allowed gaming, racing and simulcasting operations to resume in early July under the COVID-19 protocols. We continue to monitor these operations with guidance from the Governor and public health officials to minimize risk to employees, patrons, and citizens of the Commonwealth.

The MGC acted upon its first request for license renewal in FY20. Plainridge Park Casino (PPC) submitted its timely request for renewal of its Category 2 license prior to the expiration of its five-year term. After careful consideration of PPC's application and community stakeholder input given at a well-attended virtual public hearing, which overwhelmingly supported re-licensure, the Commission voted unanimously to grant PPC's request. For FY20, PPC's gross gaming revenues totaled \$96 million, which resulted in taxes of \$47.1 million.

The Commission continued its regulation of the operations of the Category 1 facilities: MGM Springfield and Encore Boston Harbor. Their gross gaming revenue for the partial year (from July 1, 2019 through March 15, 2020) amounted to \$592 million, which resulted in \$148 million in gaming taxes.

In light of recent national events, I convened an Equity and Inclusion Working Group in early June to consider how MGC operations impact communities and individuals of color. The MGC has a longstanding, strong commitment to diversity and inclusion. There is, however, an opportunity to renew that commitment and proactively address racial inequities. As the Commonwealth's gaming regulator, we work at the intersection of critical public and private sector interests and policy. At any touchpoint, our decisions may have a disproportionate negative impact on people of color or obstruct equitable treatment and opportunity, frustrating key objectives of the Expanded Gaming Act as well as our established values. This Working Group expeditiously developed an action plan to achieve sustained racial equity in our internal and external operations – a clear five-point framework that the Commission unanimously ratified.

Throughout the year, the Commission promulgated or amended nine sets of regulations that govern many important aspects of gaming and racing operations including: licensing; administrative hearings; Standardbred and Thoroughbred racing implicating a wide variety of issues, including exotic bets, discovery in racing medication cases, and conflicts of interest; progressive gaming devices; voluntary and involuntary exclusion lists; and junket enterprises.

Our Division of Research and Responsible Gaming released eight reports spanning a range of social and economic measures. The focus of research activities began to transition from the construction phase to measuring the operational impacts of the Massachusetts casino industry.

And finally, I am particularly pleased to report that the Commission and MGC staff seamlessly transitioned to a remote workforce on March 14, facilitated by our talented IT team. Our HR professionals worked tirelessly to nurture a culture of support as the pandemic's reach extended relentlessly. At no point did the Commission's dedication to transparency and participatory processes falter. Relying on relief from certain provisions of the Open Meeting Law offered in an Executive Order of the Governor, the MGC virtually conducted 26 public meetings as of June 30, 2020. Throughout the calendar year, the Commission convened a total of 83 public meetings and 3 public hearings using remote technology. In total, over the course of the fiscal year, the MGC held, in person (with live streaming) or virtually, 59 public meetings, 10 public hearings, and 18 additional open public meetings of related

committees and subcommittees convened, including the Gaming Policy Advisory Committee, the Horse Racing Committee, the Public Health Trust Fund Executive Committee, the Public Safety Subcommittee, and the Local Community Mitigation Advisory Subcommittees.

We acknowledge with gratitude the MGC's Gaming Enforcement Unit: our colleagues and members of the Massachusetts State Police who served on the frontline to protect the well-being and safety of our fellow citizens and the patrons and employees of the gaming establishments.

On behalf of my fellow Commissioners, I commend the entire MGC team for its extraordinary, mission-driven service throughout FY20.

Sincerely,



Cathy Judd-Stein  
Massachusetts Gaming Commission

# MAJOR MILESTONES ANTICIPATED FOR FISCAL YEAR 2021

## **FY21 will mark another challenging year of operations for all licensees, but especially Category 1 licensees (MGM and Encore).**

Unlike the Category 2 licensee (PPC), the Category 1 licensees had a larger capital investment amount, and therefore a larger amount of debt service and other fixed costs. Further, the Category 1 licensees operated at full capacity for a shorter period before the COVID-19 crisis required them to suspend operations. The subsequent reopening with diminished capacity in both gaming and non-gaming operations presents a challenging operational environment. The MGC regularly monitors the licensees' financial stability.

## **We remain committed to our responsible gaming efforts.**

Despite a decrease in funding due to the suspension of operations of casinos (a portion of gaming taxes fund our responsible gaming initiatives), we continue to work with the Massachusetts Council on Gaming and Health (f.k.a. Mass Council on Compulsive Gambling) to operate GameSense, an on-site space and program designed to promote positive play and connect people with resources, including the Voluntary Self-Exclusion program.

## **We will continue our research and program evaluation activities.**

The gaming taxes partially fund our research agenda. While available funding for research is less than in previous years, we remain committed to understanding the impacts of expanded gaming in the Commonwealth. This will include a study of the economic impacts of COVID-19 on the casino industry, planned for release in the spring. In the fall, the UMASS research team released a series of reports that provide the first comprehensive look at the social and economic impacts of MGM Springfield. We continue our work to implement the priorities from the 2019 research strategic planning process.

## **Standardbred Racing will continue at Plainridge Park Casino and is expected to include 110 days of live racing for the calendar year 2021.**

We continue to evaluate the feasibility of Thoroughbred Racing given available monies for purses. There were no Thoroughbred Racing applications submitted by the statutory deadline of October 15, 2020, and thus Thoroughbred Racing will not take place in the Commonwealth for calendar year 2021. There are currently three bills being considered that in one way or another attempt to address Thoroughbred Racing and simulcasting.

## **We will continue to work to maximize the economic benefits from a casino.**

We convene and connect licensees to the Commonwealth's workforce and small business resources. We provide grants to leverage and supplement state and local workforce development programs.

## **We will continue our transition to regulatory aspects of the operations of casinos, including:**

- Further regulations that govern operations and functions at the gaming establishments
- Implementation of further rules and procedures to ensure the integrity of the games
- Compliance, monitoring, and audit programs for the oversight of operations of licensees

## **We monitor developments that affect the gaming industry**

to make policy recommendations. Topics like the status of the Mashpee Wampanoag Tribe may have significant implications for **Region C** (Southeastern Massachusetts). Other topics include online gaming, sports betting, illegal gambling and the status of the Wampanoag Tribe of Gay Head (Aquinnah) and their potential impact on the young gaming industry in Massachusetts.





# KEY PROVISIONS OF THE GAMING ACT

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**Chapter 194 of the Acts of 2011 (“The Gaming Act”)** includes significant features to ensure public confidence and a robust gaming industry that generates economic development while providing mitigation measures to protect potentially vulnerable groups.

## **A STRONG, INDEPENDENT REGULATORY FRAMEWORK**

- Five full-time commissioners appointed by the three constitutional officers
- Rigorous standards for suitability and licensure of companies, vendors, and employees
- On-site presence of gaming agents, state police, and GameSense advisors
- Detailed regulations and strict oversight to ensure integrity of the operations and fairness of the games

## **A ROBUST AND FUNDED RESEARCH MANDATE**

The Gaming Act enshrines the role of research in enhancing responsible gaming and mitigating the negative consequences of expanded gaming in Massachusetts. To this end, the Secretary of Health & Human Services and the Commission jointly established a Public Health Trust Fund executive committee to oversee distributions from the Fund and execute on this mandate. The Gaming Act directs the parties to:

- Understand the social and economic effects of expanded gambling including conducting a baseline study and subsequent studies of all relevant critical, social and economic variables
- Obtain scientific information relative to the neuroscience, psychology, sociology, epidemiology, and etiology of gambling
- Make annual, scientifically based recommendations for policy to the Legislature

## **FUNDED MITIGATION MEASURES**

- A significant portion of Category 1 gaming taxes (6.5%) flow to a community mitigation fund administered by the Gaming Commission to provide grants to cities and towns affected by the operations of the casinos
- In addition, host communities are entitled to a host community agreement negotiated between the licensee and the local executive
- Further, surrounding communities have a process for addressing mitigation concerns (that must also be funded and addressed by the licensees)

## **POLICIES TO MAXIMIZE THE BENEFITS TO THE COMMONWEALTH**

- A competitive and transparent process for license solicitation, evaluation and award of up to three Category 1 licenses and one Category 2 license to maximize capital investment
- Clear directives and specific criteria to realize economic benefits to support local, small, and diverse businesses, employ the unemployed and underemployed, while protecting vulnerable groups
- Other policy goals designed to enhance and support assets of the Commonwealth, including requirements to support local tourism efforts, workforce development reporting, and protection of the Lottery and impacted live entertainment venues



# RECOMMENDATIONS FOR LEGISLATIVE ACTION

Since its inception, in accordance with the statutory mandates and authority in G.L. c. 30, §33 and G.L. c. 23K (the "Gaming Act"), the Commission has submitted recommendations for or comments on legislative action. Between FY13 and FY19, the Commission filed submissions with the Legislature relative to: charitable gaming (G.L. c. 271, §7A), horse racing and simulcasting, and the conflict of interest law's application to certain MGC subcommittees.

During FY20, the Commission elected to submit a recommendation for legislative action as detailed below:

**The Commission recommended that the Legislature consider permanently addressing the horse racing statutes to optimize the success of the racing industry.**

As part of the Gaming Act (c. 194 of the Acts of 2011, §104) the Commission was tasked with providing findings and recommendations to the Legislature on racing in the Commonwealth given the imminent July 31, 2014 authorization expiration. The Commission submitted these recommendations in April 2013, in a report that included a draft proposed new G.L. c. 128D. While the Legislature did not enact the proposed c. 128D, different efforts to address this

(in the House of Representatives & the Senate) have resulted in seven annual extensions of sections 128A and 128C (namely St. 2015, c. 10, §59, St. 2016, c.176, St. 2017, c.56, St.2018, c.159, St.2019, c.47, St.2020, c.1, and St.2020, c.106). These extensions have allowed racing to continue and allowed Suffolk Downs and Raynham Park to continue simulcasting and account wagering. The Commission has resubmitted proposed G.L. c.128D language several times, most recently on January 22, 2019 as an agency-filed bill. The current statutes that govern live racing and simulcasting in the Commonwealth (G.L. c. 128A and c.128C) expire on July 31, 2021. In prior testimony before the Commission, industry stakeholders have expressed that the current short-term nature of the law creates uncertainty to the viability of live horse racing and the supporting industries in the Commonwealth. Accordingly, the Commission favors an approach that includes a comprehensive statutory amendment that takes a more long-term view, including allowing the Commission to promulgate regulations governing the minimum number of race days and the licensing of new or previously existing racing licensees. On December 9, 2019, the Commission submitted a letter in this regard to the Legislature.



The MGC held more than 80 public meetings using remote technology in 2020.





# AGENCY DIVISIONS

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## **INVESTIGATIONS & ENFORCEMENT BUREAU AND DIVISION OF LICENSING**

The Investigations and Enforcement Bureau (IEB) is comprised of 1) the Investigations Division, which includes Massachusetts State Police (MSP) staff and a team of civilian financial investigators; 2) the Gaming Agents Division, comprised of civilian agents, charged with providing regulatory oversight and on-site monitoring of licensed gaming establishments; and 3) the legal arm of the IEB, which consists of the Chief Enforcement Counsel and Senior Enforcement Counsel and whose duties include legal review of investigations and representing the IEB in licensing and enforcement actions initiated by the Bureau. The Director of the IEB also oversees the Division of Licensing, which administers the licensing and registration functions on behalf of the Commission for employees of and vendors to the gaming establishments.

The IEB conducts probity investigations to determine suitability for licensure and registration for all gaming establishment employees and vendors, per licensing regulations (205 CMR 134.00), which also define thresholds, standards and procedures for licensing and registration. There are three levels of employee licensure: Key Gaming Employee – Executive, Key Gaming Employee – Standard, and Gaming Employee. All three levels of licensure require a background check before employment may commence at a gaming establishment. Some employees not classified by regulation as either Key Gaming or Gaming Employees must register as a Gaming Service Employee, unless exempted from classification by the Commission. Background checks for those Gaming Service Employees may commence after employment begins. The depth of background check is commensurate with the level of licensure/registration.

In FY20, the IEB and Division of Licensing processed and completed background investigations for 2,182 applications for individual employee licensure or registration. The IEB and the Division of Licensing also received and processed 3 new Gaming Vendor applications and completed ongoing investigations for and gave full licenses to 5 Gaming Vendors, which

included 9 entity qualifiers and 14 individual qualifiers. Additionally, the IEB and the Division of Licensing processed and conducted background investigations for 914 applications for non-gaming vendor registration and 10 individual casino qualifiers.

In FY20, the IEB's Gaming Agents Division also conducted the necessary regulatory work for the ongoing operations of both MGM Springfield and Encore Boston Harbor. Gaming agents conducted hundreds of regulatory examinations to test casino internal controls and procedures at each facility to ensure compliance with MGC regulations.

Now that all three licensed casinos are in operation, gaming agents continue to oversee and/or review a variety of tasks at all facilities, including slot machine moves and inspections, operational audits, compliance reports, patron complaints, machine jackpots over certain thresholds, and tips from the **Fair Deal** tip line.

The Massachusetts State Police have a 24/7 presence at all three casinos, have criminal enforcement responsibilities, and are also assigned to conduct employee background checks.

## **OFFICE OF THE OMBUDSMAN**

The Office of the Ombudsman is responsible for coordinating and communicating interactions among the Commission and many stakeholders: State Agencies, Applicants, Licensees, Host and Surrounding Communities, and multiple other interested parties.

## **COMMUNITY MITIGATION GRANTS**

The Community Mitigation Fund receives monies from the taxes on gross gaming revenues and is designed to address unanticipated adverse impacts that may result from the construction and operations of casinos. It may also be used for planning, either to determine how to achieve further benefits from a facility or to avoid or minimize any adverse impacts. Next year, the Community Mitigation Fund may have approximately \$14 million for local mitigation projects.

The Office of the Ombudsman reviews requests for mitigation dollars and makes recommendations to the Commission on the disbursements from the Community Mitigation Fund. These recommendations are developed through an intensive process involving analysis by many MGC staff members. **To date, the Commission has allocated approximately \$23 million in grants to host, surrounding and neighboring communities, governmental agencies and public safety organizations through grant year 2020.** During grant year 2020, the Community Mitigation Grants available were as follows:

- 1. One-Time Reserve Grants in the amount of \$100,000.** This grant reserved \$100,000 for the communities which were a host community, surrounding community, nearby or adjacent community. To date, a total of 28 communities associated with Region A, B and the slots parlor have been granted reserves for a total of \$2,800,000. Approximately 66% of these reserve grants, originally granted in 2015 and 2016, have been allocated for specific purposes.
- 2. Specific Impact Grants.** These grants were developed to assist communities with an unanticipated or anticipated mitigation need specific to that community. During grant year 2020, these grants were as follows:

SPECIFIC IMPACT GRANTS		
Applicant	Description	Award
Chelsea	The City proposed the comprehensive reconstruction of Beacham and Williams Streets, from Spruce Street to the City's boundary with Everett. This project consists of roadway and utility reconstruction, intersection upgrades, and the installation of pedestrian and bicycle facilities.	\$ 500,000
Everett F/B/O Fire Department	This grant will provide funding to supplement the additional personnel and operational costs incurred as a result of the increased staffing levels and service calls in response to Encore's operations.	\$ 200,000
Everett F/B/O Police Department	This grant will provide funding to supplement the additional personnel and operational costs incurred as a result of the increased staffing levels, equipment and service calls in response to Encore's operations.	\$ 184,000
Foxborough	This funding will enable Foxborough to acquire a full-size pickup truck and assorted traffic safety equipment (cones/barrier/signs) and assist local communities via mutual aid.	\$ 83,000
Hampden County Sheriff's Dept.	The grant will provide funding for lease assistance for the Western Massachusetts Recovery & Wellness Center for FY20. The center was forced to move after 29 years of operation at 26 Howard Street due to its placement within the physical footprint of MGM Springfield.	\$ 400,000
Hampden County DA	The grant will provide a second year of funding for personnel to mitigate the increase in caseloads as a result of MGM Springfield's opening.	\$ 75,000
Springfield Blueprint	Building on initial efforts from 2019, this project will focus on advancing the most critical and pressing catalytic economic development initiatives in downtown.	\$ 250,000
Springfield Revenue Recovery	This grant will provide funding to conduct updated parking demand feasibility studies downtown, in furtherance of solutions that may reestablish sources of revenue for the Parking Authority, and more effectively locate shared, convenient and proximate parking in areas of high demand, while freeing up current abundant open land for critical redevelopment.	\$ 100,000
Springfield City Stage	This grant will allow for significant capital improvements and system upgrades to the City Stage Unit located in downtown Springfield.	\$ 300,000
Springfield Police	The grant will provide funding for specific equipment for the Springfield Police Department to address public safety needs relating to the opening of MGM Springfield casino.	\$ 110,000
West Springfield	This grant will provide funding for additional staffing costs for public safety personnel to mitigate the effects of the MGM casino.	\$ 200,000
<b>Total</b>		<b>\$2,402,000</b>

**3. Transportation Planning Grants.** These grants were developed to assist communities in transportation and transportation related impacts. The Commission continues to support regional approaches to mitigation needs and recognizes that some mitigation requires the commitment of more than one community, as such the guidelines provide an additional monetary incentive to communities that submit regional applications.

TRANSPORTATION PLANNING GRANTS		
Applicant	Description	Award
Boston	The grant will provide a 3rd year of funding for a portion of the design cost of improvement to Sullivan Square and Rutherford Avenue. Boston noted that approximately 70% of the traffic generated by Encore Boston Harbor has been projected to go through Sullivan Square.	\$ 200,000
Lynn	This grant will provide funding for a traffic analysis, functional design report and conceptual design development for the Route 107 corridor.	\$ 100,000
Malden	The funds from this Transportation Planning Grant will be used to develop a Transit Action Plan for the City of Malden.	\$ 150,000
		<b>Total \$ 350,000</b>

**4. Transportation Construction Project(s) Grants.** This grant category was added for 2020 to allow for the implementation of mitigation projects identified in earlier transportation planning studies. The Commission anticipated authorizing no more than \$1,000,000 for any one award.

TRANSPORTATION CONSTRUCTION PROJECT(S)		
Applicant	Description	Award
Boston	This grant will be used to create safer crossings and better line of sight for turning vehicles, as well as a fiber connection from Sullivan Square to the Park Street intersection.	\$ 295,000
Chelsea	This grant will fund roadway and utility reconstruction, intersection upgrades, and the installation of pedestrian and bicycle facilities. The project will mitigate adverse transportation impacts attributable to casino activities	\$1,000,000
Everett Northern Strand	This grant will provide an extension of the Northern Strand Community Trail to the Mystic River.	\$ 375,000
Medford	This grant will construct the last phase of the Wellington Greenway, a 0.3-mile path that will connect local residents/employees to the Encore Resort via waterfront paths along the Mystic and Malden Rivers.	\$ 530,000
West Springfield	This grant will provide funding to enable Complete Street Transportation Improvements to the Park Avenue (Rte. 20) and Park Street (Rte. 20) corridors from the Elm Street (Rte. 20)/Union Street intersection to the North End Rotary.	\$1,000,000
		<b>Total \$3,200,000</b>

**5. Workforce Development Program Grants.** This was the fourth year that the Commission allocated funding for Workforce Development purposes as part of the Community Mitigation Fund. This program was initially conceived to help increase job readiness in both Regions A and B in anticipation of the high volume of casino hires. As a result of the COVID-19 public health situation, the hospitality industry seemed to have a temporary oversupply of qualified idle workers. Despite that reality, the Commission voted to continue the long-lead programs (like Adult Basic Education) that feed the pipeline of workforce development as well as mitigate some of the impacts to the population that is most affected by the pandemic. A total of \$371,000 for the Workforce Development Program was approved for calendar year 2021 as follows:

WORKFORCE DEVELOPMENT PROGRAM		
Applicant	Description	Award
Holyoke Community College	This program will continue to focus on Adult Basic Education, Hi-Set and ESOL with an emphasis on conversion to an online/remote format. The new grant emphasizes digital literacy within the Hampden Prep program and aligns with the post-pandemic climate for job searchers and an increase in remote work.	\$ 199,000
Masshire MetroNorth Workforce Board	This grant will assist local residents by providing information on employment opportunities; career advising including assessment of an individual's needs; and interests and referrals to other programs that address those needs such as ESOL, ABE job training, and job readiness programs.	\$ 172,000
<b>Total:</b>		<b>\$ 371,000</b>

**6. Non-Transportation Planning Grants:** Funding for certain planning activities for all communities that previously qualified to receive funding from the 2015/2016 Reserves, and have already allocated and received Commission approval of the use of its reserve.

NON TRANSPORTATION PLANNING		
Applicant	Description	Award
Everett/Port Area Study	The Community Mitigation Grant Funds will be used to finance a comprehensive study of the Mystic River Designated Port Area as further described in Everett's Non-Transportation Planning Application.	\$ 100,000
Medford	These funds will be used for contract consultant services for a local business technical assistance program to create a framework for equitable allocation of Licensee payments and a system to monitor compliance with the previously executed Surrounding Community Agreement commitments.	\$ 100,000
Northampton	2020, campaign planning activities and monitoring and measuring the response and feedback posted on the "Northampton Live" web site.	\$ 50,000
<b>Total</b>		<b>\$ 250,000</b>

**7. Tribal Gaming Technical Assistance Reserve:** The Commission made available no more than \$200,000 in technical assistance funding to assist in the determination of potential impacts that may be experienced by communities in geographic proximity to the potential Tribal Gaming facility in Taunton.

TRIBAL GAMING TECHNICAL ASSISTANCE RESERVE		
Applicant	Description	Award
Southeastern Regional Planning and Economic Development District (SRPEDD)	This reserve would provide funding to SRPEDD to assist in the determination of potential impacts that may be experienced by communities that are geographically proximate to the proposed facility. The Commission determined that this reserve should continue until there is a decision regarding the tribal facility. This is a carryover from fiscal year 2018. No new funding used.	\$ 200,000



### Licensee Reporting and Oversight

The Office of the Ombudsman helps the Commission remain up-to-date on the activities of its licensees, including the status of all three current facilities in meeting the terms of their licenses. The Ombudsman's office coordinates reports due to the Commission from licensees, as well as developments regarding their progress against a large number of license conditions.

The Ombudsman also coordinates with the host and surrounding communities with respect to compliance with host and surrounding community agreements, and with state agencies regarding compliance with mitigation measures established during the environmental review process.

The Ombudsman further coordinates and supports legislatively mandated Advisory Committees and subcommittees which support the Commission on the Community Mitigation Fund Guidelines.

### License Renewal – Plainridge Park Casino

The Office of the Ombudsman coordinates the license renewal process for licensees, as well as any interim reviews conducted during the license term. These involve coordinating reviews by all of the divisions of MGC to evaluate ongoing compliance with the terms of the license and to ensure that licensees remain in good standing to hold a gaming license.

In 2020, Plainridge Park Casino's original license was set to expire in June (the Category 2 license term is set in statute at five years). The Ombudsman worked with Plainridge Park as well as MGC staff to collect, review and disseminate all of the information required for a license renewal prior to its expiration. The process for review of the license renewal extended into FY21 and was completed on September 30, 2020.

## INFORMATION TECHNOLOGY SERVICES DIVISION

The MGC Information Technology Services Division ("ITS"), led by the Chief Information Officer, comprises two major teams: 1) the Corporate Technology Unit and 2) the Gaming Technology Compliance Unit.

### Corporate Technology

The Corporate Technology Unit ("CTU") provides information technology products and services to meet the needs of the MGC community.

Over the past year, CTU implemented numerous changes to improve, stabilize, and provide a robust and agile computing environment for our community. Thanks to the prior year's efforts in the implementation of a cloud-based phone system and other technology upgrades, the MGC quickly and smoothly transitioned to working from home following the Governor's stay-at-home advisory

in March 2020. Under relief granted by Governor Charles D. Baker from certain physical requirements of the Open Meeting Law, the Commission has held public meetings utilizing cloud-based technology, which includes a video conferencing platform universally used by MGC staff and widely used by the public.

In FY20, the MGC also launched the new @massgaming.gov domain, providing the agency a clear, distinct, and searchable identity. All MGC users were migrated to Microsoft O365, providing new email accounts, access to OneDrive, Azure and SharePoint Online, and other Microsoft tools. With these upgrades, MGC staff is able to access locally and remotely (cloud) the suite of products, including Outlook, Word, Excel, and PowerPoint, and on any device (whether it is installed on the device or via a browser to the Microsoft portal). All end-user computing equipment was reimaged and standardized processes were established to integrate with the new technology, providing users with the necessary tools and resources. In addition, a new Mobile Device Management ("MDM") tool was launched, which provides enhanced security, better oversight, and regulation of all MGC issued devices.

### Gaming Technology Compliance

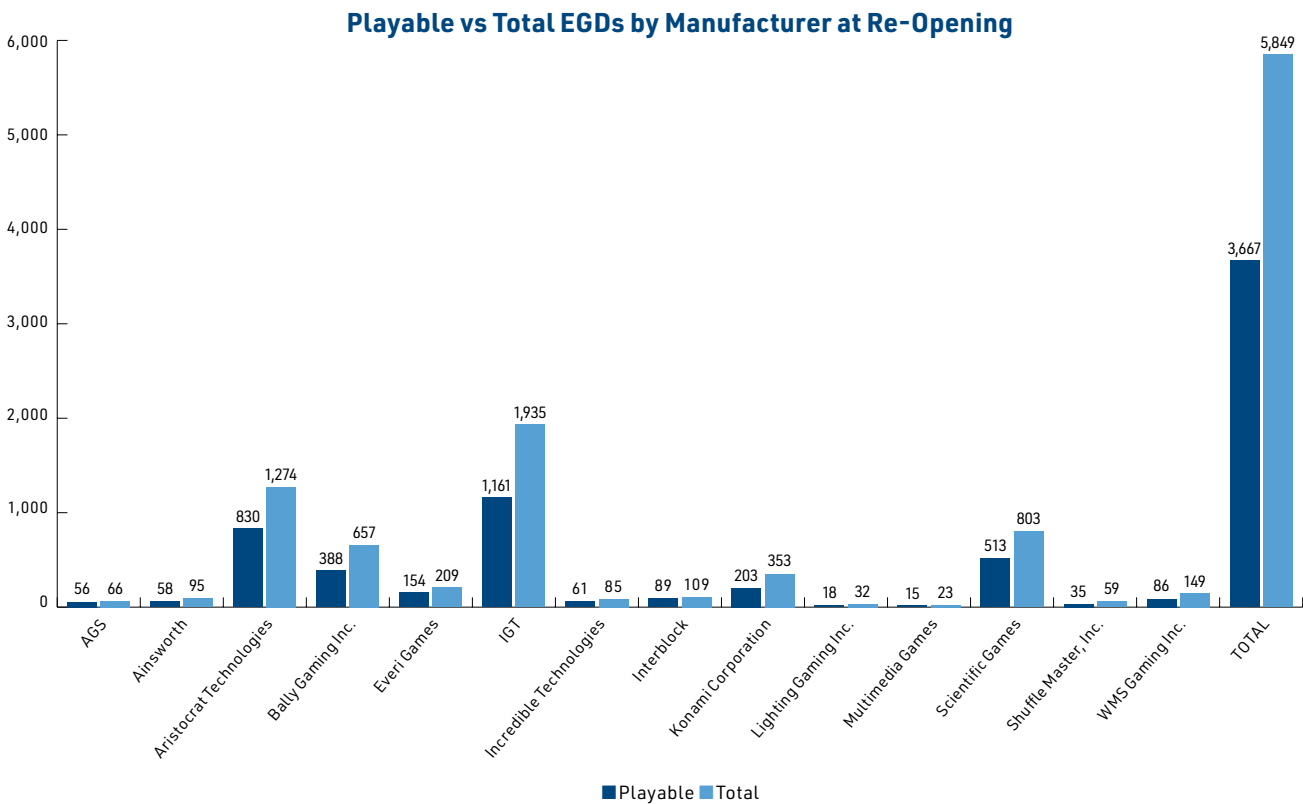
The Gaming Technology Compliance Unit ("GTCU") is responsible for planning, organizing, managing, and implementing the regulations, policies, procedures, and testing needed to ensure the integrity of electronic gaming devices ("EGDs" AKA slot machines) and associated software and equipment. The GTCU currently monitors 5,849 EGD's across all three casinos in Massachusetts.

Software Verification and Revocation: The GTCU oversees the issuance of certifications and permits for the use of EGDs in Massachusetts. Last year, GTCU certified over 1,800 individual software packages approved for use in Massachusetts by our Certified Independent Testing Labs ("CITL"). With the help of a Central Monitoring System, GTCU verify the software signatures for licensee compliance daily. The process for issuing revocations typically begins with a notification by the CITL when an issue is found with an individual piece of gaming software that denotes the severity and description of the issues. The GTCU reviews each notification to verify if the software is active in Massachusetts. GTCU then send a letter to each property that includes the software information, date of removal, and if any, the EGDs that are affected. During the last fiscal year, the GTCU issued 21 revocations in the past year based on recommendations from the CITLs.

GTCU also conducts integration and interoperability testing to ensure the EGDs communicate effectively with the Commission's central monitoring and the licensees' house systems. GTCU supports and achieves MGC's

reporting, compliance, and alerting expectations through systematic testing. Additionally, GTCU tests specific EGD hardware/cabinets that are often requested by our licensees.

The GTCU is also responsible for evaluating, inspecting, and investigating EGDs and associated equipment in Massachusetts. Following the Commission’s approval to resume casino operations, GTCU made recommendations to assist with social distancing compliance. The GTCU continues to monitor all 5,849 EGDs, but only 3,667 are currently playable to the public. Below is a breakdown of the approved manufacturers in Massachusetts.



The chart highlights the different gaming manufacturing companies licensed and which equipment is permitted to operate in the Commonwealth, as well as the difference between the numbers of EGDs that were installed and operational prior to the COVID-19 emergency and upon the resumption of operations in July 2020.

The GTCU also assists the Research and Responsible Gaming Division to test technical, reporting, and user interface requirements for the responsible gaming software, *PlayMyWay*. The *PlayMyWay* platforms for MGM Springfield and Encore Boston Harbor are slated for implementation in calendar year 2021. GTCU continuously ensures that the *PlayMyWay* instance at Plainridge Park Casino is compliant with all applicable requirements. The GTCU also assists with implementing new software for the MGC’s Voluntary Self-Exclusion program (“VSE”). GTCU is currently at the developmental stage to ensure all functionality and essential features are present for the VSE application.

The GTCU also supports and assists the finance division with the implementation of Promotional Credit adjustments to the accounting configuration of the central monitoring system to reconcile gross gaming revenue. GTCU reviews meters and reports for individual EGDs that did not reconcile with the Finance team on an as-needed basis. GTCU is working with the Finance teams at MGC and PPC to test a new report to assist in the reconciliation process.

The GTCU supports the Investigations and Enforcement Bureau (“IEB”) by submitting monthly reports and configuring alerts on the central monitoring system to discover malicious activities. Custom reports are provided to assist with the investigations of EGD incidents or malfunctions. During the suspension of operations of the casino properties, the Team assisted the IEB with identification of games marked “Out of Service” for compliance with social distancing. After operations resumed, GTCU created a daily report that shows any “Out of Service” games with play. This report allows the IEB to confirm if the properties are meeting the social distancing guidelines.

# RESEARCH & RESPONSIBLE GAMING

The Office of Research and Responsible Gaming leads MGC's efforts to mitigate gambling-related harm through the development and implementation of casino-based responsible gaming programs. In addition, this office directs the implementation of a comprehensive gaming research program as mandated by Section 71 of Chapter 23k.

The Director of Research and Responsible Gaming serves as key liaison to the Public Health Trust Fund. The Gaming Act created this fund, which is managed by an executive committee co-chaired by the Chair of the Commission and the Secretary of Health and Human Services or their designees. For FY21, the Public Health Trust Fund will direct approximately **\$10 million to gaming research, responsible gaming and problem gambling prevention and treatment programs**. MGC and the Department of Public Health set an annual budget for expenditures from the Public Health Trust Fund, which includes funding for the annual gaming research program.

## RESEARCH STUDIES AND ACTIVITIES

During this last year, the MGC launched a robust online research library and data sharing portal, which will improve transparency and access to MGC's extensive and growing collection of gaming-related research datasets. The new web-based information platform, located at [MassGaming.com](http://MassGaming.com), offers a categorized and centralized repository of the research program's wide-ranging studies and data. This initiative also introduces the MGC's newly-established Massachusetts Open Data Exchange (MODE), a program designed to build upon existing research to foster broad access to data for people with differing skills. MODE invites researchers of all disciplines to use available gaming-related data to advance the empirical evidence and knowledge base about the social and economic effects of casinos on individuals and communities.



### **Research Study: Massachusetts Gambling Impact Cohort Wave 4 Report**

*Released July 30, 2020*

This report examines four waves of the Massachusetts Gambling Impact Cohort (MAGIC), the first major adult cohort study of gambling conducted in the United States. By surveying the same individuals over time, cohort studies provide information on how gambling and problem gambling develops, progresses, and remits. This has significant value as it can highlight risk and protective factors important in developing effective prevention, intervention, treatment, and recovery support services.

**Key Findings:** There was an increase in recreational gamblers observed in Wave 3 and Wave 4. Wave 4 saw an increase in problem gamblers plausibly related to the introduction of casinos in the state, but the magnitude of the change was quite small. Non-gamblers and recreational gamblers were stable categories across waves, while at-risk and problem gamblers were found to be less stable as they exhibited an increased frequency of transitioning between different gambler types across waves (e.g., at-risk gambler in Wave 2 to recreational gambler in Wave 3).



### **Research Study: Gambling Formats, Involvement, and Problem Gambling: Which Types of Gambling Are More Risky?**

*Published in BMC Public Health on May 18, 2020*

This study explores the relationship between problem gambling and gambling formats and involvement (i.e., number of gambling formats an individual participates in). This has important implications for the regulation of gambling formats and for the allocation of problem gambling prevention and treatment services.

**Research Study: Gambling Formats, Involvement, and Problem Gambling: Which Types of Gambling Are More Risky? (continued)**

**Key Findings:** The study found that groups of monthly gamblers participating in casino gambling, bingo, and sports betting contained a higher proportion of problem gamblers. High gambling involvement was positively associated with problem gambling; however, a large minority of gamblers experienced problems while engaging in only one or two forms of gambling. Gambling involvement was also positively associated with intensity of gambling. Therefore, intensity of gambling may be partly driving the relationship between involvement and problem gambling. Specific gambling formats mediated the relationship between involvement and problem gambling. In Massachusetts, participating in casino gambling was more closely associated with problem gambling than other formats across all levels of involvement.



**Assessing the Influence of Gambling On Public Safety in Massachusetts Cities and Towns; Analysis of the Influence of Encore Boston Harbor On Its Surrounding Community During Its First Six Months of Operation**

*Released May 7, 2020*

This report examines increases and decreases in public safety activity in the communities surrounding Encore Boston Harbor since the casino opened. The research team collected data from the records management systems of Everett, Boston, Chelsea, Lynn, Malden, Melrose, Revere, and Somerville Police Departments and the Massachusetts State Police.

**Key Findings:** Encore hosted more than three million visitors in its first six months of operation and was the site of 124 arrests and 506 ejections. The facility itself (just considering incidents at the casino) led to a 9.5% increase in violent crime, a 5.1% increase in property crime, a 6% increase in total crime, and a 4.1% increase in calls for service for the City of Everett. The report's author and crime analyst, Christopher Bruce, noted that these figures are not notably high given the sheer number of people that Encore hosts.

Overall, violent, property, and total crime were within expected ranges for the region and most cities individually. A major exception is an increase in traffic complaints in neighborhoods to the north and east of Encore, perhaps reflecting patrons parking on local streets when the garage is full.



**Assessing the Impact of Gambling On Public Safety in Massachusetts Cities and Towns: Analysis of Changes in Police Data Following One Year of Activity at MGM Springfield**

*Released February 27, 2020*

This report examines increases and decreases in public safety activity in the communities surrounding MGM Springfield since the casino opened. The research team collected data from the records management systems of Springfield, Agawam, Chicopee, East Longmeadow, Hampden, Holyoke, Longmeadow, Ludlow, Northampton, West Springfield, and Wilbraham Police Departments and the Massachusetts State Police.

**Key Findings:** The casino contributed to 1.4% of the city's violent crime total, 1.2% of its property crime total, 1.5% of its overall crime total, and 1.0% of its calls for service. There were 208 total arrests at the casino during its first year of operations. The surrounding communities saw some increases and decreases, but very few consistent trends to which MGM Springfield serves as a clear source. Issues most likely influenced by the casino include:

- An increase in traffic collisions and traffic-related calls for service
- An increase in activity at Union Station in Springfield specifically
- An increase in minor disorder and suspicious activity just across the two bridges in West Springfield
- An increase in late-night activity at the Pride gas station across the street from MGM Springfield

Despite hypotheses from before the casino opened, there is, so far, no sign that the presence of the casino has increased crime or calls for service at hotels, restaurants, bars, and gas stations, except the Pride gas station across the street from the casino.



### **Lottery Revenue and MGM Springfield: Statewide and Local Analysis Report**

*Released April 9, 2020*

This report examines changes in lottery revenue statewide, in Springfield, and in the communities surrounding MGM Springfield for the purpose of identifying potential impacts associated with expanded casino gambling.

**Key Findings:** Total lottery sales in Springfield decreased 3.05% in the first year after the opening of MGM Springfield compared to the year before. This may reflect random annual fluctuation in lottery sales or unusually high sales in Springfield in the year just prior to the casino opening. Total lottery sales in the designated surrounding communities decreased 0.38% in the first year after the opening of MGM Springfield compared to the year before.



### **Talking About Casino Gambling: Community Voices From Boston Chinatown**

*Released October 24, 2019*

This pilot study examined the casino gambling practices of residents and workers in Boston Chinatown. The aim was to learn about the trajectory and life context of individual participants' gambling activity, including how individual participants describe their motivation, nature and frequency of gambling, and its effects on self and family.

**Key Findings:** Participants (n=23) expressed concern about increased risk for problem gambling with the establishment of the new Encore Boston Harbor casino. There are no culturally-appropriate prevention and treatment programs in Chinatown. Interview themes point to why there is an urgent need to fill this gap: concentrated poverty, social isolation, language and cultural difference, lack of recreational alternatives, and the longstanding practice of casino targeted advertising to Chinatown community members. The need for evidence-based and culturally appropriate prevention and treatment programs is shared by other low-income Asian American communities in Massachusetts.



### **The Construction of MGM Springfield; Spending, Employment, and Economic Impacts**

*Released October 1, 2019*

This report examines the construction of the MGM Springfield casino and its economic impacts in the Commonwealth. Over the course of the casino's construction, the UMASS Donahue Institute worked with the MGC and MGM Springfield to obtain data on the spending, employment, and wages related to the construction of MGM Springfield.

**Key Findings:** Over two-thirds (2,963 of 4,249) of the construction workers were Massachusetts residents. Two-thirds of the construction budget (\$373.8M of \$573.2M) went to firms based in Massachusetts. Half of that (\$194.3M) (or a third of the total) remained in Hampden County. Nearly \$84M went to firms based in the City of Springfield. Overall, total statewide economic activity increased by \$849 million over the five-year construction period. Net new economic activity (i.e., value added or gross state product) totaled \$512 million. About 1,000 jobs were created or supported by this economic activity. These jobs accrued \$397 million of income.



### **Real Estate Impacts of MGM Springfield in Springfield and Surrounding Communities**

*Released September 23, 2019*

This report documents any notable changes to the Springfield area's real estate market following the awarding of a casino license to MGM Springfield in June 2014 and the subsequent opening of MGM Springfield in August of 2018.

**Key Findings:** There was a steady increase in the number of multi-family home sales in Springfield following the announcement of the license award. This coincides with key informants' observations suggesting that outside interests have been investing in apartment buildings in the area since the casino license announcement. However this seemed to have little impact on inflation-adjusted median sales prices of single-family homes and condominiums in Springfield. Median sales prices of both housing types increased slightly or remained relatively flat between the casino's licensing and opening.



### **Real Estate Impacts of MGM Springfield in Springfield and Surrounding Communities (continued)**

There was a slight growth in commercial and industrial building area in Springfield following the license announcement. For most of the study period (2008–2018), Springfield added new rentable commercial space at a slightly slower rate than the Commonwealth as a whole and lagged in terms of industrial buildings. That trend reversed at the end of 2018 with the addition of MGM Springfield and the CRRC MA rail car factory in East Springfield.

### **RESPONSIBLE GAMING INITIATIVES**

Since its inception, the MGC has developed, implemented and refined its responsible gaming strategy in order to respond to patron needs. Responsible gaming is a key area of focus of the MGC and its mission of maximizing economic development while minimizing the potentially negative and unintended consequences of gaming. The ongoing Responsible Gaming programs are now deployed at Plainridge Park Casino, MGM Springfield, and Encore Boston Harbor. Those programs are:

#### **The Voluntary Self-Exclusion Program (VSE)**

The Voluntary Self-Exclusion Program assists patrons who recognize that they have experienced a loss of control over their gambling and wish to invoke external controls. In this program (required by statute), persons on the list are prohibited from entering the gaming floor and if they do, their gambling wins and losses are confiscated and transferred to the MGC Gaming Revenue Fund. Enrollment terms are 1-year, 3-years, or 5-years. The VSE contract covers all Massachusetts casino properties. The MGC’s voluntary self-exclusion process utilizes an engaged approach, ensuring that the enrollee obtains the assistance needed, is responded to in a respectful, timely, and discreet manner, and feels supported. To date, more than 700 people have enrolled in the program, including 125 who have removed themselves from the list at the conclusion of their term.



## GameSense

GameSense is an innovative responsible gaming program based at Massachusetts casinos with a goal of promoting positive play behaviors and attitudes that reduce the risk of gambling related harm. In furtherance of the statute, which calls for an on-site player protection program staffed by a third party, the MGC licensed GameSense from the British Columbia Lottery Corporation in 2015 and drew upon the experience of the Massachusetts Council on Gaming and Health staff and operate the program at Encore Boston Harbor, MGM Springfield, Plainridge Park Casino.

GameSense Advisors engage with casino patrons to promote informed player choice. Most people who visit Massachusetts casinos engage in gambling behavior that is nonproblematic, also known as positive play. GameSense Advisors staff the GameSense Info Center and on the casino floor through innovative games, quizzes, and other demonstrations, meant to debunk gambling myths and misconceptions, and educate players on how games, odds and probabilities work.

- Between July 2019 through casino closures due to COVID-19 in mid-March 2020, GameSense Advisors had 33,631 conversations pertaining to responsible gaming and problem gambling with 40,509 casino patrons and employees
- Primary topics discussed in these conversations include: *what is GameSense, how slots work, general randomness, myths, and taking a break*

GameSense Advisors also engage with the community to promote informed player choice amongst vulnerable players before they visit the casino. The goal of these educational presentations is to empower individuals before they visit the casino where it can become more difficult to limit self control.

- Between July 2019 through casino closures due to COVID-19 in mid-March 2020, GameSense Advisors lead 50 presentations to vulnerable populations including Seniors, Asians, Blacks, Youth, and Veterans

GameSense Advisors also train and coordinate with casino employees to further the goal of promoting responsible gaming and mitigating problem gambling. In partnership with the three casino licensees, GameSense Advisors provide new-hire orientation and advanced responsible gaming trainings to support casino employees to take action to support patrons in need of assistance.

- Between July 2019 through casino closure due to COVID-19 in mid-March 2020, GameSense Advisors had 1,773 conversations pertaining to responsible gaming and problem gambling with casino staff
- GameSense Advisors led 122 responsible gaming and problem gambling trainings designed specifically for casino staff across all three casinos

## PlayMyWay

PlayMyWay (PMW) is a first-of-its-kind budgeting tool designed to allow players the ability to monitor the amount of money they spend on electronic gaming machines. PMW is currently available at Plainridge Park Casino, and scheduled to launch in 2021 at MGM Springfield and Encore Boston Harbor. GameSense Advisors play a critical role in PMW, as they serve as the primary customer service representation when it comes to program-related questions.

- Once enrolled, a player receives automatic notifications as he or she approaches 50%, 75%, and 100% of their daily, weekly, or monthly budget
- A player can choose to stop at any point or keep playing
- Players can enroll, adjust their budget, or un-enroll in PlayMyWay at any time

The program is completely voluntary and provides players with real-time data so that they stay in control of their gambling. Between the launch of PMW in June 2015 through the closure of casinos in March 2020, there were 25,735 players actively enrolled in the program, with an average un-enrollment rate of 13%. An evaluation of the program found that typical PlayMyWay users wagered less money at PPC during the study period, made fewer visits to PPC, and tended to lose less money at PPC (Tom, Singh, Edson, et al., 2017).







# CASINO PROPERTY & PROJECT SUMMARIES

## PLAINRIDGE PARK CASINO

PPC is the Category 2 licensee in Plainville, Massachusetts. The facility also hosts the Standardbred live racing and simulcasting operations.

<b>Conditional Award of the License</b>	February 2014
<b>Operations Certificate/Date Opened</b>	June 24, 2015
<b>Gaming Space</b>	43,800 square feet
<b>Capital Investment Amount</b>	\$250 million
<b>Total Employment</b>	503 employees (as of September 2019)
<b>Tax on Gross Gaming Revenues</b>	49%
<b>Slots</b>	1,245 slots (approximately 1,320 slot gaming positions)
<b>Table Games</b>	N/A
<b>Additional Amenities</b>	2 Full-Service Restaurants ("Flutie's Sports Bar" and "Slack's Oyster House & Grill") 3 food court style eateries ("B-Good" "Dunkin' Donuts" "Slice") Live Entertainment ("Revolution Lounge") Additional racing concessions/outlets

## Property Summary Upon Re-Opening (Post July 2020)

<b>Total Employment</b>	312 permanent jobs (as of September 2020)
<b>Slots</b>	788 gaming positions
<b>Table Games</b>	N/A
<b>Additional Amenities</b>	1 Full-Service Restaurant ("Slack's Oyster House & Grill" with reduced hours F/S/S 2pm-10pm) 3 food court style eateries ("B-Good" "Dunkin' Donuts" "Slice")



## ENCORE BOSTON HARBOR

Encore Boston Harbor is a Category 1 licensee for Region A in Everett, MA. The facility sits on the formerly contaminated site on the banks of the Mystic River at the site of the former Monsanto plant.

### Conditional Award of the License

September 2014

### Opening Date

June 23, 2019

### Gaming Space

190,461 square feet

### Total Investment Amount

\$2.6 billion

### Total Employment

5,266 permanent jobs (as of September 2019)

### Tax on Gross Gaming Revenues

25%

### Slots

2,832 slot machines  
(approximately 2,972 slot gaming positions)

### Table Games

167 gaming tables, 74 poker tables  
(approximately 1,668 table gaming positions)

### Additional Amenities

5-star hotel (671 rooms), 77,250 sf retail space, 12 outlets of Food & Beverage, 3 bars & lounges, multipurpose venue, spa/gym, convention space, extensive outdoor and waterfront space with pavilion and public harbor walk, indoor garden

### Property Summary Upon Re-Opening (Post July 2020)

#### Total Employment

3,594 permanent jobs (as of September 2020)

#### Slots

1,851 slot machines  
(approximately 2,231 slot gaming positions)

#### Table Games

184 gaming tables  
(approximately 552 table gaming positions)

#### Additional Amenities

5-star hotel (671 rooms), various retail outlets, 9 outlets of Food & Beverage (buffet, bars and night club remain closed), multipurpose venue with limited occupancy, spa



## MGM SPRINGFIELD

MGM Springfield is a Category 1 licensee for Region B in Springfield, MA. The facility is located on approximately 14 acres in downtown Springfield in the congregation of parcels bound by Main, State, Union, and East Columbus streets.

<b>Conditional Award of the License</b>	June 2014
<b>Opening Date</b>	August 24, 2018
<b>Gaming Space</b>	126,262 square feet
<b>Total Gross Area</b>	759,157 square feet
<b>Total Investment Amount</b>	\$960 million*
<b>Tax on Gross Gaming Revenues</b>	25%
<b>Parking</b>	3,375 covered on site
<b>Total Employment</b>	2,100 permanent jobs (as of September 2019)
<b>Slots</b>	1,891 slots (approximately 2,011 slot gaming positions)
<b>Table Games</b>	100 tables (approximately 600 table gaming positions)
<b>Additional Amenities</b>	4-star hotel (250 rooms), 8 outlets of Food & Beverage, 26,000 sf of retail space, bowling alley, cinema and 54 residential units

\*Does not include \$60.7 million for Land and \$75.5 million for Capitalized Interest

## Property Summary Upon Re-Opening (Post July 2020)

<b>Total Employment</b>	911 permanent jobs (as of September 2020)
<b>Slots</b>	986 slot machines (approximately 1,106 slot gaming positions)
<b>Table Games</b>	30 tables (approximately 90 table gaming positions)
<b>Additional Amenities</b>	4-star hotel (250 rooms but only 50 rooms available to invited guests only), 3 outlets of Food & Beverage (Sports Bar, Steakhouse, and the South End Market with several options), limited retail space (Gift Shop, Hannoush Jewelers, and Fed Ex)







WOM'S  
POLARIS

Yuengling  
AMERICA'S  
OLDEST BREWERY.

Race 4

\$250,000  
SUN. JULY 26, 2020  
POST TIME 2PM



# RACING OPERATIONS

MGC is also responsible for the operational and fiscal oversight of the Standardbred and Thoroughbred racing operations, and pari-mutuel and simulcasting facilities in the Commonwealth (under G.L. c 128A & 128C).

FY20 marked the sixth year that the Race Horse Development Fund had monies available to supplement purses, and accordingly, the Commission approved disbursements for the prescribed purposes in the manner recommended by the Horse Racing Committee in accordance with G.L. c. 23K, §60.

## LIVE RACING AND SIMULCASTING AT LICENSED FACILITIES

### Standardbred Racing

Due to the COVID-19 emergency, live racing operations started on July 6, 2020 with qualifying races on July 13, 2020 (the start of a regular season would have been in early April). There were 68 days of live racing during calendar year 2020. For this shortened meet, the Racing Division issued approximately 1,000 occupational licenses.

The 2020 harness racing season saw the revivals of the \$250,000 Spirit of Massachusetts Trot, and the \$100,000 Clara Barton Pace. Approximately \$720,000 was distributed as purses in the finals of the races for Massachusetts bred horses, known as the Sire Stakes.

For calendar year 2021, PPC is planning on 110 days of racing.

### Thoroughbred Racing

In calendar year 2019 – the last year during which live Thoroughbred Racing was conducted at Suffolk Downs – it occurred for a total of six days. For the meet, the Division of Racing issued approximately 860 occupational licenses. Though interest has been expressed by others in continuing Thoroughbred Racing at other sites in Massachusetts, it is unlikely that there will be any live Thoroughbred Racing in 2021 (see recommendations for legislative action in page 11 of this report).

### Simulcasting

Simulcasting and account wagering is conducted year-round at the following facilities:

- Plainridge Park Casino, including Hollywood Races
- Raynham Park
- Suffolk Downs, including Twin Spires, TVG, Xpressbets, NYRA Bets, FanDual Racing, Wonderland

For FY20, total pari-mutuel handle in the Commonwealth reached \$221 million (approximately a 0.89% decrease from the prior year).

During the fiscal year, the Division of Racing implemented safety measures to operate under the social distancing guidelines issued by the Governor and public health officials.

In addition, the Racing Division continued efforts to enhance the safety and welfare of racing participants, as well as monitor and regulate the racing operations in the Commonwealth. Key activities included:

- Virtual participation in Association of Racing Commissioners International (RCI) meetings, continuing education, and Racing Officials Accreditation Program training
- Massachusetts Gaming Commission Chief Steward Susan Walsh was awarded the Pete Pedersen Award by the Racing Officials Accreditation Program, their highest honor given to Stewards for their dedicated service and special contributions to the horse racing industry
- Adoption and implementation of regulations in accordance with RCI standards that reflect the latest industry developments and best practices

## DISBURSEMENTS OUT OF THE RACE HORSE DEVELOPMENT FUND

During FY20, the Commission made disbursements in accordance with c. 23K and the recommendations for the split (between Standardbred and Thoroughbred horsemen) of the statutory Horse Racing Committee. The distributions out of the Race Horse Development Fund were as follows:

Entity	Amount	Statutory Purpose
Harness Horsemen's Association	\$ 309,008	Health & Welfare of Harness Horsemen
Massachusetts Thoroughbred Breeders Association	\$ 743,537	Thoroughbred Breeders Program
New England Horsemen's Benevolent	\$ 188,415	Health & Welfare Thoroughbred Horsemen
Plainville Gaming and Redevelopment LLC	\$ 6,180,162	Standardbred Live Racing Purses
Standardbred Owners of Massachusetts	\$ 1,236,032	Standardbred Breeders Program
Sterling Suffolk	\$ 0	Thoroughbred Live Racing Purses
<b>Grand Total</b>	<b>\$ 8,657,155</b>	

The total disbursements of \$8.6 million for FY20 were significantly lower than the prior year total disbursements of \$17 million for two reasons:

- The suspension of operations of casinos from March 15, 2020 to the end of the fiscal year of June 30, 2020 had a direct effect on the funding of the RHDF, as it is exclusively funded through certain taxes on gaming revenues
- Calendar year 2019 was the last time that live racing took place at Suffolk Downs, and those live racing days took place in April and June of 2019 (FY19)

# TAX COLLECTIONS & AGENCY FINANCES

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MGC's Division of Administration and Finance (A&F), led by the Chief Financial and Accounting Officer, is responsible for the strict oversight of the revenues at the casino and the collection of taxes due to the Commonwealth from those operations. The taxes and assessments on gross gaming revenues for the Category 2 licensee is 49%. The tax on Category 1 licensees is 25%.

The division is also in charge of completing all financial transactions and coordinating with other functional areas to complete administrative functions including, but not limited to:

- Accounting,
- Budgeting,
- Payroll, and
- HR, inclusive of classification and compensation within the MGC structure.

## **GAMING REVENUES AND TAX COLLECTIONS**

FY20 covers the period of July 1, 2019 through June 30, 2020. However, gross gaming revenue figures for all three licensees represent approximately 8.5 months of activity as a result of the closure of casinos on March 15.

In its fifth year of operation, the Category 2 licensee, Plainridge Park Casino, reported \$96.13M in gross gaming revenues, which generated \$38.45M in tax dollars to local aid and \$8.65M in assessments to the Race Horse Development Fund for a total of \$47.1 million in taxes.

MGM Springfield reported \$173.48M in gross gaming revenue, which generated \$43.37M in taxes for the Commonwealth. Encore Boston Harbor reported \$418.76M in gross gaming revenue, which generated \$104.69M in taxes. The total of taxes for Category 1 licensees amounted to \$148.06 million.

**Combined, all licensees contributed \$195.2 million to the Commonwealth for FY2020.**

Below are charts by month by licensee. The same information can be found on the MGC website under the revenue section.

**CATEGORY 1 LICENSEE REVENUE**  
**MGM Springfield FY20**

Month	Total Slot and Table GGR	Total (25%) in Collected State Taxes
July	\$ 20,398,605.38	\$ 5,099,651.35
August	\$ 20,966,172.21	\$ 5,241,543.05
September	\$ 20,253,695.73	\$ 5,063,423.93
October	\$ 21,193,386.13	\$ 5,298,346.53
November	\$ 19,936,451.32	\$ 4,984,112.83
December	\$ 18,953,212.26	\$ 4,738,303.07
January 2020	\$ 20,601,571.27	\$ 5,150,392.82
February	\$ 21,856,214.17	\$ 5,464,053.54
March	\$ 9,328,326.66	\$ 2,332,081.67
April	\$ 0.00	\$ 0.00
May	\$ 0.00	\$ 0.00
June	\$ 0.00	\$ 0.00
<b>TOTAL FY20</b>	<b>\$ 173,487,635.13</b>	<b>\$ 43,371,908.78</b>

**Encore Boston Harbor FY20**

Month	Total Slot and Table GGR	Total (25%) in Collected State Taxes
July	\$ 48,574,567.42	\$ 12,143,641.86
August	\$ 52,486,239.66	\$ 13,121,559.92
September	\$ 48,958,335.98	\$ 12,239,584.00
October	\$ 45,812,827.11	\$ 11,453,206.78
November	\$ 47,308,089.30	\$ 11,827,022.33
December	\$ 54,013,175.77	\$ 13,503,293.94
January 2020	\$ 48,570,988.57	\$ 12,142,747.14
February	\$ 52,518,316.18	\$ 13,129,579.05
March	\$ 20,525,175.42	\$ 5,131,293.86
April	\$ 0.00	\$ 0.00
May	\$ 0.00	\$ 0.00
June	\$ 0.00	\$ 0.00
<b>TOTAL FY20</b>	<b>\$ 418,767,715.41</b>	<b>\$ 104,691,928.85</b>



## CATEGORY 2 LICENSEE REVENUE

### Plainridge Park Casino (PPC) FY20

Month	Slot GGR	Total in Collected State Taxes (40%)	Total in Collected Race Horse Dev Fund (9%)
July	\$ 12,535,760.72	\$ 5,014,304.29	\$ 1,128,214.09
August	\$ 12,080,416.50	\$ 4,832,166.60	\$ 1,087,237.48
September	\$ 11,543,072.37	\$ 4,617,228.95	\$ 1,038,876.51
October	\$ 11,246,655.34	\$ 4,498,662.14	\$ 1,012,198.98
November	\$ 10,978,221.85	\$ 4,391,288.74	\$ 988,039.97
December	\$ 10,206,565.17	\$ 4,082,626.07	\$ 918,590.87
January 2020	\$ 11,083,477.98	\$ 4,433,391.19	\$ 997,513.02
February	\$ 11,700,530.53	\$ 4,680,212.21	\$ 1,053,047.75
March	\$ 4,756,695.12	\$ 1,902,678.05	\$ 428,102.56
April	\$ 0.00	\$ 0.00	\$ 0.00
May	\$ 0.00	\$ 0.00	\$ 0.00
June	\$ 0.00	\$ 0.00	\$ 0.00
<b>Total FY20</b>	<b>\$ 96,131,395.58</b>	<b>\$ 38,452,558.23</b>	<b>\$ 8,651,821.22</b>

### AGENCY FY20 FINANCIAL RESULTS

The MGC approved a FY20 budget for the Gaming Control Fund of \$34.2M, which required an initial assessment of \$29.78M on licensees. After three quarters of adjustments, including the reductions implemented due to closures from COVID-19, the MGC's revised budget was \$33.77M, which required a \$26.19M assessment on licensees. Included in both the spending estimates and revenue estimates were the costs for the independent monitor at Encore Boston Harbor (EBH).

Actual spending for FY20 in the Gaming Control Fund was \$32.69M and revenues were \$33.75M. Included in the spending of \$32.69M was \$1M in expenses for the independent monitor at EBH, however, the offsetting revenue was not received until after June 30, 2020, and was credited to FY21 because the Commonwealth operates on a modified cash basis of accounting. Therefore, while it would appear that the surplus revenue was the difference between spending and revenues, or \$1.06M, the actual difference has to account for the additional \$1M in independent monitoring expenses that was paid for by all licensees in FY20 and reimbursed by EBH in FY21, resulting in a surplus of \$2.06M.

### 10500001 – Gaming Control Fund

Spending	Budget Projections	Actuals
<b>MGC Regulatory Cost</b>		
AA REGULAR EMPLOYEE COMPENSATION	\$ 7,408,944.22	\$ 7,282,863.88
BB REGULAR EMPLOYEE RELATED EXPEN	\$ 59,503.50	\$ 33,900.75
CC SPECIAL EMPLOYEES	\$ 176,000.00	\$ 143,255.87
DD PENSION & INSURANCE RELATED EX	\$ 2,746,198.30	\$ 2,708,480.30
EE ADMINISTRATIVE EXPENSES	\$ 583,064.08	\$ 417,425.03
FF PROGRAM, FACILITY, OPERATIONAL SUPPLIES	\$ –	\$ 10,583.38
GG ENERGY COSTS AND SPACE RENTAL	\$ 1,304,017.35	\$ 1,331,743.11
HH CONSULTANT SVCS (TO DEPTS)	\$ 1,892,122.56	\$ 2,197,580.27
JJ OPERATIONAL SERVICES	\$ 9,998,800.27	\$ 8,983,069.31

Spending	Budget Projections		Actuals
<b>MGC Regulatory Cost</b> (continued)			
KK Equipment Purchase	\$	50,500.00	\$ 18,435.14
LL EQUIPMENT LEASE-MAINTAIN/REPAIR	\$	35,450.98	\$ 44,174.80
NN NON-MAJOR FACILITY MAINTENANCE REPAIR	\$	33,318.00	\$ 1,189.00
PP STATE AID/POL SUB/OSD	\$	200,000.00	\$ 220,430.00
TT PAYMENTS & REFUNDS	\$	–	\$ –
UU IT Non-Payroll Expenses	\$	3,759,416.88	\$ 3,848,050.08
<b>MGC Regulatory Cost Subtotal</b>	<b>\$</b>	<b>28,247,336.14</b>	<b>\$ 27,241,180.92</b>
<b>EE – Indirect Costs</b>	<b>\$</b>	<b>2,037,294.23</b>	<b>\$ 2,165,572.44</b>
<b>Office of Attorney General</b>			
ISA to AGO	\$	2,510,000.00	\$ 1,912,138.80
TT Reimbursement For AGO 0810-1024	\$	–	\$ 514,528.23
AGO State Police	\$	908,277.62	\$ 785,439.37
<b>Office of Attorney General Subtotal</b>	<b>\$</b>	<b>3,418,277.62</b>	<b>\$ 3,212,106.40</b>
<b>ISA to ABCC</b>	<b>\$</b>	<b>75,000.00</b>	<b>\$ 70,734.33</b>
<b>Gaming Control Fund Total Costs</b>	<b>\$</b>	<b>33,777,907.99</b>	<b>\$ 32,689,594.09</b>

Revenues	Budget Projections		Actuals
Gaming Control Fund Beginning Balance 0500	\$	1,439,303.25	\$ 1,439,303.26
EBH Security Fees 0500	\$	118,535.16	\$ 118,535.16
IEB Background/Investigative Collections 3000	\$	669,040.99	\$ 676,317.69
Category/Region – Collection Fees 0500	\$	–	\$ –
Independent Monitoring Fees	\$	832,928.08	\$ –
Phase 1 Refunds 0500	\$	–	\$ –
Phase 2 Category 1 Collections (Restricted) 0500	\$	–	\$ –
Region C Phase 1 Investigation Collections 0500	\$	–	\$ –
Region C Phase 2 Category 1 Collections 0500	\$	–	\$ –
Grant Collections (Restricted) 0500	\$	–	\$ –
Region A Slot Machine Fee 0500	\$	1,864,200.00	\$ 1,864,200.00
Region B Slot Machine Fee 0500	\$	1,306,200.00	\$ 1,306,200.00
Slots Parlor Slot Machine Fee 0500	\$	750,000.00	\$ 750,000.00
Gaming Employee License Fees (GEL) 3000	\$	422,050.00	\$ 434,450.00
Key Gaming Executive (GKE) 3000	\$	1,000.00	\$ 1,000.00
Key Gaming Employee (GKS) 3000	\$	7,100.00	\$ 7,100.00

Revenues (continued)	Budget Projections		Actuals	
Non-Gaming Vendor (NGV) 3000	\$	34,000.00	\$	40,300.00
Vendor Gaming Primary (VGP) 3000	\$	60,000.00	\$	64,550.00
Vendor Gaming Secondary (VGS) 3000	\$	20,000.00	\$	35,000.00
Gaming School License (GSB)	\$	–	\$	–
Gaming Service Employee License (SER) 3000	\$	28,050.00	\$	5,425.00
Subcontractor ID Initial License (SUB) 3000	\$	–	\$	–
Temporary License Initial License (TEM) 3000	\$	–	\$	–
Veterans Initial License (VET) 3000	\$	–	\$	–
Transfer of Licensing Fees to CMF 0500	\$	–	\$	–
Assessment 0500 (Adjustment)	\$	26,190,691.25	\$	26,954,742.06
Misc/Bank Interest 0500	\$	34,809.58	\$	52,863.19
<b>Grand Total</b>	<b>\$</b>	<b>33,777,908.31</b>	<b>\$</b>	<b>33,749,986.36</b>

#### AGENCY HEADCOUNT & DIVERSITY

The chart below represents the recent and current headcount by the department. The numbers below do not include state police assigned to the Commission, or FTEs in the Attorney General's Gaming Enforcement Division.

Headcount By Department/Division	Headcount FY18	Headcount FY19	Headcount FY20
Commissioners & Staff	5	5	5
Executive Director & Staff	6	5	4
Communications	2	2	2
Investigations & Enforcement	22	45	43
Licensing	5	6	6
General Counsel, Legal, & Policy	12	12	10
Human Resources	3.5	2.5	2.5
Finance	5.5	6.5	6.5
Information Technology	6	7	8
Racing <sup>1</sup>	2	3	3
	<b>85</b>	<b>94</b>	<b>90</b>

<sup>1</sup>Racing numbers do not include seasonal employees

#### REGULAR EMPLOYEES

The chart below depicts the diversity and gender ratios of the Commission as of the end of FY19 & FY20.

DEMOGRAPHIC	FY19	FY20
Caucasian	83%	79%
Diverse	17%	21%
Female	50%	50%
Male	50%	50%



Welcome  
Summit on Diversity  
in Construction

Event in Upper Level,  
Paradise Room



SMITH  
COLLEGE

October 8, 2019

WOMEN  
WORKING



# WORKFORCE, SUPPLIER, & DIVERSITY DEVELOPMENT

The office of Workforce, Supplier, and Diversity Development works with stakeholders, licensees, and state, local and community groups to maximize the benefits associated with employment and supplier spend. Efforts in these areas can be divided into (1) Monitoring & Compliance of Licensees and (2) Workforce, Supplier, and Diversity Development Efforts.

## **DIVERSITY MONITORING AND COMPLIANCE**

MGC ensures licensees' compliance with the Gaming Act's goals for business, workforce development and diversity during construction and operations. MGC's efforts and those of licensees include requirements to (1) Set goals and submit strategic plans for the inclusion of minority, women, and veterans, (2) Regularly report progress towards those goals, (3) Support workforce development programs and affirmative action plans for the training and hiring of underemployed and unemployed and (4) Strategize with stakeholders for the hiring of Massachusetts residents and contracting with local diverse small businesses.

Last year marked the completion of the construction phase for Encore Boston Harbor (June 2019) and a broader focus towards monitoring diversity compliance during the operations phase for all licensees. The MGC performed compliance reviews of licensees' plans regarding Wages and Benefits, Regional Tourism, Marketing & Hospitality Plan, Workforce Development Plan/Affirmative Action Program, and Operational Hiring Commitments.

Diversity Audit: MGC staff continued the comprehensive review of **Encore Boston Harbor's** construction diversity reporting on commitments and total contract spend initiated in early 2019, including confirmation of payments made to Veteran Business Enterprises. The review team was satisfied with the accuracy and sufficiency of the documentation substantiating diversity numbers reported to MGC for the construction period. This process mirrors a review performed during the last fiscal year of MGM's reporting. Additionally, since 2017, PPC's internal audit team includes an audit into the accuracy of the information in Plainridge Park Casino's

Human Resources Information Systems specific to employees' places of residence, ethnicity, and full or part-time status so that the Commission may rely on the data that is presented quarterly in the reports from the licensees. All audits conducted by the casino have been reviewed by MGC's independent audit firm, Eide Bailey, and show that the information in the HR systems is accurate and may be relied on.

Plainridge Park Casino's Workforce Commitment and Diversity Plan Review: During this fiscal year, MGC reviewed **Plainridge Park Casino's** amended Workforce Diversity Plan. The new plan took into account lower unemployment rates at the time, a more competitive gaming market, the neighboring Rhode Island economy, as well as recent changes to the Massachusetts minimum wage. The Commission approved the revised plan in June 2019. PPC's revised hiring goals are now as follows:

- Hire 35% of PPC workforce from host and designated surrounding communities (adjusted from a best-efforts goal of 90% that was never reached)
- 15% of PPC workforce be comprised of individuals from ethnic minority groups (revised from an original goal of 10%)
- 50% of PPC workforce will be women (new goal)
- 2% of PPC workforce will be veterans (new goal)
- Hire 65% of PPC workforce from Massachusetts (new goal)

The plan included several enhanced strategies and tactics to meet the proposed goals (career fairs, college fairs, partnership with career centers and hiring events). MGC will continue to monitor compliance with the activities described in the plan.

Sharing Information and Best Practices: The MGC has established protocols and procedures to ensure compliance and accountability with minority, women and veteran hiring. The results achieved during the construction phase of casino development were possible with the steadfast commitment of licensees,



their project diversity teams, and the unyielding efforts and dedication of many stakeholders. The MGC commissioned the *Build to Last: Best Practices for Diversity in the Construction Industry* report to capture and share the promising practices that led to enhanced diversity, and create a lasting legacy chronicling the equity and inclusion practices during casino construction – a road map for other projects to follow. This report articulates the commitment, leadership and innovation required to not only meet, but consistently strive to exceed the requirements of the law.

The MGC released the report at an October 2019 event at Smith College in Northampton. The event brought together an audience of developers, cities, towns, universities and other anchor institutions in Central and Western Massachusetts to learn from casino licensees and others who were leading the way on achieving diversity in their construction projects.

### **WORKFORCE, SUPPLIER AND DIVERSITY DEVELOPMENT EFFORTS**

Small Business Technical Assistance: In January 2020, the MGC issued two grants totaling \$150,000 to the Franklin County Community Development Corporation (FCCDC) and Local Enterprise Assistance Fund (LEAF). These grants aimed to provide targeted, intensive, one-on-one consulting expertise to rapidly growing small and medium-sized Massachusetts-based companies who are current vendors to one of the three casinos, or a company that is identified by a casino as a potential vendor to achieve these key objectives:

- Work with companies that are identified by a casino as a potential vendor but for a specific issue that could be supported by technical assistance
- Identify Massachusetts-based and Minority, Women, and Veteran Business Enterprises (MWVBE) businesses in procurement categories identified by the licensee

The FCCDC, a Western Massachusetts non-profit, works with growing businesses providing services such as business planning, financial counseling, marketing strategies, mentorship and financing. LEAF, a Boston based community development financial institution, provides one-on-one advisory services and group workshops to disadvantaged small business owners with the goal of stabilizing and expanding their businesses through the development of financial management tools that support cost structure analysis, strategic pricing, sales budgeting, financial projections, cash flow management, and capital raises.

Industry Report: Additionally, in December 2019, the office of Workforce, Supplier and Diversity Development released its *2018 Impact Report*, chronicling industry insights regarding impacts to local businesses and workforce, diversity measures and funding in support of workforce and diversity initiatives during the 2018 calendar year. Some highlights included:

- Nearly 12,000 individuals employed due to the casino industry, 73% from MA
- Over \$1.2 billion spent with MA businesses
- 5,891 minority individuals, veterans and women working
- \$236.7 million spent with MBE, VBE, and WBE businesses

COVID-19 Response: Due to the unprecedented impact of COVID-19 on the casino and racing workforce and small business vendors, the MGC pivoted to provide information and resources through webinars, website resources and one-on-one technical assistance to those affected. The MGC partnered with the Massachusetts Executive Office of Labor and Workforce Development to coordinate a remote presentation to casino leadership regarding MassHire Department of Career Services' Workshare Program, an alternative to layoffs; and Rapid Response, a program designed for companies and employees experiencing a layoff or closure.

MGC's staff also hosted webinars aiming to offer information and strategies to small business owners navigating the economic impacts of COVID-19, covering topics such as managing cash flow during a crisis and how to access financing. MGC hosted Robert Nelson, District Director of the U.S. Small Business Administration (SBA) Massachusetts District Office, for a webinar coinciding with the issuance of an additional \$500 billion in COVID-19 relief, signed into federal law earlier the same day, re-funding the continuation of the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan Program. This forum offered gaming vendors the vital opportunity to learn about federal relief programs, including the day's latest developments.

MGC also developed a list of continuously updated resources on the MGC website for impacted casino and horse racing industry employees and small businesses, including emerging information about emergency funding for businesses, individuals, local governments, the CARES Act, the Paycheck Protection Program, as well as other resources.

## RESULTS ON LICENSEE DIVERSITY GOALS

### Construction

With the completion of construction on the Encore Boston Harbor project and upon the official close out of project financials, the licensee submitted to the Commission a final report of the achievement of supplier and workforce diversity goals. The results are included below, as of May 2, 2020:

ENCORE BOSTON HARBOR – PROJECT DESIGN				
	# Contract Awards	Goal	Awarded to Date	\$ Awarded & Paid to Date
MBE	13	7.9%	9.0%	\$5.6 M
WBE	14	10.0%	8.6%	\$5.3 M
VBE	4	1.0%	5.9%	\$3.7 M
<b>TOTAL</b>	<b>30</b>	<b>18.9%</b>	<b>23.4%</b>	<b>\$14.6 M</b>

Total Qualified Design Spend = \$62,273,831

ENCORE BOSTON HARBOR – PROJECT CONSTRUCTION				
	# Contract Awards	Goal	Awarded to Date	\$ Awarded & Paid to Date
MBE	81	5.0%	5.9%	\$83.0 M
WBE	152	5.4%	12.8%	\$180.7 M
VBE	49	1.0%	2.8%	\$39.4 M
<b>TOTAL</b>	<b>252</b>	<b>11.4%</b>	<b>18.2%</b>	<b>\$257.2 M</b>

Total Qualified Construction Spend = \$1,415,428,026

ENCORE BOSTON HARBOR – CONSTRUCTION WORKFORCE PARTICIPATION				
	# Workers*	# Diverse Workforce Hours*	Goal	% Diverse Workforce Hours to Date
Minority	1,870	1,535,990	15.3%	25.7%
Female	491	428,120	6.9%	7.2%
Veteran	311	315,042	3.0%	5.3%

\*Both PPC and MGM Springfield had no construction data to report during this time period.

### OPERATIONS

All data is being provided from the reporting period just prior to the pandemic-related closures in March 2020. Casino licensee quarterly reports resumed in October 2020. The MGC continues to monitor the impact these closures had on the local workforce and procurement.

## Operational Diversity<sup>1</sup>

OPERATIONS WORKFORCE						
	Minority		Veteran		Women	
	GOAL	RESULT	GOAL	RESULT	GOAL	RESULT
Encore Boston Harbor	40%	54%	3%	3%	50%	43%
MGM Springfield	50%	53%	2%	6%	50%	44%
Plainridge Park	15%	26%	2%	5%	50%	48%

<sup>1</sup> Encore – March 2020; MGM – February 27, 2020; PPC – As of December 2019

OPERATIONS SUPPLIER						
	MBE		VBE		WBE	
	GOAL	RESULT	GOAL	RESULT	GOAL	RESULT
Encore Boston Harbor	8%	7%	5%	3%	14%	10%
MGM Springfield	10%	3%	2%	1.6%	15%	14%
Plainridge Park	6%	7%	3%	5%	12%	16%

OPERATIONS LOCAL COMMITMENTS		
	Goal	Result
<b>Encore Boston Harbor</b>		
Workforce Within 30 Miles	75%	87%
MA Vendor Spend	N/A	58%
<b>Plainridge Park Casino</b>		
Host/Surrounding Community Workforce	35%	32%
MA Vendor Spend	N/A	53%
Host/Surrounding Community Spend	N/A	9%
<b>MGM Springfield</b>		
Springfield Workforce	35%	39.5%
MA Workforce	N/A	78%
Western MA Workforce	N/A	76%
MA Vendor Spend	N/A	50%
Western MA Vendor Spend	N/A	38%



# LITIGATION MATTERS

## **CITY OF BOSTON/REVERE/MOHEGAN SUN ET AL. V. MGC**

Various municipalities and groups have filed suit contesting certain aspects of the Massachusetts Gaming Commission's issuance of the Region A Category 1 gaming license. Certain of these claims have been dismissed, either voluntarily or by order of the Massachusetts Superior Court. The Gaming Commission is currently defending the remaining intervenor claim filed by Mohegan Sun. That claim was argued before the Massachusetts Supreme Judicial Court in November 2016. On March 10, 2017, the Supreme Judicial Court issued a decision affirming Mohegan Sun's intervenor claim and remanding the case to the Superior Court for further proceedings. Briefing on Mohegan Sun's intervenor claim was completed in January 2018. Since the completion of the briefing on Mohegan Sun's intervenor claim, Mohegan Sun has filed a motion to amend its complaint. The Gaming Commission opposed this motion and, on July 16, 2018, the Superior Court allowed Mohegan Sun's motion in part and denied it in part, thus granting Mohegan Sun the right to add additional information to its existing complaint. The parties are in the process of finalizing the administrative record for purposes of engaging in further motion practice.

## **FBT V. MGC**

On November 14, 2016, the Gaming Commission was sued by FBT Everett Realty, LLC for tortious interference with respect to the plaintiff's agreement to sell property to Wynn Resorts for the Region A Category 1 facility in Everett. The plaintiff is requesting damages as determined at trial. On May 14, 2018, the Superior Court granted the Gaming Commission's motion to dismiss on two of three claims then remaining. The Gaming Commission is proceeding with its defense of the remaining claim. On July 5, 2018, the Gaming Commission filed a third-party complaint against the Region A Category 1 licensee for unjust enrichment and indemnification relating to the remaining claim against the Gaming Commission. The Region A licensee filed a motion to dismiss the complaint. On January 2, 2020, the court issued a decision effectively denying the motion to dismiss. As a result, the Region A licensee remains a party to the case. The case is now in the discovery phase.

## **LITTLEFIELD ET AL. V. UNITED STATES DEPARTMENT OF THE INTERIOR, 199 F.SUPP.3D 391 (2016), U.S. DISTRICT COURT, MASSACHUSETTS**

## **LITTLEFIELD, ET AL. V. MASHPEE WAMPANOAG INDIAN TRIBE, U.S. COURT OF APPEALS FOR THE FIRST CIRCUIT**

## **MASHPEE WAMPANOAG TRIBE V. BERNHARDT, U.S. DISTRICT COURT, DISTRICT OF COLUMBIA (COLLYER, J.)**

MGC is not a party to these legal challenges, but as an interested observer, and as directed by G.L. c.23K, §67, the MGC will continue to monitor the developments and status of the Mashpee Wampanoag Tribe ("Mashpee Wampanoag" or "Tribe") and their pursuit of federal recognition and to take land into trust for tribal economic development.

In March 2016, the Mashpee Wampanoag announced that it would commence construction of a tribal resort casino in the third region (Region C), based upon the assumed power of the U.S. Secretary of the Interior to take land into trust for the tribe. On July 28, 2016, in the case of *Littlefield v. the U. S. Department of the Interior*, the U. S. District Court held that the Secretary of the Interior lacked the authority to take land into trust for the Mashpee Wampanoag and remanded the matter back to the Secretary of the Interior for further proceedings consistent with the opinion as well as the declaratory judgment entered. The Mashpee Wampanoag filed a motion to intervene, which was granted. In December 2016, the Mashpee Wampanoag filed a notice of appeal to the U. S. Court of Appeals for the First Circuit. On September 7, 2018, the Department of the Interior issued a revised land-in-trust decision concluding that the Mashpee Wampanoag did not meet the statutory requirements to have land taken into trust. The Mashpee Wampanoag filed an appeal of the September 2018 decision in the U.S. District Court for the District of Columbia. On February 27, 2020, the U.S. Court of Appeals for the First Circuit issued a decision affirming the District Court decision that the Secretary lacked the authority to take land into trust for the benefit of the Tribe. On March 27, 2020, the Secretary issued a directive to the Director of the Bureau of Indian Affairs to rescind the decision accepting land into trust on behalf of the Tribe, to revoke the reservation proclamation, and to issue a clarification that such actions annul the previous determination that such lands are eligible for gaming under the Indian Gaming Regulatory Act. On June 5, 2020, the U.S. District Court for the District of Columbia issued a decision finding the Secretary of the Interior's September 2018 decision to be arbitrary, capricious and an abuse of discretion and remanded the matter to the Secretary to determine whether certain standards

governing the determination of tribal and land status were properly applied.

Separately, in January 2019, Representative Keating introduced a bill in the U.S. House of Representatives (H.R. 312) titled the “Mashpee Wampanoag Tribe Reservation Reaffirmation Act.” The bill would reaffirm the Tribe’s trust land, ratify and confirm the Secretary’s actions in taking the land into trust, preclude filing of further matters, and dismiss pending federal litigation concerning this matter. The bill passed in the U.S. House on May 15, 2019 (275-146). The bill was received in the U.S. Senate and placed on the Legislative Calendar on May 20, 2019. No further activity has been reported. The Gaming Commission will continue to monitor this matter.

### **COMMONWEALTH OF MASSACHUSETTS, ET AL V. THE WAMPANOAG TRIBE OF GAY HEAD (AQUINNAH), ET AL**

The case originated in 2015 on a complaint by the Commonwealth, joined by a local Martha’s Vineyard community organization and the Town of Aquinnah (collectively, the “Commonwealth Plaintiffs”), to block the Aquinnah Tribe’s stated intention to open an electronic bingo facility on its reservation land. The Tribe had obtained approval from the National Indian Gaming Commission to do so pursuant to the federal Indian Gaming Regulatory Act (IGRA). (Under IGRA, a federally recognized Tribe may sponsor electronic bingo games – so called, “Class 2” gaming – on its lands without the approval of state authorities. For conventional casino gaming, for example in a resort with table games, state approval under IGRA is required through a formal compact process.)

The principal basis of the Commonwealth Plaintiffs’ complaint was that the Aquinnah Tribe had surrendered whatever rights it otherwise would have had to conduct gaming on its tribal lands on account of the Tribe in 1987

having entered into an agreement to settle pending litigation involving the Tribe’s claims to substantial portions of Martha’s Vineyard. The Tribe alleged that these lands had been conveyed to non-tribal members over a period of many decades in violation of federal law restricting the transfer of Indian land to non-Indians. That settlement agreement was incorporated into a federal statute, the Indian Claims Settlement Act of 1987 (the “1987 Federal Act”).

By Final Judgment dated August 19, 2019, the U.S. District Court for Massachusetts (Saylor, J.) ordered, adjudged, and decreed, in pertinent part, as follows:

- (1)(a) the Tribe may construct, occupy, and operate a gaming facility on the Settlement Lands without complying with the Gaming Laws, and (b) the Tribe’s construction, occupancy, and operation of a gaming facility on the Settlement Lands shall otherwise be subject to the General Regulatory Laws;
- (2) The Town of Aquinnah; Charles D. Baker, in his official capacity as Governor; Maura Healey, in her official capacity as Attorney General; and Cathy Judd-Stein, in her official capacity as Chair of the Massachusetts Gaming Commission, are permanently enjoined and restrained from enforcing the Gaming Laws against the Tribe on the Settlement Lands; and
- (3) The Tribe is permanently enjoined and restrained from constructing, occupying, and operating a gaming facility on the Settlement Lands without complying with the General Regulatory Laws.

On September 14, 2020, the U.S. Court of Appeals for the First Circuit heard an appeal by the parties related primarily to finding number (3) above as to the applicability of the General Regulatory Laws. The matter was taken under advisement by the panel.





### **COMMISSIONERS**

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Eileen O'Brien

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