

COMMONWEALTH OF MASSACHUSETTS  
MASSACHUSETTS GAMING COMMISSION

Suffolk, ss.

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*In the Matter of:* )  
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Application of PPE Casino Resorts MA LLC )  
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Application of Springfield Gaming and Redevelopment LLC )  
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Application of Raynham Park LLC )  
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Application for a License to Operate a Category 2 )  
Gaming Establishment pursuant to M.G.L. c.23K §20 )  
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**DETERMINATION OF ISSUANCE OF A LICENSE TO OPERATE A  
CATEGORY 2 GAMING ESTABLISHMENT**

**I. Authority**

PPE Casino Resorts MA, LLC, (“PPE”), Springfield Gaming and Redevelopment LLC (“SGR”) and Raynham Park LLC (“Raynham”) (hereinafter referred to as “Applicant” or jointly as “Applicants”) each submitted to the Massachusetts Gaming Commission (hereinafter “Commission” or “MGC”) an RFA 2 application for a Category 2 Gaming License to operate a Gaming Establishment. The Commission has the authority to issue a single Category 2 Gaming License (“License”) pursuant to M.G.L. c.23K §20.

**II. Background**

On or before January 15, 2013, the Commission received an RFA-1 application from each Applicant. Each Applicant then underwent a thorough investigation by the Investigation and Enforcement Bureau (“IEB”). Pursuant to 205 CMR 101.01, a public meeting or an adjudicatory hearing was held before the full Commission at the conclusion of the investigation to determine the suitability of each Applicant. See 205 CMR 115.04. The Commission held a public meeting to determine the suitability of PPE on July 11, 2013; the Commission held an adjudicatory proceeding to determine the suitability of Raynham on July 26, 2013; and the Commission held an adjudicatory proceeding to determine the suitability of SGR on September 18 and 19, 2013. The Commission issued a **POSITIVE** determination of suitability for each Applicant, deeming

each Applicant suitable to hold a gaming license and eligible to file an RFA 2 application for a Category 2 gaming license. See 205 CMR 115.05.

Each Applicant signed an agreement with the host community setting out the conditions under which a gaming establishment may be located within the host community and submitted the executed Host Community Agreement to the Commission in accordance with 205 CMR 123.02(3). See G.L. c.23K, §15(8). A referendum vote pursuant to G.L. 23K, §15(13) was held in the Host Community for each Applicant and each Applicant “received a certified and binding vote on a ballot question at an election in the host community in favor of such license” See G.L. c.23K §15(13).

Each Applicant submitted an RFA-2 Application, in accordance with 205 CMR 118.01(2), to the Commission on October 4, 2013 (including all amendments and additions thereto, the “RFA-2 Application”). Pursuant to 205 CMR 118.04(1) (e), the Commission heard an informal presentation from each Applicant explaining its RFA-2 Application on October 7, 2013. The Commission held surrounding community public hearings on October 21, 2013 for PPE; on October 22, 2013 for SGR; and on October 23, 2013 for Raynham to receive comments from residents of the surrounding communities impacted by the proposed Gaming Establishment. The Commission also accepted written submissions from the public. The Commission held Host Community public hearings in Leominster on December 3, 2013 and January 28, 2014 for PPE; in Plainville on December 4, 2013 and January 27, 2014 for SGR; and in Raynham on December 5, 2013 and January 27, 2014 for Raynham to receive comments from the residents of the Host Community, pursuant to G.L. c.23K, §17(c) and (d).

The Applicants have each executed agreements with all designated Surrounding Communities and Impacted Live Entertainment Venues and with the Massachusetts State Lottery and have submitted those agreements to the Commission. See G.L. c.23K §§15(9) and (10).

All of the Applicants for the License underwent the same evaluation process. See 205 CMR 118.04. Each section of each Applicant’s RFA 2 application was reviewed by professional consultants and independent evaluators who assisted the Commissioner responsible for that section in his or her review. Each Commissioner presented a report and recommendation on his or her section. The Commissioners reviewed all of the reports and discussed the recommendations made by each Commissioner at public meetings of the Commission on February 24-28, 2014. The Commission made a determination on the issuance of a Category 2 gaming license on February 28, 2014. See 205 CMR 118.06.

### **III. Findings**

In evaluating the Applicants for a Category 2 license, the Commission considered all information in the RFA-1 and RFA-2 applications of each Applicant, the presentations made by each Applicant to the Commission, the comments received by the Commission in writing and at the surrounding and host community meetings and any testimony taken regarding the Applicants at Commission public meetings. The RFA-1 and RFA-2 applications, the Applicant’s presentations, and the evaluation reports created by the Commission are incorporated into this Determination by reference.

The Commission considered, in accordance with G.L. c.23K, §18, the ability of each of the three Applicants in:

1. Protecting the lottery from any adverse impacts due to expanded gaming including, but not limited to, developing cross-marketing strategies with the lottery and increasing ticket sales to out-of-state residents;
2. Promoting local businesses in host and surrounding communities, including developing cross-marketing strategies with local restaurants, small businesses, hotels, retail outlets and impacted live entertainment venues;
3. Realizing maximum capital investment exclusive of land acquisition and infrastructure improvements;
4. Implementing a workforce development plan that utilizes the existing labor force, including the estimated number of construction jobs a proposed gaming establishment will generate, the development of workforce training programs that serve the unemployed and methods for accessing employment at the gaming establishment;
5. Building a gaming establishment of high caliber with a variety of quality amenities to be included as part of the gaming establishment and operated in partnership with local hotels and dining, retail and entertainment facilities so that patrons experience the diversified regional tourism industry;
6. Taking additional measures to address problem gambling including, but not limited to, training of gaming employees to identify patrons exhibiting problems with gambling and prevention programs targeted toward vulnerable populations;
7. Providing a market analysis detailing the benefits of the site location of the gaming establishment and the estimated recapture rate of gaming-related spending by residents travelling to out-of-state gaming establishments;
8. Utilizing sustainable development principles including, but not limited to: (i) being certified as gold or higher under the appropriate certification category in the Leadership in Environmental and Energy Design program created by the United States Green Building Council; (ii) meeting or exceeding the stretch energy code requirements contained in Appendix 120AA of the Massachusetts building energy code or equivalent commitment to advanced energy efficiency as determined by the secretary of energy and environmental affairs; (iii) efforts to mitigate vehicle trips; (iv) efforts to conserve water and manage storm water; (v) demonstrating that electrical and HVAC equipment and appliances will be EnergyStar labeled where available; (vi) procuring or generating on-site 10 per cent of its annual electricity consumption from renewable sources qualified by the department of energy resources under section 11F of chapter 25A; and (vii) developing an ongoing plan to submeter and monitor all major sources of energy

consumption and undertake regular efforts to maintain and improve energy efficiency of buildings in their systems;

9. Establishing, funding and maintaining human resource hiring and training practices that promote the development of a skilled and diverse workforce and access to promotion opportunities through a workforce training program that: (i) establishes transparent career paths with measurable criteria within the gaming establishment that lead to increased responsibility and higher pay grades that are designed to allow employees to pursue career advancement and promotion; (ii) provides employee access to additional resources, such as tuition reimbursement or stipend policies, to enable employees to acquire the education or job training needed to advance career paths based on increased responsibility and pay grades; and (iii) establishes an on-site child day-care program;
10. Contracting with local business owners for the provision of goods and services to the gaming establishment, including developing plans designed to assist businesses in the commonwealth in identifying the needs for goods and services to the establishment;
11. Maximizing revenues received by the commonwealth;
12. Providing a high number of quality jobs in the gaming establishment;
13. Offering the highest and best value to create a secure and robust gaming market in the region and the commonwealth;
14. Mitigating potential impacts on host and surrounding communities which might result from the development or operation of the gaming establishment;
15. Purchasing, whenever possible, domestically manufactured slot machines for installation in the gaming establishment;
16. Implementing a marketing program that identifies specific goals, expressed as an overall program goal applicable to the total dollar amount of contracts, for the utilization of: (i) minority business enterprises, women business enterprises and veteran business enterprises to participate as contractors in the design of the gaming establishment; (ii) minority business enterprises, women business enterprises and veteran business enterprises to participate as contractors in the construction of the gaming establishment; and (iii) minority business enterprises, women business enterprises and veteran business enterprises to participate as vendors in the provision of goods and services procured by the gaming establishment and any businesses operated as part of the gaming establishment;
17. Implementing a workforce development plan that: (i) incorporates an affirmative action program of equal opportunity by which the Applicant guarantees to provide equal employment opportunities to all employees qualified for licensure in all employment categories, including persons with disabilities; (ii) utilizes the existing labor force in the commonwealth; (iii) estimates the number of construction jobs a gaming establishment

will generate and provides for equal employment opportunities and which includes specific goals for the utilization of minorities, women and veterans on those construction jobs; (iv) identifies workforce training programs offered by the gaming establishment; and (v) identifies the methods for accessing employment at the gaming establishment;

18. Whether the Applicant has a contract with organized labor, including hospitality services, and has the support of organized labor for its application, which specifies: (i) the number of employees to be employed at the gaming establishment, including detailed information on the pay rate and benefits for employees and contractors; (ii) the total amount of investment by the Applicant in the gaming establishment and all infrastructure improvements related to the project; (iii) completed studies and reports as required by the commission, which shall include, but need not be limited to, an economic benefit study, both for the commonwealth and the region; and (iv) whether the Applicant has included detailed plans for assuring labor harmony during all phases of the construction, reconstruction, renovation, development and operation of the gaming establishment; and
19. Gaining public support in the host and surrounding communities which may be demonstrated through public comment received by the commission or gaming applicant.

Ultimately, with the above factors in mind, the Commission evaluated each applicant’s overall response in accordance with 205 CMR 119.03 in each of the following general categories; Overview of the Project; Finance; Economic Development; Building and Site Design; and Mitigation. To those ends, the Commission generally adopts the following findings of fact and conclusions of law for each Applicant for each section of its RFA 2 application:

<b>Overview of the Project</b>			
	<b>PPE</b>	<b>SGR</b>	<b>Raynham</b>
<b>Criteria</b>			
Massachusetts Brand	M3D3 is excellent innovation. Medical devices and entrepreneurship are part of the MA brand. Proposal understands Gateway City strategy and has regional development focus.	SGR benefits from racing and agriculture as part of the MA brand. Promotes recycling quarry, good “green” policies and innovation as themes.	Raynham benefits from racing and agriculture as part of the MA brand. Promotes history of innovation and local vendor support.
Destination Resort	PPE has 3 restaurants and a small entertainment venue along with a clear appreciation of ties to related area tourism;	SGR aggressively promotes tie-ins with other major regional attractions and harness racing.	Modest view as “community integrated resort”. Raynham proposal promises a partial harness season and an unexplained use of special event space; its transit related

	details city integrated resort.		development (South Coast rail) is highly speculative.
Outward Looking	PPE has quality landscaping, outward door opening restaurants, a mall like culture and aspirations, with a strong sense of the region and regional collaboration and marketing.	SGR promotes continued reuse of quarry, maintenance of track and racing, historic design considerations and cross marketing with regional venues.	Raynham stresses community marketing ties and hopes for rail development.
Competitive Environment	PPE demonstrates highest marginal competitive advantage: unserved area, stops leakage to NH; minimizes cannibalization of other MA facilities. Reviewers believed a Region C resort casino has better potential to recapture gaming dollars from RI and CT.	SGR is a proven casino operator with customer lists, can compete with RI and CT. Minimal attention to Region C resort casino and no mention of tribal casino in Taunton.	Raynham doesn't address Region C competitors, tribal casino or RI; cites Greenwood Racing and Carney past performance, letters of support and maintaining harness racing and simulcast. Commits to support limited racing at Brockton Fairgrounds and to maintain simulcast racing.
Meeting Unmet Needs	PPE has strong relations with local tourism like Johnny Appleseed Trail and Great Wolf Lodge and general North Central MA development and coordination.	SGR promotes cross marketing with major venues and increased visitation as regional catalyst.	Raynham promotes impact as a new entertainment venue and collaboration with community colleges for job development.
Collaborative Marketing	PPE has the most realistic response which is that the primary market is the 60 mile radius; but within the radius it promotes marketing partnerships and promotion of North Central MA region. PPE has high	SGR will market the Penn National database; aggressively target RI customers, especially local and regional motor coach operators; general advertising and cross promotion.	Raynham provided few specifics on marketing strategies-just run a good facility. There was little focus on RI or CT. Raynham commits to coordination with state, local and regional tourism organizations and area businesses.

	aspirations for marketing relations with MassPort.		
Diverse Workforce and Supplier Base	PPE took this task seriously-impressive track record in MD; good formal policies. Partnership with ARC is creative and impressive.	SGR made strong promises and supplied documentation on this criterion in other evaluation categories.	Raynham reached out to NAACP; has some track record in this area but offered few specifics.
Broadening the Region's Tourism Appeal	If PPE keeps the commitments made in the application and takes them seriously it could become a leader in North Central MA and lead Gateway City development.	SGR's coordination with other venues is central to its strategy. SGR has detailed collaborative marketing and a track record with racing/gaming in other jurisdictions. SGR also cited MOTT coordination.	Raynham's response is that the best attraction is a good product. There were routine references to cross marketing and collaborative tourism.

<b>Finance</b>			
	<b>PPE</b>	<b>SGR</b>	<b>Raynham</b>
<b>Criteria</b>			
Financial and capital structure	<p>PPE demonstrated the availability of financing for the project through commitment letters provided from 2 banks with limited conditions and through The Cordish Family II LLC which has sufficient liquid and net assets to fund the project.</p> <p>The financial strength of PPE is based upon the provider of equity to the project – The Cordish Family II LLC. The Cordish Family II LLC's</p>	<p>SGR demonstrated the availability of financing for the project by a revolving credit facility in the amount of \$500 million of which \$475 million was available as of December 4, 2013 as represented by SGR at the host community hearing.</p> <p>Penn National, parent company of SGR, key financial ratios demonstrate financial strength.</p>	<p>Raynham did not demonstrate the complete availability of financing. The financing plan as presented by Raynham is different than the funding plan stated in the Credit Suisse commitment letter. A review of the conditions of the commitment letter suggests that a condition of the commitment letter may not be met. Raynham's use of future cash flow does not demonstrate evidence of</p>

	<p>net asset and liquid asset position demonstrates financial strength.</p> <p>PPE's proposed plan produces a commercially reasonable return on investment and provides that initial investment will be recouped over the 5 year term. A positive return on investment can still be achieved after a 15% discount.</p> <p>PPE demonstrated that it possesses complete financial capabilities to develop and operate a category 2 gaming facility.</p>	<p>SGR's proposed plan produces a commercially reasonable return on investment and provides that the initial investment will be recouped over the 5 year term. A positive return on investment can still be achieved after a 15% discount.</p> <p>SGR demonstrated that they possess complete financial capabilities to develop and operate a category 2 gaming facility.</p>	<p>current availability of financing.</p> <p>Raynham's financial strength is based upon the primary provider of equity to the project – Greenwood Racing. Greenwood Racing's key financial ratios demonstrate financial strength.</p> <p>Raynham's proposed plan produces a commercially reasonable return on investment and provides that the initial investment will be recouped over the 5 year term. A positive return on investment can still be achieved after a 15% discount rate.</p> <p>Raynham demonstrated that they possess financial capabilities to develop and operate a category 2 gaming facility. They did not provide complete evidence that they currently have access to all the funds required to develop the project.</p>
Investment Plan	<p>PPE's eligible capital costs meet the minimum capital investment requirement.</p> <p>PPE provided a reasonable timeline for opening a permanent facility.</p> <p>The proposed facility</p>	<p>SGR's eligible capital costs meet the minimum capital investment requirement.</p> <p>A temporary facility can be open within 6 months. The permanent facility will be under construction during the same period. SGR</p>	<p>Raynham's eligible capital costs are inclusive of both the temporary and permanent facility capital costs. The eligible capital costs inclusive of both the temporary and permanent facility meet the minimum capital requirement.</p>



	<p>amenities are consistent with a local market casino</p> <p>PPE proposed an acceptable physical facility/complex plan given operating parameters of a category 2 license.</p>	<p>provided a reasonable timeline for opening a permanent facility.</p> <p>The proposed facility amenities are consistent with a local market casino.</p> <p>SGR proposed an acceptable physical facility/complex plan given operating parameters of a category 2 license.</p>	<p>The temporary facility can be open within 6 months. A permanent facility will be under construction during the same period. Raynham provided a reasonable timeline for opening a permanent facility.</p> <p>The proposed facility amenities are consistent with a local market casino.</p> <p>Raynham proposed an acceptable physical facility/complex plan given operating parameters of a category 2 license.</p>
Market Assessment	<p>PPE's year 2 gross gaming revenue projections (net of free play) are at the lower end of the likely market performance range.</p> <p>PPE's year 5 gross gaming revenue projections (net of free play) are above likely market performance range. The ability of this facility to generate the projected revenue is aggressive given the size and scope of future category 1 facilities (including the competitive advantage of a lower tax rate).</p> <p>PPE's gaming revenue projections before competition are within</p>	<p>SGR's year 2 gross gaming revenue projections (net of free play) are at the higher end of likely market performance range.</p> <p>SGR's year 5 gross gaming revenue projections (net of free play) are at the lower end of likely market performance range.</p> <p>SGR's gaming revenue projections (before and after competition) are within the range of expected market results.</p>	<p>Raynham's year 2 gross gaming revenue projections (net of free play) are above likely market performance range. The ability of Raynham's facility to generate \$300 million in revenue is questionable given slot supply restriction and competitive advantage of competition (for example, greater slot supply in RI and CT).</p> <p>Raynham's year 5 gross gaming revenue projections (net of free play) are well above likely market performance range. The ability of Raynham's facility to generate \$250 million in revenue is</p>

	<p>the range of expected market results. PPE's projections after competition are aggressive and above the higher end of the expected range.</p>		<p>unrealistic given the size and scope of future category1 facilities (including the competitive advantage of a lower tax rate) and the location and competitive advantage of out of state competition.</p> <p>Raynham's gaming revenue projections before competition are aggressive and after competition are well outside the range of expected market results and not supported by a business plan.</p>
<p>Operations Plan</p>	<p>PPE recognizes the importance of internal controls and has experience working in a regulated environment.</p> <p>PPE's parking plan is reasonable. PPE provided elements of a detailed slot product plan. PPE's leased product is higher than what would be expected (less than 10% of total machines are typical). PPE's food and beverage plan is consistent with what would be expected (i.e. a greater number of seats consistent with market characteristics). While the entertainment plan is reasonable based upon the existing plan at PPE's other facility in MD, the financial data provided to support the plan does not</p>	<p>SGR recognizes the importance of internal controls and has experience in working in numerous regulated environments.</p> <p>SGR's parking plan is reasonable. SGR provided elements of a detailed slot product plan. It did state that the plan would be based on slot performance data of operating 30,000 slot machines in 21 facilities. SGR's food and beverage plan is consistent with what would be expected. While the total number of seats is reasonable, SGR may have difficulty accommodating peak demand periods, especially prior to in state competition. While the entertainment plan is</p>	<p>Raynham recognizes the importance of internal controls and has experience working in a regulated environment.</p> <p>Raynham's parking plan is reasonable. Raynham's food and beverage plan is not consistent with what would be expected. While the total number of seats is reasonable, Raynham may have difficulty accommodating peak demand periods especially prior to in state competition. While Raynham's entertainment plan is greater than what would be expected, it is consistent with a competitive market environment. The individual details of the plan provided (number of</p>

	<p>reconcile to the financial statements as submitted. PPE's marketing plan is consistent with what would be expected.</p> <p>PPE's financial projections were reasonable except PPE's amount of free play (post competition) is aggressive and higher than expected given PPE's projected win/unit/day level post competition.</p>	<p>reasonable based on existing plans at SGR's other facilities, neither base operating data nor financial statement details were provided to support the plan. SGR's marketing plan is consistent with what would be expected. Examples provided demonstrate a more thorough response.</p> <p>SGR's financial projections were reasonable except that details of the labor component (i.e., constant pay rate per FTE for most job categories between years 1-4, and in four job categories pay rate per FTE decrease) is not realistic.</p> <p>SGR demonstrated a sound understanding of the components required to operate a successful category 2 gaming facility. SGR's parent, Penn National, has experience operating multiple similar sized gaming facilities (i.e. size and scope of operations, market characteristics.)</p>	<p>shows, average ticket price, number of seats and utilization) are not compatible. Raynham's marketing plan is consistent with what would be expected.</p> <p>Raynham's financial projections are reasonable except that certain job category pay rates are unrealistic (i.e., slot, compliance). In addition the number of slot FTEs appears unrealistic. Raynham's free play prior to in state competition is aggressive given Raynham's projected win/unit/day level. Raynham's post competition relationship between free play and win/unit/day is also aggressive.</p> <p>Raynham demonstrated an acceptable understanding of the components required to operate a successful category 2 gaming facility.</p>
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The Commission finds that all three (3) applicants satisfied the statutory requirement of c. 23K §18 (3) in that each applicant exceeded the minimum capital investment of \$125 million. See also 205 CMR 122.00 (governing the manner in which the capital investment is calculated.)

The Commission finds that all three (3) applicants satisfied the statutory requirement of c. 23K §18 (7) in that each applicant provided a market analysis that detailed the benefits of each applicant's particular location and how that location would lead to the recapture of gaming

related spending by MA residents in out of state gaming establishments. The Commission finds that PPE and SGR’s market analysis were well supported and contained more realistic projections. The Commission finds Raynham’s market analysis to contain unrealistic projections unsupported by sufficient documentation.

The Commission finds that all three (3) applicants satisfied the statutory requirement of c. 23K §18 (11) by providing plans to maximize revenues received by the Commonwealth. The Commission finds that while SGR’s plan was conservative, it was the plan most likely to succeed in the face of external and future internal competition.

The Commission finds that all three (3) applicants met the statutory requirements of c.23K §18 (13) regarding the highest and best value to create a secure and robust gaming environment in the Commonwealth. The Commission finds that this requirement is also based upon the findings in the Building and Site design section regarding the design of the gaming establishment and related amenities. The Commission finds that PPE and SGR in particular provided plans that created gaming establishments that were also dining and entertainment venues, with PPE having multiple restaurants and entertainment types and SGR having multiple restaurants and harness racing. Raynham’s plan was not as detailed and provided limited information on dining and entertainment.

The Commission finds that all three (3) applicants met the statutory requirements of c. 23K §18 (15) regarding the purchase of domestically manufactured slot machines; however, the detail provided was minimal and the Commission expects the licensee to provide greater detail prior to opening the gaming establishment.

<b><u>Economic Development</u></b>			
	<b>PPE</b>	<b>SGR</b>	<b>Raynham</b>
<b>Criteria</b>			
Job Creation	<p>PPE provided stable payroll/FTE and employee counts over the 5 year period. PPE demonstrated awareness of MA situation and showed its past experience in MD.</p> <p>The M3D3 proposal has potential for job creation outside the gaming/hospitality area.</p>	<p>SGR showed the most realistic payroll and labor estimates. SGR demonstrated a positive track record in union relationships. SGR has history of human resource management and job development.</p> <p>SGR will maintain racing employment at Plainridge.</p>	<p>Raynham’s payroll and employee estimates are believed to be aggressive. Raynham provided an unsupported projection of increased non-gaming payroll in year 3 and beyond.</p> <p>Raynham referenced past experience but provided limited detail and linkages to their MA facility.</p>

<p>Support for External Business Components</p>	<p>PPE provided details on outreach plans for contractors (subtrades) and suppliers during operations.</p> <p>PPE provided substantive MOUs to demonstrate partnerships.</p> <p>PPE’s M3D3 proposal is a unique approach to business stimulation with a guaranteed financial commitment and Gateway City focus.</p>	<p>SGR showed the broadest operational track record including detailed financial impacts.</p> <p>SGR provided detailed outreach plans for contractors (sub trades) and suppliers during operations.</p> <p>SGR would maintain existing racing operation at the Plainridge Racecourse.</p>	<p>Raynham discussed modeling of the Community Partners program used by Parx at its Bensalem facility. Past Parx experience was shown but little detail on plan to be used at Raynham.</p> <p>The marketing and entertainment spending is insufficiently explained or supported.</p>
<p>Tourism support</p>	<p>PPE entered into MOUs with local partners; set goals linked to regional economic development plan; and provided endorsements from other cities. PPE has a history of financial support for community organizations and events as well as extensive entertainment experience.</p> <p>PPE demonstrated their extensive entertainment experience.</p>	<p>SGR has MOUs with local partners. SGR has extensive experience with marketing/loyalty programs and working with convention and visitors bureaus/tourism bodies.</p> <p>SGR has a significant number of endorsement letters and references.</p> <p>SGR is the most likely avenue to maintain uninterrupted harness racing activity. SGR had specific plans for additional events and amenities to draw visitors.</p>	<p>Raynham provided little detail/description on plans for cross marketing or working with local organizations.</p> <p>Raynham focused on sports partnerships.</p> <p>Raynham’s entertainment and advertising budgets were not well explained or linked to the proposed development.</p> <p>Raynham has the potential to support harness racing operations at the Brockton Fairgrounds.</p>

The Commission finds the PPE and SGR met the statutory requirements of c.23K §18 (2) and (10) to promote local business in the host and surrounding communities. PPE and SGR entered into many MOUs with local businesses to provide cross marketing opportunities. These local

business included hotels, restaurants and small businesses that could provide goods and services to the gaming establishment. Raynham provided little detail or description on cross marketing and few MOUs with local businesses.

The Commission finds that all three (3) applicants met the statutory requirements of c. 23K §18 (4) and (12) based upon findings in the economic development section and findings in the finance section regarding the number and types of jobs during construction of the gaming establishment as well as number and type of jobs expected in the gaming establishment once it is operational. Each applicant provided workforce development plans that described the number of jobs created, the number of construction jobs created and how each applicant would coordinate with various employment centers and other organizations to reach the unemployed in the region.

The Commission finds that all three (3) applicants met the minimum statutory requirements of c. 23K §18 (9) (16), (17) and (18) by providing information regarding contracting with minority business enterprises, women business enterprises and veterans business enterprises during construction, creating an affirmative action plan to provide equal employment opportunity and contracting with organized labor, including in particular project labor and labor harmony agreements. PPE and SGR provided the most detailed information for their proposed gaming establishments as well as information regarding their past experiences at other locations outside of the Commonwealth. Raynham provided the past experience of its partner Parx and little detail regarding its plans for its location in the Commonwealth.

<b>Building &amp; Site Design</b>			
	<b>PPE</b>	<b>SGR</b>	<b>Raynham</b>
<b>Criteria</b>			
Creativity in design and overall concept excellence	PPE presents a well-documented overall design concept and package that is consistent with the proposed uses and with an upscale entertainment (gaming, dining and live entertainment) venue. Its site and landscape proposal reinforces the design.	SGR provides adequate information to describe the design approach and integrates gaming with live racing and simulcast in a site specific solution. Its site and landscape proposal addresses storm water runoff.	Raynham incorporates gaming, simulcast and a multipurpose space into an internally focused facility set in a large parking area. The exterior is dominated by electronic signage and its site and landscape proposal lacks the detail necessary for full evaluation.
Gaming establishment of high caliber with quality amenities in partnership	PPE rose above the others offering a well-defined performance venue, very good restaurant features and providing the most	SGR proposes racing and simulcast in addition to slots. SGR highlights its track and the perpetuation of harness racing as	Raynham also proposes simulcast in addition to slots. Construction cost per square foot fell 25% to 30% below PPE and SGR. Also, Raynham's

with local facilities	robust floor plan details. PPE also made a convincing argument that their proposal is a well-balanced, three feature venue (dining, performance, gaming) in which any one is a draw in and of itself.	amenities and emphasizes its situation as part of a regional nexus of venues. Construction cost per square foot was considered as an approximation of the quality of the building.	responses to several questions were less detailed than the responses by the other applicants.
Compatibility with surroundings	PPE generally responded to all questions with sufficient detail and documentation. PPE fell short on providing sufficient information within the traffic studies and did not include, among other items, an analysis of roads and intersections impacted within a broader geographic area.	SGR generally responded to all questions with sufficient detail and documentation. SGR provided innovative plans for way finding and recycling. SGR fell short on providing sufficient information within the traffic studies and did not include, among other items, an analysis of roads and intersections impacted within a broader geographic area.	Raynham fell short on traffic studies. In addition, Raynham provided conflicting information on site entrance and did not justify its overabundant parking. Raynham gave insufficient responses relative to site improvements (no plans) and recycling (not emphasized).
Sustainable development	PPE commits to the LEED Gold target and the Stretch Energy Code. Its Central Heating Plant system with absorption cooling makes the design energy efficient and less reliant on the grid for its power. Limited on site renewables are proposed. PPE has a good storm water management plan and conserves potable and irrigation water uses.	SGR commits to the LEED Gold target and the Stretch Energy Code, supported by a detailed implementation plan. Its mechanical system is comprised of distributed rooftop units balanced by an efficient envelop and significant on site renewables supported by a solar analysis. The storm water plan utilizes the track infield for full on site retention and exceeds best practice.	Raynham's proposal commits to LEED Silver target instead of the targeted LEED Gold standard, but will meet the Stretch Energy Code. Raynham proposes a centralized mechanical system but provides no detail. Mention is made of the significant ground based solar array but it is not located on the plans. Raynham's site approach acknowledges the proximity of water resources and mitigates discharge but maintains significantly more

			impervious surface area than the other proposals.
Security, monitoring, surveillance and emergency procedures	Much of the information regarding equipment and procedures provided in this section appear to be industry standard. Much of the information provided by PPE was taken from its existing facility Maryland Live!. This level of detail allowed for a more in depth understanding of the overall security operation proposed for PPE. It is anticipated that the selected licensee will provide more information on emergency procedures and will meet all life safety code requirements.	Much of the information regarding equipment and procedures provided in this section appear to be industry standard. It is anticipated that the selected licensee will provide more information on emergency procedures and will meet all life safety code requirements.	Much of the information regarding equipment and procedures provided in this section appear to be industry standard. It is anticipated that the selected licensee will provide more information on emergency procedures and will meet all life safety code requirements.
Permitting	PPE provided a summary of required permits and associated documentation. PPE completed an ENF under MEPA. They need to complete the MEPA process and obtain local permits. PPE has routine permitting issues and should be able to meet its anticipated schedule. PPE's schedule relies on an early construction start before the MEPA process is complete. PPE has zoning approval.	SGR provided a summary of required permits and associated documentation. SGR has completed the MEPA process and has obtained most local permits. The only non-routine permitting issue is obtaining MassDOT and possibly FHWA approval for a break in access on Route 1 or if unsuccessful, for alternative roadway improvements. The delay in resolving this issue could postpone the opening. SGR has zoning approval.	Raynham provided a summary of required permits and associated documentation. Raynham has completed an ENF and draft EIR. They need to complete the MEPA process and obtain local permits. Raynham has routine permitting issues and should be able to meet their anticipated schedule. The temporary slot parlor proposed in Raynham may be delayed due to permits and roadway construction. Raynham has zoning approval.



Other	Much of the information provided was general in nature. PPE provided clarification indicating that reuse of the existing building with a south facing entrance represents the preferred alternative from those included in the application. PPE's site plans were sufficiently clear to provide a basis for defining the gaming establishment in the license.	Much of the information provided was general in nature. SGR's site plans were sufficiently clear to provide a basis for defining the gaming establishment in the license.	Much of the information provided was general in nature. Raynham's site plans were sufficiently clear to provide a basis for defining the gaming establishment in the license.
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The Commission finds that PPE and SGR satisfied the statutory requirements of c.23K §18 (5) by providing detailed information on the building and site design of each of the applicant's proposed gaming establishments. Both provided site plans, renderings, and floor plans of the proposed establishment. PPE and SGR provided a detailed description of the dining and entertainment offerings that would be available in addition to the gaming floor. The Commission finds that PPE rose above the other applicants in providing the most robust floor plan details in a well-defined three venue (dining, gaming and entertainment) design. SGR provided adequate detail; Raynham provided the least detail and thus could not be fully evaluated.

The Commission finds that PPE and SGR satisfied the statutory requirements of c.23K §18 (8). Both applicants agreed to meet LEED Gold standards and the Stretch Energy Code. Raynham did not meet the statutory requirements; it agreed only to meet LEED Silver standards. The Commission will require as a condition of licensure that the licensee agree to meet the LEED Gold standards described in the LEED Gold scorecard provided in the licensee's application.

<b><u>Mitigation</u></b>			
	<b>PPE</b>	<b>SGR</b>	<b>Raynham</b>
<b>Criteria</b>			
Community Support	Host community agreements, community support, surrounding community agreements and impacted live entertainment agreements were reviewed.	Host community agreements, community support, surrounding community agreements and impacted live entertainment agreements were reviewed.	Host community agreements, community support, surrounding community agreements and impacted live entertainment agreements were reviewed.

<p>Mitigate traffic and Offsite Impacts</p>	<p>PPE’s site has the best access to an underutilized interstate highway and PPE has agreed to improve the existing infrastructure and public transit access. PPE must comply with MEPA and obtain state and local permits. PPE has agreed to address local traffic impacts through its host and surrounding community agreements. No significant impacts to housing, school population and emergency services were noted.</p>	<p>SGR must comply with MEPA and obtain state and local permits. SGR has agreed to address local traffic impacts through its host and surrounding community agreements. No significant impacts to housing, school population and emergency services were noted.</p>	<p>Raynham must comply with MEPA and obtain state and local permits. Raynham has agreed to address local traffic impacts through its host and surrounding community agreements. No significant impacts to housing, school population and emergency services were noted.</p>
<p>Measures to Promote Responsible Gaming and Address Problem Gambling</p>	<p>PPE agreed to comply with regulations adopted by MGC.</p>	<p>SGR has experience in operating and integrating responsible gaming practices in their 28 casino and racing operations. SGR’s responsible gambling practices appear to meet and in a number of cases exceed the American Gaming Association responsible code of conduct.</p>	<p>Raynham agreed to comply with regulations adopted by MGC.</p>
<p>Protect and Enhance the Lottery</p>	<p>None of the proposals was particularly creative or robust. PPE indicated a commitment as required by law to work collaboratively with the MA State Lottery. PPE has signed an agreement with the MA State Lottery</p>	<p>None of the proposals was particularly creative or robust. SGR indicated a commitment as required by law to work collaboratively with the MA State Lottery. SGR has signed an agreement with the MA State Lottery</p>	<p>None of the proposals was particularly creative or robust. Raynham indicated a commitment as required by law to work collaboratively with the MA State Lottery. Raynham has signed an agreement with the MA State Lottery</p>

The Commission finds that all three (3) applicants satisfied the statutory requirement in c.23K §18 (1) to protect the Lottery by the execution of agreements with the Lottery on terms and conditions acceptable to both parties.

The Commission finds that all three (3) applicants satisfied the statutory requirement in c. 23K §18 (6) to take additional measures to address problem gaming through their agreement to comply with any regulations adopted by the Commission. However, the Commission finds that SGR submitted a more comprehensive plan that exceeded the American Gaming Association Code of Conduct.

The Commission finds that all three (3) applicants satisfied the statutory requirement in c. 23K §18 (14) to mitigate potential impacts on host and surrounding communities through the execution of host and surrounding community agreements on terms and conditions mutually agreeable to the parties.

The Commission finds that all three (3) applicants satisfied the statutory requirements in c. 23K §18 (19) through the approval received on the host community referendum, through comments received at host and surrounding community meetings and the comments received by the Commission in letters and emails from residents and businesses in the host and surrounding communities.

#### **IV. Comparative Discussion**

The decision as to which of the three (3) applicants should receive the one (1) category 2 gaming establishment license is a difficult one. It calls for the Commission to weigh three (3) very unique competitive proposals located in different areas of the Commonwealth. The Commission must also assess each proposal in light of the requirements set by the Legislature in c.23K which in broad terms are to increase economic development through quality jobs and the expansion and protection of local business; to mitigate the impacts of a gaming establishment in the host and surrounding communities and through programs to address problem gaming; and to create a robust gaming market through the creation of outward facing quality gaming establishments with dining and other forms of amenities designed to provide unique entertainment venues for the public.

##### **1. Overview**

**PPE:** PPE demonstrated a coherent sense of the Lowell to Worcester crescent as an economic unit, of the Leominster, Fitchburg, Gardner area and surroundings as a tourist area and has reasonable aspirations to anchor regional economic development. In the final analysis, PPE also was judged to be the most effective regional location for a gaming facility on the theory that in the long run the region is least likely to be served by the other MA gaming facilities, the location will serve as a competitive buffer to a potential southern NH facility and there are very likely to be much stronger Region C casino facilities to compete with gaming establishments in RI and CT.

**SGR:** The strength of the SGR proposal is its commitment to maintaining the harness track and the broad support for that track and the facility within the neighboring communities and harness industry.

**Raynham:** The Raynham proposal was often minimally responsive to the questions and seemed to make little effort to tie the components of the application to these criteria. The singular strength of the Raynham proposal is the distinguished business record of Mr. Carney and the virtually unanimous and genuine support he has in Raynham and nearby communities. Most of the specific questions in this category were addressed with little substance or imagination.

PPE and SGR both have strong proposals that are based upon the unique opportunities arising from their location in the Commonwealth. PPE's proposal proposed a gaming establishment that would serve as a regional anchor to foster economic development in an economically disadvantaged area of the Commonwealth. This was specifically evidenced by PPE's proposed M3D3 program. SGR's proposal centered around its location's long history of harness racing and harness racing's impact on other industries in the Commonwealth such as farming, horse breeding and veterinary services. Raynham's proposal contained little detail and was based on the reputation and good will of Mr. Carney, the operator of a simulcast facility at the proposed location.

On balance, the Commission believes that both the PPE and SGR proposals were strong and addressed the objectives of c.23K in unique but different ways.

## 2. **Finance**

**PPE:** PPE demonstrated that they have the financial capabilities and direct access to funds required to develop and operate a successful category 2 casino. They submitted sound investment, market and operations plans that align with their understanding of the MA opportunity. While these plans are individually strong and support the operation of a successful casino, they are not completely aligned with the future MA competitive marketplace and the operating parameters of a category 2 license (i.e., tax rate, limit on number of devices and type of devices). PPE's equity shareholder currently operates the largest casino in MD as measured by gross gaming revenue. While significant components of this experience base were used to support the various plans contained in their submission, this is the only casino that PPE currently operates.

**SGR:** SGR has demonstrated that they have the financial capabilities and direct access to funds required to develop and operate a successful category 2 casino. Their submission demonstrated that they fully understand the current and future MA competitive marketplace and the operating parameters of the category 2 license (i.e., tax rate, limit on number of devices and type of devices). This understanding is reflected in the consistency (alignment) between their investment, marketing and operations plans that they submitted. SGR possesses the necessary experience operating 28 gaming facilities located in 19 jurisdictions. Each of the facilities operates in jurisdictions that have varying degrees of competitiveness. SGR's portfolio includes numerous properties of similar size and scope to the category 2 casino proposed in MA. SGR

has significant expertise (corporate head office that supports regional operations) to develop and operate a successful category 2 casino in a highly competitive market.

**Raynham:** Raynham has demonstrated that they have the financial capabilities required to develop and operate a successful category 2 casino. They did not demonstrate that they currently have direct access to all of the funds required to build the permanent casino. They submitted sound investment, market and operations plans. While their plans are individually viable and support the operation of a successful casino, they are not completely aligned with the current and future MA competitive marketplace and operating parameters of a category 2 license (i.e., tax rate, limit on number of devices and type of devices.) One of Raynham's equity shareholders currently operates the largest casino in Philadelphia as measured by gross gaming revenue. While significant components of this experience base were used to support the various plans contained in their submission, this is the only casino that Raynham's equity shareholder operates.

PPE and SGR demonstrated the financial capability to develop and operate a successful gaming establishment. Both applicants demonstrated that they have all the funds necessary and available to construct the project. Raynham appeared to have the funds necessary, but it was unclear if all of their funding conditions could be met.

All the applicants have experience in operating successful casinos; however SGR currently operates twenty-eight (28) facilities, many of which are situated in competitive, high tax gaming markets. Albeit successfully, PPE and Raynham's equity shareholder currently operate one (1) each.

Each of the applicants addressed the pre and post competitive landscape in the Commonwealth. PPE submitted strong investment, marketing and operation plans, but these plans did not entirely align with the post competitive landscape. Likewise, Raynham submitted investment, marketing and operations plans that seemed overly aggressive and not supportable. SGR submitted a conservative investment, marketing and operations plan that addressed the pre and post competitive landscape in a way that was consistent over the license term and more likely sustainable. Of the three (3) applicants, the Commission believes that SGR provided the investment, marketing and operations plan most likely to result in a successful category 2 gaming establishment over the term of the license. That is, its breadth of industry specific experience in conjunction with its conservative realistic projections leave SGR in the best position to realize the revenue it projected and handle the rigors of heightened competition.

### 3. **Economic development**

**PPE:** PPE presented a stable payroll and FTE count over the term of the license. PPE demonstrated awareness of the pre and post competitive landscape in the Commonwealth and how its MD experience would inform its efforts in the Commonwealth. PPE presented details on its outreach plans to contractors and suppliers in order to encourage minority, women and veteran owned businesses to participate in the construction portion of the project and to provide goods and services to the gaming establishment once operational. PPE entered into MOUs with local partners to encourage tourism in the region. PPE provided endorsements from other cities

showing PPE's community involvement. PPE also proposed the highly innovative M3D3 plan which would help to create future jobs in the medical device industry.

**SGR:** SGR presented the most realistic payroll and FTE count which took into account future competition from category 1 gaming establishments. SGR showed a positive track record in union relationships and a sound history of human resource management. SGR also presented the opportunity to maintain harness racing at the proposed location. SGR has the broadest operational track record given that it currently manages twenty-eight (28) facilities in nineteen (19) jurisdictions. SGR provided detailed outreach plans for contractors and suppliers to encourage minority, women and veteran owned businesses to participate in the construction portion of the project and to provide goods and services to the gaming establishment once operational. SGR entered into over forty (40) MOUs and cross marketing agreements designed to partner with local entities ranging from hotels, restaurants, shopping and entertainment venues.

**Raynham:** Raynham provided payroll and FTE counts that were deemed to be aggressive and unsupported. Raynham relied on the experience of its shareholder, Parx, but did not explain how Parx' s experience would inform the proposed project. Raynham presented a Parx program, Community Partners, used at Parx' s Bensalem facility but did not explain how that program would be implemented at the proposed location. Raynham provided little description or detail on its plans for cross marketing or working with local businesses. Raynham did indicate support for a short harness racing season at the Brockton Fairgrounds.

The Commission believes that SGR presented the most realistic proposal in terms of job creation and compelling plans for the cross marketing of local businesses, tourism, and entertainment venues. SGR's proposal was the best opportunity to continue harness racing in the Commonwealth and to maintain the jobs associated with the harness racing industry.

#### 4. **Building & Site Design**

**PPE:** PPE offers a well-documented overall design concept emphasizing an upscale entertainment venue with three features-gaming, dining and live entertainment-each of which is a draw in and of itself. The dining is directly accessible from the building exterior. PPE has demonstrated that it is focused on an excellent customer experience in all its offerings, supported by observation of Maryland Live!. PPE's application excels with its approach to a balanced entertainment venue.

PPE meets all of the requirements for utility connections and improvements, storm water management, green energy and LEED Gold target. It proposes a centralized heating and cooling plant with a cogeneration facility of 1.5 MW generating capacity reflecting a long term investment, improved energy performance and protection from grid failure.

Only 3 out of 79 questions were rated "insufficient" and two of those were in common with the other applicants. The third, question 4-39 "Integration with Surrounding Venues" is somewhat of a misfit for this site which is relatively isolated from existing development. A concern does

exist that PPE's schedule to open the facility by the end of 2014 is overly optimistic and that the coordination of permitting and construction could delay the opening 3-6 months

**SGR:** SGR provides an integrated design approach marrying the existing harness racing venue and simulcast with the slot parlor in a well-developed concept. The application highlights the continuation of harness racing as a feature of the site, thereby connecting with the local economy and horse racing industry (e.g., horse farms) in MA. In addition to supporting harness racing, SGR's application offers other non-gaming amenities including meeting and conference space and, on a small scale, a performance venue.

SGR's site plan benefits from an integrated parking garage for customer convenience and a visually attractive track and open space. SGR makes a strong presentation on connections with regional attractions including Gillette Stadium, Comcast Center, Wrentham Outlets and TPC Boston (championship golf course). It meets all requirements for utility connections and improvements, storm water management, green energy, parking, landscaping, and LEED Gold target. SGR's application credibly demonstrates the ability to recycle all storm water and rainwater fully and effectively. It also added credibility to its LEED scorecard with a LEED Gold Action Plan.

SGR proposes as part of its traffic plan to make a cut through the Route 1 median barrier to improve access to the site from I 495. There is a risk that this plan will not be permitted by MassDOT and/or the Federal Highway Administration. However, both SGR and the town of Plainville have indicated that if the plan to cut through the Route 1 median barrier is not accepted, they will accept an alternate plan proposed by MassDOT and the Federal Highway Administration.

**Raynham:** Raynham presents a phased approach, including a temporary early-open gaming facility, with ample room for future slot parlor and commercial development possibly supported by the potential South Coast Rail Project. It incorporates gaming, simulcast and multipurpose space into an internally focused facility set in a large parking area. However, when compared to the other submissions, the application is less developed in its design and documentation.

Raynham's phase 2 proposal is essentially a large box and many of the non-gaming amenities are not as well defined as the other applicant submittals. The exterior is dominated by electronic signage. Its landscape proposal lacks detail. The parking field size is unjustified and detracts from the overall look of the site. Further, Raynham only commits to LEED Silver target in conflict with the LEED Gold target established by the legislature.

Based on the observations of Parx Bensalem PA facility, Parx is capable of building and operating a successful slot parlor venue. Of the three applicants, Raynham's application is rated lowest in the Building and Site design category because it lacked detail, overlooked some requirements and missed opportunities to present the project in its best light.

PPE presented a well-designed plan for a dining, gaming and entertainment venue. Of the three (3) proposals, the Commission believes that PPE had the highest quality amenities and the most detailed support for its plan.

SGR had a well-designed plan for a dining, gaming and entertainment venue. SGR's proposal was sport themed and features harness racing in keeping with the locations current use as a harness racing facility. SGR also agreed to LEED Gold standards and compliance with the Stretch Energy Code. Of all the three (3) proposals, the Commission believes that SGR's proposal provided for the most use of renewable energy, the most renewable energy generated on site and an innovative solution for storm water management.

Raynham's proposal had little detail. It described a dining, gaming and entertainment plan although the details for each were lacking. Raynham agreed only to meet the LEED Silver standard, which was not compliant with the requirements of c. 23K.

Of the three (3) proposals, the Commission believes that PPE the best design plan for a quality gaming establishment providing dining, gaming and entertainment. The Commission believes that SGR has the best sustainable development plan based on its LEED Gold standard score card and the most on site renewable energy and innovative storm water management.

## 5. Mitigation

**PPE:** PPE was effective in reaching agreements with host and surrounding communities and had strong support from public officials. Some opposition was registered at public hearings and through comment letters/emails. PPE's proposed site is located in close proximity to an underutilized interstate highway. PPE identifies roadway and transit related mitigation to include accommodating bike and pedestrians on Jungle Rd, providing new traffic signals, extending local bus lines and providing a shuttle to the commuter rail station. Comments received from MassDOT on proposed mitigation and access plans indicate that some refinements and additions to the program will be required. Potential review by Federal Highway Administration was noted for recommended modifications to the interchange with I 190.

PPE executed an agreement with the MA State Lottery.

**SGR:** SGR was effective in reaching agreements with host and surrounding communities and created a model agreement that was used by other applicants. Host community referendum was passed by a wide margin; negligible opposition was registered at public hearings and through public comments/emails received by the Commission.

The proposed site is located close to a major interstate highway interchange. SGR's preferred site access improvements are currently under review with MassDOT and Federal Highway Administration and alternatives are being considered. SGR committed to implement mitigation in the form of offsite roadway improvements in addition to those required for improved access to the site.



SGR integrated responsible gaming practices into their casino and racing operations in many jurisdictions. Practices meet and exceed the American Gaming Association reasonable code of conduct. SGR agreed to comply with Commission regulations to be developed.

SGR executed an agreement with the MA State Lottery.

**Raynham:** Raynham was effective in reaching agreements with host, surrounding and nearby communities. Host community referendum was passed by a large margin and negligible opposition was registered at public hearings and through public comments/emails received by the Commission.

Raynham's proposed site is located some distance from a highway interchange. Raynham identifies limited roadway and transit mitigation. Additional offsite intersection improvements may be required.

Raynham outlined responsible gaming policies and procedures at the Parx Casino in Bensalem, PA. Raynham agreed to comply with any Commission regulations to be developed.

Raynham executed an agreement with the MA State Lottery.

The Commission believes that each proposal addressed traffic mitigation in ways appropriate to the specific location. Likewise, all applicants entered into appropriate host and surrounding community agreements. The Commission notes that SGR created a template surrounding community agreement that contained terms which were emulated by other applicants. All applicants had community support as expressed in the community referendums. Some community opposition to the PPE project was expressed at community meetings and in emails/letters to the Commission. Overall the Commission believes that each applicant adequately addressed mitigation issues.

## 6. Conclusion

The Commission had before it three (3) applicants whose applications overall met the requirements set out in G.L. 23K and 205 CMR 101.00 et seq. Of those three (3) applicants, two (2) of them, PPE and SGR, while each different in approach, were very good. Both PPE and SGR were very good in the Overview of the Project category. Each presented a unique view of their project, with PPE focused on a regional market approach and SGR focused on the historic nature of harness racing at Plainridge.

PPE and SGR both presented detailed investment, market and operations plans; however, PPE's plan was not well aligned with the post competitive landscape in the Commonwealth. SGR's plan, while conservative, presented the most reasonable revenue generation estimates and best plan for addressing the post competitive landscape. For that reason, SGR excelled in the Finance category.

In the Economic Development category, both applicants presented similar job creation numbers for construction and operational job categories. PPE proposed the M3D3 program, which

provided funding to startup companies in the medical device industry and could potentially create 5000 jobs over the next twenty (20) years. SGR offered the ability to continue harness racing in the Commonwealth, with the potential to save over 1000 currently existing jobs across several industries in the Commonwealth. Based on the preservation of current jobs, SGR excelled in the Economic Development category.

In the Building and Site design category, both applicants presented plans that included gaming, dining and entertainment facilities. PPE presented a more robust entertainment plan at the gaming establishment. SGR had the ability to offer harness racing as an additional amenity. PPE's building and site design included the highest quality amenities and its plan was supported by more detail. For that reason, PPE excelled in the Building and Site Design category.

Both applicants provided a basic plan to address the criteria in the Mitigation category. Each applicant agreed to address traffic issues as required; each applicant entered into an agreement with the MA State Lottery. SGR's plan to address problem gaming issues met and exceeded the American Gaming Association's reasonable code of conduct. For that reason, SGR excelled in the Mitigation category.

In the end, the Commission valued more highly the categories in which SGR excelled, namely Finance and Economic Development and for that reason, awards the license for a category 2 gaming establishment to SGR.

## V. Award

The Commission was fortunate that it had before it three (3) capable and competent applicants each of whom presented detailed and thoughtful proposals for the introduction and operation of a Category 2 gaming establishment in the Commonwealth. Upon reviewing all of the requirements of c.23K, the regulations under 205 CMR 101 et seq. and weighing the Applicants' RFA 1 and RFA 2 applications and information and comments submitted by the public in a comparative manner, the Commission has determined that the Category 2 gaming establishment license is **GRANTED** to Springfield Gaming and Redevelopment LLC. As such, the applications for a Category 2 license submitted by PPE Casino Resorts MA, LLC and Raynham Park LLC are hereby **DENIED**.

The gaming establishment is defined as: the site plan as provided by Springfield Gaming and Redevelopment LLC as part of its RFA 2 application as attachment 4-79-02.

The term of the license awarded to SGR commences upon the Commission's approval of commencement of the operation of the gaming establishment and continues for a period of 5 years thereafter.

The Category 2 gaming establishment license will be issued subject to the following conditions:

1. Compliance with all of the requirements of M.G.L. c. 23K, as now in effect and as hereafter amended and 205 CMR 101 et seq., as now in effect and as hereafter amended.
2. Compliance with all applicable federal, state and local laws, rules and regulations, now in effect or as hereafter amended or promulgated.
3. The debt equity requirements as established by the Commission's regulations.
4. Payment of the license fee as required by c. 23K and 205 CMR 121.00
5. Payment of assessments made pursuant to 205 CMR 121.00
6. Compliance with the terms and conditions of:
  - a. the host community agreement;
  - b. surrounding community agreements;
  - c. impacted live entertainment agreements;
  - d. lottery agreements;
  - e. any other agreements with communities or mutual aid agreements;
  - f. the memorandum of understanding between the Commission and the Massachusetts Community College Casino Career Institute;
  - g. affirmative marketing programs for those businesses identified in c. 23K §21 (21) (i) (ii) and (iii) for design and construction of the gaming establishment;
  - h. affirmative action programs identified under c.23K §21 (22); and
  - g. all federal, state and local permits and approvals required to construct and operate the gaming establishment.
7. The provision of a plan within thirty (30) days of this determination to the Commission for its review and approval creating an affirmative marketing program for those businesses identified in c.23K §21 (21) (i) and (ii) for design and construction.
8. The provision of a plan within ninety (90) days of this determination to the Commission for its review and approval creating an affirmative marketing program for those businesses identified in c.23K §21 (21) (iii) for provision of goods and services procured by the gaming establishment.

9. the provision of a plan within thirty (30) days of this determination to the Commission for its review and approval creating an affirmative action program for equal opportunity to those residents identified in c.23K §21 (22).
10. Compliance with the construction plans, specifications, and timelines as approved by the Commission as required by Commission regulations.
11. As the holder of a racing licensee pursuant to M.G.L. c. 128A and c. 128C, as now in effect and as hereafter amended, licensee will comply with the terms of c. 23K, c.128A, c.128C and the rules and regulations promulgated thereunder.
12. The information included in the application filed by the licensee and the evaluation reports prepared by the Commission as part of the Commission's evaluation process are incorporated by reference into this determination.
13. The provision of a plan to the Commission within 90 days of the date of this determination to work with the Massachusetts Department of Labor and Workforce Development and related state and local agencies to create a plan for approval by the Commission in consultation with the Massachusetts Department of Labor and Workforce Development to identify and market employment opportunities to unemployed residents of Massachusetts.
14. In consultation with the regional tourism council and with the Massachusetts Office of Travel and Tourism, and subject to approval by the Commission, create a regional tourism marketing and hospitality plan. Such plan shall include, but is not limited to, making space available in the gaming establishment for state and regional tourism information, links on the licensee's website to the regional tourism council website, a joint marketing program with the regional tourism council and the Massachusetts Office of Travel and Tourism, staff training in regards to the plan and sharing of visitor data with the regional tourism council and the Massachusetts Office of Travel and Tourism. Such plan shall be provided to the Commission for its approval at least 3 months prior to the anticipated commencement of operation of the gaming establishment.
15. In conjunction with the Massachusetts Gaming Commission Vendor Advisory Team and any local grant awardee, create a plan within 90 days of the date of this determination for the Commission's approval to assess licensee requirements and to identify potential local vendors.
16. Institute credit and collection practices that comply with Commission regulations.
17. Comply with any free play standards set by the Commission.

18. Other specific conditions:

1. The licensee shall report on a timely basis regarding the status of all pending litigation, and promptly notify the Commission of any litigation commenced subsequent to the issuance of the license renewal, with timely updates regarding the status of any new litigation;
2. The licensee shall promptly report any changes relating to their ownership, members, managers and/or directors; any new owners, members, managers and/or directors are required to submit a PHD and Mass Supp, or BED form to the Commission; and that any owners, members, managers and/or directors must be found suitable by the Commission;
3. The licensee shall promptly report any loans or additional debt incurred;
4. The licensee shall promptly inform the Commission of any event of default or any failure to meet any payment of interest or principal when due under any of its existing or future debt obligations;
5. The licensee shall notify the Commission of any plans to refinance its existing debt or incur any additional capital debt obligations;
6. The licensee shall submit annual audited financial statements to the Commission; and
7. The licensee shall promptly notify the Commission of any material developments regarding the REIT restructuring.
8. The Bank Secrecy Act of 1970 (“BSA,” or otherwise known as the Currency and Foreign Transactions Reporting Act) requires US financial institutions to assist US government agencies to detect and prevent money laundering. Specifically, the BSA requires financial institutions to keep records of cash purchases of negotiable instruments, file reports of cash transactions exceeding \$10,000 (daily aggregate amount), and to report suspicious activity indicative of money laundering, tax evasion, or other criminal activities. Originally applied only to financial institutions such as banks, reporting requirements have since broadened to include businesses such as casinos and check-cashing agencies. In that regard, a licensed casino qualifies as a “financial institution” subject to those filing requirements if it has more than \$1,000,000 in annual gross gaming revenue. This is a threshold any licensed gaming operation in Massachusetts should meet. The licensee is required to submit and adhere to a Plan for compliance with the United States Currency and Foreign Transactions Reporting Act satisfactory to the Commission.

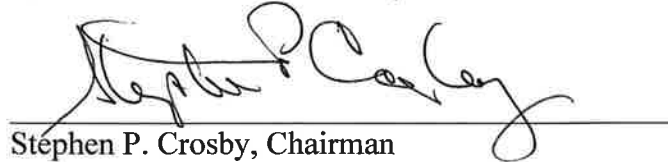
10. The licensee shall commit to being LEED Gold certifiable in the manner indicated on the LEED Gold score sheet submitted by the licensee as part of its RFA 2 application.

11. The licensee shall adhere to the average wage scales provided in the Licensee's RFA 2 application.

12. The licensee shall apply for an alcoholic beverage license in accordance with the Commission's regulations.

**SO ORDERED**

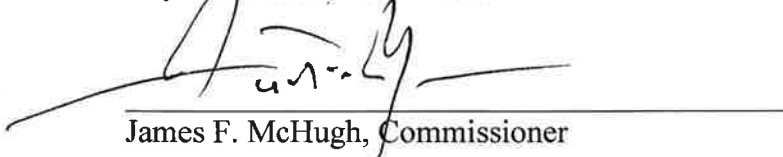
**MASSACHUSETTS GAMING COMMISSION**



Stephen P. Crosby, Chairman



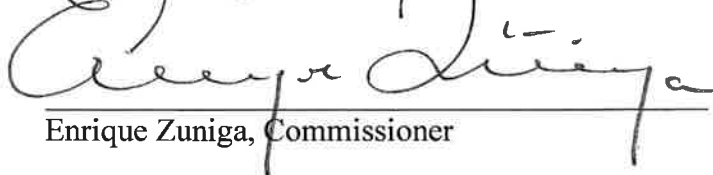
Gayle Cameron, Commissioner



James F. McHugh, Commissioner



Bruce Stebbins, Commissioner



Enrique Zuniga, Commissioner

DATED as of: February 28, 2014