



MGM SPRINGFIELD

QUARTERLY STATUS REPORT # 1

Monitoring of Project Construction and
Licensee Requirements
205 CMR 135

For the Period:
January–March 2015

Submitted:
June 22, 2015



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135.02.2 The commission shall, in accordance with M.G.L. c. 23K, §§ 10 and 11 approve for each gaming licensee, a project schedule for the gaming licensee's capital investment in its gaming establishment and related infrastructure which includes:

(a) all major stages of design and construction; including all permitting and approvals, design deliverables, site preparation, foundation, structure, plumbing, electrical, mechanical, exterior finish and fenestration, long lead items, insulation, interior finish and furnishings and landscaping, building commissioning and commissioning of gaming equipment and information technology systems.

(b) For a Category 1 gaming establishment, a timeline for commencement of the final stage of construction pursuant to M.G.L. c. 23K, § 10(a); and

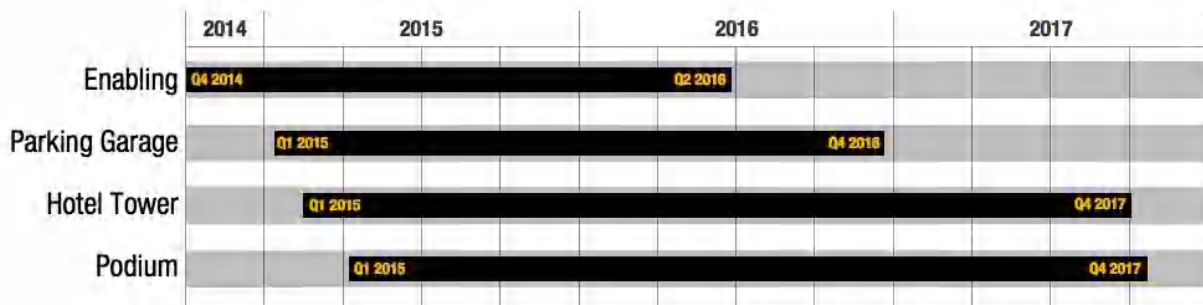
(c) a timeline for the stage of construction at which the gaming licensee shall be approved to open for business or operate a slot machine pursuant to M.G.L. c. 23K, §§10(c) and 11(a).

135.02.4 If unforeseen and/or changed circumstances necessitate a change to a project schedule approved pursuant to 205 CMR 135.02(2) which will impact the completion date or requires a major change in the method or progress of construction, the gaming licensee may submit to the commission for its approval a revised project schedule, with a detailed statement of the unforeseen changed circumstances which justify the revised project schedule. If the commission approves such revised project schedule, it shall substitute and supersede the previously approved project schedule.

1 PROJECT SCHEDULE

1a CURRENT SCHEDULE

The preliminary 6 month construction look ahead schedule was presented to the commission on March 5, 2015. A summary is below and a copy of the detailed schedule is attached as Appendix A.



During the first quarter of 2015, MGM accomplished the following benchmarks set forth in that schedule:

- Contractor outreach activities for Site Fence, Abatement/Demolition, Mass Excavation, Site Utilities, Foundations and Waterproofing
- Construction Fence Installation
- Multiple Demolition and Abatement Awards out to Bid
- Completed all Entitlements for Howard Street School Demolition with the exception of Massachusetts Historical Commission
- Remaining demolition milestones cannot be met until Massachusetts Historical Commission approvals are obtained



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MGM Springfield continues to analyze external factors that impact its proposed final project schedule, including without limitation delays in obtaining certain historic approvals, and intends to provide its proposed schedule to the Commission as soon as it is able to determine project schedule impacts.

1b PROJECT SCHEDULE CHANGES

MGM Springfield is in the development of the baseline schedule for the project; therefore there are no changes to report at this time.

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135.02.3 Within the time frame provided in the award of the gaming license, the licensee shall provide to the commission for commission approval an affirmative action program of equal opportunity whereby the licensee establishes specific goals for the utilization of minorities, women and veterans on construction jobs and for contracting with minority, women or veteran owned businesses during either design or construction; provided, however that such goals shall be equal to or greater than the goals contained in Executive Office of Administration and Finance Administrative Bulletin Number 14.

135.02.5c To ensure adherence to the project schedule approved pursuant to 205 CMR 135.02(2) or (4), the gaming licensee shall submit to the commission in a media, format and level of detail acceptable to the commission, quarterly a status report including:

(e) a detailed statistical report pursuant to M.G.L. c. 23K, §21(a)(23) on the number, gender and race, and veteran status of individuals by job classifications hired to perform labor as part of the construction of the gaming establishment and related infrastructure, and a comparison of this report with the goals established by the gaming licensee and commission pursuant to M.G.L. c. 23K, §21(a)(22). In the event the licensee's hiring of the aforementioned entities does not comply with the goals established the licensee shall submit within 20 days of a request by the commission a response as to why the goals have not been achieved, identify any good faith efforts that have been undertaken to achieve those goals and provide a plan to bring the dollar amount contracted and spent into compliance with the goals.

(f) a report describing the number of contracts, total dollar amounts contracted with and actually paid to minority business enterprises, women business enterprises and veteran business enterprises for design and construction of the gaming establishment and related infrastructure, and the total number and value of all subcontracts awarded to a minority, women and veteran owned business, and a comparison of these reports with the goals established by the gaming licensee and commission pursuant to M.G.L. c. 23K, §21(a)(21). In the event the licensee's hiring of the aforementioned entities does not comply with the goals established the licensee shall submit within 20 days of a request by the commission a response as to why the goals have not been achieved, identify any good faith efforts that have been undertaken to achieve those goals and provide a plan to bring the dollar amount contracted and spent into compliance with the goals.

2 CONSTRUCTION PHASE DIVERSITY PROGRAM FOR EQUAL OPPORTUNITY

2a DIVERSITY SUMMARY

The Diversity Plan for the Design and Construction Phase of MGM Springfield was approved on January 22, 2015 and is included in this report as Appendix B.

The implementation of the Diversity Plan has commenced for Design and Construction. Reporting on Design and Construction contracts is included as Appendix C. A template for workforce tracking is being finalized and is attached as Appendix D.

As funds begin to be paid out for Design and Construction, a section will be added to the reporting showing expenditures to date and percent complete.



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The project has committed to reaching the following goals for Diversity Commitments in Design and Construction:

- WBE: 10%
- MBE: 5%
- VBE: 2%

A Letter of Agreement (LOA) with the design team through Schematic Design is expected to be signed in the coming quarter. The LOA is expected to include several WBE design consultants. Reporting will be available in the next report. An outreach process is underway to identify additional WBE/MBE/VBE firms for participation in the later stages of the Design work.

2b WORKFORCE STATISTICS

A reporting template for work force statistics is currently being developed. The draft document is included in this report as Appendix D.

It is expected that the next quarterly report issued will include statistics to date on workforce diversity for the project. In each quarter we will be able to report statistics for the number, race, gender and veteran status, comparing the target goal with actual work force statistics to date.

2c DIVERSITY COMMITMENTS

Specifics of the Design and Construction contract commitments to date are included in the Diversity Commitments report as Appendix C.

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135.02.5a To ensure adherence to the project schedule approved pursuant to 205 CMR 135.02(2) or (4), the gaming licensee shall submit to the commission in a media, format and level of detail acceptable to the commission, quarterly a status report including:

(a) the total estimated cost of construction of the project and related infrastructure improvements, including a sworn certification regarding costs incurred pursuant to 205 CMR 122.03: Costs Included in the Calculation of Capital Investment, and separately identifying detailed costs for design, land acquisition, site preparation and construction and off-site improvements

(b) a sworn certification regarding the capitalization of the gaming licensee, sufficient for the commission to determine, pursuant to M.G.L. c. 23K §10(e) or 11(c), that the gaming licensee has adequate funds to complete the gaming establishment and related infrastructure improvements.

3 COST OF CONSTRUCTION / CAPITALIZATION OF GAMING LICENSE

Pursuant to 205 CMR 135.02.5(a) and (b), please see Appendix E for a sworn certification regarding (a) the total estimated cost of construction of the project and related infrastructure improvements, and (b) the capitalization of MGM Springfield.

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135.02.5c To ensure adherence to the project schedule approved pursuant to 205 CMR 135.02(2) or (4), the gaming licensee shall submit to the commission in a media, format and level of detail acceptable to the commission, quarterly a status report including:

(c) a copy of all design and construction contracts executed within the prior quarter by the gaming licensee to design and construct the gaming establishment and related infrastructure improvements

4 DESIGN & CONSTRUCTION CONTRACTS

The following contracts have been executed to date:

COMPANY	CONTRACT
1. Tishman Construction Corporation	Preconstruction and Early Work Agreement between Owner and Construction Manager
2. Sanborn Head	Phase II Environmental Assessment Services – 10 Mill Street
3. Sanborn Head	Hazardous Building Material Surveys
4. Sanborn Head	Phase II Environmental Assessment Services – Main Street, Wilcox Street, East Columbus Avenue and State Street Area
5. Sanborn Head	Phase I ESA Services and Update of Draft ESA Report

Copies of executed contracts are available to the Massachusetts Gaming Commission's Representative for review.

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135.02.5d To ensure adherence to the project schedule approved pursuant to 205 CMR 135.02(2) or (4), the gaming licensee shall submit to the commission in a media, format and level of detail acceptable to the commission, quarterly a status report including:

(d) a status report reflecting the progress of construction and certifying compliance with the approved project schedule for major stages of construction. In the event that the progress of construction does not comply with the project schedule approved pursuant to 205 CMR 135.02, the licensee shall submit a detailed plan to bring the progress of construction into compliance with the approved project schedule or submit a request for a revised project schedule pursuant to 205 CMR 135.02(4)

5 STATUS OF WORK COMPLETED / PROGRESS PHOTOGRAPHS

5a STATUS OF WORK COMPLETED

The following construction activities have been completed or are underway:

- Construction fence installation has commenced.
- Multiple demolition and abatement contracts are out for bid.
- Howard Street School demolition and abatement scope is awarded.
- Howard Street School abatement work is in progress.
- Armory demolition and abatement scope is awarded.
- Webcam has been installed
- Street discontinuance coordination with utility entities is in progress.

5b PROGRESS PHOTOGRAPHS

On the following pages please find current progress photographs of the site for the month of March 2015.



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PROGRESS PHOTOGRAPHS



Groundbreaking: March 24, 2015



March 24, 2015

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PROGRESS PHOTOGRAPHS



March 24, 2015



March 31, 2015

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135.02.6 The licensee shall have a continuing obligation, pursuant to 205 CMR 120.01(2) to timely provide to the commission an updated permits chart and all documents and information listed in 205 CMR 120.01: Permitting Requirements, as well as any updates to the MEPA process such that the commission is continuously apprised of all material developments with respect to all permits and approvals required for the gaming establishment. Pursuant to 205 CMR 120.01(1)(h) the licensee shall provide to the commission copies of any appeal within 20 days of filing, whether to a municipal or state entity or for judicial review, filed with respect to any permit of approval listed in 205 CMR 120.01(1) along with a copy of the docket sheet and each decision on any appeal.

6 PERMITS

The following is the status of required permits and approvals:

AGENCY OR GOVERNING LEGAL AUTHORITY	PERMIT, REVIEW, OR APPLICATION	DATE APPLICATION SUBMITTED OR ESTIMATED ANTICIPATED APPLICATION DATE
FEDERAL		
1. US Environmental Protection Agency (EPA)	USEPA Construction General Permit	Permit received 2/23/15: USEPA MAR120000
2. US Environmental Protection Agency (EPA)	NPDES General Permit	Permit for Main St. and East Columbus Ave. received 3/9/15: MAR12B410
	NPDES Remediation General Permit (RGP)	Subject to final foundation design
STATE		
1. Massachusetts Gaming Commission	Gaming License	Received 11/7/14
2. Executive Office of Energy and Environmental Affairs	Massachusetts Environmental Policy Act (MEPA) Review	Certificate on Final Environmental Impact Report Received 12/31/14: EEA 15033
3. Massachusetts Department of Environmental Protection (MA DEP)	MA DEP Underground Injection Control (UIC) BRP WS-06	To be filed at project completion
4. Massachusetts Department of Environmental Protection (MA DEP)	Construction Dewatering Permit	Subject to final foundation design

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5. Massachusetts Historical Commission (MHC)	Review of project relative to potential effects of State Register historic/ archeological resources	Ongoing consultation with MHC to resolve adverse effect finding. Final Memorandum of Agreement anticipated August 2015
6. Massachusetts Department of Transportation (MassDOT)	Category III Application for Permit to Access State Highway	MassDOT will participate in several Road Safety Audits (RSAs) as required within the MEPA Certificate (data pending). MassDOT will issue a Section 61 Finding following a review of the RSA findings that may incorporate other minor improvements at area intersections. MGM will prepare and submit a 25% design package and Design Exception Report for MassDOT review – assumed to be a Category III Application for Permit to Access State Highway. Upon receipt of the 25% level comments, MGM will prepare a combined 75%/100% design package for MassDOT's review. Upon receipt of 75%/100% level comments, MGM will prepare a PS&E design package for MassDOT's final review. MassDOT will issue the Highway Access Permit prior to construction of multi-modal roadway and traffic control improvements
7. Massachusetts Department of Housing and Community Development	Chapter 121A Designation as an Urban Redevelopment Project	Approval letter received 12/31/14
LOCAL		
1. City of Springfield Department of Public Works	Private Property Trenching Non Excavation Occupancy/Site Fence permit Special Permit (Water & Sewer Commission) Private Property Trenching permit	Howard Street between Main St. and E. Columbus Ave., received 3/4/15: 20150181 Phase 1 Construction, received 3/18/15: 20150262 (Phase 1 of 4) Howard St. between Main St. and East Columbus Ave., received 3/23/15: 20150277 Bliss Street, received 3/25/15: 20150375
2. City of Springfield Building Division	Building Permit Demolition Signed Approval	10 Mill Street, received 2/9/15: 15BLDOT-00003AD Howard Street School, received 3/18/15 (no number assigned)

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3. City of Springfield Historical Commission	MHC Review Concurring Party; Demolition Delay	Pending final MOA with Massachusetts Historic Commission
4. City of Springfield Planning Board	Overlay District Special Permit	Submission expected in June/July 2015
5. Springfield City Council	Site Plan Review	Submission expected in 3 rd quarter 2015
6. City of Springfield Department of Health and Human Services	Food Service Establishment Permit	TBD as venues are finalized
7. City of Springfield Fire Department	Storage Tank Removal Permit	Permit submissions expected in second quarter of 2015

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135.02.7 In furtherance of specific goals for the utilization of minorities, women and veterans on construction jobs, the licensee shall send and provide a copy to the commission, to each labor union or representative of workers with which the licensee has a collective bargaining agreement or other contract of understanding, a notice advising the labor union or workers representative of the licensee's commitments pursuant to M.G.L. c. 23K §(15) and §§21(a)(21) and (22).

7 ORGANIZED LABOR LETTER

The Project Labor Agreement (PLA) was executed on February 26, 2015. Article XVIII on Page 25 of the Agreement states the construction manager and labor unions' commitment to comply with Owner's Diversity and Affirmative Marketing Program as adopted on January 22, 2015.

A copy of the executed PLA is available to the Massachusetts Gaming Commission's Representative for review.



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135.02.8 Prior to the gaming establishment opening for business, in furtherance of specific goals for the utilization of minority business enterprises, women business enterprises and veteran business enterprises as vendors in the provision of goods and services to the gaming establishment, the licensee shall provide to the commission an affirmative marketing plan in which the licensee identifies specific goals, expressed as an overall program goal applicable to the total dollar value of contracts entered into, for the utilization of 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; provided, however, that the specific goals for the utilization of such minority business enterprises, women business enterprises and veteran business enterprises shall be based on the availability of such minority business enterprises, women business enterprises and veteran business enterprises engaged in the type of work to be contracted by the gaming licensee.

8 OPERATIONAL PHASE DIVERSITY PROGRAM FOR EQUAL OPPORTUNITY

MGM's Diversity and Affirmative Marketing Program, approved on January 22, 2015, is included as Appendix B. MGM will comply with this program to meet goals for Diversity participation in the operational phase of the project.

