

CONCISE SUMMARY OF HOST COMMUNITY AGREEMENT

PUBLISHED IN ACCORDANCE WITH M.G.L. 23K, §15(13)

If approved by the voters of Springfield, the Host Community Agreement (the "Agreement") between the City of Springfield (the "City") and Blue Tarp reDevelopment, LLC and, by joinder, MGM Springfield reDevelopment, LLC (collectively "MGM") requires MGM to develop a destination casino resort in the downtown area of Springfield generally bounded by Main Street, Union Street, East Columbus Avenue and State Street. The area includes the site of the former South End Community Center and Zanetti School which were severely damaged by a tornado in June 2011. Below is a summary of the principal terms of the Agreement:

I. Summary of Economic Terms.

Under the Agreement, MGM is required to make substantial payments to the City. Upfront and advance payments total over \$15 Million and annual payments to be made upon opening of the facility total over \$25 Million.

<u>Total Upfront and Advance Payments</u>	<u>Amount</u>	<u>Use</u>
Upfront Direct Community Impact	\$2,500,000	For police, fire, schools, and other infrastructure.
Upfront Community Development Grant	1,000,000	Unrestricted grant to City paid in July 2013.
Upfront Surrounding Community Fund ⁽¹⁾	500,000	Surrounding community impacts.
Upfront 121A Advances	10,000,000	Advances made over three years during project construction.
Riverfront Park Improvements	1,000,000	Construction of improvements at Riverfront Park.
Franconia Golf Course	150,000	Construction of MGM Pavilion at Golf Course.
Total	\$15,150,000	

<u>Projected Annual Payments</u>	<u>Amount</u>	<u>Use</u>
Annual Community Impact Payments:		
Fixed payment ⁽²⁾	\$2,500,000	For police, fire, schools, and other infrastructure.
Variable payment:		
(a) 0.125% of GGR up to GGR of \$400 Million ⁽³⁾	500,000	
(b) 1.00% of GGR for GGR above \$400 Million ⁽³⁾	795,000	
Annual Community Development Grant ⁽²⁾	2,500,000	For: (1) early childhood education; (2) higher education; (3) libraries; (4) health impacts; (5) any City parking revenue subsidies (if shortfall); (6) project compliance; and (7) betterment of City and its residents.
Annual Chapter 121A Payments:		
Fixed payment	17,600,000	Payment in lieu of property taxes begins upon project opening. Beginning in FY2024, payment adjusts annually for certain years by 2.275% to 2.75%.
Variable payment:		
(a) 0.125% of GGR up to GGR of \$400 Million ⁽³⁾	500,000	
(b) 1.00% of GGR for GGR above \$400 Million ⁽³⁾	795,000	
Annual Surrounding Community Fund ^{(1),(2)}	500,000	Surrounding community impacts.
Union Station ⁽⁴⁾	500,000	Payment made in lieu of MGM leasing space.
Total	\$26,190,000	

- (1) Payments to mitigate community impacts. Any amounts remaining are paid to the City.
- (2) Increases annually by consumer price index.
- (3) Payment determined as a percentage of MGM's "gross gaming revenues" or "GGR" as that term is defined in the Agreement. Above calculation assumes MGM's total annual GGR is \$479,500,000.
- (4) MGM must lease 44,000 square feet at Union Station or make annual payment to City.

In addition to the above payments, MGM is responsible to pay all costs incurred by the City to its consultants in connection with the casino selection process as well as any on-going costs of such consultants in connection with the enforcement of MGM's obligations under the Agreement.

The following summary can also be found in electronic form at www.massgaming.com or www.brockton.ma.us, and is available in hard copy format at the City of Brockton's Clerk's Office.

Summary of Host Community Agreement Between City of Brockton and Mass. Gaming & Entertainment LLC

The Host Community Agreement memorializes the economic and social commitments of Mass Gaming & Entertainment, LLC (MGE) to the City of Brockton, as well as the City's obligations to MGE, for the proposed development of a hotel and destination resort casino on a portion of the Brockton fairgrounds, the exact dimensions and boundaries of which will be determined during the permitting process.

Summary Highlights

MGE to make a Project Investment of approximately \$650,000,000.

MGE to make Annual Payments to the City in a total amount equal to the greater of \$10,000,000 or 2.25% of the Project's annual Gross Gaming Revenue.

MGE to pay a \$3,000,000 Community Enhancement Fee.

MGE to commission and fund Impact Studies to address traffic and public safety concerns.

MGE will give hiring preference for construction and permanent jobs first to qualified Brockton residents and then to qualified residents of Surrounding Communities.

Further Summary Details

MGE's Payments to Brockton

Pre-Opening Payments

- Pay for all consulting, legal, and other costs incurred by the City in connection with the licensing process, subject to budgetary review.
- Commission and fund Impact Studies to assess the impacts of the Project on the City's (i) traffic and transportation infrastructure, (ii) utility infrastructure, and (iii) public safety, and (iv) on the City generally, including schools and housing impacts.
- Pay all customary City permitting and review fees associated with the Project.
- After receipt of a final, non-appealable Category 1 gaming license for the Project, MGE will:
 - Fund the mitigation of impacts identified and agreed to with the City pursuant to a separate, to be negotiated and mutually agreed upon, Mitigation Agreement.
 - Pay a \$3,000,000 Community Enhancement Fee, in three equal, annual installments beginning after the commencement of construction.
 - Provide a grant of \$25,000 to study impacts on and uses of The Shaw's Center.
 - Pay property taxes during construction based on the acquisition price of the land.

Post-Opening Annual Payments

- Make Annual Payments to the City in a total amount equal to the greater of \$10,000,000 or 2.25% of the Project's annual Gross Gaming Revenue to be allocated as follows:
 - 80% for real estate taxes in the form of a Payment in Lieu of Taxes (PILOT);
 - 15% Community Impact Fee; and