

COMMUNITY BENEFIT AGREEMENT
BETWEEN
PRINCE GEORGE'S COUNTY, MARYLAND
AND
MGM NATIONAL HARBOR, LLC

Key aspects of the agreement:

- Employment Goals (construction and operations)
- Procurement Goals (construction and operations)
- Creation of a compliance manager, oversight committee and oversight process (to enforce the first two bullet points)
- Philanthropy
- Investment Participation
- Summer Youth Employment Sponsorship/Internship program

Employment Goals; Construction [2.2(b)]:

- 20% for county residents, 'best efforts'
- 30% for county residents, aspirational goal

Employment Goals; Operations [2.2(d)]:

- Includes county residents and veterans, 'best efforts'
 - 40% in years one and two
 - 45% in years three and four
 - 50% in year 5
- 50% for county residents on day one, aspirational goal

Contracting ; Construction [1.39, 2.2(a)]:

- MBE [1.26]
 - 30%, 'best efforts'
 - 35%, aspirational goal
- CMBE (County-based MBE) [1.10]
 - 12%, 'best efforts'
 - 15%, aspirational goal
- LBE (includes business with principal place of business in county (CBB [1.8]) as well as companies with branch office in county (CLB [1.9, 1.18]))
 - 16%, 'best efforts'
 - 20%, aspirational goal
 - At least half has 'best efforts' target of being from businesses with principal place of business in the county (CBB)

Contracting; Operations [1.5, 2.2(c)]:

- CMBE
 - 20%, 'best efforts', any shortfall made up of LBE (with 'best efforts' to have half of that from county based businesses (CBB))
 - 30%, aspirational goal

Best efforts [Article III]:

- Standard against which MGM's actions are judged
- Agreement spells out specific actions to determine if 'best efforts' was adhered to

Compliance Manager, Oversight Committee and oversight process [Article VI]:

- MGM funds a Compliance Manager [5.3] during construction and then pays half the cost during operations. This is the person who has day to day responsibility for oversight.
- 5 person Oversight Committee [5.1] is established.
 - 2 from CEX, 2 from County Council, one from MGM.
 - Meets once a quarter during construction and yearly thereafter.
 - Committee reports periodically to the County Council and these reports would be public
- Agreement creates process for establishment of 'compliance plan', contents of 'quarterly compliance report' and creates process for disputes that can lead to liquidated damages [6.1]
 - Damages are paid to Community Foundation to build local business capacity

Investment participation [7.3]:

- MGM accepts up to \$100 million in investors in the program
- This can include up to \$30 million from county residents
- Prospect of tiered investment program

What are their philanthropic responsibilities [7.4]:

- MGM must give \$1 million before opening
 - \$250,000 to Community Foundation
 - \$250,000 distributed by MGM, after consultation with county, to benefit County
 - \$500,000 to designated organizations that provide workforce training
- MGM gives \$400,000 a year, every year, after opening
 - \$150,000 to the Community Foundation
 - \$250,000 distributed by MGM to organizations that benefit the county
- This funding does not expire

Additional Provisions:

- Offer 10 internship opportunities per year, best efforts that they are given to county residents [7.5]
- Sponsor 25 summer youth slots per year [7.7]
- County leases MGM Thomas Addison Elementary School for a dollar a year. MGM invests \$4 million worth of renovations and returns to County after facility opens [7.1]
- MGM establishes a culinary program, most likely at Potomac High School [7.2]
- Reiterates commitment made by MGM in response to RFP to maintain a contractor scale-up program (targeting contractors that need assistance with bonding, insurance, etc.) [7.8]
- Reiterates commitment made by MGM to develop mentoring program with smaller contractors and establishment of joint ventures [7.9]