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Gambling commission may reach out to Wall Street

By [Mark Arsenault](#) | GLOBE STAFF JULY 11, 2012

The state gambling commission may seek to increase competition for state casino licenses by reaching out to Wall Street investors and encouraging them to provide the capital for casino companies to make bids in Massachusetts.

Attracting capital would be an evenhanded way to help potential casino developers, who each must raise more than \$500 million to bid for casino development rights in the Bay State, said Stephen Crosby, who chairs the Massachusetts Gaming Commission. Easier access to capital could attract more casino developers to the state, he said. "It's selling Massachusetts as a place to invest," Crosby said in an interview following Tuesday's commission meeting.

The commission has been keenly focused recently on encouraging competition for casino development rights. The state's 2011 casino law authorizes up to three gambling resorts and one slot machine parlor, with licenses awarded through competitive bidding.

While several casino companies are preparing to bid in Western Massachusetts, the east has seen little competition. Suffolk Downs, the early favorite to win the sole license in the Greater Boston region, has proposed a \$1 billion gambling resort at the East Boston track in partnership with Caesars Entertainment. But a potential competitor for the license in Foxborough withdrew due to local opposition. Another proposal in Milford has yet to announce a financing partner.

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The commission reacted strongly last week to a prediction by Caesars chief executive Gary

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Loveman, published in the Globe, that no other bidders will emerge to challenge Suffolk Downs for the Greater Boston license, expected to be the most lucrative in the state.

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The commission issued a statement in direct response to the Globe report, saying it wants as many applications as possible for each of the licenses it controls.

“Members of the commission strongly believe that statutory objectives to maximize jobs, amplify revenues, enhance the overall draw for out-of-state patrons, and mitigate impacts on surrounding and host communities will best be achieved by a competitive process comprised of multiple, high-quality applicants,” the commission said in its statement.

Crosby raised the matter again Tuesday with the commission’s casino consultants, Spectrum Gaming Group and Michael & Carroll.

In Eastern Massachusetts, Crosby said, there is only one sure bidder at this point. “It is not in the public’s interest to have only one bidder,” Crosby said. The consultants suggested that the commission explain to the investment community that it will award licenses through a fair process and then oversee casinos with reasonable regulations.

“Any new jurisdiction is sort of a mystery to people,” consultant Guy Michael said in an interview after the meeting. He said there is still time for new developers to find potential sites for gambling resorts and raise the capital to compete for a license.

Crosby said after the meeting that attracting investors is “very consistent with our mission” to maximize the benefits of the casino industry in Massachusetts.

However, reaching out to Wall Street is a new concept for the commission, he said, and the panel will run the idea by the state treasurer and perhaps other officials before deciding whether to follow through.

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