

Casino developers make pitch in Springfield

MGM, Penn woo city in bid for one of state's 3 licenses

By **Mark Arsenault** | GLOBE STAFF DECEMBER 12, 2012



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Audience members inspected a model of MGM's proposed casino resort.

SPRINGFIELD — Two casino industry heavyweights, Penn National Gaming and MGM Resorts, promised to create jobs and drive economic activity in this struggling city, in dueling presentations to local voters Tuesday that launched the public competition for casino development rights in Springfield.

MGM came armed with the more detailed presentation, including short “walk-through” animations of its \$800 million gambling, entertainment, and housing

proposal, planned for three blocks in the city’s South End.

“I hope you can appreciate we are ready,” said Bill Hornbuckle, president of the MGM Springfield project.

Penn will unveil many details of its proposal at a formal rollout of the project during a “red carpet gala event” in Springfield on Dec. 20.

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It did, however, offer several pieces of news, including that it has formalized a handshake agreement and signed an option to buy land now occupied by The Republican newspaper, which owns part of the 13-acre North End site where Penn has proposed an \$807 million gambling resort. Plans call for the newspaper to be relocated within the city.

“We now have complete control of this site,” said Jay Snowden, a Penn senior vice president.

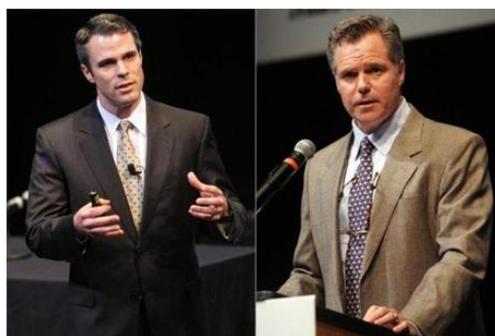
The company also announced its first local celebrity partner: Doug Flutie, the former Boston College and NFL quarterback, who plans to join with Penn to develop a sports bar at the complex.

Penn and MGM are embroiled in a high-stakes battle for the favor of the city, and the chance to compete for the sole casino resort license in Western Massachusetts.

Tuesday’s hearing was part of a competition arranged by Mayor Domenic J. Sarno’s administration to force the casino companies to try to outdo each other with pricier and more ambitious projects. They are competing for the right to negotiate an agreement with Sarno for the city to host a gambling business.

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Penn National Gaming senior vice president Eric Schippers (left) shared details of the company’s proposal. MGM’s chief executive James Murren (right) said MGM could attract national entertainers to “energize” a local arena.

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Executives from each company spoke of their commitments to . . . driving new customers to the city’s other businesses.

Sarno could choose to negotiate with either company or both of them.

The winning project, or projects, must be endorsed by voters in order to move on to the state gambling commission. The commission controls three casino resort licenses for the whole state.

The companies barely mentioned each other during their presentations Tuesday, before an audience of more than 100 people, respecting an order from the city not to criticize the competing project. The hearing was held at CityStage.

Executives from each company spoke of their commitments to philanthropy, diversity in their workforce, and driving new customers to the city's existing theaters, museums, and other businesses.

"We plan to be complementary," said Snowden, of Penn. "We're not looking to take entertainment business from any organization in Springfield."

James Murren, chief executive of MGM, said his company could attract national entertainers to "energize" the underused MassMutual Center, a downtown arena, and offer "an adrenaline hit" to other city attractions, such as the Basketball Hall of Fame.

Neither side spoke much about gambling.

A Penn promotional video promised "all the winning you can handle" at a Springfield casino resort.

Murren said of casino giant MGM: "I kind of don't think we're a casino company. Most folks would consider us an entertainment company."

He said MGM gets 38 percent of its revenue from gambling. The company stressed that its Springfield proposal would put the gambling floor in the middle of the project, allowing people who want to avoid the casino to visit the hotel, restaurants, and other amenities without passing slot machines and tables.

Both companies said their traffic studies estimate that 90 percent of visitors will arrive by major highway.

MGM's proposed facility would be built in an area damaged by a tornado in 2011. The company intends to keep the original MassMutual headquarters building at the corner of Main and State streets as offices. It proposes a new hotel with 294 rooms, a spa,

pool, and roof deck, gambling space, about 15 shops and restaurants, and a parking garage, as well as a retail and entertainment district of about 25 shops and restaurants, a movie theater, bowling alley, and an outdoor stage and winter ice rink.

Penn National, in partnership with local businessman Peter Picknelly, operator of Peter Pan Bus Lines, proposes 3,000 slot machines, poker rooms, and up to 100 table games, and a hotel with 300 rooms. The company has also planned new restaurants, a 4,000-space parking garage, and 30,000 square feet of meeting and convention space.

Springfield has been a hot location for gambling companies for most of 2012, after Mayor Sarno publicly invited casino companies to make bids. As many as four companies seriously pursued projects in Springfield. Ameristar dropped out after concluding it was unlikely to survive the city's selection process. Hard Rock International did not meet the city's deadline for applying.

In addition to the MGM and Penn projects, operators of the Mohegan Sun casino in Connecticut have proposed a resort in Palmer to compete for the Western Massachusetts casino license. Two development groups are pursuing casino projects in Holyoke.

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