

M E M O R A N D U M

TO: Mayor Domenic J. Sarno

FROM: Kevin E. Kennedy, Chief Development Officer

DATE: March 4, 2013

RE: Supplemental Public Presentation for a Proposed Destination Casino Resort Development for the City of Springfield

1. **Purpose of this Memorandum.**

The purpose of this memorandum is to update you as to the status of the ongoing process in selecting a Developer for a Proposed Destination Casino Resort here in Springfield, including the scheduling of supplemental public presentations by the Developers.

2. **Background.**

On February 11, 2013, pursuant to Section 1.1 of the Phase II-Request for Qualifications/Request for Proposals dated November 1, 2012 (the “RFQ/P”), the City of Springfield, Massachusetts selected Blue Tarp ReDevelopment, LLC, an affiliate of MGM Resorts International and Springfield Gaming and Redevelopment, LLC (“MGM”), a joint venture between an affiliate of Penn National Gaming and an affiliate of Mr. Peter Picknelly (“Penn JV”), as the two enterprises with which it will negotiate host community agreements, more particularly described in Section 1.C of the RFQ/P, for the development, construction and operation of a destination resort casino.

Notwithstanding the satisfaction of the purpose of the RFQ/P as set forth in Section 1.1 thereof, the negotiation of such host community agreements remains subject to the provisions of the RFQ/P, including but not limited to Section 3.F thereof.

The negotiation process has been preceded by preparation that has included requests for clarification as to various aspects of the Proposals submitted by the two enterprises with which the City will negotiate host community agreements. In addition, the Massachusetts Gaming Commission (MGC) issued an updated Draft Evaluation Criteria on February 12, 2013, outlining minimum requirements under G.L. c. 23K, § 15, considerations required by G.L. c. 23K, § 18 as well as various factors the MGC will utilize in its evaluations. (Copy attached).

Since receiving the Phase II submissions, both applicants have discussed various refinements with regard to their proposals, which will need to be addressed in the host community agreements. The applicants have also been directed to review the Gaming Commission’s latest evaluation criteria which references “revenue generated outside casino complex” and “build[ing] on regional, culture and existing tourist attractions to increase overall revenue; local agreements designed to expand casino draw”.

In addition, during the course of developing the RFQ/P process, discussions were held with representatives of the Greater Springfield Convention and Visitors' Bureau, the Affiliated Chambers of Commerce of Greater Springfield, Inc., and Massachusetts Convention Center Authority, to provide input to the process being utilized by the City of Springfield.

Public Presentations

The City has arranged for public presentations by the two casino proposers covering clarifications of their traffic plans, entertainment/ non-casino but related components, including refinements in response to the updated MGC Draft Evaluation Criteria, on the afternoon of March 11, 2013 from 2:30 – 4:30 P.M.

A Notice was issued on March 4, 2013 to advise the proposers and the public of the protocol and specifics for that meeting. The Notice advised:

1. The presentations will be held at City Stage and will be open to the public.
2. The sole purpose of the presentations is to allow the proposers to present and explain certain refinements in their proposals related to traffic and the non-casino aspects of their proposals developed in response to the City's requests for clarifications and the updated Draft Evaluation Criteria issued by the MGC. Accordingly, while the public may attend, the presentation will not involve a question and answer portion for the public.
3. The presentation will be addressed to a Panel consisting of representatives of the Greater Springfield Convention and Visitors' Bureau, the Affiliated Chambers of Commerce of Greater Springfield, Inc., and Massachusetts Convention Center Authority, as well as the Springfield Department of Public Works and the Traffic Consultant who reviewed the proposals on behalf of the City, along with the City's Casino consultants, Shefsky & Froelich who will act as moderator.
4. The Mayor's Ad Hoc Casino Advisory Committee as well as the City Internal Review Committee will also be in attendance.
5. The City expects each proposer to send representatives of their companies to make the presentations in a format that is conducive to the audience in attendance, as well as an audience watching on a live web based video feed and/or television broadcast.
7. The City will arrange for live stream through its website (www.springfield-ma.gov/casino) and has arranged a live feed through masslive.com and their local television partner, CBS3, and it will also be broadcast live on Comcast Channel 293. A recording of the proceedings will be posted to the Springfield Redevelopment Authority webpage.

8. The casino companies should coordinate technology related issues for the webcast through Jason Mann of the City's Planning and Economic Development Department.
9. The casino companies should coordinate access and presentation setup issues with City Stage. A walk thru has been scheduled for Wed., 3/6/13 at 9:30 A.M. at City Stage to go over the logistics of the March 11th presentation.
10. The presentations will be open to the public on a first come basis. CityStage doors will open at 2:00 P.M. The area will seat approximately 400 persons. There will be no reserved seating.
11. The session will commence promptly at 2:30 P.M. with a 15 minute presentation by each on Traffic (MGM is first) followed by panel questions (20-25 minutes) and then 5 minute break.
12. Next, a 15 minute presentation by each will be presented as to Entertainment/Dining/Tourism (Penn is first) followed by panel questions (20-25 minutes).
13. A blind draw with witnesses for order of presentation was conducted to establish the order.
14. The City's consultants will moderate the session.
15. The casino companies are requested to decline to comment on the proposals of the other casino companies; *accordingly, any questions put to one casino company to comment on another company's proposal will not be answered.*
16. The City expects all attendees to show a high degree of respect to the proposers and the panel. Banners, placards or signs of any kind will not be permitted in the facility.
17. The session will end promptly at 4:30 P.M.
18. On March 12, 2013 both developers will appear before the City Council Committee of the Whole to respond to questions from the Council and to address issues as to suitability raised by some council members. In addition, each developer will provide input to the City Council as to their perspective of the zoning issues as well as the subject of public safety in the downtown area.
19. Both casino companies have submitted (RFQ/P – Phase II - Exhibit 1(f)) a description of any zoning requirements applicable to the Project and the proposer's commitment to adhere to applicable zoning requirements, including regulations for casinos and casino entertainment complexes adopted by the City. During the RFQ/P the proposers were allowed to contact City employees at the various City departments to obtain information customarily needed by a developer interested in developing a building site within the City. For example, this would include information concerning

zoning, permits, building codes and restrictions, sewer, water, electricity, police, fire, and traffic. However, Contacts with the Mayor, the Mayor's office, the Chief Development Officer, and members of the City Council were prohibited.

20. The City Council is responsible for Land Use legislation, and acts as the City's Special Permit Granting Authority under the City's Zoning Ordinance. As such, this meeting will provide a public forum for the City Council and the casino companies to interact on these important issues. Based on the RFQ/P submissions, it is anticipated that the City may want to amend its zoning ordinance and consider the implementation of an overlay district at each casino site in order to streamline the development process and act in accord with the policies and regulations of the Massachusetts Gaming Commission.
21. The casino companies are also requested to address the City Council as to the issue of public safety concerns in and around the proposed casino site locations.
22. In the days following the presentations on March 11, the City will initiate negotiations of a host community agreement for the development, construction and operation of a destination resort casino with each of the two casino proposers.
6. However, commencement of such negotiations does not guaranty that the City will reach an agreement with either MGM or Penn JV. During the course of such negotiations, if it is in the City's best interests, the City may agree to terms in a host community agreement which differ from those in a proposer's submission. Any host community agreement negotiated with a proposer will require approval of the City's City Council as well as the City's voters as required under the Massachusetts Gaming Act. A host community agreement is a requirement for an applicant for a category 1 gaming license.