



In response to:

**Phase II Request for Qualifications/Request for Proposals**

**Proposed Destination Casino Resort Development for City of Springfield,  
Massachusetts**

Submitted by:

**SPRINGFIELD GAMING AND REDEVELOPMENT, LLC  
c/o Penn National Gaming, Inc  
825 Berkshire, Boulevard  
Wyomissing, PA 19610**



## SUMMARY OF CONFIDENTIAL INFORMATION

Except as noted below, all pages and Exhibits that the Applicant (Springfield Gaming and Redevelopment, LLC) considers confidential have been so marked. In addition we offer the following summary of confidential material and the reasons such material is deemed confidential.

- **Five Years of Annual Personal and Real Property Taxes, Exhibit 1-J.** Penn requests confidential treatment of the Exhibit 1-J which is confidential proprietary business information which is not generally available to the public, the disclosure of which would place Penn at a competitive disadvantage. This type of information is specifically excluded from the definition of Public Record by M.G.L. c 4 §7(26)(g) and Section 9(b) of the Act.
- **Five Years Projected Cash Flow and Balance Sheet, Exhibit 2-A.** We request confidential treatment of Exhibit 2-A which contains information related to confidential financial projections. This data is confidential propriety business information and is competitively-sensitive. Penn National is a registered publically traded company and this exhibit contains material non-public information. This information is also confidential as a trade secret containing proprietary business information which is not generally available to the public, the disclosure of which would place Penn at a competitive disadvantage. This type of information is specifically excluded from the definition of Public Record by M.G.L. c 4 §7(26)(g) and Section 9(b) of the Act.
- **Projections of Debt, Exhibit 3-D.** We request confidential treatment of Exhibit 3-D which contains information related to debt projections. This data is confidential propriety business information and is competitively-sensitive. Penn National is a registered publically traded company and this exhibit contains material non-public information. This information is also confidential as a trade secret containing proprietary business information which is not generally available to the public, the disclosure of which would place Penn at a competitive disadvantage. This type of information is specifically excluded from the definition of Public Record by M.G.L. c 4 §7(26)(g) and Section 9(b) of the Act.
- **Marketing Plan, Exhibit 4-C.** The information contained within the Marketing Plan contains confidential competitively-sensitive business information and is proprietary. This type of information is also a trade secret and is specifically excluded from the definition of Public Record by M.G.L. c 4 §7(26)(g) and Section 9(b) of the Act.
- **Employee Compensation, Exhibit 5-A.** Exhibit 5-A contains confidential personal employee compensation information which are proprietary business information the release of which would place Penn at a competitive disadvantage. This information is also confidential as a Trade Secret. This type of information is specifically excluded from the definition of Public Record by M.G.L. c 4 §7(26)(g) and Section 9(b) of the Act.
- **Corporate Organizational/Formation Documents/Agreements, Exhibit 7-C.** Exhibit 7-C



contains corporate organizational documents, formation documents and other confidential agreements which are propriety and contain confidential competitively-sensitive business information. This information is also confidential as a Trade Secret. This type of information is specifically excluded from the definition of Public Record by M.G.L. c 4 §7(26)(g) and Section 9(b) of the Act.

- **Response Narrative, Section 8.** Section 8 contains confidential information which has already been characterized by the City as confidential.



## Executive Summary

Springfield Gaming and Redevelopment, LLC (SGR) proposes to develop an approximately \$807 million comprehensive economic development project, including a Hollywood-branded destination casino resort and hotel, that will serve as an important catalyst for the revitalization of Springfield.

SGR is a joint venture owned by a subsidiary of Penn National Gaming, Inc. (the nation's largest regional gaming operator with 29 casino and racing facilities in 19 jurisdictions across North America) and Peter Picknelly Gaming, LLC, a company owned by local Springfield businessman and philanthropist Peter Picknelly (a third generation lifetime Springfield resident). Mr. Picknelly has been actively involved in much of the local planning and community outreach efforts. Consistent with his key role in our project, our operating agreement gives Mr. Picknelly the right to become a 50% partner in SGR, and he has expressed a willingness to do so as expeditiously as possible.

In addition, Penn National is one of the least leveraged, best-capitalized companies in the gaming industry today. We are the only casino operator in the country to have developed and opened three new facilities in the past year – all on time and on budget – in cities just like Springfield. Not only is SGR the only applicant with significant ownership by a local partner, as well as a well-established and verifiable track record for opening successful properties all across the country, but our project is also distinct in several other notable areas. For example, because of its ideal location and access to main arteries, the proposed Hollywood Casino & Hotel project will have the least adverse impact on traffic. Moreover, as highlighted below, the Hollywood project has far and away the greatest ripple effect of any other gaming proposal.

Hollywood Casino & Hotel Springfield would be developed in a single phase on 13.4 acres of land in the north end the city. Upon award of the license to SGR, our project is expected to launch a significant and immediate domino effect across Springfield, including but not limited to the following:

- Relocation of *The Republican* newspaper's operations to the heart of downtown's central business district, which will include a 21st century Village Square connecting tourists, residents, and professionals in a vibrant new epicenter of Springfield.
- Relocation of *The Republican's* production operations, including its regional commercial printing business and tens of millions of dollars in equipment to a brand-new building to be constructed at an industrial park within Springfield.
- Acceleration of the Union Station project's Phase II, including additional office, retail, and garage space and connection via sky bridge to the casino;
- Peter Picknelly plans to relocate his Transportation Center to Union Station;
- Peter Pan plans to relocate their 140 office employees to 31 Elm Street, breathing life into an historic building near the South End;
- Relocation of the Peter Pan bus garage to a new \$5 million facility to be built in five acres within the City that will employ approximately 90 people.



- Beautification of land owned by SGR along the waterfront, which will be maintained by SGR, so as not to create a financial burden on the city;
- Renovation of the historic Paramount Theater, which will be connected via sky bridge to the casino.
- Development of retail along Main Street in front of the Paramount, further linking the North End to the Central Business District;
- Financial commitment to help UMass establish a new anchor facility in downtown Springfield.

Hollywood Casino & Hotel Springfield will feature our marquee brand, which blends elements of Hollywood's progression from the Golden Era to today in a classic art deco style that appeals to a broad range of potential customers. The Hollywood brand has been successfully executed at 14 of our 24 gaming facilities across North America.

In terms of project scope, the approximately 480,000 gross square foot (not including parking garage) Hollywood Casino & Hotel Springfield will include up to:

- 2,100 construction jobs
- 2,400 casino-related jobs
- 2,850 slot machines
- 80 table games, 20 poker tables
- 258 hotel rooms and luxurious spa
- 20,000 sq. ft. of meeting/conference space
- 2,900 space parking garage
- Regionally-branded restaurants and bars, including: Flutie's Sports Pub; Student Prince/Fort Deli; Davio's; First and Last Tavern; B. Good Burgers, Olé Mexican Restaurant and Dunkin' Donuts
- 10,500 sq. ft. retail space, including Yankee Candle and Sarkis Jewelers

Finally, Penn National Gaming is committed to being a good corporate citizen in each of the jurisdictions in which we operate. As such, our plan is to maximize the benefit of this important economic catalyst with others in the community, including local business owners, workforce development for our employees – 90% of whom we've pledged to hire locally -- civic organizations, minority and disadvantaged businesses, as well as local charities. This commitment to being a good corporate citizen also extends to following stringent policies regarding gaming compliance, responsible gaming and alcohol service at our property. Notably, Penn National has no significant licensing issues in any of the jurisdictions in which it operates. In a new gaming jurisdiction where transparency and compliance must be highly valued, this too sets Penn National/SGR apart.

In sum, Springfield has a truly transformational opportunity before it, and, while not a panacea; our project would serve as an economic engine that will create an immediate and profoundly positive ripple effect across every corner of this City of Firsts.



### Usage Note to Application

This proposal is being submitted by *Springfield Gaming and Redevelopment, LLC* (“SGR”). Throughout this application SGR may also be referred to as “Applicant”, “Proposer”, “Hollywood Casino Springfield” or “Hollywood”. All of these names are referring to SGR.

### Response Requirements.

#### A. Specific Submittal Requirements

*Each response to the Phase II-RFQ/P must address, in detail, each of the items listed below. The proposer is encouraged to think creatively to propose a competitively unique, innovative and viable Project and overall proposal. As indicated in the Phase I-RFQ/P, the City expects that the core goals of each qualified responder will be to propose a Project which will: (i) make a significant and lasting contribution to the City and Commonwealth, increasing sustainable economic benefits from tourism and conventions; (ii) be a catalyst for additional economic development in the City; (iii) create good paying jobs and new employment opportunities for City residents; (iv) support utilization and participation of local and small business suppliers and vendors, including minority business enterprises, women business enterprises and veteran business enterprises; (v) support utilization of existing City entertainment venues; (vi) mitigate any adverse impacts of the Project on the City and surrounding communities; and (vii) provide additional revenues for the City. To the extent proposer is a newly formed or to-be-formed entity, or as otherwise necessary to fully inform the City, the responses should be provided in relation to the main operating entity and/or its significant business units, and/or management company (if anticipated to be engaged for the Project):*

#### 1. Concept and Design for the Project

*(a) Submit as Exhibit 1(a) a description of the Project, including but not limited to:*

*(i) a description of and site plan for the proposed Project site, including any off-site ancillary property to be used by proposer in connection with the Project, and describe how proposer controls or expects to obtain control of the real property comprising the Project Site and any off-site assemblage;*

Hollywood Casino & Hotel Springfield will sit along the Connecticut River on a generally flat 13.4-acre site located in the North End of Springfield, immediately off Interstate 91, south of Interstate 291 and bounded by Columbus Avenue to the west, Emery Street to the north, Main Street to the east and railway lines to the south. A new partial loop road is provided along the railway line with vehicular traffic entry into the site from Emery and Main Streets while service truck access is from Columbus Avenue. All requirements for public parking are being provided by a six level parking deck directly connected to the casino, hotel and conference center. See **Exhibit 1-b** (pages 11 and 12) of the Concept and Design for the Project Exhibit for detailed site plans.

This site is comprised of five land parcels currently controlled under binding contingent land purchase agreements with their respective owners. Portions of Liberty Street and Boylston



Street within these parcels are proposed to be vacated. Discussion of these vacations has occurred with the City Engineer and the Director of Public Works and it is anticipated that in the context of our overall traffic improvements, the vacation of these portions of Liberty and Boylston Streets will meet no objection from the Board of Public Works. Vacation of these streets has been incorporated in the traffic evaluation for our proposed development.

The project is a mixed-use development on a consolidated site consisting of Assembly Casino, Residential Hotel, and Business Administrative/Support occupancies. The site is currently comprised of four blocks of varying sizes. Primary businesses located on those sites include “*The Republican*” newspaper facilities and the administrative offices and Peter Picknelly Transportation Center.

The project is integrated into the North End community in several ways, including beneficial improvements to historic structures adjacent to the Casino. Union Station and the Paramount Theater will undergo adaptive reuse, making those structures a more vibrant part of the city.

Other anticipated components of our plan contributing to the City include:

- Relocation of *The Republican* newspaper’s operations to the heart of downtown’s central business district, which will include a 21st century Village Square connecting tourists, residents, and professionals in a vibrant new epicenter of Springfield.
- Relocation of *The Republican*’s production operations, including its regional commercial printing business and tens of millions of dollars in equipment to a brand-new building to be constructed at an industrial park within Springfield.
- Acceleration of the Union Station project’s Phase II, including additional office, retail, and garage space and connection via sky bridge to the casino;
- Peter Picknelly plans to relocate his Transportation Center to Union Station;
- Construction of a separate new \$5 million garage within Springfield for Peter Pan’s buses;
- Peter Pan plans to relocate their 140 employees to 31 Elm Street, breathing life into an historic building near the South End;
- Beautification of land owned by SGR along the waterfront, which will be maintained by SGR so as not to create a financial burden on the city;
- Renovation of the historic Paramount Theater, which will be connected via sky bridge to the casino.
- Development of retail along Main Street in front of the Paramount, further linking the North End to the Central Business District;
- Financial commitment to help UMass establish a new anchor facility in downtown Springfield.

The Applicant, Springfield Gaming and Redevelopment, LLC has full control of its proposed casino site by way of binding agreements with the owners of the five parcels that comprise our site.

*(ii) a description of the proposed casino, including the approximate number of square feet of gaming space and the number and types of games;*



The casino/resort will be branded Hollywood, Penn National's marquee operating brand (see **Section 4** for more detail).

The Hollywood Casino & Hotel Springfield is a two-level "low-rise" building. The Casino level is partially raised above grade in order to allow for critical portions of operational services below. The Service level houses back-of-house support and loading dock facilities.

The building currently has the following features:

- 1) Casino Level: approximate 208,800 gross square feet (gross square feet),
  - a) Space for up to 2,850 slot machines,
  - b) 80 table games and 20 poker tables,
  - c) Highly decorative high denomination high limit areas with 70 slot machines and 8 tables (inclusive above),
  - d) Partially secluded poker room with 20 tables (inclusive above),
  - e) Locally and regionally braded and themed dining/entertainment venues with kitchens,
  - f) Two exterior protected patron smoking lanais,
  - g) Guest services and casino support functions.
- 2) Service Level: approximate 63,200 gross square feet,
  - a) Loading dock,
  - b) F&B warehouse,
  - c) Support areas including human resources, security, maintenance, employee services,
  - d) Main electrical, mechanical and boiler equipment,
- 3) Mezzanine Level: approximate 18,800 gross square feet,
  - a) Executive offices including IT and general administration,
  - b) Surveillance,
  - c) Audio Visual,
  - d) Hotel administration and support.

The casino building is a braced frame steel structure. Diaphragm loads are transferred through composite slabs with strategically placed reinforcement and horizontal bracing at the gaming level. The moderate soil condition of the site required deep piles reaching down to bedrock. A concrete reinforced retaining wall is provided at the lower service level. The casino floor is cellular steel deck to feed power and data cabling to slot machines and table games. The gravity framing is based on a 30'-0" by 30'-0" overall grid with continuing free-bays of 60'-0" roof spans provided to facilitate interior themed design and table game pit configurations. All floor levels are designed as composite systems while the roof structure utilized both structural steel beams and long span joists. The casino wall that adjoins the parking deck is a two-hour rated wall to provide horizontal exit protection into the parking deck.

The exterior of the building is designed to pay tribute to the glory days of "art deco" that is associated with the Hollywood Casino brand and will incorporate architectural elements of iconic Springfield buildings. The exterior walls are constructed with light-gauge metal-studs and gypsum sheeting and veneered with granite stone panels, brick, faux stone units and faux





stucco. We anticipate the base of the building will be granite and faux stone with the upper portion faux stucco. Feature decorative pilasters with special decorative lighting, as well as granite panels and decorative glass mosaic tiles; provide the dramatic design at the east front of the building along the Interstate. Custom "art deco" sculptures flank the main porte-cochere entry. The highly decorative free-standing porte-cochere provides the dramatic focal point of the main facade. The exterior walls have an average thermal resistant rating of R24.

In keeping with LEED guidelines, the building roof has a mechanically fastened thermoplastic single-ply roof membrane system. The composite roof system has a thermal resistant rating of R30.

The interior of the casino area is a heavily themed tribute to the glamorous and elegant Golden Era of Hollywood. Yet the design looks to the future with a focus on multi-media integration into the casino experience. Much of the interior theming is achieved with highly articulated cast decorative pilasters and other cast ornamentation. The general casino area ceiling is left open and blackened-out to promote the feel of a Hollywood back-lot production area. Vintage Hollywood memorabilia and classic black-and-white nostalgic photographs are distributed throughout the facility. The focal point of the gaming floor is the center Flutie Sports Pub and entertainment lounge which will incorporate unique audio video projection systems. Recycled, regional and low-emitting materials are used where possible in keeping with LEED guidelines.

The HVAC system design includes roof-top air handling units. Each unit is outfitted with high efficiency natural gas heaters and energy recovery wheels to recapture exhaust energy that would be otherwise lost. Central chillers are located in a pre-fabricated utility plant whose chilled water services the main air handling units. Shafts through the casino level provide air to the lower support level. Enhanced automation controls and unit design options are provided in order to provide at least 10% energy savings over the industry standard casino design. The building is a smoking-free facility. However, smoking remains a preference for many gaming patrons. Many casinos lose business to adjoining states once restrictive smoking laws are passed. To address this critical element of the gaming industry, the project incorporates exterior smoking porches that are adjacent to the gaming floor. The porches are open on three sides providing natural ventilation to meet State Health Department requirements and are accessed through pressurized air-lock vestibules to ensure LEED air quality conformance. Similarly, the project provides a ground-level exterior covered porch for the employees. All exterior smoking areas are outfitted with infrared heaters for wintertime use. Kitchen areas have separate make-up air units in order to maintain proper air balance within the building. Standard and enhanced commissioning of the HVAC systems will be provided as part of the LEED certification process.

Electrical demand in a casino is intensive. The amount of electronic games creates a large source of demand and casinos are a unique public facility that requires a large amount of both interior and exterior decorative or feature lighting. Historically, the lighting has been incandescent in order to provide a warm sparkle, brilliance and historically correct theatrical production quality. The current electrical design provides LED fixtures for 65% of the gaming floor (25% pulse start metal halide and 10% fluorescent), resulting in under 0.5 watts



per square foot demand. Only the restaurants will use incandescent lamps. In the lower level building support area, 95% of the lighting is fluorescent (with 5% LED) resulting in less than 1 watt per square foot demand. The facility will benefit for years to come due to the reduced cooling cost and electric bills. The facility will also save on lamp replacement costs since the LED lamp life is a minimum of five years. Since most casino facilities operate 24 hours a day, previously designed casinos of similar scope typically have required three lamp changes per year. Though it has yet to be confirmed, the anticipated electrical usage should be less than half of previously designed similar casinos due to less wattage fixtures and less HVAC requirements. The project has emergency generator back-up to power life safety and regulatory requirements as well as much of the gaming floor and food storage. Extensive low-voltage gaming network and surveillance camera cabling systems and infrastructure has been incorporated.

The casino floor is being designed to comfortably accommodate up to 2,850 slot machines. We plan to open with 2,000 slot machines with plans to ramp up the slot count to the 2,850 capacity quickly as market awareness and demand increase. Likewise, the parking garage (initially offering approximately 2,900 spaces) will be expandable by an additional 250 spaces.

*(iii) a description of the proposed restaurants, including the approximate number, sizes, types and themes and the identity of any restaurateurs the proposer reasonably anticipates will operate the restaurants;*

We plan to have seven unique dining options on property. We will offer a signature Italian steakhouse concept, polished casual/Mexican, sports bar with American fare, and a quick bite/food court with 4 offerings (pizza, deli, burgers, coffee/donuts/breakfast sandwiches). See below for further details:

- **Davio's Northern Italian Steakhouse** (160 seats; approx 6,300 gross square feet) – CEO Steve DiFellippo is a Springfield native and currently operates restaurants in Atlanta, Philadelphia and the greater Boston area. This will be a licensing arrangement.
- **Doug Flutie's Sportsbar** (180 seats; approx 6,000 gross square feet) – Doug Flutie was raised in Natick, MA and is a sports icon in the Commonwealth. This sportsbar will display Flutie memorabilia and will offer a casual American fare menu. This will be a licensing arrangement.
- **Ole Mexican** (155 seats; approx. 5,600 gross square feet) – Ole Restaurant Group is a Boston, MA-based restaurant company that owns/operates several Mexican restaurants in the Boston and Cambridge, MA area. Chef and Founder Erwin Ramos will be very involved in this project. This will be a licensing arrangement.
- **120 Seat Food Court** (approx. 7,800 gross square feet)
  - **Student Prince/Fort Deli** (food court) – Student Prince Restaurant in Springfield has been owned and operated by the Scherff family since 1935. They will offer a deli concept as part of the food court. This will be a lease arrangement.
  - **First and Last Tavern** (food court) – First and Last Tavern currently operates five restaurants in the Hartford/Avon, CT area (one in Maine as well). They will



- offer pizza by the slice and salads as part of the food court. This will be a lease arrangement.
- **B. Good Burgers** (food court) – B.Good is a Boston-based burger company (9 current restaurants and growing) that was founded by MA natives Anthony Ackil and Jon Olinto in 2004. They will offer burgers and fries as part of the food court. This will be a lease arrangement.
- **Dunkin' Donuts** (food court) – Dunkin' is a Canton, MA-based company and is a nationally recognized name. Dunkin' will offer coffee, donuts and breakfast sandwiches as part of the food court. This will be a lease arrangement.

*(iv) a description of the proposed hotel, including related amenities and approximate number, type and size of the hotel rooms;*

The 141,000 square foot Hollywood Casino Hotel is located above the northeast corner of the low-rise casino facility. The Hotel lobby is conveniently located immediately off the casino floor and adjacent to the parking garage. The lobby is also easily accessible to the same porte-cochere that casino patrons use. The Spa and Conference Level is located above the hotel lobby and casino. Above that is a twelve-level guest tower with 258 guestrooms including 240 standard (350+ square feet) guestroom and 18 junior (500+ square feet) and deluxe (700+ square feet) suites.

Fully integrating a hotel into the casino provides the guest a vast offering of food and beverage choices. Significant to serving a 4-star hotel is a facility that provides 3-meals as well as convenient room service of high quality and selection. The 155-seat Ole' Mexican restaurant is located immediately below the hotel tower and near the hotel lobby. Its kitchen will be sufficiently designed to provide the traditional American breakfast, a mid-price lunch, and then at evening, become a high-end restaurant.

Another guest amenity will be a 5,200 gross square feet full-service Spa experience including exercise room, treatment room and an indoor lap pool with skylights and clerestory glass above. Located contiguous to the hotel tower, these facilities are about 50 feet above the street and both open upon lush roof gardens. These plant materials are carefully selected along sustainable guidelines.

The definition of a quality guest room experience also reflects the Hollywood Brand. A typical guest room has a modular width of 14-feet. Each room is outfitted with typical amenities, conveniences and current technology so that the guest upon departure is longing to soon return. Each room will be equipped with Wi-Fi, USB connections, cable TV and "on-demand" programs. Casino promotions will be made available to each guestroom TV. Flat-screen HD monitors are mounted upon the wall – a minimum of a 35" screen. Individual lighting controls will be offered to each guest to satisfy their personal preferences.

Special attention has been paid to the bathroom, with each featuring a glass enclosed walk-in shower, decorative wall tiles, stone lavatory tops and other fine finishes. The water closet is located in a separate partially enclosed area (water closets in suites to be fully enclosed).



The hotel is expected to include up to 20,000 square feet of meeting/conference/banquet/breakout space (including pre-function) and a business center.

Lastly, our hotel rooms will feature promotional and cross-marketing materials of area businesses and entertainment venues.

*(v) a description of the proposed lounges and bars, including the approximate number, sizes and types;*

We plan to offer three unique bars/lounges (see below for further details), as well as another two bars/lounges as part of Davio's and Ole's.

- **Flutie's Sports Pub** (180 seats; approx 6,000 gross square feet) will have a dedicated bar area, focusing on a wide variety of draft and bottled beers, to include several from local/regional microbreweries. We will also offer wine by the glass and mixed drinks/cocktails.
- **Casino Lounge** (180 seats; approx. 4,200 gross square feet) will sit in the center of the casino, adjacent to Flutie's, and will have a stage for live entertainment. The lounge will seat over 180 patrons and will be serviced via the nearby service bar and/or Flutie's.
- **Hotel Lobby Bar** (10 seats; approx 250 square feet) will be located adjacent to the hotel lobby and will focus on specialty drinks, mixed drinks/cocktails, bottled beer and wine by the glass.

*(vi) a description of the proposed retail space, including the approximate number, sizes and types of retail shops and how such retail development will serve the general community;*

We plan to offer multiple locations for retail shops and currently have commitments for two of these locations to be operated by local retailers as more fully described below:

- There will be approximately 3,500 gross square feet of casino related retail within the casino. The retail shop is immediately located off the gaming floor and provides casino specific and Hollywood related merchandise as well as convenience sundries and drinks.
- In addition, there will be approximately 10,500 gross square feet of general retail space provided within the parking garage along Main Street. This retail will be community oriented along the pedestrian sidewalks in order to enliven the streetscape and adjacent existing retail.
- **Sarkis Jewelry** (approximate 1,000 sq ft), founded and operated in Springfield, MA plans to open their second Springfield location within the project as a lease deal.
- **Yankee Candle** (approximately 2,000 sq ft), founded and headquartered in South Deerfield, MA plans to open their first company-operated Springfield location with the casino as a lease deal.
- There will be planned sidewalk storefront retail space within the renovated Paramount Theater. Located along Main Street and immediately off the lobby area, the retail area will provide convenience sundries and drinks to the theater patrons as well as merchandise from performers.



- There will be a retail sundries area within the hotel lobby providing convenience foods and guest toiletries.

*(vii) a description of any proposed ancillary entertainment or recreational facilities, including approximate number, sizes and types;*

In addition to the partnership and arrangements/MOU's, we have entered into (or are working to soon complete) with the Mass Mutual Center, City Stage and Symphony Hall, current plans also call for investment in the rehabilitation of the neighboring Paramount Theatre, which currently seats approximately 2,200 patrons. We would then lease the theatre for various live entertainment events and allow casino/hotel guests to access the Paramount Theatre via Main Street or a proposed pedestrian sky bridge between the two buildings. In addition, we are discussing a potential partnership with the New England Farm Workers Council (owner of the Paramount) to help renovate the store level retail spaces along Main Street in order to enhance the pedestrian journey/experience from our casino project into the heart of downtown.

We are also planning beautification of land owned by SGR along the waterfront (as shown on page 5 of **Exhibit 1-b**; Concept and Design for the Project), which will be maintained by SGR so as not to create a financial burden on the city.

*(viii) a description of any convention, meeting and other public space, including the approximate number, size and types of such spaces;*

As noted in **Section 1-a-iv** above the conference facility will provide approximately 20,000 net square feet of meeting/conference/banquet/breakout space including 5,000 square feet of pre-function area, four meeting rooms approximately 1,000 square feet each, four break-out rooms, two board rooms and a 10,000 square foot grand ballroom that (when fully opening its dividing walls) can accommodate banquet seating for 850 persons and classroom seating for up to 1,000. The Ballroom has a variety of ways it can serve as it is divisible into five parts and also become integrated into the more elaborate special events by opening through the pre-function area into the pool area. Besides the meeting space and pool, the hotel will also have a luxurious spa, including a fitness area and treatment room as well as a business center.

*(ix) a description of any other proposed and related facilities or amenities;*

In addition to our casino and hotel development, we plan to strategically invest in various ancillary developments across Springfield all in an effort to maximize the revitalization of the entire downtown.

**Paramount Theatre** - Beginning right next door to the south of our facility, we are working with the New England Farm Workers Council ("NEFWC") on a plan to invest in their



planned \$51 million rehabilitation of the Paramount Theater. After restoring the theater to its glory, our arrangement with the NEFWC will allow us to lease the venue for our live entertainment events. We are working on plans to connect the theater to our casino via a pedestrian skywalk that would span the existing railroad track. We plan to also link the Paramount to our project by cleaning up and rebuilding the Main Street frontage to include a retail-lined promenade that would then connect the Paramount, and by extension the Central Business District, to our North End casino.

**Union Station** - Across the street to the east of our development is Union Station. We have already had discussions with the Springfield Redevelopment Authority to determine how we can best help with the phase 2 funding of the redevelopment plan, including building out the ~45,000 sq ft of office space, developing the retail and dining venues on the first floor, and expanding the parking garage to between 4 – 6 levels. We could then connect the garage via another pedestrian skywalk to our casino, right across Main Street. We could utilize the newly-developed office space to house much of our administrative functions. In addition, if awarded a gaming license, the Peter Picknelly Transportation Center would be relocated to Union Station, making this historic venue a significant transportation hub for rail and bus service throughout New England.

**Peter Pan Bus Lines Garage** – To make room for the casino, Peter Pan Bus Lines' plans to fund the relocation and expansion of its coach maintenance facility (used to service and repair the busses of its national fleet of nearly 300) into a brand new state-of-the-art and architecturally appealing facility on a five acre sites within the City. The cost of this project is expected to exceed \$5 million, and will employ approximately 90 persons. Peter Pan has also held preliminary discussions with the City regarding the concept of this garage being a public/private facility which would address the vehicle maintenance needs of not only Peter Pan but also the Department of Public Works and the Police Department.

**The Republican Newspaper** – If SGR is awarded a gaming license, this will trigger the relocation of *The Republican* newspaper's operations to the heart of downtown's central business district, which will include a 21st century Village Square connecting tourists, residents, and professionals in a vibrant new epicenter of Springfield. In addition *The Republican's* production operations, including its regional commercial printing business and tens of millions of dollars in equipment would be relocated to a brand-new building to be constructed at an industrial park within Springfield.

**31 Elm Street** - As the designated preferred redeveloper of the building, if SGR is awarded the gaming license, Peter Pan Bus Lines plans to fund and develop 31 Elm into its new headquarters, or into another multi-functional use that would benefit the downtown Springfield community. The new headquarters operation is expected to employ approximately 140 office employees.

**Riverfront Site** - We plan to clean and beautify our 19 acres of riverfront land, just west of our casino site, into scenic open space that the community can enjoy. We are also committing to maintain the open space as part of our operations so as to not put any undue stress, financial or otherwise, on the City and its Parks Department. We note that our initial





riverfront plans are modest because we believe the highest and best use for such land goes beyond park space. We believe that within a few years after our casino opening, we could develop the land into a mixed use residential/retail/entertainment destination that would complement our casino resort. We are not committing to any such development and are not asking for it to be considered as part of our proposal. Rather, we are sharing what we believe is the right plan for that land and what we plan to diligently pursue after opening our casino.

**U-Mass** - One hundred and fifty two years ago, during the bleakest stretch of the Civil War, the residents of Springfield approved a ballot proposal to offer free land for the establishment here of a new state university. Cash was also pledged. That dream unfortunately never came to pass. The new campus eventually ended up in Amherst, and today hosts the wonderful flagship of the University of Massachusetts.

Fast forward to today. The Penn National/Peter Picknelly Gaming joint venture is committed to making a significant investment with U-Mass to enable the establishment of an anchor facility for the University in downtown Springfield. The curriculum, programming and physical site would be decided entirely by the University. The project would make available sites at a number of the locations under our control should the University choose one of them. These include 31 Elm Street, right across the square from City Hall, as well as part of Union Station itself or on land along the Connecticut River. In addition, UMass could choose to locate on the tornado damaged site on the South End which is being considered by MGM for a casino site.

We are doing this because we believe this branch campus would bring energy, activity, jobs, residents and – over the years -- a very, very different image to the city's downtown. We also believe Springfield is a valuable learning laboratory for the students who will lead us into the future. The new satellite campus may include housing for third-year, fourth-year and graduate students who would begin their education in Amherst. Its curriculum would be complementary to the existing programs at the many fine colleges already in and around Springfield.

One hundred and fifty two years later, we are proud that our project is trying to make that old dream come true for Springfield and the modern state university.

**Morgan Square** – We strongly believe the development of Hollywood Casino & Hotel in the North End will revitalize this area and the City as a whole. In anticipation of this city-wide improvement, entities owned by Peter Picknelly are currently working with local interests who are negotiating an option to take an ownership interest in the historic Morgan Square Apartments located at 15 Taylor Street, a site proximate to our proposed casino development. This building currently contains 266 apartment units, but it is outdated and in need of investment. If SGR is awarded the license for Western Massachusetts, Mr. Picknelly, through one or more of his business entities, will provide financing and development services to completely renovate and modernize the structure which encompasses an entire city block on the North End. Development plans would turn a run-down low-income housing into a modern market rate complex with tenants targeted towards casino employees and young professionals working and living downtown.



*(x) a description of proposer's ability to expand the proposed casino and hotel or add other related facilities or amenities on the Project site at a future date;*

Expansion opportunities within the current site boundaries are limited to what consolidations can be made upon the gaming floor provided within the original build out. The casino will open with a minimum of 2,000 slots with plans to ramp up the slot count to the 2,850 capacity as market awareness and demand increase. The casino area will be constructed in a single phase to accommodate the full complement of slot and table positions. The parking garage will contain approximately 2,900 spaces on six levels and can be expanded by approximately 250 spaces on the northwest side of the structure (Columbus Street), without interruption to existing businesses. It is extremely important to integrate the proposed facility as closely as possible to the existing downtown fabric, leaving no gaps to fill in the future. As demand increases, the project can expand to include development on other third-party controlled parcels across the street from our project. Such parcels can then also be connected via pedestrian sky-bridges.

*(xi) a description of how the Project will complement and be compatible with the City's culture and how the Project will showcase, stimulate and improve the use of existing and future attractions, including tourism and convention facilities;*

Penn National is the only applicant with numerous casino openings in recent years in cities similar to Springfield. Penn's experience in these recent openings reflects that deeper levels of cooperation with host communities have led to more successful operations, and it views its local partner, Peter Picknelly, as a critical first step in that process. During the application process Mr. Picknelly has helped Penn's development team learn more about the community and the challenges it has faced in recent decades and its plans to address those challenges. Our perspective is that partnering with the City of Springfield and developing a casino resort that supports the community's objectives is the true path to success for all constituents.

Our design efforts go well beyond discussing the need for investment in downtown Springfield. For example, the Urban Land Institute's ("ULI") 2006 Advisory Services Panel Report points out Springfield's opportunity to reestablish itself as the hub for Pioneer Valley, and that a vibrant urban center and cultural hub, "will, in turn, be a vital support for the livelihood of the city's neighborhoods and provide an inducement for redirecting new retail, entertainment, office, and housing growth that has been moving to the suburbs."

While our proposal includes a number of specific recommendations from that insightful document, we have also thought about what we could do as an organization to think creatively and incorporate and adapt our development to the spirit that is behind those recommendations. A critical element is the Hollywood brand, which blends elements of Hollywood's progression from the Golden Era to today in a classic, art deco style that appeals to a broad range of potential customers. Hollywood embraces diversity, and incorporating memorabilia from a wide range of actors and actresses as well as films





celebrating different cultures would directly address a goal of the ULI that could not be envisioned when that report was written.

To further incorporate our theme within the community, our development plan includes investing in the planned \$51 million restoration of the Paramount Theater. The theater, originally built in 1926, is at a critical juncture in its history. Many original elements of the theater, both in its interior and façade, are in need of investment. Original mosaics covering the walls, an ornate dome on its ceiling and detailed trim and lighting fixtures can all still be professionally restored. The Paramount would once again be able to host live events and broaden the city's arts community. Once the theatre is renovated, Hollywood Casino & Hotel Springfield will also host live events at the theater, providing a significant source of customers to help ensure that the theater remains part of the community for years to come.

While the investment was not specifically recommended by the ULI, we feel that the ability to complement our Hollywood theme, meet our need for an entertainment venue, reinvigorate an important cultural center and historic part of the community, and broaden the footprint of our investment by stretching our development towards downtown is a fantastic example of the potential for our partnership to enrich the community.

Our development plans include 20,000+ square feet of convention and meeting space to complement, not compete with, the MassMutual Center, and a dedicated sales and marketing team will work to attract more groups to Springfield in partnership with the existing efforts. In terms of leisure visitors and casino guests, many seek out other nearby attractions, and our concierges and hotel staff will be critical to guiding guests to existing and new restaurants, museums, and cultural events in the downtown area and other leisure attractions such as the Basketball Hall of Fame and Six Flags. We will want our guests to have a memorable and well-rounded experience in Springfield in hopes that they will return. We plan on connecting many of the downtown attractions to our casino with a constantly-running trolley, operated by our partner Peter Pan.

Other ULI recommendations are more directly addressed in our development plan. For example, the redevelopment of Union Station was the only long-term project indicated in the ULI report. The only reason the project was not a more immediate priority was the clear indication that current market conditions did not justify the investment. The ULI indicated that a more well-defined plan for the facility should include state and federal investment and improved connections to the surrounding community. The City of Springfield has secured funding for the \$48.6 million first phase of the redevelopment, which includes the restoration of the terminal building, the construction of a 28-bay bus terminal and parking deck at the current location of the baggage building, and the restoration of the tunnel linking the rail boarding platforms. An additional \$30 million is required for the second phase, which includes administrative offices, additional parking, and development of commercial space for passenger amenities. This phase is currently unfunded.

The City of Springfield has asked Peter Pan Bus Lines, which currently operates the bus terminal in Springfield, to move its operations to the renovated Union Station. Peter Pan Bus Lines' analysis shows that such a move is not financially feasible without the sale and re-use



of its existing property. The relocation of the bus operations will be critical to the success of Union Station, as was experienced in a very similar redevelopment effort in Worcester. Overall, our proposal will leverage and supplement the secured first phase funding while creating a robust transportation hub for the community and reaching an important long-term goal well ahead of the envisioned time-frame.

The Springfield Republican, an icon in the community, will also need to be relocated under our proposal. The news organization has evolved dramatically over the last decade and turned the industry's challenges into new opportunities and growth. The proposed move will continue to foster this remarkable performance by first establishing a new printing facility within the City of Springfield. The new printing facility will feature increased space for additional printing presses, which is a growing part of *The Republican's* business, and will be located outside of the downtown area at a location more suitable for industrial processes.

The reporting, publishing, and broadcasting elements of the organization will be relocated to a central downtown Springfield location. The relocation will target existing and available space in the downtown area, where finding new tenants to lease a relatively large amount of vacant space is a noted objective cited by the ULI report. Management envisions a dynamic information hub on street level that will inject energy into the area and welcome residents and visitors as an integral part of the community. News broadcasting, interviews, and live events will be core attractions that will supplement the open spaces and internet access and collectively foster community involvement, sharing of ideas and perspectives, and the dissemination of information.

*(xii) a description of how the Project will be “outward looking” to engage pedestrians and provide linkages to the City’s existing restaurants, bars, hotels, entertainment venues and/or other attractions; and*

Hollywood Casino & Hotel Springfield will not just be outward “looking”, but our current plans have us physically connected to two of Springfield’s important landmarks. Our plans include two sky bridges linking our casino building to both the Paramount Theatre and Union Station. Persons using these facilities will be able to move between them without ever having to go outside.

Additionally, Hollywood Casino & Hotel Springfield is working on plans to operate a trolley service connecting the casino facility to other Springfield landmarks and destinations. In a partnership with Peter Picknelly’s Peter Pan Bus Lines, Peter Pan envisions purchasing several trolley car type vehicles and running these trolleys to Springfield destinations such as the Basketball Hall of Fame, Quadrangle, Convention Center, Mass Mutual Center, Symphony Hall, City Stage, *The Republican's* proposed new “21st Century Village Square” and other destinations within the City. We see this as a free or low cost service subsidized by the casino and provided at cost by Peter Pan. The inside and outside of the vehicles would feature advertising for various attractions throughout our City. We also envision running these shuttles to other special or more seasonal events or locations such to the Six Flags New England in the summer and the Big E in September.



*(xiii) a description of how the Project will stimulate the development of general retail activity in the area adjacent to the Project.*

Under our proposal, the cumulative improvements to *The Republican*, Peter Pan, Paramount, and Union Station parcels will dramatically improve the streetscape at the northwest end of downtown Springfield along Main Street and Lyman Street while bringing a new and energetic presence to an existing and centrally located space for *The Republican's* news, broadcasting, and entertainment operations. Improving Main Street was a specific recommendation in the ULI report, and the proposed improvements will anchor the northwest end of the downtown core.

*The Republican's* evolution and expanded role within the community will bring a new, energetic presence to downtown Springfield. Broadcasting and live events will attract people to spend more time downtown. This will increase the flow of foot traffic in the immediate area, as people will come from parking lots and public transit to the new hub. Businesses in the area will attract customers as people both make their way to *The Republican's* new location and particularly in the immediate vicinity during live events and other special events.

The investment at The Paramount will bring increased visitation to its area, and adjacent parcels may experience an increase in property values that will drive further investment in those properties. The facility will drive visitation from the proposed casino resort southeast towards the core of downtown Springfield as well as from other directions, extending the core of downtown several blocks. It is also likely that performances will attract people after work, such that increased pedestrian traffic from local office buildings and tourists staying in local hotels will increase the livelihood and energy on the streets. Businesses in the area will experience increased patronage, as both tourists and residents that make their way to and from the theater will park, dine, and shop before and after performances.

More broadly, and within the context of the ULI report, the area between the Hotel, Civic Arts, Arts, and Convention Center Cores and the proposed developments are specifically expected to benefit. These areas are shown in the following map, with the ULI designated cores noted in red. Additional hotel rooms and the new casino gaming amenity will help to increase the city's notoriety and visitation by conventioners and exhibitors as well as leisure tourists visiting the property itself. Visitors will move between the new property, hotels, and the existing convention facilities. Finally, the renovated Paramount Theater and the existing arts facilities will likely generate cross-visitation by both professionals and patrons. In summary, the master plan and its incorporation with specific downtown elements will lead to further patronage in surrounding businesses as tourists and residents make their way to the downtown area and between the existing and new attractions.



(b) Submit as Exhibit 1(b) a colored rendering of the Project illustrating the proposed location, design and layout of each element, and its urban context including not less than 500 feet of surrounding area.

The Concept and Design for the Project is graphically illustrated in **Exhibit 1-b** which contains 30 color renderings and drawings showing in great detail the location, design, and layout of Hollywood Casino & Hotel Springfield and how it fits in to the larger Springfield urban context.

(c) Submit as Exhibits 1(c)(i) through 1(c)(x) schematic drawings illustrating (at a minimum) the following items:

All project renderings and drawings are located in **Exhibit 1-b (1-30)** and are more fully described below.

(i) total gross floor area and usable area for each element of the proposal;

See pages 13 through 18 of **Exhibit 1-b** for gross and net floor areas.

(ii) the floor plans for all floors (include space allocations and major functions, e.g., gaming floor and back of house, circulation, accessibility and exiting);

See pages 13 through 18 of **Exhibit 1-b** for floor plans.



*(iii) interior and exterior themes;*

See pages 19 through 23 of **Exhibit 1-b** for exterior and interior detailing and themes.

*(iv) detailing of interior and exterior finishes;*

See pages 19 through 23 of **Exhibit 1-b** for interior detailing and finishes.

*(v) typical building sections indicating interior and exterior site relationships;*

See page 24 of **Exhibit 1-b** for building sections.

*(vi) building elevations and perspectives (showing heights, relative scale and relationship to adjacent existing or proposed buildings and areas);*

See page 24 of **Exhibit 1-b** for building sections and pages 25 and 26 for the relationships to existing and proposed buildings and areas from the East, West, North and South. See pages 8, 9, and 19 of **Exhibit 1-b** for exterior perspectives.

*(vii) the approximate number, location and accessibility of parking spaces and structures for employees, patrons and buses; front door area, including tour bus, taxi and valet drop-off facilities; plans for service vehicle parking and proposed satellite parking facilities; and other related infrastructure;*

Immediately connected to the north of the casino low-rise structure is a six-level open parking deck with approximately 1,058,000 gross square feet. The pre-cast concrete deck contains up to 2,900 spaces and will accommodate all casino patrons, hotel guests, meeting/conference guests and employees. All levels of the deck will be directly connected to the casino through a single elevator tower and main lobby. Each parking deck level is flat with an internal speed ramp providing safe access to each level. There is a dedicated area for VIP parking on the second level that is accessed through a card activated control system. Color coded building wayfinding provides direction to the casino entries. See page of **Exhibit 1-b** page 18 for patron and employee parking.

The deck has "art-deco" inspired brick, stone and faux stucco architectural exterior features along the west and south facades. Taxis and valet drop-offs occur at the main casino entry porte-cochere. Five driving aisles are provided that can accommodate up to 26 vehicles under cover from the weather. Located adjacent to the gaming floor are 325 valet parking spaces conveniently accessed to the porte-cochere. Tour bus drop off occurs along the north side of the parking deck. See page 13 of **Exhibit 1-b** for bus, taxi and patron drop-offs and service/loading areas.





*(viii) proposed landscape and landscape treatments including any off-site improvements required to implement the proposal; and*

Keeping within LEED and local zoning guidelines, regional drought-tolerant trees, hardy shrubs and perennial plantings will be located along streets, walkways and other public access ways to provide a variety of environmentally beneficial functions such as shading pavement and infiltrating stormwater. Native plant species which provide food and habitat for desirable wildlife (birds, etc.) will be incorporated into the design. Overall, the redeveloped site will have less impervious surface than what is existing today, thereby providing some relief from urban heat island effect and current stormwater runoff capacity demands. See pages 5 and 10 of **Exhibit 1-b** for landscape plans.

Located within the downtown area of Springfield, the site is sustainable in that it is redeveloping and improving reuse of urban land while providing multi-modal access with close proximity to public transit lines (bus and rail) and open pedestrian sidewalks. The overall aesthetic of the landscaping will provide a benefit to the area and also enhance the pedestrian experience along this section of Main Street.

*(ix) indicate adjacent properties and buildings, streets, automobile and pedestrian access and site circulation, parking, building footprints, service areas/ treatments, vegetation, tour bus drop-off facilities and other related infrastructure and access to and egress from all major traffic arterials and downtown freeways identifying those off-site improvements required to implement the proposal.*

See pages 3, 4, 11 and 12 of **Exhibit 1-b** for adjacent buildings and building footprints.

See pages 6 and 7 of **Exhibit 1-b** for vehicular site access and site circulation.

See pages 10 through 13 of **Exhibit 1-b** for sidewalks for pedestrian circulation.

See page 18 of **Exhibit 1-b** for patron and employee parking.

See page 13 of **Exhibit 1-b** for bus, taxi and patron drop-offs and service/loading areas.

See pages 5 and 10 of **Exhibit 1-b** for landscape plans.

*(d) Submit as Exhibit 1(d), a detailed analysis of the suitability of the proposed development site for the Project and the ways in which it supports urban revitalization, if applicable, including a description of the property boundaries, dimensions and total acreage for the Project and the proposed relationship of the Project to adjoining land uses and proposed land uses to ensure compatibility with those adjoining land uses.*

The perimeter of the proposed development site for the Hollywood Springfield casino forms a rectangle of land approximately 1,000 feet by 500 feet, with a total area of approximately 13.4



acres. The site is bounded by East Columbus Avenue to the west, Emery Street to the north, Main Street to the east, and the Amtrak railroad to the south. There are two connecting streets within the site; the north/south running Boylston Street adjacent to East Columbus Avenue and the east/west running Liberty Street (formerly Cypress Street) which approximately bisects the site. As can be seen on pages 1 and 28 of **Exhibit 1-b**, the proposed development site consists of five (5) parcels of land and portions of Liberty Street and Boylston Street proposed to be vacated and incorporated into the site, plus two riverfront parcels totaling 19.0 acres anticipated for green space beautification. The total area of the five parcels of land is approximately 12.1 acres. See page 28 of **Exhibit 1-b** for property boundary dimensions and total acreage. The five parcels include:

Land Parcel	Municipal Parcel ID	Area (acres)	Current Owner (Date Acquired)
11 Liberty Street	07770-0660	1.96	Park View South LLC (06/26/1998)
1780 Main Street	08130-0172	2.96	Park View North LLC (06/26/1998)
1860 Main Street	08130-0177	5.93	The Republican Company (04/08/1968)
55 Emery Street	04660-0025	0.65	6 Liberty Street LLC (02/05/2008)
6 Liberty Street	07770-0001	0.55	6 Liberty Street LLC (02/05/2008)
Total Area:		12.05 acres	
<b>Total Site area is 13.4± acres</b> , which includes the portions of Boylston Street and Liberty Street ROW's proposed to be vacated.			

Current land uses immediately surrounding the site include the Union Station project, the U.S. Post Office, and a mixed-use commercial strip mall, all across Main Street to the east of the site; a credit union/office building and a medical office building across Emery Street to the north; street, highway, and rail transportation corridors across East Columbus Street to the west; and the Amtrak rail corridor directly abutting the site to the south. See page 2 of **Exhibit 1-b** for adjacent land uses.

The proposed Hollywood Casino & Hotel Springfield is particularly well suited for the redevelopment of the site and adjacent parcels. First, the intended use is compatible with surrounding uses and zoning districts. All abutting properties and most properties in the vicinity of the site are zoned Business B, Business C, or Industrial A. In these areas, “*indoor places of amusement or recreation operated for profit*” is an allowed use (by special permit). The nearest residentially-zoned land is located adjacent to St. George Road, over 1,500 feet to the north of the proposed development site, The I-291 corridor and viaduct structures stand between the site



and these residentially-zoned areas, creating a visual and access barrier as well as a noise separation from the residential land.

Second, the proposed development site is well situated relative to existing vehicular thoroughfares. As described elsewhere in this submittal, the site is served by several regional approach routes including I-91, I-291 and I-90 that allow traffic to be distributed somewhat evenly around this area (Main Street, East and West Columbus Avenues, Dwight Street, Chestnut Street, Boylston Street, Congress Street and Liberty Street), minimizing traffic concentration on a single roadway. Each of the regional approaches via the interstate system will use different ramp systems. This will greatly simplify any off-site improvements, if necessary, and will mean less congestion for patrons of the facility and neighborhood because the ramp systems will not become choke points. The entrances into and exits from the site will be from Main Street and Emery Street. Service areas will be accessible to and from East Columbus Avenue.

Finally, the proposed development site will support urban revitalization in several tangible ways. Our plans include restoration assistance and reuse of the historic Paramount Theater, which is owned by the New England Farm Workers Council. The restored venue will play an integral role by serving as a gateway from the Hollywood Casino & Hotel Springfield to the entertainment district and downtown, helping to spur further revitalization. The existing warehouses at 55 Emery Street and 6 Liberty Street are currently vacant and will be razed so that these properties can be returned to productive use. Relocation of the administrative and reporting functions of *The Republican* newspaper will represent a significant influx of spending and workers into the central business district and downtown area, and relocation of the printing facilities to a new location within Springfield will help create new construction jobs and an expansion of the tax base. Developing this project will help accelerate the Union Station revitalization as well, with the relocation of the Peter Pan Transportation Center, furthering the City's mission to establish a new multi-modal transportation hub for the entire central New England region in a convenient, safe, state-of-the-art facility in the heart of Springfield's urban districts. By providing multi-modal mass transit opportunities in a location close to our proposed development, the Union Station project will be instrumental in supporting our goals to implement cutting edge energy efficiency technologies and "green" operations practices, resulting in lower greenhouse gas emissions as compared to other development sites. We anticipate the relationship will be mutually beneficial, and the Hollywood Casino & Hotel Springfield can help the Union Station project be a real catalyst for other surrounding developments and further urban revitalization.

*(e) Submit as Exhibit 1(e) detailed approximate total Project costs, showing hard costs (e.g., land acquisition, construction, site improvements, including infrastructure in direct relation to both construction and operations of the Project, furnishing and equipping), construction soft costs (e.g., architectural, consulting fees, insurance, contingency reserve), financial and other expenses (interest reserve, legal, financing fees) and pre-opening expenses (e.g., training, pre-opening marketing and initial working capital), and timing of such expenditures, together with a construction cash flow analysis.*





SGR engaged Turner Construction Company to develop a detailed construction cost estimate and schedule for the Concept and Design for the Project as presented in **Exhibit 1-b**, as designed by the Urban Design Group and GZA Environmental, Inc. As mentioned in **Section 3(e)**, Turner Construction just completed the Massachusetts Green High Performance Computing Center in Holyoke in 2012 and constructed the Hollywood Casino at the Kansas Speedway in Kansas City, Kansas in 2012. Turner completed both of these projects favorable to their guaranteed maximum price (GMP) contract amounts and, in the case of the Hollywood Casino project in Kansas, finished the fast-track project 45 days favorable to the GMP schedule in approximately eighteen months. We selected Turner Construction for pre-construction services due to their first-hand knowledge of the Western Massachusetts labor market, its construction environment and conditions and their experience in building a Penn National's Hollywood Casino project of a very similar size and scope and a high rise Hilton Hotel in downtown Columbus, Ohio that just opened in fall 2012. Consistent with the contents of **Exhibit 1-e**, we believe that no other applicant has conducted the site related due diligence and Western Massachusetts detailed in market construction cost studies that SGR has undertaken in conjunction with Turner and GZA.

A summary of the \$807 Million total project cost and its cash flow analysis and schedule of expenditures is provided in **Exhibit 1-e** which includes:

- Cost Estimate Summary
- Cost Accrual and Cash Flow

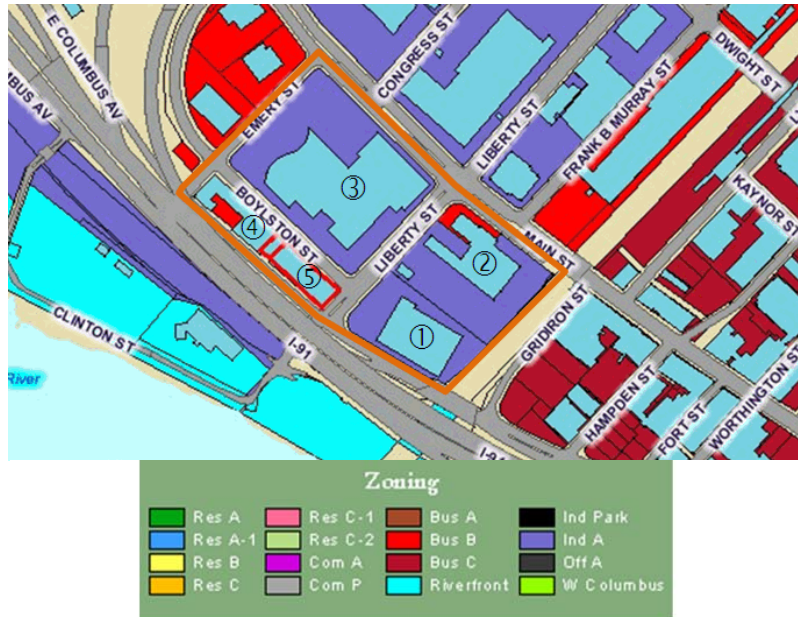
*(f) Submit as Exhibit 1(f) a description of any zoning requirements applicable to the Project and the proposer's commitment to adhere to applicable zoning requirements, including regulations for casinos and casino entertainment complexes adopted by the City.*

#### Existing Zoning

The City of Springfield has established a comprehensive zoning program comprised of numerous districts within the city. These zoning districts generally follow along parcel lines. In some cases, a current parcel of land may exhibit two or more zones (split zoning), based on prior, historic parcel divisions. Current zoning of the Site parcels is shown below:

	Land Parcel	Municipal Parcel ID	Area (acres)	Current Zoning
①	11 Liberty Street	07770-0660	1.96	Industrial A
②	1780 Main Street	08130-0172	2.96	Business B Industrial A (split zoning)
③	1860 Main Street	08130-0177	5.93	Industrial A
④	55 Emery Street	04660-0025	0.65	Business B
⑤	6 Liberty Street	07770-0001	0.55	Business B
		Total Area:	12.05	

As can be seen, the applicable zoning districts include Business B and Industrial A. Notably, no residential districts abut any of the parcels proposed for development.



From City of Springfield GIS Mapping

#### Zoning of the Assembled Site Parcel

It is anticipated that at the time of application for zoning approvals, the five parcels and the vacated portions of Liberty Street and Boylston Street will be combined to create a single proposed development site parcel consisting of approximately 13.4 acres. The address of the site parcel will be Main Street (street number will be assigned by the Department of Public Works). Thus, the proposed development site's "front yard" will be along Main Street. The Site's "side yards" will be along Emery Street and the railroad right-of-way, and the Site's "rear yard" will be along East Columbus Avenue. Unless the Site is entirely re-zoned, the allowable use and dimensional requirements of the prior parcels will continue to apply to those portions of the assembled Site parcel.

#### Allowable Uses Within the Current Zoning Districts

The City has indicated that the Hollywood Casino & Hotel Springfield will fall under the zoning use of "*indoor place of amusement or recreation operated for profit*" as defined in the Zoning Ordinance. Per Sections 1101-11.a., Section 1001-10.c., and Section 1401-1 an "*indoor place of amusement*" is an allowed use within the Business B and Industrial A zones when authorized as a special permit by the City Council. Thus, the entirety of our proposed development site is already zoned for the intended use and not believed to be adversely impacted by any historical designations as discussed more thoroughly in **Item 2-g-xi**.

#### Area, Height, and Yard Regulations Within the Current Zoning Districts

It is anticipated that the proposed development would not be able to comply with one or more of the area, height, or yard regulations for the current zoning of the parcels.

#### Off-Street Parking and Loading



The proposed Hollywood Springfield casino will include a number of different uses within. Determining parking requirements in accordance with local zoning specifications is most often confusing and counter-productive. Penn National utilizes proprietary in-house algorithms to determine adequate parking facilities for its staff and visitors, based on the successful construction and efficient operation of numerous urban casino facilities across the United States.

#### Signage

The City's signage regulations (Article 18 of the Zoning Ordinance) did not anticipate a casino in Springfield, and the allowable number and sizes of signs is severely limited in all districts within the City. It is anticipated that a variance will be required to allow for the signage commensurate with the presence of a casino within the City of Springfield.

#### Alternative Zoning District – Business C

SGR believes that the proposed Hollywood Casino & Hotel Springfield can be constructed and operated at the proposed development site without the need for variances related to use or dimensional requirements. One alternative for such compliance with current zoning would be to re-zone the Site to a more favorable existing district. The Business C district appears suitable and compatible with surrounding uses.

Business C Districts are intended to accommodate high intensity business uses appropriate for downtown locations and to set design standards commensurate with this special area of the City. Many of the properties nearby the Site are currently zoned Business C. Additionally, there are no specific off-street parking requirements in the Business C zone. We note that a re-zoning to Business C would not provide suitable relief from the signage regulations.

#### Re-Zoning Process

The process of rezoning a parcel of land begins with a preliminary and then final application to the Planning Board. The Board will schedule a public hearing, notify abutters and other City agencies and departments, and review the application at the public hearing. The Planning Board will then make a recommendation to the City Council, which is the final approving authority. The City Council will review the application for zone change at a public hearing. Approval of the zone change requires a 2/3 vote of the Council members. The entire process usually requires 2-3 months.

#### Possible Development of a New Casino District

SGR is committed to working with the City to ensure compliance with the Springfield Zoning Ordinance.

#### Special Permit

As described above, with the rezoning of our proposed development site from Business B and Industrial A districts to Business C district, the Hollywood Casino & Hotel Springfield can comply with the City of Springfield's zoning ordinance, with the exception of signage, for which we would seek a variance. The zoning ordinance at Section 2005.7., lists the three criteria for approval of a special permit, as follows:

- a. The specific site is an appropriate location for such a use, structure, or condition.*



*b. The use as developed will not adversely affect the neighborhood.*

*c. Adequate and appropriate facilities will be provided for the proper operation of the proposed use.*

As we have demonstrated throughout our response to the City's Phase II RFQ/P, SGR's proposed Hollywood Casino & Hotel Springfield meets and exceeds all of these criteria.

*(g) Submit as Exhibits 1(g)(i) through 1(g)(xi) the following:*

*(i) a description of the major transportation and circulation routes serving the Project, and a description and analysis of the adequacy of the existing regional roads and proposed mitigation measures to serve the Project, including the anticipated number of trips to and from the Project each day by employees, visitors and buses;*

The proposed development site for the Hollywood Casino & Hotel Springfield is uniquely located in the City of Springfield relative to the major transportation routes that would serve the facility. Springfield is connected to major urban centers in New England by two major highways, Interstate 90 (the Massachusetts Turnpike), which travels east-west, and Interstate 91, which travels north-south. These routes offer easy access to all markets in the eastern United States and Canada. Traffic on the Mass Turnpike wishing to access the Hollywood Casino & Hotel Springfield has two interstate highways available for approach. Turnpike vehicles travelling eastbound (e.g., from Albany, NY) would connect to our site via I-91 north of the City's central business district, and westbound Turnpike traffic (e.g., from Worcester and Boston) would connect to our site using I-291, east of the City's central business district. Patrons approaching the site via I-91 from the south (e.g. Hartford) will primarily use the exit ramp to Dwight Street (thus avoiding the congested I-91/Columbus Avenue interchange) then use Congress Street, Main Street and Emery Street to approach the site.

Positioned at the intersection of I-91 and I-291, our site offers easy access to high-speed regional roadway systems in all directions with a minimum of impact to the City's busiest interstate access points. Our proposed development site keeps vehicles away from some of the more congested areas of the Springfield metro area, such as the Memorial Bridge, the South End rotary in Agawam, and the central portions of the I-91 viaduct. Although more than \$13 million was recently spent on the ramp reversal project on I-91 near the Basketball Hall of Fame to eliminate dangerous lane weave maneuvers, these ramps remain some of the busiest intersections in the City. Our proposed development site will allow each of the three interstate approaches to utilize different ramp systems to access the Hollywood Casino & Hotel Springfield and will keep traffic away from the ramps serving the central business district.

As can be seen in the Traffic Evaluation report attached as **Exhibit 1-g**, the analysis of potential traffic impacts associated with the Hollywood Casino & Hotel Springfield has prudently considered our regional market analysis. Rather than a random scattering based on



hunches, the anticipated vehicular trip distributions to and from our resort have been carefully calibrated to reflect the anticipated operating conditions of our facility.

The proposed development of the Hollywood Casino & Hotel Springfield will undoubtedly bring additional vehicular traffic to the City of Springfield. In fact, that is an express goal of the City's quest to site a casino within the city limits. With this increased traffic will come potential impacts to the transportation network yet, at our proposed site, these impacts can be mitigated by easily implemented, prudent improvements to the streets and roads surrounding the site. As described thoroughly in the Traffic Evaluation Report, our proposal will mitigate projected traffic impacts by a series of easily-accomplished, moderate transportation improvements requiring no new rights of way and no modifications to the Interstate highway system. With the modifications in place, motorists will be able to easily and safely traverse all of the intersections affected by our development, with no objectionable restrictions. In sum, in a City already mindful of its traffic challenges, our project is uniquely situated to assure the least adverse traffic implications.

*(ii) a description of the on-site and off-site major circulation patterns serving the Project, including taxis, valet parking and charter bus operations;*

As described within the Traffic Evaluation report (**Exhibit 1-g**), the local roadways within the City of Springfield that guests will use when traveling between the site and the interstate highways are Dwight Street, Chestnut Street, Bond Street, Main Street, Emery Street and Columbus Avenue.

Valet parking drop off / pick up will be located in the porte-cochere along Main Street at the front of the casino. Access to the porte-cochere will be from the garage entrance along Main Street opposite Congress Street. Vehicles exiting the porte-cochere area will be able to turn right on to Main Street southbound or continue to the west and exit the site to Columbus Avenue. It is anticipated that all taxi service will use the porte-cochere to drop off and pick up passengers.

It is assumed that all buses including local, regional, and charter bus service will stop at Union Station. Patrons will then be able to walk via surface sidewalks or the proposed pedestrian sky bridge over Main Street between Union Station and the Hollywood Casino & Hotel Springfield.

In addition, the proposed casino site is located right next to the Union Station which is the Pioneer Valley Transit Authority's (PVTA) central transfer point. Virtually all Springfield bus routes operated by the PVTA come directly to our site. Lack of transportation is a major barrier to the ability of many poor, minority and disadvantaged persons to get and hold a job. The unparalleled access to our site through PVTA greatly enhances the ability of disadvantaged persons, without access to a reliable car, to seek and hold employment with Hollywood Casino and Hotel Springfield.



*(iii) an analysis of the transportation demand of the Project and a description of the proposer's proposed measures for transportation demand management and transportation supply management, including the use of ride sharing, mass transit, and other transportation conservation measures for patrons and employees;*

Development of the Hollywood Casino & Hotel Springfield will help accelerate the Union Station revitalization, with the relocation of the Peter Pan Transportation Center, furthering the City's mission to establish a new multi-modal transportation hub for the entire central New England region in a convenient, safe, state-of-the-art facility in the heart of Springfield's urban districts. By providing multi-modal mass transit opportunities in a location distinctively near our proposed development, the Union Station project will be instrumental in supporting our goals to implement cutting edge energy efficiency technologies and "green" operations practices, resulting in lower greenhouse gas emissions as compared to other development sites. We anticipate the relationship will be mutually beneficial, and the Hollywood Casino & Hotel Springfield can help the Union Station project be a catalyst for other surrounding developments and further urban revitalization.

The Hollywood Casino & Hotel Springfield will actively implement measures to reduce the overall use of individual motor vehicles by visitors to the City. With Peter Pan being a full partner in our development, their experience in bundling regional and charter bus services brings a unique perspective to our marketing, with a focus on transportation to and from the City via mass transit opportunities. For example, Hollywood Casino & Hotel Springfield envisions packaging one-day and multi-day independent charter tours, bringing people directly to Springfield and the Hollywood casino for day trips and "play and stay" or "play, stay and shop" packages. Overnight packages would not be limited to the Hollywood hotel but would offer stays at other Springfield hotels at various price points to attract a wide variety of customers. We will also work with the Pioneer Valley Transit Authority, AMTRAK and the other stakeholders in the Union Station redevelopment to maximize the transportation synergy that will naturally exist, with the Hollywood Casino & Hotel Springfield and Union Station being immediately adjacent to one another. This exclusive opportunity is discussed in other sections of our proposal.

As an additional consideration, our traffic evaluation is conservative in that it does not explicitly account for the reductions in traffic volume that can be anticipated due to our site's close proximity to Union Station. Our site's exceptional location will provide overall reductions in individual motor vehicles by visitors to the Hollywood Casino & Hotel Springfield as compared to any other site in the city.

*(iv) the proposer's plans for traffic control measures such as pedestrian grade street crossing systems, traffic control devices, off-site signage, bus and other large vehicle turnout facilities, drainage mitigation and street lighting systems, including the proposer's proposed financial contribution thereto;*





For detailed responses related to traffic concerns, please refer to the Traffic Evaluation Report prepared by Stephen R. Ulman, Sr. Project Engineer of Alfred Benesch & Company in **Exhibit 1-g**. In sum, there can be little or no dispute that our project creates the fewest adverse traffic implications. This is crucial in a City that already faces substantial traffic challenges.

In coordination with Springfield's Department of Public Works, the proposed Hollywood Casino & Hotel Springfield will provide pedestrian grade street crossing systems in full compliance with the MUTCD and the Massachusetts Architectural Access Board. These crossings will be fully integrated with the on-street coordinated master signal system, as described in the Traffic Evaluation report (**Exhibit 1-g**).

Off-site directional signage, including the necessary modifications to the Interstate signing system, will be fully coordinated and approved by the Department of Public Works and the Massachusetts Department of Transportation and will be fully installed and functional prior to the opening of the Hollywood Casino & Hotel Springfield.

As described above, all buses will utilize the new Union Station facility. The service and delivery functions at the Hollywood Casino & Hotel Springfield will use Columbus Avenue for easy, convenient access to our facility, away from the major patron access points.

Stormwater at the site will be managed in accordance with methodologies and to an extent approved by the Springfield Department of Public Works. As practically all of the 13.4 acres is currently impervious with no stormwater quality best management practices (BMPs) installed, there are opportunities for improvement in stormwater quantity and quality. The proposed development will incorporate low impact development (LID) techniques to the extent practical, to reduce the amount of stormwater runoff to less than existing conditions and to provide water quality benefits to downstream areas. Care will be taken to ensure that stormwater and sanitary sewer leave the site in separated conduits. Additionally, to the extent that the streets and roads along the proposed development site's street lines will be reconstructed as a part of the development, the project will provide for full separation of existing stormwater and sanitary sewer pipes within the municipal systems. Where necessary in these areas, new storm drains or new sanitary sewers will be installed.

Street lighting along all of the streets surrounding the perimeter of the proposed development site will be updated to modern standards as needed using ornamental poles and fixtures in keeping with other streetscapes in the City and compatible with the recent reconstruction of Main Street in the North End neighborhood. We will work with Western Massachusetts Electric Company, the Department of Public Works, and the Springfield Planning and Economic Development office to develop streetscape designs that both maintain the local character and accent the Hollywood Casino & Hotel Springfield casino in a tasteful fashion using LED or other acceptable luminary technologies and materials.

*(v) an analysis of the existing regional water facilities to serve the Project, including the effect of any officially adopted plans and/or schedules for publicly provided improvements,*



*and the impact the Project will have on such facilities including the number of acre-feet of water to be put to use, the location, type and size of water facilities and distribution system;*

SGR representatives have met with the Springfield Water and Sewer Commission (SWSC) to discuss domestic and fire protection water needs. Preliminary estimates of peak water demand are in the range of 150,000 to 200,000 gallons per day (approximately 0.6 acre-feet); with average demand about half that amount. SWSC has assured us that water of that volume and at more than adequate pressure is available in the vicinity of the proposed development site. There are existing water mains in all of the streets fronting the site.

SWSC has expressed concerns regarding the age and reliability of much of its water infrastructure in the North End neighborhood. Springfield Gaming and Redevelopment, LLC (SGR) shares those concerns, and we intend to provide for new water infrastructure, of the same or better capacity, within the streets and roads that are reconstructed as a part of the proposed development of the Hollywood Springfield casino. In addition to new mains, where necessary in these areas, new fire hydrants with appropriate new valving will be installed. We will work closely with SWSC to accomplish our mutual goals with regard to water supply and reliable infrastructure.

Concerning the water distribution mains within the sections of Boylston Street and Liberty Street proposed to be vacated, we will work with SWSC to evaluate the impacts this action may have on the distribution network in the area and will mitigate for resultant impacts to the system. In addition, water infrastructure construction work will be phased or sequenced so as to maintain uninterrupted water service and fire protection to all abutting businesses.

*(vi) an analysis of the existing regional sewer facilities to serve the Project, including the effect of any officially adopted plans and/or schedule for publicly provided improvements, and the impact the Project will have on such facilities including the daily average and peak flows to be generated in millions of gallons per day and the location, type and size of sewer facilities and distribution lines;*

SGR representatives have met with the Springfield Water and Sewer Commission (SWSC) to discuss sewer facilities at the proposed development and surrounding area. In older sewer systems such as Springfield's, combined sewers were commonly constructed to collect and transport sanitary sewage and stormwater together in one pipe. During heavy rain events, the combined sewer fills beyond capacity with stormwater runoff and diluted sanitary sewage. To prevent this excessive flow from backing up into basements and spilling onto roadways, discharge relief points were installed so the excess flow would empty into water bodies. Each discharge relief point is known as a combined sewer overflow, or CSO. These CSO's are a major water pollution concern for Springfield and hundreds of other cities in the U.S. that have combined sewer systems. The SWSC is consistently working to separate combined sewers and to eliminate CSOs.

The maximum sewage generation rate of 150,000 – 200,000 gallons per day (0.2 MGD) from the proposed Hollywood Casino & Hotel Springfield is not anticipated to have significant





impacts on the sewer infrastructure in Springfield, including the Springfield Regional Wastewater Treatment Plant at Bondi's Island. However, we are convinced that our development can have tremendous positive impacts on the combined sewers in the vicinity of the site.

Firstly, discharges of stormwater and sanitary sewer from our development will be separated and will exit our site at different locations. Additionally, the planned development will remove the current 13+ acres of impervious surface which now discharges stormwater runoff to combined sewer systems. Our proposed stormwater management system will reduce the amount of runoff that leaves the site and will discharge to separate stormwater drains.

Secondly, we are aware that there is significant combined sewer infrastructure in the vicinity of our site, and we are committed to assist with the SWSC's mission to provide long-term solutions to the CSO issue. To the extent that the streets and roads along the proposed development site's street lines will be reconstructed as a part of the development, this project will provide for full separation of existing stormwater and sanitary sewer pipes within the affected municipal and SWSC systems. Our design engineers will work closely with SWSC to ensure that the separation work is done in a fashion that provides immediate benefit and future compatibility with long term goals.

*(vii) the proposer's plans for accommodating special events and grand opening traffic and parking impacts upon the City;*

We will coordinate with designated City officials and the Springfield Police Department to proactively collaborate and plan for anticipated crowds and the associated impact on parking and traffic in the area, in advance of the grand opening and/or any subsequent special events of similar magnitude and scale. For these particular one-off events, we will hire additional Springfield police resources to ensure we have adequate coverage and a seamless and safe flow of casino patrons and residents in the area. We have significant and relevant experience with this type of city planning and partnering, having recently opened and executed the grand opening events at three new Hollywood Casinos in 2012 (Kansas City, KS; Toledo, OH; Columbus, OH). All of them were successfully coordinated with the local police departments. References from these jurisdictions are available upon request.

*(viii) a description of proposer's snow removal plan;*

We have experience dealing with the removal of significant amounts of snow at our Hollywood facilities in Bangor, Maine, Grantville, PA, Charles Town, WV, Perryville, MD, Joliet & Aurora, IL as well as other locations. In Springfield, we will be responsible for the removal of snow and laying of salt throughout our valet/porte cochere area, the ingress/egress and ramps of the parking garage. For the garage, we will likely use a specific blend of non calcium based salt for the 2<sup>nd</sup> level and above, which will not leech into the concrete and attach to the rebar causing premature corrosion and loss of structural integrity), as well as the sidewalks along the perimeter of our 13 acre casino/hotel site. Lastly, we will also look into



whether a “snow melter” may make sense in Springfield given the fact that our site is self-contained. We would be happy to walk the City and Public Works department through the details of our plans and answer any additional questions.

*(ix) an analysis of the adequacy of the existing police, fire protection and emergency medical services currently available to the Project and the impact the Project will have on such services (see Section 2.A.8(a), below);*

SGR and Penn National are committed to effectively partnering with the local police, fire protection, and emergency medical services in the City of Springfield, and we believe our project will have minimal impact on such services. The Springfield Police Department practices successful strategies that are community-based, problem-oriented, and data driven. Hollywood Casino & Hotel Springfield anticipates hiring additional officers at its own expense during special events at the casino and expects to provide a police presence inside the casino as necessary using hired state or local officers along with our own security forces. We anticipate that the Springfield Police Department will need no new positions as a result of our casino’s presence in the City of Springfield’s North End.

SGR has met with the Springfield Police Department regarding potentially incorporating a new police substation into our development plans should the department determine the need exists.

The Springfield Fire Department’s Station 10, at 2729 Main Street, is located less than one mile from our site. The Raymond M. Sullivan Safety Complex (Station 9), at 1212 Carew Street, is a little over two miles from our site and less than ten minutes away. We will work closely with the fire department to establish fire safety procedures at our facility. Our hotel will be one of the taller buildings in the City; however, it and all of our facilities will be constructed in accordance with current building and fire codes. If desired, the storage of fire safety equipment on higher floors of our hotel can be incorporated in the designs. As is seen with other urban casino locations throughout the United States, we anticipate our casino and hotel will have minimal influence on the local fire department resources.

The impact of the Hollywood Casino & Hotel Springfield on medical response is anticipated to be negligible. We will provide our own EMS professional staff to respond internally to medical emergencies among our patrons

*(x) the proposer’s plans for procuring, purchasing or generating energy for the operation of the Project; and*

SGR representatives have discussed power needs with the local electric service provider, Western Massachusetts Electric Company (WMECo). WMECo has indicated that there is adequate power in the vicinity of our proposed development site, and the power needs will be provided through their Clinton Substation, located approximately 300 feet from the westerly corner of our site. We also discussed with WMECo the need to abandon or relocate some of



their infrastructure associated with the portions of Liberty and Boylston Streets that are to be vacated. In the opinion of WMECo, there is no reason that electrical supply or infrastructure in the vicinity of our North End site should be a factor in the schedule for our project's development.

While WMECo will provide the electric service to Hollywood casino & Hotel, our intention is to select our electricity provider from active competitive suppliers and brokers. To help reduce greenhouse gas emissions associated with the generation of electricity, SGR will place a premium on suppliers of electricity made from renewable energy sources.

We will, to the extent possible, procure or generate on-site 10% of our annual electricity consumption from renewable sources per Section 11F of Chapter 25A of the Department of Energy Resources. Concepts that are currently being considered include fuel cells and photovoltaic panels as well as other financially feasible options.

*(xi) an analysis of all federal, state and local environmental laws, rules and regulations, which, if applicable to the Project or Project site, could materially affect the Project or the construction schedule for the Project, which analysis must include a description of any environmental due diligence conducted by proposer and the results of such due diligence, any remediation which proposer reasonably believes will be necessary on or related to the Project site in order to comply with all such laws, rules and regulations, and any matters related to such laws, rules and regulations which proposer reasonably believes could delay construction of the Project beyond the dates set forth in the construction schedule proposer is furnishing under Section 2.A. or which require further investigation by proposer. Such analysis must specifically address whether the proposed project will: (i) require review by the Massachusetts Historical Commission ("MHC"); (ii) meet the thresholds for review under the Massachusetts Environmental Policy Act ("MEPA"); or (iii) require a mandatory Environmental Impact Report (an "EIR"). If such analysis concludes that MHC and/or MEPA review is required for the proposed project or that an EIR is reasonably likely to be required, proposer must indicate the likely effect such requirements may have on the construction time line and/or feasibility for the project.*

The environmental regulations and permitting requirements that affect the project and schedule for the proposed Hollywood Casino & Hotel Springfield follow.

#### Local Permits and Approvals

None of the local permits and approvals described below are anticipated to materially affect the Project or the construction schedule for the Project. SGR's project schedule has accommodated adequate time to complete review and obtain these required permits and approvals.

#### Zoning

Zoning issues have been identified and compliance with the Springfield Zoning Ordinance is discussed in **Section 2-A-1-f**.



#### Site Plan Review

As dimensional needs of the proposed project will require re-zoning, the Springfield Planning Department will need to conduct a site plan review in order to make their recommendation to the City Council. Ultimately, the proposed development will also need to receive a Special Permit from the City Council. Site plan review will also be conducted by the Springfield Department of Public Works, with the review being conducted by the City Engineer. We have already had several discussions with Chris Cignoli, P.E. (City Engineer) and Al Chwalek, P.E. (Director, Department of Public Works) and incorporated their input into this submittal.

The project will require the discontinuance of portions of Liberty Street and Boylston Street. Application for these actions will be made in the form of a letter to Mr. Chris Cignoli, City Engineer. Upon review, Mr. Cignoli will forward the application to the Board of Public Works, who will hold a public hearing and then make a recommendation to the City Council for final approval. In addition, permits will need to be obtained (by the site work contractor) from the Department of Public Works for all street work and new curb cuts.

#### Water and Sewer

Approvals and licenses for water main extensions and sewer connections will need to be obtained from the Springfield Water and Sewer Commission (SWSC). Additionally, because laundry cleaning will be performed at the new facility, an industrial wastewater permit will need to be obtained from the SWSC.

#### Springfield Historical Commission

See discussion below under Massachusetts Historical Commission.

#### Building Permits

There will be a requirement to obtain various standard building permits from the City's Building Department for the proposed development.

#### State Permits and Approvals:

None of the state permits and approvals are anticipated to materially affect the Project or the construction schedule for the Project. SGR's project schedule has accommodated adequate time to complete review and obtain these required permits and approvals.

#### Massachusetts Historical Commission

Any project that requires funding, licenses, or permits from any state agency must be reviewed by the Massachusetts Historical Commission (MHC) in compliance with Massachusetts General Laws. SGR has officially notified the MHC of our project and we are awaiting their response. SGR will work closely with MHC and also the Springfield Historical Commission to comply with their requirements as we move forward with our proposal. We will ensure that our project is planned responsibly, so that our development can be constructed without causing harm to historic properties or important archaeological sites.



Prior to the submittal of this proposal, the MHC's Massachusetts Cultural Resource Information System (MACRIS) database was consulted regarding the potential for historic properties at or in the vicinity of the site. None were discovered in this review.

The MACRIS database does not include archaeological site information. Given the highly developed history of the land parcels that make up the site and the resulting land disturbance associated with past uses, it is unlikely that archaeological resources exist on site.

A Project Notification Form (PNF) has been filed with the Massachusetts Historical Commission. As of this submittal, their response is pending.

#### Massachusetts Environmental Policy Act

The Massachusetts Environmental Policy Act (MEPA) requires that state agencies study the environmental consequences of their actions, including issuance of a gaming license. SGR is pro-actively moving forward with the MEPA review process, and we intend to file our Environmental Notification Form and supporting documents with the MEPA office in early 2013.

The Massachusetts Gaming Commission (MGC) has recently turned their attention to the MEPA requirements. On November 6, 2012, the MEPA Director, Maeve Valley-Bartlett, was a guest at the MGC's open meeting to give an overview of what MEPA is and the MEPA process. MEPA was not specifically addressed in the Massachusetts gaming legislation, and its impact on the issuance of a gaming license is just now being considered. Ms. Valley-Bartlett repeatedly told the MGC during her discussion with them that a gaming license could not be issued to a developer prior to the project having completed the MEPA review process. The process is not complete until the Secretary of the Executive Office of Energy and Environmental Affairs issues a final Certificate that adequate review has taken place and the MEPA requirements have been satisfied. SGR believes that this process should be initiated as soon as practical in the best interest of both the City and the developer. While the process can be time consuming, it can also be used to engage the regulatory community and public in a constructive vetting process for the SGR proposal, identifying effects of the project, appropriate mitigation as needed, and refining the regulatory pathway, trajectory and timeline for the facility.

The proposed development is anticipated to require one or more State permits (Highway Access Permit(s), Sewer Connection Permit) and it will require a State-issued gaming license. These State permits combined with the likelihood of exceeding the following thresholds would categorically require the preparation of both an Environmental Notification Form (ENF) and Environmental Impact Report (EIR) under MEPA:

- Generation of 3,000 or more new average daily traffic (ADT); and/or
- Construction of 1,000 or more new parking spaces.

The anticipated requirement for an EIR review under MEPA is consistent with the statement of MEPA Director Maeve Valley-Bartlett during her meeting with the MGC, where she indicated that any of the proposed casino projects would likely require full MEPA review.



The MEPA review process is initiated with the filing of an ENF, which presents plans and responds to a series of standard questions designed to identify environmental concerns. This initial filing is also a public process which invites review and comment. MEPA reviews the submission and all comments, which is followed by the issuance of a Certificate of the Secretary, which establishes the areas of particular focus that will be developed in the EIR. While there are some variants on this ENF-EIR process that can sometimes serve to shorten the process, the use of these variants is at the discretion of MEPA and can be challenged by the commenting public and agencies. In this particular high visibility project, we believe it is best to follow the typical MEPA procedures.

Currently, MEPA has received only one filing for a casino in Massachusetts subsequent to the passing of the gaming legislation. An ENF was filed in July 2012 by the Mashpee Wampanoag Tribe for a casino in Taunton, MA. The Secretary's Certificate on this ENF, containing the required scope of study for the Draft Environmental Impact Report was issued on August 24, 2012.

We anticipate that MEPA review of the proposed Hollywood Casino & Hotel Springfield project will focus primarily on traffic impacts, mitigation strategies and our site's provisions for public transportation. With our proposed connection to Union Station, Hollywood Casino & Hotel Springfield will be most easily accessible by mass transit. We will also evaluate water, sewer, and stormwater generation and will present strategies to help alleviate the current burden on these vital municipal resources. We believe there are opportunities where our work in the North End can provide net benefits to the City's water, sewer, and stormwater infrastructure and help address the combined sewer issues in this part of the City.

SGR will also review construction period impacts during the MEPA review process. We will outline feasible measures to eliminate or minimize impacts due to noise, vibration, dust, and traffic flow disruptions, through the development of a Construction Management Plan that will identify truck traffic routes, staging areas, and access to existing businesses for each phase of construction.

Our MEPA review will include an analysis of greenhouse gas emissions and mitigation measures in accordance with MEPA's protocols and policy. Hollywood Casino & Hotel Springfield represents a tremendous opportunity to SGR to implement cutting edge energy efficiency technologies, renewable energy sources, and "green" operations practices.

Lastly, our MEPA review will address other issues identified in the Secretary's scope of review. We anticipate that a formal Section 61 Finding agreement will be executed by SGR and Massachusetts Department of Transportation at the conclusion of the MEPA process.

MEPA itself has strict guidelines and is very diligent about meeting its own timelines. Thus, SGR has significant influence on the total MEPA process in that it controls its own schedule for preparing information being submitted to MEPA for review. Because of the complexity of this project and the new gaming legislation, we have anticipated up to 18 months in our scheduling to complete the MEPA review.





### Highway Access Permit(s)

Massachusetts Department of Transportation (MassDOT) is granted authority to issue state highway access permits by MGL Chapter 81, Section 21 and the regulations at 720 CMR 13.00. The District Highway Engineer within whose District boundaries access permits are sought, is in most cases directly responsible for issuance of those permits.

Review by MassDOT will formally commence with the initial filing in the MEPA process. In fact, MassDOT review will largely shape the timeline of the MEPA review process, as all MassDOT comments will be addressed as the MEPA review progresses. It typically occurs that upon conclusion of the MEPA review process, all significant issues in the Highway Access Permit application process have also been resolved and the permit can be issued shortly thereafter.

Traffic plans will be prepared by experienced professional traffic engineers and SGR's Highway Access permit application will require the submittal of Engineering Plans based on the standards in the Manual on Uniform Traffic Control Devices (MUTCD), MassDOT's Project Development & Design Guide or its successor, MassDOT's Standard Specifications for Highway and Bridges, and any current technical policies or engineering directives issued by MassDOT.

### Sewer Connection Permit

New connections to sanitary sewers are subject to state requirements based on their expected discharge characteristics and volume. Non-industrial discharges of greater than 50,000 gallons per day (the intended development has a projected peak sewer discharge of 150,000-200,000 gallons per day) must obtain a Sewer Connection Permit from the Massachusetts Department of Environmental Protection (MassDEP) before construction (314 CMR 7.00). Depending on the final configuration of the laundry facilities, an industrial wastewater permit may also be required from MADEP.

### Federal Permits and Approvals

None of the federal permits and approvals are anticipated to materially affect the Project or the construction schedule for the Project. SGR's project schedule has accommodated adequate time to complete review and obtain these required permits and approvals.

### NPDES Construction General Permit

Stormwater discharges from construction activities (such as clearing, grading, excavating, and stockpiling) that disturb one or more acres are regulated under the National Pollutant Discharge Elimination System (NPDES) stormwater program (U.S. EPA). Prior to discharging stormwater, construction operators must obtain coverage under the NPDES Construction General Permit (CGP) which, in Massachusetts, is administered by EPA. For the purposes of this permit, an "operator" is any party associated with a construction project that meets either of the following two criteria:

- The party has operational control over construction plans and specifications, including the ability to make modifications to those plans and specifications; or



- The party has day-to-day operational control of those activities at a project that are necessary to ensure compliance with the permit conditions (e.g., they are authorized to direct workers at a site to carry out activities required by the permit).

Generally, the operators are considered to the project owner and the general contractor. EPA notes that subcontractors are generally not considered operators for the purposes of this permit. Construction operators intending to seek coverage under EPA's CGP must submit a Notice of Intent (NOI) certifying that they have met the permit's eligibility conditions and that they will comply with the permit's effluent limits and other requirements.

SGR will apply for coverage under the CGP and will prepare a SWPPP in a timely manner prior to earth disturbance at the site.

#### National Environmental Policy Act

Traffic mitigation construction extending onto the Interstate Highway System beyond end-of-ramp configurations typically requires review under the National Environmental Policy Act (NEPA), most typically through the preparation and circulation of an Environmental Assessment (EA). At this time, it appears that the only work associated with the Hollywood Casino & Hotel Springfield that could possibly require review under NEPA is the additional turning lane on the Dwight Street exit ramp. Adding a turning lane to a ramp is a relatively insignificant action often viewed as having little to no environmental impacts; thus, such action can qualify as a categorical exclusion (CE) activity. Nonetheless, if required, NEPA compliance will be achieved through a combined MEPA/NEPA document, since the level of documentation is similar for both processes and both agencies allow for a combined review.

#### Hazardous Materials and Oil and Building Materials

It is the opinion of SGR that we have budgeted adequate time and financial resources to address the hazardous materials and oil issues at the site, and they are not anticipated to materially affect the Project or the construction schedule for the Project.

A Phase I Environmental Site Assessment (ESA) and report have been completed for the five parcels that make up the proposed development site. The ESA was completed in general accordance with the guidelines described in ASTM Standard Practice E 1527-2005 for Phase I Site Assessments, and was based on a professional review of available historical and environmental records, visual observations of the surface of the site and adjoining properties, and personal interviews with available persons having knowledge of the site properties. The ESA revealed evidence of Recognized Environmental Conditions in connection with portions of the site that warrant further investigation in a Phase II ESA, which has been scoped but not yet implemented.

Active remediation of a hydraulic oil release is currently on-going at the 11 Liberty Street, Peter Pan maintenance garage. The oil is being recovered via manual product removal and an automated recovery system. This remediation will continue and other remedial actions for groundwater and soil may potentially be implemented until a condition of no significant risk (as defined under the Massachusetts Contingency Plan – MCP) is achieved.





An assessment of hazardous building materials has not been conducted of the onsite buildings which must be demolished in preparation of the proposed development site. Based on the ages of these buildings, it is anticipated they may have asbestos containing materials such as insulation and floor tiles, and other hazardous building materials that will require abatement prior to demolition. This type of condition is typical of urban redevelopment projects, and SGR has significant experience in such based on the numerous urban casino developments we have successfully completed within the last several years.

*(h) Submit as Exhibit 1(h) a Project construction schedule including major construction milestones and the dates related thereto and any proposed phasing plan, the proposed sequence of any phases, whether any phases are dependent upon future events and the approximate dates of beginning and completion of each phase. Indicate anticipated street and sidewalk closures, plans for redirecting traffic, impacts on existing parking and plans for mitigating such impacts both during and following construction. Describe measures that will be taken to mitigate all other construction impacts on the local community. In the event the financing for any further phase is not included in Exhibit 3(c), indicate the anticipated sources of financing for such phase and the details of such financing.*

The development schedule for the Hollywood Casino & Hotel Springfield assumes that the Western Massachusetts gaming license is awarded in April 2014. However, prior to the award of the license, SGR intends to begin the design, permitting and take steps necessary to enable the relocation of the Peter Pan and Republican operations to vacate the site for demolition and site preparation. Concurrent with these activities, as described fully in **Section 1-g-xi** above, SGR will begin the MEPA review process with the preparation of both an ENF and EIR, as needed, to obtain the required Certificate to begin construction. Immediately upon selection of SGR as the licensee, we plan to begin Utility and Offsite roadway improvements design and permitting so that all required off-site improvements can be made and complete prior to the opening of the Hollywood Casino & Hotel Springfield. Construction of the facility is anticipated to begin in late 2014 and to be complete prior to the end of 2016, with an early January 2017 Grand Opening.

From the award of the license to SGR, the Hollywood Casino & Hotel Springfield opening is scheduled to be 33 months, with actual construction of the facility on the site to have a duration of 25 months.

#### Schedule

Please find included in **Exhibit 1-h:**

- Construction Schedule
- Proposed Construction Phasing Plan

#### Logistics

Our mission is to responsibly plan construction project operations, means, and methods which create a positive impact on the surrounding community and environment. Given our extensive and recent experience in urban development projects, we are confident we can accomplish that.



We have identified local businesses surrounding the proposed site to highlight our understanding of the area and to ensure that our top priority is to mitigate the impact the construction of the casino will have on the businesses, neighbors and the community.

Please find included in **Exhibit 1-h**:

- Map of the Surrounding Businesses and Community
- Anticipated Potential Truck Routes
- Milestone Logistics Plans & Mitigation

### Mitigation

#### Preconstruction and Planning

During the preconstruction phase, the Project Team will further develop the Logistics and Safety Programs. These plans will be presented to the appropriate City of Springfield representatives for their input and “buy-in.” It is the goal of these programs to define the construction plan before construction begins. Our experience on projects with similar logistic constraints has proven that pre-planning and constant communication are necessary for a smoothly run, incident free project.

### Safety

Together we will develop plans and techniques to help protect the safety of the local community.

- Clear Safety Signage will be posted
- Pedestrian walkways will be amply lit and maintained
- Police details will be engaged to protect the public and maintain traffic flow
- Site fencing will be of high quality and continuously maintained
- Worker Orientation required by everyone
- Development of job specific safety program

### Vehicle Controls

We will manage vehicular traffic plans to minimize the impact on the nearby highways and the surrounding local community.

- Traffic plans will route trucks appropriately to minimize the congestion on local roads
- Staging & daily scheduling of deliveries to minimize truck traffic on site
- A queuing station will be set-up so that deliveries can be managed via radio especially during times such as soil excavation and concrete pours
- Idling times of standing vehicles will be controlled

### Jobsite Cleanliness

Strategies and techniques will be used to limit debris from surrounding communities.

- Jobsites will be visibly organized and clean
- An aggressive construction Recycling program will be initiated
- Debris will be cleaned on the exterior of site fencing on a daily basis
- On-site meal accommodations with designated break areas will be encouraged
- Wheel washing stations will be utilized at site exits
- Temporary paving or crushed stone will be used on all ramp/ road areas
- Street cleaning will be done on a daily basis
- Snow will be expeditiously removed from any adjacent public areas



- Dust control with wetting agents. Some building intakes may require temporary filters to minimize any dust
- Truck containers carrying soil or debris will be covered before leaving site
- Rodent control plans shall be put into place.

#### Noise Controls & Vibration Monitoring

Strategies and techniques will be used to limit noise from surrounding communities.

- Quiet hours (i.e. - non-working hours) will be established
- Construction techniques will be chosen which reduce noise
- Heavy equipment will use noise-confining features such as encasements and mufflers
- Regular maintenance on heavy equipment will be required to allow them to run efficiently, cleaner and with less noise
- Maintain smooth transitions in entrance ramps & maintain low speed
- Monitoring and development of threshold values to stop/change field operations.
- Review each activity to determine if off hours work is required.

In the event that economic conditions warrant future phases of development, SGR and Penn National Gaming would expect to access all available sources of capital referred to in **Section 3(c)**, including but not limited to free cash flow from operations, available credit under the revolving bank facility and potential incremental financings.

*(i) If proposer's plan for the Project are expected to displace or relocate any existing businesses, tenants or services, submit as Exhibit 1(i) proposer's plans for relocating or compensating such displaced parties.*

Our project will result in very positive relocation that will benefit the entire city. We plan to relocate the current Peter Pan Bus lines headquarters and the Springfield Republican newspaper facilities to new locations within the City of Springfield. In addition to the significant and positive economic impact that will result from the construction of our casino resort, the relocation of the Peter Pan and Republican facilities will generate even more economic activity for the City. The ripple effects of these relocations sets our proposal apart because the project features will magnify the economic benefits generated from construction of the casino alone to the long-term benefit of the City and its citizens.

As part of the land assemblage necessary to develop the proposed project, Proposer has agreed to purchase the Republican Newspaper's existing site located at 1860 Main Street, Springfield, Massachusetts if it is selected as the Region B licensee. For the Republican, they plan to relocate their 326 employees from its facility at 1860 Main Street to two new locations in the City of Springfield.

The newspaper will move its production operations, including its growing regional commercial printing business and tens of millions of dollars in equipment, to a brand-new building to be constructed on industrial park property along I-291. The newspaper is currently studying property within the city in both the Smith & Wesson and Westmass industrial parks. *The Republican* anticipates that construction would start well before the project receives its license



from the gaming commission. This plan will enable the new casino to be built without any delay in jobs for the city and tax revenue for the Commonwealth.

Meanwhile, the Republican's newsroom, advertising, marketing and business-office employees will move into leased space in the very heart of downtown. The newspaper is actively seeking vacant Class A office and public gathering space, and has had three design firms looking at options. The Republican plans to use the power of its affiliated website, MassLive.com, to create an interactive "21st Century Village Square" to bring large numbers of people together for a wide range of fun and community-building activities (Please see interior rendering in **Exhibit 1-b, page 30**). At lunchtime, after work, in the evenings and weekends, this aspect of the project will bring new energy and life to the very center of the City. Significantly, the costs involved in the Republican moves are borne by SGR and not any public entities.

Although the details are still under development, the Republican plans to use its combined media strength in English and Spanish to make this new site THE place to be in the entire region. Not just for browsing the web and enjoying a cup of coffee, but also for public meetings, blood drives, the creation of video on MassLive and YouTube, singing groups, art shows, and a thousand other purposes. *The Republican* is even considering things like a downtown Springfield Idol competition on web video and TV, with people voting for their favorites at our new location or on line. The goal would be to create a beehive of activity in the heart of downtown 24-7, instead of only during the workday. This would be good for business, and also very, very good for the heart of the City.

If SGR is chosen as the Region B licensee, Peter Pan Bus Lines plans to move its bus operations to Springfield's currently under-utilized Union Station. The increased business activity generated by Peter Pan will provide a significant boost toward the revitalization of that building.

*(j) Submit as Exhibit 1(j) a five (5) year history of: (1) real estate tax and personal property tax payments and valuations for proposer's casino projects located in the United States, indicating for each such project the number of aggregate square feet, number of hotel rooms and method for determining such valuations; and (2) tax appeals for such projects. Indicate whether proposer has formal tax agreements in any taxing jurisdiction in the United States with respect to such projects. Also, please indicate proposer's estimate of real estate and personal property taxes with respect to the Project during the first full year of operations.*

Attached as **Exhibit 1-j** is a five year history of personal and real property taxes paid by existing Penn National Casino facilities in the US.

Subsidiaries of Penn National Gaming, Inc. are involved in ordinary course property tax disputes related to casino facilities in Columbus, Kansas City, and Toledo. Additionally, as a result of a recent acquisition, a Penn subsidiary inherited a personal property tax dispute for its Maryland Heights, Missouri (St. Louis area) casino facility.



Our current estimate for property taxes of the development is \$17.5 million per year. We calculated this amount as follows:

Estimated Assessable Construction and FF&E	\$438,000,000
Millage	<u>0.03999</u>
Estimated Property Tax	\$ 17,515,620



## 2. Projections

*(a) Submit as Exhibit 2(a) detailed projected balance sheets, income statements (detailed on a departmental basis) and cash-flow statements for the first five (5) years of operating the Project using generally accepted accounting principles (to the extent applicable) reflecting a best, worst and most likely case outcome assuming no new competition within a ninety (90) mile radius of the Project and a best, worst and most likely case outcome if there is a competing comparable facility located within ninety (90) miles of the Project which opens within two (2) years of the opening of the Project. Please provide specific line items for: gaming revenues and expenses, hotel revenues and expenses, food and beverage revenues and expenses, and retail revenues and expenses; general and administrative expenses; marketing expenses; energy expenses; gaming taxes; property and other taxes; capital expenditures; depreciation and interest expense. Include all material assumptions upon which the projections are based, including detailed assumptions regarding Project operating performance (e.g., dates of opening, slot and table drop, number and types of table games and slots, average room rates, number of employees by department, patron counts, win per patron, etc.).*

Please see **Exhibit 2-a** for detailed five year projected financial statements including statements of income and cash flow and balance sheet. Separate statements are provided with one set assuming no additional competition in the near future and one set that assumes direct competition in the Hartford market. The projections reflect the company's anticipated most likely outcome in each of these scenarios. Revenue projections were performed by Strategic Market Advisors, an independent research firm contracted to perform an economic impact study of the project. Expense projections are based on the company's recent experiences in comparable urban development and well established expertise in the gaming industry. It is anticipated that a best and worst case within each scenario would be a revenue variance of approximately plus or minus ten percent from the most likely projections. In those cases, it is expected that EBITDA margin would be relatively consistent due to the variable nature of expenses such as gaming taxes, labor and marketing.

*(b) Submit as Exhibit 2(b) an analysis of the economic benefits which the City and the Commonwealth may reasonably expect from the Project, including: (i) an estimate of the highest, lowest, and most likely prospective direct revenue from the Project (which in the case of the City would include any revenue sharing being offered by the proposer to mitigate indirect or non-quantifiable community impacts), assuming as indicated in Section 2.A.2(a), above, both no competing comparable facility and a competing comparable facility; and (ii) direct and indirect benefits in employment, tourism and redevelopment. Include a market study to support such analysis which study also details the benefit of the Project location and the estimated capture rate of gaming and non-gaming revenue related spending by City and Commonwealth residents travelling to out-of-state casinos.*

Please see **Exhibit 2-b** for the Casino Resort Market Assessment report for the project, prepared by Strategic Market Advisors.





### 3. Financing

*(a) Submit as Exhibit 3(a) financial statements for the five (5) years immediately preceding the most current fiscal year then ended for proposer, audited by a national firm of independent certified public accountants.*

The Proposer, Springfield Gaming and Redevelopment, LLC, is a newly formed entity that does not yet have financial statements of its own. We have attached as **Exhibit 3-a** copies of the last five years of annual audited financial statements for Penn National Gaming Inc.

*(b) Submit as Exhibit 3(b) unaudited financial statements for the proposer covering the current fiscal year through the fiscal quarter ending immediately preceding the date of this Phase II – RFQ/P.*

The Proposer, Springfield Gaming and Redevelopment, LLC, is a newly formed entity that does not yet have financial statements of its own. We have attached as **Exhibit 3-b** copies of the most recent 2012 financial statements for Penn National Gaming Inc.

*(c) Submit as Exhibit 3(c) a detailed explanation of anticipated sources of financing for the Project. Provide written documentation of the availability of these anticipated sources of financing and details of the financing (i.e., terms, rates, security arrangements, etc.) and any additional third-party approvals that are necessary to obtain such financing. Indicate whether local partners or investors will be required to contribute capital, the amount being required and their ability to fund such amounts. For any local partners or investors who are obligated to contribute capital or are otherwise subject to capital calls, in an aggregate amount of five million dollars or more, specifically identify the source of such funds.*

Penn National currently anticipates financing the Springfield development from cash available from operations and its existing revolving bank facility. As noted in **Exhibit 3-c**, as of 9/30/2012 and adjusted for an incremental financing on 11/1/2012, the company currently has over \$600 million available on our revolving credit facility. Additionally, the company currently generates over \$450 million in free cash flow annually, which may be used to pay down existing debt or to finance development commitments. Penn National gaming is widely regarded as having the strongest balance sheet in the gaming industry. With a leverage ratio of approximately 3.1x versus a peer average of approximately 7.0x, the company is uniquely positioned among all the applicants to successfully complete the Springfield development.

*(d) Submit as Exhibit 3(d) a detailed explanation and projections setting forth by year for the next five (5) years, the estimated aggregate amount and type of credit (i.e., bank facility and debt capacity) available to proposer for the Project without reworking or renegotiating any existing credit agreements (or if reworking or renegotiating may be necessary, when and how proposer expects to do it) and reflecting projected commitments for capital expenditures for other*



*projects. Indicate whether and the extent to which any such credit agreements permit drawdowns of credit to be contributed to proposer as equity.*

The company currently anticipates approximately \$610 million in planned expenditures for existing projects in Ohio and Missouri through 2013 and 2014. **Exhibit 3-d** contains our current internal projections for debt and excess cash balances over the next five years, taking into consideration the planned capital expenditures as well as anticipated free cash flow from operations over the period, but excluding the potential Springfield development.

*(e) Submit as Exhibit 3(e) an explanation as to how the City is to be protected against construction and operating risks related to the Project, including cost overruns. In particular, the City is seeking, at a minimum, unconditional contractual assurances, guarantees and/or indemnifications that the Project will be completed on time, on budget and will have appropriate and adequate funds for all pre-opening activities and initial working capital. The proposer must provide details of such assurances, guarantees and/or indemnifications to be furnished to the City regarding these items, including the identity of any creditworthy party providing such assurances, guarantees and/or indemnifications and written documentation (e.g., five (5) years of audited financial statements) demonstrating the capacity of any such party to fund up to a 20% construction cost overrun.*

Penn National Gaming, Inc. is the only entity in this RFP process to have an extensive and recent track record of opening new properties in new gaming markets, including, three in 2012 alone. As such, we believe that the City should take comfort in our history of bringing significant projects (including large scale urban development) in on time, on budget and as per design and scope. We welcome the opportunity to share in detail any features of our well established construction track record with the City. In this instance, we have particular confidence in our projected costs because we have engaged Turner Construction for pre-construction services and our experienced internal construction professionals have vetted our construction cost estimates, the diligence on the site and all related expenses thoroughly in making this submission.

Turner Construction is very familiar with the current costs of building in Western Massachusetts as they recently constructed the Massachusetts Green High Performance Computing Center in Holyoke for the consortium of Harvard, Boston University, MIT, Northeastern and the University of Massachusetts. The actual cost of this project upon completion was five percent below its conceptual estimate and four percent below the Turner guaranteed maximum price (GMP). Turner was also the Construction Manager for the Hollywood Casino at the Kansas Speedway in Kansas City, Kansas, knows and understands Hollywood's design and engineering teams and completed the project three percent below their GMP contract value. In light of this exacting preparation, we believe the City should ascribe greater certainty and weight to SGR's figures.

To further mitigate the risk of overruns, we expect to utilize guaranteed maximum price contracts wherever possible. In addition, the combination of Penn National's balance sheet (routinely described by Wall Street analysts as one of the best among all gaming companies) and the State licensing process (which requires a 10% deposit), should provide substantial visibility



on the funding issues raised in this question. As to project guarantees and indemnifications, we are prepared to negotiate those legal details in the development agreement with the City, when all the economic and legal issues are presented by both sides. See **Exhibits 3-a and 3-b** for five years of audited financial statements for Penn National Gaming, Inc.

*(f) Submit as Exhibit 3(f) proposer's plan for post-construction credit facilities or other sources of capital or plans to fund the operations of the Project in the event that actual operating results do not meet the projections submitted as Exhibit 2(a).*

Penn National Gaming, Inc. is widely regarded as having the strongest balance sheet in the gaming industry. Its leverage ratio is approximately 3.1x versus a peer average of approximately 7.0x and has very strong cash flow. Once open, we fully expect that Hollywood Casino & Hotel will generate enough cash flow to fund its ongoing operations. In the unlikely event it that it does not, our Penn National partner will have the ability to readily access the ongoing cash flow that its other operations generate as well as its credit facilities to provide interim funding until the property can be restored to its proper financial balance.

*(g) Submit as Exhibit 3(g) any update on "pipeline" projects described in response to Section 2.A.9. of the Phase I-RFQ/P.*

Besides this Springfield development, Penn National currently has only three significant projects in its approved development pipeline. They are:

- Hollywood Mahoning Valley Race Course - A green field Video Lottery Terminal (VLT) and parimutuel horse racing facility in Ohio. Planned Capital Spend - \$275 million.
- Hollywood Dayton Raceway - A green field Video Lottery Terminal (VLT) and parimutuel horse racing facility in Ohio. Planned Capital Spend - \$275 million.
- Hollywood Casino St. Louis – Upgrades to its recently purchased casino facility in Maryland Heights Missouri. Planned Capital Spend - \$61 million.

As far as other projects discussed in Phase 1 RFQ/P response, the \$610 million purchase price for the St. Louis Acquisition has been disbursed and remaining payments for the Columbus Ohio capital spend are approximately \$40.8 Million, anticipated to be paid in early 2013.



#### **4. Business Operations and Marketing Plan**

*(a) Submit as Exhibit 4(a) the minimum dollar commitment and/or special efforts proposer will make to promote economic growth and revitalize the City's central business district or other areas of the City to create new jobs and maintain existing employment opportunities, attract new businesses, tourists and visitors to the City and the region and to prevent further decline by restoring the economic growth and vitality of these businesses. Include the manner in which the Project will enhance the City's existing entertainment areas as a desirable location for tourists, conventions, families and urban life.*

See responses to **Items 1-a-xi** and **xii** above for how SGR's development will promote the economic growth of the City and particularly its central business district. **Item 4-b** below describes our plan to aggressively market Hollywood Casino & Hotel and the City of Springfield over a wide geographic area. See also responses to **Items 6-b** and **8-b**.

*(b) Submit as Exhibit 4(b) a detailed explanation of the theme and target market segments of the Project.*

In response to Questions 4(a) and (b), SGR has developed a comprehensive Marketing Plan for Hollywood Casino & Hotel Springfield which is included as **Exhibit 4-c**. A critical element of our resort will be the Hollywood brand. Hollywood Casino & Hotel will evoke the glitz and glamour of the Golden Era of Hollywood with a clean art deco style that will fit right in and complement the style of the existing buildings in Springfield. The classic style will be infused by thoroughly modern high tech elements such as multimedia flat panel displays, accent lighting and the newest most exciting slot machines. Movie memorabilia spanning the gamut from Hollywood classics to modern films will be infused throughout the facility with an emphasis on memorabilia with a New England, Massachusetts or Springfield area connection. See **Exhibit 4-c**, pages 12 and 13 for additional information on the Hollywood theme and brand

The primary target market, as illustrated on page 11 of **Exhibit 4-c**, will be the 1.7 million adults aged 25+ living in Western Massachusetts, Northern Connecticut (including the Hartford metro area), Southeast New Hampshire and part of Eastern New York.

Beyond the local market however, our facility is uniquely situated, being located across the street from Springfield's own Union Station, to allow us to market Hollywood Casino & Hotel Springfield to bus and Amtrak passengers who will literally have access to our front door directly from Union Station. Amtrak offers service to Springfield from many cities including Boston, New Haven, New York, Philadelphia, Washington, DC and many smaller towns in between. Amtrak generally has about 15 trains a day stopping at Union station.

Our partnership with Peter Picknelly, owner of Springfield based Peter Pan Bus Lines, will also allow us to attract casino visitors from a wider geographic area. Peter Pan offers regularly scheduled bus service, virtually every hour, from all major cities in the northeast, directly to Springfield, MA, including New York, Hartford, Boston, Worcester, Amherst and Northampton



as well other cities served with several trips per day, such as Albany NY, New Haven CT, Waterbury CT, Danbury CT, Southbury CT, Providence RI and the Berkshires. Peter Pan carries approximately 4,000,000 people per year virtually all of who would have access to daily regularly scheduled service to Hollywood's front door. With such extensive regularly scheduled bus service, customers can arrive and depart the casino at their convenience allowing them to both spend time in the casino and take advantage of all of the other amenities Springfield has to offer.

Peter Pan currently operates 18,000 charters per year; several hundred of which currently go to the Mohegan Sun, Foxwoods and Atlantic City casinos. Our partnership with Peter Pan will allow us to leverage Peter Pan's extensive mailing list of casino customers to attract these casino enthusiasts to Hollywood Casino & Hotel Springfield.

In cooperation with Peter Pan, Hollywood Casino & Hotel Springfield envisions packaging one-day and multi-day independent charter tours, bringing people directly to Springfield and Hollywood Casino & Hotel Springfield for day trips and "play and stay" or "play, stay and shop" packages. Overnight packages would not be limited to the Hollywood hotel but would offer stays at other Springfield hotels at various different price points to suit the needs attract a wide variety customers.

*(c) Submit as Exhibit 4(c) the operating and marketing plans for the Project, with specific reference to pre-opening marketing and opening celebrations. Include the minimum annual dollar amounts, kinds and types of general promotion and advertising campaigns that will likely be undertaken, and the proposed market to be reached; the number of visitors who are projected to stay overnight in the metropolitan area of the City; and other examples of joint marketing ventures, if any, undertaken by the proposer in other jurisdictions. Proposer's marketing plans should discuss its intent to cooperate and consult with the City, Springfield Convention & Visitor's Bureau, the Massachusetts Convention Center Authority or other regional tourism and marketing organizations to implement a comprehensive and uniform system of marketing the City as an entertainment destination and plans for cross-marketing local restaurants, small businesses, hotels, retail outlets and impacted live entertainment venues (as that term is defined in the Act).*

Attached as **Exhibit 4-c** is a comprehensive marketing plan for Hollywood Casino & Hotel Springfield. Descriptions of our plans for extensive pre-opening, Grand Opening and ongoing marketing activity are described in various sections throughout this Plan. We currently estimate that the marketing budget for Hollywood Casino & Hotel Springfield will be between \$40 and \$50 million dollars annually. The Community Support section of the Marketing Plan (pages 21-27) outline our plan for extensive joint sponsorships and marketing efforts with local businesses, restaurants, entertainment & sports venues and local tourism bureaus.

Peter Pan Bus Lines in cooperation with SGR will support the marketing programs of the Springfield Convention & Visitor's Bureau by providing a wrapped Peter Pan bus, provide buses for their annual dine around dinner to raise money for the Bureau, and finance a mobile ding dong vehicle to promote Bureau activities and members throughout the Pioneer Valley. If the



Bureau forms a new Sports Authority, we will financially support and promote. We will participate in promotions offered by both the Bureau and the Massachusetts Convention Center Authority and purchase advertising in publication they produce to promote the City and Massachusetts as a whole.

*(d) Submit as Exhibit 4(d) a description of the strategies to be used by the proposer to deal with the cyclical/seasonal nature of tourism demand and ensure maximum use of the Project throughout the entire calendar year.*

While the casino business in a regional market does show some seasonality, this seasonality is typically not extreme. As a very experienced regional casino operator we are skilled at employing strategies to mitigate what seasonality that exists by doing things such as:

- Advertising more heavily during slower periods including running ads on certain travel entertainment websites and publications to attract customers from a wider geographic area.
- Offering special promotions and sweepstakes drawing (such as car or trip giveaways) during slow periods
- Offering or sponsoring special entertainment events or food & drink specials.

See pages 28 and 29 of **Exhibit 4-c** for more information on seasonality mitigation efforts.

*(e) Submit as Exhibit 4(e) a description of the proposer's plan and minimum dollar commitment for enhancing existing services for treatment of compulsive behavior disorders to ensure that they are reasonably affordable and appropriate for its prospective employees and their affected families and for patrons with compulsive gaming behaviors and their affected families. The plan should include the types of public education and problem gaming prevention strategies, and prevention and education strategies for employees, that would be implemented as part of the operation of the Project, the estimated period of implementation of the plan, the approximate cost of the plan and how such cost will be funded. If the proposer has casino operations in other locales, include specifics of such plans implemented in those locales with an analysis of the success of such plans.*

A Penn National subsidiary will be the managing member of Hollywood Casino & Hotel Springfield. Penn National operates 29 casino and/or racing facilities in 19 different jurisdictions each of which has a well developed responsible gaming program in place. Consistent with the programs in place at all Penn casino properties, the responsible gaming program for Hollywood Casino & Hotel Springfield will be based, at its core, on the American Gaming Association's (AGA) Code of Conduct for Responsible Gaming. The "Code" was developed with input from research and treatment professionals who are experts in responsible gaming matters. Penn National is a contributor to the AGA's National Center for Responsible Gaming (NCRG) and National Council on Problem Gambling (NCPG) and has based its responsible gaming policies on research available through these organizations and other sources. Penn will also work closely with the Massachusetts Council on Compulsive Gambling in developing its final customized responsible gaming program for Springfield.





All employees of Hollywood Casino & Hotel Springfield will be trained in responsible gaming matters as outlined in our draft Responsible Gaming Program which is attached as **Exhibit 4-e**. Some highlights of this program are:

- Responsible gaming training for ALL new employees at orientation and annual responsible gaming refresher training annually thereafter.
- Availability of the following programs for patrons:
  - Statewide self-exclusion
  - Ability to stop receiving casino related mail or marketing materials
  - Ability to restrict themselves from certain financial transaction such as check cashing and casino credit.
- Inclusion of a responsible gaming message and toll free help-line number on all external marketing material and advertising.
- Availability of responsible gaming brochures at various locations in the casino including at all ATMs, cages, credit locations and entrances/exits. The brochures will discuss the signs and symptoms that may be indicative of a gambling problem and explaining where confidential help can be obtained.
- Signage bearing a responsible gaming message and toll free helpline posted at various locations in the casino.
- Discussion of responsible alcohol service policies (see below for more information)
- Discussion of policies and procedures concerning unattended minors (see also **Item 2-f**)
- Specific departmental responsibility for various responsible gaming matters to establish accountability.
- Establishment of a Responsible Gaming Office at the facility to be staffed by an independent substance abuse and mental health counseling service to be selected by the Massachusetts Gaming Commission.

Not only is Hollywood Casino committed to responsible gambling, but also responsible alcohol service. As more fully described in **Exhibit 4-e**, many Hollywood positions, including all servers of alcoholic beverages, are required to successfully complete comprehensive training on responsible alcohol service such as TiPS or CARE or similar programs so as to prevent over-serving of our guests.

Penn employees and their families have access to Penn's Employee Assistance Program which includes a 24-helpline that they can call if they need help dealing with family or personal problems including issues related to alcoholism, substance abuse and problem or compulsive.

Section 56-e of the Massachusetts Gaming Act established a \$5 million annual fee to fund the costs of service and public health programs dedicated to addressing problems associated with compulsive gambling or other addiction services. The fee is to be assessed on each Massachusetts casino licensee in proportion to the number of gaming position each license has. We expect our share of that fee to be between \$1 million and \$2 million every year. In addition, SGR expects its internal costs associated with the implementation and ongoing operation of its property responsible gaming program to be between \$100,000 and \$200,000 annually. Finally, Penn National Gaming provides corporate funding to both the National Center for Responsible Gaming (NCRG) and the National Council on Problem Gambling (NCPG). Our combined commitment to these organizations for 2013 is approximately \$80,000.



*(f) Submit as Exhibit 4(f) a detailed discussion on how the proposer will ensure that minors will be identified and prohibited from gambling or loitering in the casino. If the proposer has casino operations in other locales, include specifics of such programs used in those locales.*

All Hollywood Casino & Hotel Springfield employees will participate in initial responsible gaming training at orientation. They will also attend responsible gaming refresher training on an annual basis. Both orientation and annual responsible gaming training discuss issues related to the prevention of underage gambling consumption of alcoholic beverages as well as how to respond to unattended minors found in the property. Subsidiaries of Penn National Gaming, Inc operate 29 casino and/or racing properties in 19 different jurisdictions all of which have restrictions against minors gambling. As is the case at other Penn casino properties, Hollywood Casino & Hotel Springfield will employ a comprehensive set of policies and procedures to prevent underage gambling or underage consumption of alcohol including:

- Security personnel are stationed at all public entrances to the casino floor and are instructed to ID any person looking under 30 years of age.
- Electronic ID scanning devices are located at each entrance and available to floor personnel to allow any questionable IDs to be scanned and electronically verified as valid
- Security staff will receive specific training in recognizing fake or altered IDs and in observational techniques for detecting persons.
- Signage will be posted at all entrances informing the public that they must be over 21 to gamble
- We work with local police and district attorneys to prosecute any underage gamblers, underage drinkers and false ID users detected. When minors are prosecuted, the word travels fast among their friends that the casino is not a good place to be attempt to circumvent the law.
- Employees who fail to detect an underage person when circumstances show they should have are retrained and may be subject to disciplinary action.

Our policy is zero tolerance for parents or guardians leaving children unattended at our facility. If an unattended child is detected, staff is trained to move the child to a safe place and stay with the child until his or her guardian can be located. Adults who leave children unattended are subject to permanent eviction from the casino and, depending on the circumstances, may be turned over to the police or child protective services. See also **Exhibit 4-e** for more information on minor related issues.

*(g) Submit as Exhibit 4(g) a detailed discussion concerning the proposer's operating policies, programs and procedures for providing security inside and surrounding the Project.*

Hollywood Casino Springfield will be an extremely secure facility. It will have its own dedicated security and surveillance staff consisting of more than 150 employees and hundreds (if not thousands) of cameras. Surveillance cameras will tape all activity in their view and are capable of being monitored live 24 hours a day, 365 days a year by surveillance staff. Our security and surveillance team will be responsible for monitoring all public and back of house areas of the



facility. Security officers will be positioned at both fixed and unfixed posts to allow them to patrol all areas of the facility. The well lit parking lot will be patrolled with bike, foot, and SUV patrols.

Security will maintain on-staff individuals trained in first aid and as first responders. The facility will keep portable defibrillators on site and will train staff on their use. Based on the history of EMT calls at similar sized property's operated by Penn National, we would expect there to be between 125 and 150 calls for EMT assistance annually for the facility's projected 3 million plus visitors (stable year) per year.

Our security and management team will work cooperatively with the local police, fire and emergency management agencies in developing an emergency response plan.

Like that which in place at all Penn National managed casinos, we will develop a property security plan that will address (at a minimum) the following:

- Chain of Command
- Security Responsibility
- Security Staffing
- Prohibited Individuals
- Underage Individuals/ Unattended Minors
- Prohibition of Firearms/Photography
- Arrest and Detention Procedures
- Security Reporting System
- Key and Lock Control System
- Emergency Procedures (evacuation, medical, fire, burglary, weather event, power outage, etc)
- Slot and Table Games Procedures
- Armored Car Procedures
- Currency Transport/Mantrap Procedures
- Surveillance Failure Procedures
- Temporary Access Procedure
- Alarm System
- Responsible Gaming Programs

Similarly, a surveillance Plan will be developed to address (at a minimum) the following:

- Chain of Command
- Surveillance Responsibility
- Prohibited Individuals
- Underage Individuals/ Unattended Minors
- Prohibition of Firearms/Photography
- Arrest and Detention Procedures
- Surveillance Reporting System
- Code of Ethics & Prohibited Activities
- Fraternalization



- Surveillance Monitor Room Location & Access
- Surveillance Authorized Viewing
- Ethical Use of Surveillance Equipment
- Surveillance System Malfunctions and Failures
- Surveillance Intelligence Files
- Close Watches & Random Watches
- Emergency Procedures (evacuation, medical, fire, burglary, weather event, power outage, etc)
- Evacuation Procedures
- Soft Count & Slot Drops
- Jackpots
- Slot Monitoring System

We are confident that Hollywood Casino & Hotel Springfield will be one of the most secure commercial facilities in the City.



## 5. Employment, Workforce Development and Opportunities for Local Businesses

*(a) For each functional area of operation of the Project following construction, submit as Exhibit 5(a), (i) the number of total employees anticipated broken down by the number of full-time and part-time positions (identify full-time, part-time and full-time equivalents), (ii) each job classification and for each job classification total estimated salaries and benefits; and (iii) those Project positions which are anticipated to be filled by nonresidents of the City.*

Using the projected base case revenue, Hollywood Casino Springfield expects to employ approximately 2,400 employees, the majority of whom will be full-time with full benefits. Total annual payroll (including benefits costs) paid by the casino are expected to be approximately \$80 million per year. Additionally, many positions in the casino environment are tipped positions.

We project that tips earned by casino employees will be at least \$15 million a year which would bring total payroll up to \$95 million annually. See **Exhibit 5-a** for a breakdown of positions, estimated wage/salary rates (without tips), full and part time employment and FTEs

The only positions we anticipate filling with non-residents would be a handful of executive functions (e.g. General Manager, Table Games/Poker & Slot Managers, Cage Manager, etc.), as well as some of the technical, casino-related, line-level positions (e.g. slot technicians) that require highly specialized skills not generally available locally. The vast majority of the workforce (90%+) to be hired and trained will be local and regional residents.

Notably, we have entered into discussions with the Regional Employment Board of Hampden County (REB) regarding a partnership on work force development. Our team has also begun discussions with them on literacy, early childhood education, and job training programs for Springfield citizens. Ironically, the REB has done research on the importance of training in Pennsylvania casinos. In addition, we plan to work with a variety of local entities such as the Urban League, NAACP and Hispanic Chamber to spread the word about the importance of inclusion and diversity in our hiring plan as well as workforce development.

*(b) Submit as Exhibit 5(b) a detailed description of proposer's plan to establish, fund and maintain human resource hiring and training practices that promote the development of a skilled and diverse workforce and access to promotion opportunities through a workforce training program that:*

*(i) establishes transparent career paths with measurable criteria within the Project that lead to increased responsibility and higher pay grades that are designed to allow employees to pursue career advancement and promotion;*

*(ii) provides employee access to additional resources, such as tuition reimbursement or stipend policies, to enable employees to acquire the education or job training needed to advance career paths based on increased responsibility and pay grades; and*

*(iii) establishes an on-site child day-care program. In connection with the foregoing, please describe proposer's plan to partner with the Regional Employment Board, local educational institutions and existing local workforce training programs. Please also include a detailed*



*description of proposer's workforce training programs that it has implemented at its casino projects located in other locales.*

Our Human Resources function will be strategically aligned with our operational departments to ensure hiring and training support our workforce development goals. As we enter new markets, we believe it is important for the community to learn about Penn and understand the types of positions we offer, so community outreach will be a critical component of our early recruiting strategy. We look to partner with various community groups--including the already established consortium of community organizations and educational institutions, and do information sessions to discuss the requirements for our various positions.

All of our positions, with the exception of a few key executives, will be posted on our career website while the facility is still being built. As part of our online application process, we have a built-in assessment process that we will require of all applicants. This assessment allows us to interview more effectively by matching prospective team members with the right types of jobs. This assessment also can also help with career pathing as it assists to identify other positions that may be a good fit for team members.

Once we are operational, it is our goal to develop bench strength from within the existing employee population. All open positions are posted internally first, to identify any internal talent prior to looking external to fill open positions. As part of our engagement and performance management strategy, our managers are encouraged to have continued conversations with their team members to discuss training needs as well as potential career pathing opportunities. The property will have a tuition assistance program and various ongoing training classes to assist in supporting the development of our team members.

Ensuring we have day care to support the needs of our team members, we will be looking to partner with local resources. We are currently in constructive discussions with Janice Santos, who is the leading Head Start administrator in Massachusetts and with James Ward, Executive Director of Early Childhood Centers of Greater Springfield, Inc.

As we enter new markets, we believe that it is essential to partner with local community partners for training and development needs. At our most recent new property opening—Hollywood Casino Columbus—the property identified a group of local colleges and universities to partner with. Various colleges provided niche training for our needed positions—for example, Central Ohio Technical College provided training for slot technicians, Columbus State Community College provided support for our culinary positions and Hondros College partnered with us to provide dealer training.

We will work to establish similar training partnerships with Springfield area educational institutions and we are prepared to execute a Memorandum of Understanding with Massachusetts Casino Careers Training Institute (See **Exhibit 5-b**) in order to provide training to potential casino employees.





*(c) Submit as Exhibit 5(c), a detailed description of proposer's plan that identifies, and describes proposer's commitment with respect to, specific goals, expressed as an overall program goal applicable to the total dollar amount of contracts, for the utilization of City businesses to participate as:*

Please see **Exhibit 5-c** for Hollywood Casino & Hotel Springfield's preliminary Diversity Plan. This Plan covers diversity in employment, construction, and purchasing.

*(i) contractors in the design of the Project specifying minority business enterprises, women business enterprises and veteran business enterprises;*

SGR and Penn National are committed to hiring key design and engineering disciplines within the Western Massachusetts / Springfield area, including but not limited to Civil, Traffic, Environmental, Geological and Landscaping. In our recent major projects in Kansas City, Kansas, Toledo and Columbus Ohio, we hired local MBE / WBE / LBE firms for Civil, Traffic, Environmental, Geological, Landscaping and Architecture. We will also look very closely at identifying these disciplines where VBE's can be included in the selection criteria.

*(ii) contractors in the construction of the Project specifying minority business enterprises, women business enterprises and veteran business enterprises; and*

See response below for (ii) and (iii).

*(iii) vendors in the provision of goods and services procured by the Project and any businesses operated as part of the Project specifying minority business enterprises, women business enterprises and veteran business enterprises.*

We understand the significant importance of utilizing City vendors and contractors, specifically minority, women and veteran businesses, and are committed to working collaboratively with the City of Springfield to develop goals and strategies in a manner consistent with the diversity programs we have established across the country.

Please find included as **Exhibit 5-c**:

- Utilizing Local Companies to Build Our Project

Our track record for diversity and local hiring on major projects across the country has been unrivaled in our industry. For example our most recent projects:

Hollywood Casino at Kansas Speedway, Kansas City, Kansas (Opened February 2012)

Construction Goal: Construction 15% Local Business Enterprises (LBE), 15% MBE, and 7% WBE

Results: LBE 47.8%, \$46.7 Million; MBE 16.2%, \$15.8 Million; and WBE 29.6%, \$28.9 Million

Design Goals: Design LBE 10%, MBE 10%, WBE 5%



Results: LBE 86.0%, 2.0 Million; MBE 17.0% \$403k; and WBE 6.0%, \$141k  
Total MBE/WBE/LBE Spend: \$94.0 Million

Hollywood Casino Toledo, Ohio (Opened May 2012)

Goal: 15% MBE/WBE Project Participation

Results: 19.3%, \$39.5 Million MBE/WBE

Local Firms: 90% of Project Hard Costs went to Ohio based firms

Hollywood Casino Columbus, Ohio (As of 9/12/12 – Opened October 8, 2012)

Goal: 20% MBE/WBE Project Participation

Results: 60%, \$164 Million MBE/WBE, including Smoot Construction, an Ohio MBE company

Local Firms: 64%, \$155.3 Million of total Construction went to Ohio based firms

In each of these projects, we studied the composition and resources for the local markets for each of these projects, established aggressive goals and provided early and frequent outreach and meetings to meet these goals. In each case, we substantially exceeded our goals and, in some cases, set new records for these markets.

Penn has received the following samples of recognition for its efforts in diversity:

- Named 2009 Corporate Partner of the Year by the National Black Chamber of Commerce
- Received honors by Columbus NAACP in 2011 for our Minority and Women-owned businesses procurement program
- 2012 Community Partner of the Year – United Way of Central Ohio
- 2012 Corporate Champion of Diversity – Columbus, Ohio NAACP

What others say about Penn National:

*“Penn National Gaming has been a phenomenal community partner. Hollywood Casino has become an iconic part of our tourism district. Penn has sat as partners with us from the very beginning of the process.”*

- Joe Reardon, Mayor, Kansas City, KS

*“Hollywood Casino has been an anchor on our waterfront and has led to economic development in our city.”*

- Michael Bell, Mayor, Toledo, OH

*“There is corporate integrity. This is an organization that has met their commitment to the community. They not only did what they said they would do; they have exceeded it and that matters so much to our city.”*

- Noel Williams, President, Columbus NAACP

Penn National has contracted with Noel Williams, President of the Columbus NAACP, as Penn’s National Diversity Outreach and Inclusion Director. She is working with Penn development staff to identify, and contract with two Springfield-specific Diversity Outreach and Inclusion Coordinators, one each from the African American and Hispanic communities. These Coordinators will work closely with Noel and Penn development staff to assist us in identifying



minority suppliers and contractors so as to maximize the use of local MBE/WBE businesses in the Hollywood Springfield project.

*(d) Submit as Exhibit 5(d), a detailed description of proposer's workforce development plan that: (i) estimates the number of construction jobs the Project will generate and provides for equal employment opportunities and which specifies specific goals for, and describe proposer's commitment with respect to, the utilization of City residents, minorities, women and veterans on those construction jobs; (ii) provides for equal employment opportunities and specifies the specific goals for, and describes proposer's commitment to, hiring City residents, women, minorities, veterans and persons with disabilities during operation of the Project and maintaining these commitments during the term of the host community agreement; (iii) describes proposer's commitment to the payment of prevailing wages during construction of the Project; and (iv) identifies the methods for accessing employment at the Project.*

#### i. Construction Jobs

As a part of our workforce development plan and in conjunction with Turner Construction Company in Massachusetts we have performed a manpower study to estimate the number of construction jobs that will be created. Our estimate is based upon the volume of the project provided in our response to Item 1-e and the type of the project. We anticipate averaging 360 workers a day over approximately 600 days, with a peak workforce of 650 workers on any given day. Assuming a turnover every 6 months, this will equate to approximately 1,700 total construction jobs. If included, and depending on the scope of the work performed, the auxiliary work would generate an additional 400 construction jobs for a total of 2,100 construction jobs related to the project.

We are committed to integrating City residents, minorities, women and veterans into the workforce. We will play a proactive role in ensuring access for employment to this Project. Our approach will look to incorporate the following:

1. Creation of an on-site, recruitment and resource center to focus on both workforce and MWBE participation. The center will:

- Receive and review job applications
- Complete MWBE profiles
- Provide the proactive connection with appropriate subcontractors, unions or other community resources/ job training.
- Maintain a database of individuals seeking employment and track such candidates periodically in their effort to gain employment.
- Assist in troubleshooting challenges applicants may encounter in their pursuit of employment.
- Provide additional support of the qualified candidate through the interview process.
- Compile a monthly report





- Attend monthly meetings with the City or as required.
- 2. We will partner with programs such as the Community Work Pre-Apprenticeship Program and others to identify and develop potential candidates. Together we will host site visits for those enrolled in the program and facilitate the introduction of graduates from the Program to local subcontractors. We hope that as a result of these efforts, these graduates will become a part of the workforce on this Project.
- 3. We will host additional Job Fairs and Business Opportunity Conferences. These events help to further introduce the project, educate the local market on the project specifics, share information, and develop interest. It is also an opportunity for us to introduce and familiarize ourselves with the local workforce.
- 4. We will meet with local organizations such as the US Veterans Outreach Center and the Springfield Veterans Services, which are located adjacent to the proposed project site.
- 5. Development of a website for the project that identifies and provides links to the numerous opportunities for access to employment.

See **Exhibit 5-d** for a copy of the Memorandum of Agreement that the applicant has entered into with the Community Works Building Trades Pre-Apprenticeship Program as part of our workforce development initiative

*ii. Equal Employment Opportunities*

SGR will adopt the following Equal Employment Opportunity Policy for the facility.

*To give equal employment and advancement opportunities to all employees and applicants, the Company makes employment decisions based on each person's performance, qualifications, and abilities. We do not discriminate in employment opportunities or practices on the basis of race, color, religion, gender, national origin, age, disability, or any other characteristic protected by law.*

*The Company will make reasonable accommodations for qualified individuals with known disabilities unless making the reasonable accommodation would result in an undue hardship to the property.*

*This Equal Employment Opportunity policy covers all employment practices, including selection, job assignment, compensation, discipline, separation of employment, and access to benefits and training.*

*If you have a question about any type of discrimination at work, please promptly notify your immediate supervisor or your Human Resources Department. You will not be punished for asking questions about this. If we determine that anyone was illegally discriminating, that person will be subject to disciplinary action, up to and including separation of employment.*



As is the case in all other communities in which Penn operates, we will use our best efforts to maximize diversity and to ensure our workforce and vendors reflect the diversity of the City and the region. This includes providing equal opportunity for all jobs regardless of the applicant's race, color, religion, gender, national origin, age, disability, or any other characteristic protected by law. These opportunities will only get stronger over time as the local populace gains greater experience in working in a casino environment. We expect there to be opportunities for rapid advancement to supervisory and managerial jobs for the diverse entry level workforce based on the experience so gained. See also our Preliminary Diversity Plan in **Exhibit 5-c** for specifics on methods we will use to implement our diversity program.

*iii. Prevailing Wage*

We are committed to paying employees prevailing wages during construction of the Project. We have also executed Memorandums of Understanding with the Pioneer Valley Building and Construction Trades Council, Carpenters Local 108 and the Community Works Building Trades Pre-Apprenticeship Program.

*(e) Submit as Exhibit 5(e), a detailed description of whether the proposer has or expects to have a contract with organized labor, including hospitality services, whether proposer has the support of organized labor for its license application with the Commonwealth and proposer's detailed plans for assuring labor harmony during construction and operation of the Project.*

With respect to casino/resort employees, SGR has met with local labor organizations in an attempt to better understand the local dynamics and to forge strong business partnerships that benefit both labor and management. As a result, SGR expects to have a neutrality agreement with several unions in place (prior to licensing) to facilitate the organizing of its employees. On the construction side, we have executed memorandums of understanding (MOUs) with the Pioneer Valley Building and Construction Trades Council, Carpenters Local 108 and the Community Works Building Trades Pre-Apprenticeship Program.

*(f) Submit as Exhibit 5(f) a detailed history of the relationship between organized labor and proposer over the last ten (10) years*

Penn National Gaming, Inc. has opened four new casino facilities in the last 30 months. Each of these four facilities has one or more contracts in place with organized labor for the entire facility. Specifically Penn's Columbus and Toledo, Ohio facilities have contracts in place to facilitate the organization of all of its eligible employees by the United Auto Workers (UAW) and United Steel Workers (USW). Penn's Kansas City, Kansas casino has collective bargaining agreements in place with the Laborers, 1290 PE (a local union) and Seafarers, Entertainment and Allied Trades Union (SEATU). Penn's Perryville, Maryland facility has a collective bargaining agreement in place with both the United Food and Commercial Workers (UFCW, a local union) and SEATU. Besides the unions discussed above other Penn properties have agreements in place with:



- United Industrial, Service, Transportation, Professional and Government Workers of North America (UIW)
- American Maritime Officers (AMO)
- UNITE/Hotel Employees and Restaurant Employees (HERE)
- International Brotherhood Electrical Workers (IBEW)
- Seafarers International Union (SIU)
- Security Police and Fire Professionals of America (SPFPA)
- Service Employees International (SEIU)
- Sports Arena Employee's Union (Local #137)

Overall, various casino and racing subsidiaries of Penn National Gaming, Inc. have union agreements in place with 13 different unions in 9 different states. Penn National has not had a work stoppage on the operating side in over ten years.





## 6. License Application Criteria

*Please indicate how proposer proposes to advance the following objectives which are based upon criteria established by the Act. To the extent any of these objectives are answered in other portions of a proposer's response, the proposer may respond to these objectives by cross reference.*

*(a) Protecting the Commonwealth lottery from adverse impacts due to expanded gaming in the Commonwealth including developing cross marketing strategies.*

The applicant will sell all major Massachusetts Lottery games through lottery vending machines and/or live sales at its casino facility. In cooperation with the Massachusetts Lottery, the applicant will offer the Lottery's "Keno" game in one or more of its outlets in the casino facility. SGR will cooperate with the Lottery on cross marketing opportunities.

*(b) Promoting local businesses in host and surrounding communities, including developing cross-marketing strategies with local restaurants, small businesses, hotels, retail outlets and impacted live entertainment venues (as that term is defined under the Act).*

We believe that our project is unique because, in addition to being the only applicant with a local partner on the casino project, we have included several local businesses (Student/Prince/Fort Deli, Sarkis Jewelry, Yankee Candle) as elements offered within our casino/hotel.

In addition, we will work with the Springfield Convention and Visitor's Bureau, local restaurant and hotel association(s), local entertainment coalition(s), as well as other regional chambers, tourism and marketing organizations to coordinate cross-promotional opportunities within our hotel rooms (TV and/or brochures) and concierge/hotel front desk services. We are currently working on specific MOU's with several of these organizations in and around Springfield, MA.

*(c) Realizing the maximum capital investment exclusive of land acquisition and infrastructure improvements.*

Please see **Exhibit 1-e** for capital investment detail for the Project.

*(d) Implementing a workforce development plan that utilizes the existing labor force.*

Please see responses in **Section 5** and **Exhibits 5-b, 5-c, and 5-d**. All full-time team members of Hollywood Casino & Hotel Springfield will be eligible for tuition reimbursement. In addition, the following training programs will be offered to allow employees to increase their skill level:

- Responsible Gaming – All employees
- Red Carpet Customer Service Training – All employees; teach customer service skills
- Safety/Hazcom/Fire – All employees – teach safety and create awareness



- Lockout Tag Out – Typically maintenance workers and slot technicians
- TIPS – Any employee involved in alcohol service; teaches responsible alcohol service\
- iLead – Supervisory skills training for supervisors and above
- HIPAA – Any employee who handles private health information
- Title 31 Training – Compliance, Cage, Gaming Supervision
- Counterfeit Money – Cash handling positions
- CPR/AED – Security
- Blood borne Pathogens – Security, Valet, housekeeping
- Dealer Games Training
- Training on various computer systems such as:
  - Slot and table Game Systems
  - Automated Purchasing Systems
  - Sales Force
  - Great Plains
  - Micros
  - Payroll Systems
  - HR Systems
- Slot Technical Training

This training not only allows staff to increase their skill level so that they are qualified for promotion within the company, but many of the skills learned are transferable to other industries or businesses should the employee ever choose to leave the gaming business.

*(e) Building a Project of high caliber with a variety of quality amenities to be included as part of the Project and operated in partnership with local hotels and dining, retail and entertainment facilities so that patrons experience the diversified regional tourism industry.*

Please see **Sections 1 and 4** for a description of the scope and quality of our proposed project as well as our engagement with other Springfield businesses and entities both inside and outside of the facility. See our Marketing Plan in **Exhibit 4-c** for additional details on our proposed partnerships and sponsorships with various Springfield businesses and public entities such as entertainment venues and tourism bureaus.

*(f) Taking additional measures to address compulsive behavior disorders and problem gambling.*

Please see **Item 4-e**.

*(g) Utilizing sustainable development principles including, but not limited to:*

*(i) being certified as gold or higher under the appropriate certification category in the Leadership in Environmental and Energy Design program created by the United States Green Building Council;*



We have performed an initial evaluation of the feasibility to achieve a goal of gold Certification or higher and are confident that we will be successful in achieving this goal as illustrated in **Exhibit 6-g-i**. The analysis and scorecard is based upon the LEED 2009 BD&C Scorecard. Our Team will achieve gold certification by:

- Developing innovative solutions to achieve the points required
- Performing focus studies to evaluate the most advantageous strategies for achieving the required points. We will evaluate reliability and availability of materials
- Sharing knowledge gained from local and national sustainability efforts
- Obtaining these points within the allotted budget and developing cost strategies that deal with any “sole source” materials associated with a specific LEED credit
- Incorporating credit strategy into design documents
- Communicating expectations with contractors, suppliers and vendors

It is worth noting that Penn received Governor’s Award for Environmental Excellence by the Pennsylvania Department of Environmental Protection. Penn National’s two Ohio projects, opened in 2012 in Toledo and Columbus, are anticipated to receive LEED Silver certification in 2013. Both of these projects were designed and built as fully non-smoking facilities, as will be the Hollywood Casino & Hotel Springfield.

*(ii) meeting or exceeding the stretch energy code requirements contained in Appendix 120AA of the Massachusetts building energy code or equivalent commitment to advanced energy efficiency as determined by the secretary of energy and environmental affairs;*

The stretch code requires achieving 20% better efficiency than the Massachusetts building energy code. The stretch code, which has been adopted by the City of Springfield, is based upon consumption, whereas LEED and optimizing energy performance are based upon an ASHRAE standard-based energy model. Therefore, by obtaining 5 points for EA Credit 1 - Energy and Atmosphere, which we have indicated in the scorecard as points we will achieve, we will meet the requirement. Strategies that are being considered for the achievement of the 5 credits are as follows:

- Controllability of lighting, and use of natural day lighting in certain areas
- Use of Energy-Star equipment, wherever possible
- Automatic setbacks of energy consuming devices when not occupied
- Innovative products and systems
- Use of LED lighting
- Occupancy sensors and card key activated energy efficiencies

*(iii) efforts to mitigate vehicle trips;*

We have included three credits on our LEED scorecard that would assist us in mitigating vehicle trips both during construction and operation of the Casino - SS 4.1 Public Transportation, SS 4.2 Bicycle Storage & Changing Rooms, and SS 4.3 Low Emitting and Fuel Efficient Vehicles. Given the proximity of this site to local transit, including Amtrak, we feel this site is ideally situated to meeting these goals.



*(iv) efforts to conserve water and manage storm water;*

Efforts to conserve water and manage storm water will also be incorporated into our strategy to achieve our LEED goals. We plan to reduce water landscaping by 50% to achieve 2 points for WE credit 1 and to reduce the water use by 30% to achieve another 2 points for WE credit 3. Some strategies we have implemented on past projects to reduce the water use include Integrating water conserving products such as efficient laundering services and low flow toilets, showers, and fixtures.

*(v) demonstrating that electrical and HVAC equipment and appliances will be EnergyStar labeled where available;*

We will make every effort to maximize the use of Energy-Star labeled equipment and appliances on this Project. Although not specifically addressed in the LEED scorecard we will incorporate this effort into our strategy to achieve the energy and Atmosphere credits.



Examples of some Energy-Star equipment that may be considered are laundering facility equipment and kitchen equipment.

*(vi) procuring or generating on-site 10 per cent of its annual electricity consumption from renewable sources qualified by the department of energy resources under section 11F of chapter 25A; and*

We will, to the extent possible, procure or generate on-site 10% of our annual electricity consumption from renewable sources per Section 11F of Chapter 25A of the Dept. of Energy Resources. Concepts that are currently being considered include fuel cells and photovoltaic panels as well as other financially feasible options.

*(vii) developing an ongoing plan to submeter and monitor all major sources of energy consumption and undertake regular efforts to maintain and improve energy efficiency of buildings in their systems.*

EA credit 5 currently shows 3 points anticipated for Measurement and Verification. Installing sub-metering in particular areas of the facility to measure consumption will help to further identify more opportunities for energy savings and allow for continuous monitoring and improvements. Other considerations include the utilization of lighting and temperature controls which are reduced to minimal levels while the room is unoccupied. Motion detectors and room key activation systems can be incorporated into these types of systems.



*(h) Contracting with local business owners for the provision of goods and services to the Project, including developing plans designed to assist businesses in the City and the Commonwealth in identifying the needs for goods and services to the Project.*

Please see the Response to **Item 5-c**.

*(i) Maximizing revenues received by the Commonwealth.*

Hollywood Casino & Hotel Springfield would maximize revenues for the Commonwealth by bringing in more gaming business than any other Western Mass casino applicant. We recognize that with a 25% tax rate, gaming revenues are the key driver by which the Commonwealth will benefit from the new casinos. We would leverage our network of casinos across the country and cross-market our Springfield casino to the 3.5 million active customers we have in our database. We would also seek to maximize revenues by competing directly with the established Connecticut casinos, marketing to their best players and attracting them to choose Springfield over Connecticut. Marketing examples include offering introductory tiered statuses comparable to what they currently enjoy in Connecticut, further incentivizing them to game at Hollywood Casino & Hotel Springfield.

*(j) Providing a high number of quality jobs in the Project.*

Please see **Section 5** and **Exhibits 5-a, 5-c, and 5-d**.

*(k) Offering the highest and best value to create a secure and robust gaming market in the region and the Commonwealth.*

Please see **Section 4** and **Exhibit 4-c**.

*(l) Mitigating potential impacts on host and surrounding communities which might result from the development or operation of the Project.*

A key element of our overall approach to construction is the focus on the mitigation of any impacts on the surrounding community. We have highlighted many of our strategies associated with noise, light, dust and traffic mitigation within **Item 1-h** of this response. A storm water management plan will also be set in place immediately upon start of construction.

Our overall approach will minimize any additional services required of the City of Springfield during construction. We will work collaboratively with the City to finalize a Construction Management Plan to address logistics, public safety and traffic flow. Areas of focus will include elements such as;

- locations of construction gates
- utilization/ renting of parking spaces along adjacent roads to optimize traffic/ construction flow



- specific locations for temporary crosswalks
- temporary fire department connections and standpipes
- appropriate utilization of police details

We have included within our budget costs associated with addressing these requirements as well as implementing a Site Specific Safety Management Plan which will best ensure the safety of both the on-site workforce and surrounding community.

*(m) Purchasing, whenever possible, domestically manufactured slot machines for installation in the Project.*

In 2012, subsidiaries of Penn National Gaming, Inc. purchased over 5,000 slot machines for new properties it developed. We estimate that at least 85% of those games were manufactured in the U.S. We would expect to achieve a similar level of US built games for Hollywood Casino & Hotel Springfield.

*(n) Gaining public support in the host and surrounding communities.*

As we do in our other host communities around the country, we will work diligently to develop constructive working relationships with city and community leaders in Springfield and the surrounding Hampden County communities in to garner public support and, more importantly, to understand local issues and needs. We have already met with dozens of organizations across the city, including Dunbar Community Center, HAP, NAACP, Urban League, Hispanic Chamber of Commerce, local police and fire departments, local child care providers and United Way to name a few, to begin forging these relationships and will continue to expand our outreach. In addition to supporting some of these organizations financially, Penn National gave \$8.3 million in non-profit support to our host communities in 2011 alone; we will look to work hand-in-hand with them to provide positive opportunities for the community. Initial examples include agreement with leaders to participate in volunteer activities with Square One and the South End Community Center this winter, and exclusive lead sponsorship of the 2013 Spirit of Springfield Pancake Breakfast. This activity will continue to expand across the region.





## 7. Additional Information

*(a) Submit as Exhibit 7(a), a statement as to whether proposer is, or at any time within the last ten (10) years has been, in breach or default of any agreement with any state, municipality, or governmental agency, board, authority, or subdivision, together with a description of any such breach or default.*

Penn National Gaming, Inc., and one of its development subsidiaries, Kansas Penn Gaming, LLC (“KPG”) are named as parties in a breach of contract lawsuit brought by the Board of Commissioners of Cherokee County, Kansas. The County alleges that KPG’s decision to withdraw its application to build a casino in Cherokee County, Kansas, breached the parties’ Predevelopment Agreement. KPG contends that it was permitted to withdraw its application to build the casino and therefore is not in breach of this agreement. The case is currently pending. While not directly on point for this question, Penn National’s Iowa subsidiary is in a legal dispute with the Iowa Racing and Gaming Commission over whether that subsidiary has a “deficiency” on its license renewal as a result of a dispute with a local partner.

*(b) Submit as Exhibit 7(b), a full and complete ownership of the chart of the proposer setting forth the amount, type, source, and conditions of investment in proposer being made by proposer’s owners, reflecting the ultimate owners/real parties in interest and their percentage ownership interests in proposer, together with an explanation of any agreements between or among owners of proposer or others, to reimburse any party for any portion of such investment or otherwise provide any other form of financial accommodation to any such party in connection with or as a result of its investment in proposer. (Note: As to any publicly held company, information as to investment in proposer need not be submitted as to its shareholders.)*

The applicant is Springfield Gaming and Redevelopment, LLC (“SGR”). The members of SGR are Western Mass Gaming Ventures, LLC (“Western Mass”, the Penn National affiliate) and Peter Picknelly Gaming, LLC (“PP Gaming”). The owners of these membership interests are further identified in **Exhibit 7-b**. Pursuant to the SGR LLC agreement, PP Gaming’s ownership interest is expressed as \$30 million divided by the total project cost (which cost is calculated after opening). As such, while we expect the PP Gaming ownership interest to be just under 5% at opening, the PP Gaming ownership interest is not readily calculated at this time. Notably, PP Gaming has expressed an interest in applying the consideration he receives for the land sale to SGR (\$15 million) toward increasing his membership interests in the applicant. Additionally, PP Gaming has the right to purchase up to a 50% interest in Springfield Gaming and has expressed an inclination to do so.

*(c) Submit as Exhibit 7(c), copies of organizational documents including, without limitation, any articles of incorporation or corporate charters, articles of association, bylaws, limited liability company operating agreements, partnership agreements, trust agreements, joint venture agreements, stockholders’ agreements; and other legal instruments of organization for the proposer and each owner of the proposer that is not a natural person.*



The requested documents are attached as **Exhibit 7-c**.

*(d) Submit as Exhibit 7(d) any instruments, agreements or contracts and, if applicable, a full description of all oral agreements and contracts, pertaining to the relationship by and among the proposer and any of its owners which is not provided in Exhibit 7(c) above.*

None, other than those described in **Item 7-c**.

*(e) Identify and submit as Exhibit 7(e), a list of those “impacted live entertainment venues” (as that term is defined in the Act) in proximity to the Project (including, but not limited to the Springfield Symphony Hall, City Stage and the Mass Mutual Center) and proposer’s plans for entering into an agreement with any such venue for cross-marketing, coordination of performance schedules, promotions, ticket prices and other matters. Also indicate if proposer has entered into any agreement or understanding with any such venue.*

We are currently in various stages of negotiating MOU’s with the operators of City Stage, Symphony Hall and the Mass Mutual Center. Our entertainment strategy in Springfield is to be a complementary partner, not a competitive threat. We have agreed to meet with these operators bi-annually to discuss entertainment strategy and plans, while also agreeing to avoid booking specific genres that are viewed as their core markets (Broadway and Off-Broadway shows, orchestra events, arena acts, etc.). We envision a relationship with the Mass Mutual Center that would include sponsorships, block ticket purchases, suite commitment(s) and, on occasion, potentially programming of the venue, with the support of the Mass Mutual Center, for large acts/shows that will bring thousands of leisure/retail guests to the City of Springfield. Lastly, we will partner with these local entertainment venues to promote their shows, as mentioned in **Section 6-b**, as well as to explore way to sponsor events and purchase ticket blocks for shows that may be of interest to our player loyalty database.

*(f) Submit as Exhibit 7(f) a list of other jurisdictions in which the proposer and/or any of its owners, key persons or other qualifiers holds a gaming license or has been qualified by a gaming authority in any other jurisdiction and the history of the proposer’s, owner’s, key person’s or other qualifier’s compliance with the gaming statutes, rules and regulations in such other jurisdictions including, without limitation, any denial, suspension, withdrawal or revocation of any such license.*

**Exhibit 7-f-i** contains a list of all jurisdictions in which subsidiaries of Penn National Gaming, Inc. hold a gaming license as well as pending license applications and license applications not granted. **Exhibit 7-f-ii** contains a list of all jurisdictions in which any Penn key person has been licensed. Neither Peter Picknelly Gaming, LLC nor any of its principals currently hold or have ever applied for a gaming license in any jurisdiction other than Massachusetts.



*(g) Please indicate in Exhibit 7(g) whether proposer would be desirous of developing and operating a temporary casino should temporary casinos be authorized by the Commission.*

At the current time, SGR does not anticipate operating a temporary casino. Temporary casinos are often used as financing tools to allow developers that would not otherwise have the capital to complete their developments use the proceeds from amenity-barren temporary casinos to meet their financing requirements. Unfortunately, cities such as Detroit have learned that once these temporary casinos open, it is very difficult to get the developers to move expeditiously towards completing their promised developments. As such, we have remained consistently committed in our plans to not phase any of the gaming developments, however; the regulating bodies determine that temporary casinos are positive developments, we would be happy to explore that option with the City and the Commonwealth.



## 8. Additional Services; Community Impacts; Contributions

*(a) Submit as Exhibit 8(a) a study detailing the Additional Services and proposer's commitment to pay for the impact on the City of such Additional Services. "Additional Services" means the additional police, fire protection, administrative, education, housing and emergency medical services directly or indirectly resulting from or related to the construction or operation of the Project, and necessary from time to time to protect the health, safety and welfare of the City's residents, the temporary workforce needed to construct the Project, the employees of the Project and the expected increased number of visitors to the City.*

Redacted Confidential

*(b) Submit (on a confidential basis) as Exhibit 8(b) proposer's commitment to pay for Community Impacts. "Community Impacts" means collectively, the following potential and actual impacts to the City directly or indirectly related to or resulting from the construction and operation of the Project from time to time not specifically covered under Additional Services: (i) increased use of City services; (ii) increased use of City infrastructure; (iii) the need for additional City infrastructure, employees and equipment; (iv) increased traffic and traffic congestion; (v) increased air, noise, light and water pollution; (vi) issues related to public safety and addictive behavior; (vii) loss of City revenue from displacement of current businesses; (viii) issues related to education and housing; (ix) quality of life; and (x) costs related to mitigating other impacts to the City and its residents. Indicate how such commitment would be funded (e.g. upfront payments, revenue sharing, etc.).*

Redacted Confidential



Redacted *Confidential*



Redacted *Confidential*





*(c) Submit (on a confidential basis) as Exhibit 8(c) the dollar amount of proposer's commitment to advance the Act's objectives of providing community development and gaining public support for the Project by providing the City with funds to be used by the City for projects and programs which will assist the City in fulfilling its vision to be the premiere urban center of Western Massachusetts.*

**Redacted Confidential**

*(d) Submit (on a confidential basis) as Exhibit 8(d) a description of financial incentives the proposer is willing to offer to the Commonwealth in connection with the Act's objective to maximize revenues to the Commonwealth.*

**Redacted Confidential**



## 9. Evidence Proposer is an “Applicant” with the Commission

*Submit as Exhibit 9(a) evidence that the proposer has become an “applicant” with the Commission by providing the City with a copy of its fully completed certification to the Commission that it intends to apply to the Commission for a category 1 license in Region B, together with confirmation that proposer has paid its \$400,000 application fee to the Commission.*

Attached as **Exhibit 9-a** are copies of the following:

- Certification submitted to the Massachusetts Gaming Commission that Springfield Gaming and Redevelopment, LLC intends to apply to the Commission for a category 1 license in Region B
- Acknowledgement from the Massachusetts Gaming Commission that it has received the above described certification as well as the \$400, 000 state application fee



## 10. Duty to Update Phase I-RFQ/P Proposal.

*(a) Each proposer is reminded of its continuing duty to disclose promptly any changes to the information submitted in its Phase I-RFQ/P or any related materials submitted in connection therewith. Accordingly, each proposer must submit as Exhibit 10 any changes to the information submitted in its Phase I-RFQ/P Proposal not otherwise submitted as part two of its Phase II-RFQ/P.*

The following items described in the Phase I-RFQ/P have changed:

**RFQ/P-I Response - Exhibit 2A** – This exhibit contained an organization chart indicating that Peter Picknelly’s ownership interest in SGR would be in a “*Mass. LLC to be created by Peter Picknelly*”. The LLC (Peter Picknelly Gaming, LLC) has been created. A revised organization chart is attached as **Exhibit 7-b**.

**RFQ/P-I Response - Exhibit 4** – We had indicated that Penn National’s purchase of Caesars Entertainment’s Harrah’s Maryland Heights facility was “pending”. That purchase has now been completed. The facility has been renamed Hollywood Casino St. Louis and it operates under Penn National ownership.

**RFQ/P-I Response - Exhibit 7** – We had indicated that we were still in negotiations to secure the rights to 5.4 acres of our proposed casino site owned by the Springfield Republican. We have completed those negotiations and now have an executed purchase option for that site.

**RFQ/P-I Response - Exhibit 8A** – This exhibit contained a *Cost Estimate Summary* (budget) for the project of approximately \$807 million. While the total budget remains approximately \$807 million, we have provided an updated *Cost Estimate Summary* in **Exhibit 1-e** of this application.

**RFQ/P-I Response - Exhibit 14** – This exhibit outlined the proposed size, scope and amenities of the project. Based on further market/community analysis and more refined engineering and design work, the size, scope and amenities of the project have been modified. Details on the current plans are described throughout this document and are also reflected in the Executive Summary.