



**KOPELMAN AND PAIGE, P.C.**

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January 30, 2015

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BY ELECTRONIC MAIL  
AND BY FIRST CLASS MAIL

Stephen Crosby, Chairman  
Massachusetts Gaming Commission  
84 State Street, 10th Floor  
Boston, MA 02109

Re: City of New Bedford  
Request of KG Urban to Extend RFA 1 Deadline

Dear Chairman Crosby and Members of the Commission:

On behalf of the City of New Bedford, I write in response to the January 26, 2015 letter from counsel to KG Urban requesting an extension of the January 30, 2015 deadline for submission of a “substantially complete” RFA 1 Application. The City does not oppose KG’s extension request, but it does wish to provide context for some of the representations made in KG’s request.

In his January 26 letter, KG’s counsel refers to KG’s agreement to fund a study to assess the suitability of the site for development of a category 1 gaming facility on Cannon Street in downtown New Bedford. The City requested funding for this study, because of its concerns that development of a casino resort on the KG site would eliminate a large parcel of marine industrial property in the heart of the nation’s largest commercial fishing port, undermine the major cultural assets of downtown New Bedford and present greater exposure to the City in the event the development were to fail in the future.

For nearly one year, KG refused to fund the above-referenced study unless the City first endorsed the project and agreed to negotiate a host community agreement. In the meantime, the City invited KG to consider alternative development sites in the City, which did not present the same concerns outlined above. KG repeatedly declined this invitation.

Earlier this month, KG agreed to fund the proposed planning study, but continued to refuse the City’s request to provide the remaining funds requested by the City for legal and economic development consultants. In an effort to bridge the divide and move the process forward, the City agreed, as an interim step, to accept KG’s limited offer, though it has not waived its right to seek reimbursement for other costs incurred by the City as a direct result of KG’s proposal.

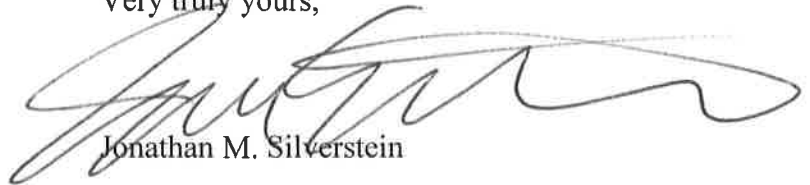
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Page 2

It also is important to qualify another apparent assumption in the January 26 letter from KG's counsel, which appears to suggest that the City would negotiate a host community agreement before an operator has been identified. As the Commission is aware, no proposed host community in the Commonwealth has entered a host community agreement for a category 1 gaming facility without an identified operator as one of the parties to the agreement. Indeed, it is hard to imagine how the Mayor, consistent with his fiduciary duty to the City, could undertake negotiations without knowing who would actually operate the facility for years to come. Throughout its discussions with KG, the City has consistently emphasized that it will only negotiate a host community agreement concerning the Cannon Street site (or any other site in the City) with an identified operator as a party to that agreement. The results of the suitability study currently being undertaken will help inform the City's next steps in consideration of the KG proposal, but the issue of who will be operating the facility still must be resolved prior to any consideration of negotiating a host community agreement.

Thank you for your attention to this matter. Please do not hesitate to contact me should you have any questions regarding this matter.

Very truly yours,



Jonathan M. Silverstein

JMS/jam  
cc: Mayor

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