

## Jobs - Question 1

**How do your projected wage rates, benefits package, and related employment terms at the Revere project compare to your Connecticut operation?**

Mohegan Sun Massachusetts (MSM) provided a comprehensive description of its wage rates, benefits packages and employment terms in its RFA-2 Responses 3-02-01, 3-02-04, 3-08-01 through 3-08-4 and our Benefits Analysis. The projected wage rates were determined by using the Mohegan Sun Connecticut facility as a model and then adjusting these rates upward by approximately 9% to reflect the higher cost of living in the Boston metropolitan area. We relied on a study prepared by Mercer, a global consultant, in identifying this 9% figure. As we have noted in prior responses, the average salary, inclusive of benefits, is expected to be approximately \$56,000 annually.

In our RFA-2 Responses, we have made clear that Mohegan Sun offers competitive benefits for all full-time positions including health, dental, vision, paid time off, 401K and tuition reimbursement at its other properties including Connecticut. These same benefits will be offered in Massachusetts. Our health care plan will be managed by Mohegan Sun's third party administrator, Anthem Blue Cross/Blue Shield, which has developed well-received benefit plans for each of Mohegan Sun's three properties and which will tailor the health plans offered at our other facilities to the Massachusetts market. Finally, MSM's employment terms will be no different than those offered at our other facilities.

Though MSM believes its rates, benefits and employment terms to be very competitive, because of our neutrality agreements with MSM's unions, our wage rates, benefits and employment terms will be subject to collective bargaining.

## Jobs - Question 2

Given that according the US Census, 32.2% of persons in Revere are foreign born (compared to 14.8% in MA), and that 45.5% (compared to 21.7% in MA) speak a language other than English at home, please describe and quantify, to the extent possible at this stage, the commitments (financial and otherwise) you are planning to make for pre-training, basic skills training, ESL and related programs during the project start-up and in the initial years of operation.?

Mohegan Sun has considerable experience employing individuals who speak English as a second language. At Mohegan Sun Connecticut, nearly 41% of the workforce speaks English as a second language. This is a reflection of the demographics of the workforce in Connecticut, but also a reflection of the considerable resources that Mohegan Sun devotes to basic-training, English as a Second Language and related programs. Mohegan Sun Connecticut supports employees who speak many different languages, specifically Chinese, Creole and Spanish, and Mohegan Sun Massachusetts (MSM) will have the operational experience and capacity to develop and support a similar operation in Massachusetts.

MSM's initial commitments for pre-training, basic skills training, ESL and related programs during the project start-up and in the initial years of operation will be based on the amounts that Mohegan Sun Connecticut spends with increased amounts for the start-up phase. Mohegan Sun Connecticut spends more than \$500,000 a year annually supporting its employees who speak English as a second language. This includes expenses for translation, human resources and operations. These expenses include employee relations specialists who speak Spanish and Chinese and extensive employee training programs including offering English classes on-property. Finally, Mohegan Sun Connecticut provides its employment related documents in a variety of different languages and translation services for employees.

Further, Mohegan Sun has a comprehensive workforce development initiative in Massachusetts that includes MOUs related to the employment of unemployed and underemployed individuals who may not speak English, including MOUs with Community Action Programs Inter-City, Inc., Community Enterprises Inc., and the Massachusetts Fallen Heroes Fund. These efforts, among others, include the assignment of coaches and mentors to new employees, providing assistance in filling out applications, crafting resumes, and scheduling interviews, and providing tuition assistance to learn English as a second language.

MSM also views the eleven neighboring communities with which it has executed Surrounding Community Agreements as critical partners in the success of ESL employees at the resort. Many of our surrounding communities requested that MSM make financial contributions to ensuring their residents have the job readiness skills needed to work at the resort. As a consequence, MSM is proud to be providing:

- \$100,000 in annual payments as part of the Winthrop Surrounding Community Agreement to be contributed to Community Action Programs Inner City, Inc. ("CAPIC") to be spent on social services and job readiness programs;



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- \$100,000 to the City of Chelsea, which the City will in turn provide to job readiness organizations to train unemployed and underemployed residents; and
- \$50,000 in the Somerville Surrounding Community Agreement to be donated by MSM to a local Somerville-based non-profit entity or entities that provide jobs skills training to Somerville residents.

Finally, MSM's unequalled strategic relationships with labor unions will add to MSM's capacity to train and develop the richly diverse workforce of Revere and its surrounding communities. These labor unions devote considerable resources to the training of employees who speak English as a second language and we expect to partner with the unions in these efforts.

## External Business - Question 1

In your response to RFA question 3-18, you say that Mohegan will “serve as a bridge between Boston and the North Shore”. Please explain what is meant by this statement and describe how you propose to play this role.

Geographically, Mohegan Sun Massachusetts (MSM) is located at the junction of Boston and the North Shore, between the City and the Sea, the Hub and its many northern spokes. The resort itself sits on the Revere side of the Boston-Revere line with exquisite views of both the Boston skyline in one direction and Revere Beach in the other. MSM will serve as the front door, a gateway to the iconic North Shore community of Revere and as the first stop on the main route northward to Revere Beach, and then on to many other tourist attractions on the North Shore, such as historic Salem, the theaters and burgeoning restaurant scene in Lynn, and the seaside communities of Cape Ann.

We are economic partners with hundreds of businesses in the region, and specifically on the North Shore, through the Momentum Points Partnership Program, which encourages our patrons to spend resort rewards points up-and-down the North Shore. As an outward-facing resort, a visit to MSM does not stop at our tables or in our world-class restaurants and spa. Through our marketing, our business partnerships, and by seizing on our superior location, MSM will be just one of many new and captivating reasons for locals and tourists to travel north of the City the way Revere Beach and the racetrack once were in their heyday – and the way they will be again. Additionally, our collaborative connections and written agreements with the Greater Boston Convention and Visitors Bureau and the North of Boston Convention and Visitors Bureau will complement and link area-wide events, meetings, and conventions. For example, MSM may play part of a sales role in landing a medical industry meeting or convention in Boston. The meeting or convention might include a partial day of seminars at MSM followed by cocktails at one of the dining options there. Such a link would allow attendees to consider booking their room on the North Shore which, of course, begins to expand the reach of the entire meeting or convention. It will also help to relieve a shortage of rooms in Boston during big events. Finally, the more than \$45 million in infrastructure improvements that MSM will construct before opening will unlock the North Shore’s most congested intersections, facilitating tourist travel and dollars to the north. These are elements that clarify what we mean when we say that we will “serve as a bridge between Boston and the North Shore.”

Specifically, we will serve as a bridge between Boston and the North Shore in three ways: (1) by taking advantage of our superior location; (2) by partnering economically with hundreds of businesses in the region and marketing those businesses to our patrons; and (3) by greatly improving transportation routes throughout the North Shore.

### Our Superior Location

From both MSM’s world-class casino hotel and its hip boutique hotel, as well as the resort’s rooftop spa, pool and terraces, patrons can look out over the Boston skyline or out to the shimmering ocean water of Revere Beach. In a physical sense, the resort is a bridge between the excitement of the City and the tranquility of the Beach – between Boston and the Shore.





120'  
BOUTIQUE HOTEL - VIEW TOWARD BEACH



150'  
CASINO HOTEL - VIEW TOWARD BOSTON

As an example of just one way that we will take advantage of our physical proximity between the City and coastal communities of the North Shore, MSM will run seasonal shuttle buses in partnership with the Department of Conservation and Recreation (DCR) to the Revere Beach Reservation and support programming at the Beach, such as weekly Movie Nights for families. We will advertise our shuttles heavily, ensuring that our patrons spend their time and dollars at the Beach. In addition, we have had several productive meetings with DCR, and resolved that our partnership will include a plan to create a transportation connection and marketing program that formally links the Revere Beach Reservation and Boston Harbor Islands ferries. This will allow our patrons, and the community at large, to visit the Beach and Islands as part of one visitor experience – connecting a jewel of the North Shore with one of Boston’s newest National Parks.

Although MSM has opened its front door to the T, and we expect substantial numbers of our patrons will travel to and from the resort via the Blue Line, for those that prefer a different experience, we will provide at least three patron shuttle routes on premier motor coaches and other vehicles. These shuttles will transport our patrons to Logan Airport, Maverick Square/East Boston, the Back Bay, South Station, and the Theater and Seaport Districts. We have also committed in our Surrounding Community Agreements to explore certain other routes based on demand, such as a shuttle to the historic North Shore City of Salem for trips to the Peabody Essex Museum and Colonial sites, or the City's world-famous Halloween celebrations. These shuttles are an additional enhancement to solidify the "bridge" that links our resort to Boston and the North Shore, and the points between.

## Economic Partnerships

As an outward-facing resort that has worked tirelessly over the past six months to execute genuine economic partnerships with hundreds of regional businesses and cultural attractions (a great many of which are on the North Shore), we are certain that a visit to Mohegan Sun does not end at our resort. It is just one stop on the bridge to the North Shore – and the region – as visitors fan out to spend their Momentum rewards on family dining in East Boston or shopping in Saugus or whale watching in Gloucester or to buy tickets to a show at the Lynn Auditorium. There are already tens of millions of dollars circulating through Mohegan Sun's Momentum program, and with the introduction and expansion of the program to MSM, there will be tens of millions more.

The program is simple: patrons earn points at MSM, and then can spend them as a cash-equivalent at hundreds of participating businesses throughout the region. MSM then reimburses the business for the cash-value of the rewards points redeemed. We have already had face-to-face meetings with hundreds of interested businesses throughout the North Shore and beyond – from Medford to Peabody to Swampscott to Gloucester – and reached agreements for these businesses to participate in the program. This is not a gimmick or a mere expression of support by these businesses. This is a genuine economic partnership that will inject millions of dollars into small businesses on the North Shore not just from Boston, but from throughout New England. In this sense, we are an "economic bridge" to the North Shore and beyond.

MSM has entered into Memoranda of Understanding with both the Greater Boston Convention and Visitors Bureau (GBCVB) and the North of Boston Convention and Visitors Bureau (NBCVB). These MOUs contain similar commitments to marketing and cross-promoting regional attractions at trade shows and exhibitions. Both MOUs also provide additional provisions that will allow give Greater Boston and North Shore businesses significant marketing access to MSM visitors, such as:

- MSM will provide member businesses with opportunities for sponsorship and cross-promotion on the MSM website, and visitors to the website will be able to follow links to member hotels, restaurants, and other attractions, thus connecting MSM website visitors to local business websites for seamless booking of hotels, restaurant reservations, and more;

- The GBCVB and NBCVB will educate MSM guest services personnel and VIP services team about the attractions of the Greater Boston region, so that those personnel can share that information and knowledge with guests;
- MSM will include sponsorship and cross-promotional opportunities for the GBCVB, NBCVB, and their members in its mailers and virtual concierge kiosks at the resort.

## Transportation

MSM will pay for at least \$45 million in infrastructure improvements at 21 different intersections in the Cities of Boston, Revere, and Chelsea that provide solutions for some of the most congested intersections north of Boston. These solutions will be completed prior to our opening and are much more than mere interim measures. As a consequence, they will unlock the North Shore to visitors otherwise deterred by traffic. In this sense too, MSM has provided the transportation solutions that will provide a “bridge between Boston and the North Shore.”



## External Business - Question 2

Given the timing of Mohegan's application little opportunity existed to develop business contacts in Revere. Please discuss outreach efforts to local business, marketing entities and the like over the past six months and how local business will support this resort casino.

Mohegan Sun Massachusetts (MSM) does not believe the timing of the application has substantially impacted its ability to cultivate business contacts in Revere. Suffolk Downs has been developing business contacts in Revere for decades prior to MSM's application, and MSM has built on that strong foundation. Local businesses are responding to MSM's vision of a resort casino that is truly a part of the community. That vision includes commitments to:

- Hire 75% of MSM's employees from within a 15 mile radius of Revere City Hall.
- Spend \$50 million for goods and services within that 15 mile radius.
- Hire 25% or more minorities for construction of the resort and include 10% women in each of the trades.
- Continue MSM's well-documented support to mitigate problem gambling.
- Expand the community college reach of the Community College Training Institute by working to bring another community college campus to the North Shore.
- Create marketing programs for vendor outreach to encourage women and minority vendors.

Since filing its RFA-2 Application, MSM has held meetings throughout the region, attended vendor fairs, and participated in outreach events:

### Minority Community Outreach Events

- Hispanic American Chamber Institute
- Dorchester Bay Economic Development Council
- Roxbury Juneteenth Homecoming Committee
- Roxbury Adult Education Program
- Robert Lewis, "The Base," Roxbury
- El Planeta Powermeter Committee
- Asian American Civic Association
- Jamaica Plains Development Council

### Jobs Forums

- El Mundo Boston, Latino Career Exposition
- Northshore Community College
- Bunker Hill Community College
- Roxbury Community College

## Vendor Forums

- East Boston Chamber of Commerce
- Northshore Chamber of Commerce
- Greater New England Minority Supplier Diversity Event and Gala
- Chelsea Chamber of Commerce
- Medford Chamber of Commerce
- Roxbury Community College
- Lynn Chamber of Commerce
- Saugus Chamber of Commerce
- Jamaica Neighborhood Development Corporation
- Hyde Park Main Street
- Neighborhood Developers Chelsea

## Trade Shows

- Professional Diversity Networking Conference and Career Fair
- Northshore Chamber Business Exposition
- Boston Hotel Concierge Show
- Earthfest 2014

## Pledge to Join and Participate in Organizations

MSM has joined or pledged to join the following business organizations:

- East Boston Rotary Club
- Revere Rotary Club
- Peabody Saugus Rotary Club
- Revere Chamber of Commerce
- East Boston Chamber of Commerce
- Chelsea Chamber of Commerce
- Greater Boston Convention and Visitors Bureau
- North of Boston Convention and Visitors Bureau

MSM has had extensive discussions with the following community re-acclimation groups regarding how MSM can provide assistance:

- Aid to Incarcerated Mothers

- Mothers for Justice and Equality

MSM has been participating in Boston's Main Street program, particularly in the diverse areas of:

- Dudley Square
- Dorchester
- Roxbury
- Hyde Park

Notably, on March 14, 2014, MSM, its host and surrounding communities, and organizations and businesses participated in a forum regarding the local and regional economic development benefits of the MSM resort casino. This event, hosted by Revere Mayor Rizzo, was attended by more than 100 civic leaders and addressed issues such as transportation, tourism and opportunities for businesses. Mayor Rizzo and the leaders of the surrounding communities have agreed to host these forums on a regular basis to provide opportunities for businesses and to ensure coordination.

## Momentum Points Partnership Program

Local businesses are excited about MSM and have voiced their support. MSM provided with its RFA-2 responses over 60 letters of interest from local businesses that want to be part of MSM's Marketing and Regional Business Partnership Program. These included iconic tourist attractions such as Salem's historic museums, local restaurants and nightclubs, local services such as dry cleaners, hair salons, and auto repair shops, and hotels ranging from small to nationally known – including Marriott, which expressed interest in partnering to market its Marriot, Renaissance, Courtyard, and Residence Inn branded hotels throughout the area.

Since the RFA-2 submission, that number has grown to over 360 businesses that want to be enrolled in MSM's unique Momentum Points Partnership Program. Momentum has been designed to allow the rewards points accrued at MSM to be spent as a cash equivalent at participating businesses, putting money directly into the registers of local business. These are not perfunctory letters of support; MSM has met with these businesses face-to-face and forged real agreements, because MSM views these businesses as partners. MSM will also work with our host and surrounding communities, employees, and customers to periodically select a few representative local charities to benefit from the tens of millions of dollars in Momentum Points earned by our patrons. Just as the Commonwealth's industry-changing, outward-looking economic model will create jobs and economic activity among area businesses, so too these donations will provide additional resources to address unmet community needs. This program would be above and beyond charitable activity and contributions by MSM.



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## Diversity Partnerships

MSM is also committed to expanding opportunities for minority and women owned businesses, and so has partnered with the Greater New England Minority Supplier Development Council and Center for Women and Enterprise. These partnerships will assist MSM in identifying and communicating with a wide array of qualified vendors and businesses.

Further, MSM recently concluded Memoranda of Understanding with the Greater Boston Convention and Visitors Bureau and the North of Boston Convention and Visitors Bureau, which together represent over 1,000 businesses across New England. These MOUs, of which greater detail is provided in Tourism - Question 4, provide a framework to cross-promote regional businesses, jointly participate in sales calls to existing and prospective regional, national, and international partners, and work to enroll member businesses in MSM's Momentum Points Partnership Program.

MSM is committed to diversity across its workforce and its supplier base. MSM has entered into agreements with such groups as Community Action Programs Inter-City Inc. and the Massachusetts Fallen Heroes Fund, which will place impoverished individuals and veterans in the MSM workplace and provide them with mentors to help them succeed.

## External Business - Question 3

Please discuss how you plan to meet goals for minority, women and veterans' businesses in the construction phase of the project. What is the track record of your construction manager?

Although Mohegan Sun Massachusetts (MSM) has not at this time hired a construction manager or a general contractor for the project, it has undertaken extensive efforts to ensure not only that its construction workforce will be diverse but that minority, women and veteran owned businesses will play an extensive role in the construction of the project. In addition, MSM pledges to undertake certain efforts as part of hiring a construction manager and general contractor and during the pre-construction and construction stage to ensure that minority, women and veteran owned vendor goals are met. MSM has committed in its Host Community Agreement that at least 25% of the total employee worker hours in the construction trades will be minorities and at least 10% will be women. This is significantly greater than required by the Expanded Gaming Act, and demonstrates how we seriously we take the issue of minority, women and veteran participation.

### Ongoing Efforts

In May 2013, MSM entered in a Memorandum of Understanding with the Greater New England Minority Supplier Development Council (GNEMSDC) and its Minority Business Development Agency Business Center to formalize GNEMSDC's role in ensuring diversity among MSM's vendor relationships. See Attachment 3-20-03 to the MSM RFA 2 Application. This MOU was further enhanced when MSM moved its project to Revere as MSM requested, and GNEMSDC agreed to provide, further support to MSM including technical assistance and new contract opportunities. We also have entered into a partnership with the Center for Women and Enterprise. See Attachment 3-20-04 to the MSM RFA 2 Application.

In our RFA 2 Application, we also included our Diversity Plan, which demonstrates our commitment to identifying, assisting, engaging and including minority vendors in both the construction and daily operations of MSM. In addition, MSM has adopted Corporate Purchasing Policies for its proposed Massachusetts facility that require that at least one minority vendor be included in all bids over \$100,000 and requires MSM to make available to all employees a minority vendor list that is used in the vendor selection process.

In response to External Business – Question 2, we have detailed the extensive series of diversity events and vendor forums in which MSM has participated. MSM's Host Community Agreement requires that MSM continue a marketing program for the utilization of minority, women, and veteran business enterprises, and MSM will continue these efforts.

### Diversity of Vendors at the Construction Stage

MSM has not chosen a construction manager or general contractor at this stage; however, MSM expects that its general contractor will have extensive experience with large construction projects in Massachusetts and will be familiar

with the abundance of strong minority, women and veteran owned construction contractors in Massachusetts. In addition, one of the criteria that MSM is using in determining which general contractor it will select is the contractor's track record with regards to meeting minority, women, and veteran owned contractor goals. MSM is specifically requesting that prospective general contractors submit plans they have used in other jurisdictions, provide explanations regarding their track record in other jurisdictions, and address their plans for MSM. MSM's form of construction agreements will also require that each contractor and subcontractor of every tier share responsibility for promoting the project's diverse workforce and for monitoring and reporting of bids, subcontracting and subcontractors' hiring of a diverse workforce. MSM has decided to do this not only because of the importance of vendor diversity, but because MSM has pledged to meet aggressive workforce diversity goals during the construction stage through its Host Community Agreement.

Once a general contractor is selected, MSM plans to include GNEMSDC in the process to help craft and execute the plan for ensuring that minority, women, and veteran owned contractor goals are met. For example, where newly-formed minority, women and veteran owned contractors have limited experience with large-scale projects or limited bonding capacity, we will look to create partnerships and alliances to strengthen the bonding capacity and scope of project for which they will qualify. In addition, MSM will agree to a licensing condition, similar to the MGM project, where it agrees to "report to the Commission upon selection of General Contractor and meet to review MBE, WBE, and VBE commitments."

Thereafter, in addition to the Commission's reporting requirements, MSM plans to have a vigorous process to ensure that it is meeting its diversity goals for both vendors and its workforce during the construction stage. This will include weekly meetings with the general contractor specifically regarding diversity issues and monthly auditing.

MSM notes also that we have experience in meeting and tracking our goals for minority, women, and veteran business. In constructing Mohegan Sun Pocono Downs, we developed a comprehensive program to meet our targets that was reviewed by the Pennsylvania Commission, and we were successful.

## Tourism - Question 1

Mohegan's "extraordinary database of customers in the Commonwealth and throughout New England" is cited in RFA question 3-26. From an order-of-magnitude perspective, how large is this database and how will it be used to support tourism development (as well as casino visitation)?

As Mohegan Sun Massachusetts (MSM) mentioned in its RFA-2 Responses 1-06-01 and 3-26-01, MSM's database contains over 5 million accounts, including some of the most valuable players in the country. Besides providing the ability to contact many of these patrons, building and maintaining this database has afforded Mohegan Sun the opportunity to understand the gaming market in the Northeastern United States and beyond.

These patrons are already aware of the uniqueness and quality of the Mohegan Sun brand, and MSM will seize on that awareness through marketing efforts raising awareness of the offerings of not only MSM, but of the Greater Boston region. MSM will leverage its extensive experience in direct mail and email marketing, and intends to send 60 mailers annually to MSM guests that highlight regional attractions and draw visitors to MSM.

As explained more fully in Tourism - Question 4 and Tourism - Question 5, MSM will aggressively promote local businesses through its Momentum Points Partnership Program and by cross-promotion, including sponsorship and cross-promotion opportunities for local businesses on MSM's website. Visitors to MSM's website will be able to access links that will allow them to make reservations at regional hotels, restaurants, and other attractions. MSM's hospitality staff - educated about local attractions by the Greater Boston and North of Boston Convention and Visitors Bureaus - will share knowledge about the region with guests when they arrive. Interested guests will be able to take advantage of MSM's shuttle program, which will be designed to respond to demand and connect MSM with regional tourism hubs such as Salem, Harvard Square, and others.

MSM has also partnered with Citi Center to cross-market regional theater and entertainment events. MSM envisions creating a theater package that will appeal to a wide array of visitors who may have limited interest in gaming but substantial interest in cultural events and the MSM resort experience.

## Tourism - Question 2

What international markets do you envision being a target for the Massachusetts facility and how do you plan to maximize their impact?

Mohegan Sun Massachusetts (MSM) will offer a unique resort casino experience that will appeal to a broad array of both national and international visitors, and MSM will aggressively market itself to international visitors building on the experience of international marketing teams at Mohegan Sun Connecticut. Part of our success will be based on the proximity of our resort to Logan Airport, but extensive marketing will be required. MSM's experience suggests that the international market has two distinct segments - international tourists and international gamblers - each of which requires a unique approach.

International tourism depends not only on convincing travelers to visit a casino - world class casinos abound in many places throughout the world - but rather on convincing travelers to visit a region and make a casino visit part of their travel experience. In this area, we expect to target visitors from Asia, Canada, South America and Europe. With regards to Asia, MSM intends to capitalize on the recent expansion of non-stop flights between Logan Airport and destinations in Asia, including the recent addition of non-stop service to Beijing. MSM is actively working to build capacity to appeal to Asian markets by working with Attract China, which can help leverage MSM's marketing prowess through in-depth knowledge of Chinese social media and online marketing channels. MSM has had extensive conversations with Attract China regarding the MSM facility. MSM also plans to work with the Massachusetts Office of Travel and Tourism (MOTT), which has itself committed in recent years to media and marketing strategies aimed at international visitors as the international stature of Boston as a destination has grown. Mohegan Sun's Connecticut facility has had considerable success attracting visitors from Canada, South America and Europe, and we expect this will help further these efforts. MSM will have the top-flight amenities and luxurious accommodations that are a pre-requisite to attracting international tourism, but what will set MSM apart is the regional knowledge and 17 years of New England experience that will allow MSM to make a compelling case to visit the region.

MSM will also draw on that experience to draw international visitors who are already visiting the region for other reasons and convince them to extend their stays. Whether targeting parents of international students at the region's many universities, business travelers drawn by Greater Boston's cutting-edge industries, or tourists walking the historic Freedom Trail, MSM has the experience necessary to market to international visitors in New England and draw them to a destination resort casino. MSM's northeastern experience has also given it especial insight, and industry connections, in drawing Canadian tourists, and MSM will continue to build on that strong foundation.

Indeed, Boston is a truly international city, and it is this large group of tourists and visitors who we will target to also visit our resort and extend their stays. Our work with MOTT and the Greater Boston Convention and Visitors Bureau (GBCVB) will facilitate this effort. According to MOTT, Massachusetts already has two million international visitors every year and extending the visits of these international visitors even for a short period will increase the Commonwealth's revenue significantly. Because these visitors often rely on social media to plan their trips, MSM will





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be working with organizations such as Attract China to increase the awareness of international visitors about the world class casino that is minutes from Logan Airport and Downtown Boston and encouraging visitors to stay an extra night at MSM. Also, the MOU between MSM and the GBCVB requires MSM to participate in GBCVB's international trade missions and at conferences tailored to international visitors. This partnership will help to raise awareness about Boston as a gaming destination in addition to many other attractions that draw tourists from around the world.

Targeting international gamblers requires a different approach, based on building connections throughout the global gaming community. Here, MSM has substantial connections based on its experience in drawing top Canadian and South American gamblers and, increasingly, gamblers from Asia as well. As an enterprise, Mohegan Sun generates tens of millions in gaming revenue annually from international accounts, and those accounts will be used to jump start play in Massachusetts. Additionally, MSM is planning to enhance our player representative efforts in eight different international locations: Canada, Mexico, Thailand, China, Malaysia, Brazil, Venezuela, and Turkey. Mohegan Sun already has one of the strongest junket representations from Canada, which will be a natural fit from Boston because of the short flights. Gamblers around the world know and understand the quality of the Mohegan Sun brand. When combined with Boston's growing international stature, MSM will become a premier international gaming destination.

## Tourism - Question 3

Do you intend (and if so, how) to work with the travel trade (group markets) on either the domestic and/or international marketing front?

Mohegan Sun Massachusetts (MSM) has thorough plans to work with the travel trade to market to both national and international visitors. The best illustration of these plans are the Memoranda of Understanding that MSM recently entered into with the Greater Boston Convention and Visitors Bureau (GBCVB) and the North of Boston Convention and Visitors Bureau (NBCVB).

MSM will collaborate with these groups to market MSM and the region aggressively, specifically to international markets and forums. In particular, MSM will, among several initiatives:

- Participate in GBCVB and NBCVB sales calls to existing and prospective regional, national, and international partners.
- Join international sales missions.
- Conduct cross-promotions at tradeshow, including the U.S. Travel Association's IPW; the Incentive Travel Exhibition; the International Incentives, Business and Meetings Exposition; Discover New England's DNE Tourism Summit and International Marketplace; and the American Bus Association's ABA Marketplace.
- Participate in such events as the North of Boston Annual Tourism Summit, North of Boston Travel Guide and Map, North of Boston Destination Planner, and North of Boston Member Luncheons and Sales Meetings.

These efforts will complement the strong connections Mohegan Sun already has with travel agents and travel wholesalers, and which MSM will use to help attract visitors to the MSM facility. MSM developed these connections as part of building up the travel reputation of Southeastern Connecticut, now widely known as "Mystic Country." Mohegan Sun worked with state and regional partners to leverage the appeal of the New England sea coast, the Mystic Seaport, and the area's rich cultural heritage into a great travel destination. That effort has earned Mohegan Sun the respect of its partners in the travel trade, who know that MSM will be committed to driving tourism and coordinated branding throughout the region.

The many draws of the Greater Boston region - educational, business, leisure - will allow MSM to work with those partners both to integrate MSM into many types of trips to add another unique, fun element to the region's brand. These partners are excited at the prospect of a world-class destination resort casino only minutes from Logan Airport and Downtown Boston by reliable, rapid public transit that can be marketed to business, leisure, and other travelers.

## Tourism - Question 4

In your answer to RFA question 3-26, you state an intention to collaborate with the Greater Boston CVB to extend visitor length of stay, the tourism season and fill hotel rooms. What does Mohegan plan to do to engage with the CVB and related marketing entities?

Mohegan Sun Massachusetts (MSM) has recently entered into a Memorandum of Understanding with the Greater Boston Convention and Visitors Bureau (GBCVB) to participate jointly in GBCVB's initiatives to market the Greater Boston region to an array of national and international visitors, meetings, convention and other groups through sales calls, cross-promotions at national and international trade shows, and other promotional measures.

Through this collaboration, MSM will fill hotel rooms and extend stays. In addition, this partnership will compete for large conventions with Las Vegas and other destinations where convention hosts are booking in locations with a gaming component. MSM through our partnership with GBCVB will help the region as it continues to attract bigger and more lucrative conventions.

As one example of this synergy, MSM is designed with a 38,000 square foot multi-purpose space that will host meetings and conferences and draw visitors to the region. Meeting and event planners selling the Boston region will be able to point prospective clients to a resort casino accessible by reliable, rapid public transit to and from both the City of Boston and Logan Airport - a singular feature few other cities can offer. MSM will extend stays by offering a conveniently accessible gaming and resort experience that can be added as an extra day to business or other trips.

MSM will participate regularly in GBCVB sales calls to existing and prospective regional, national, and international partners, join GBCVB on international sales missions, and conduct cross-promotions at tradeshow such as the U.S. Travel Association's IPW, the Incentive Travel Exhibitions, and International Incentives, Business and Meetings Exposition Events.

MSM and GBCVB plan particularly to highlight the culinary attractions of Greater Boston and work to brand the region as a premier culinary destination through a variety of events and activities. These may include, as examples:

- Regional food festivals highlighting local farmers and artisans
- Beer and wine expositions showcasing Greater Boston and New England's vibrant brewing culture
- Celebrity chef meet-and-greets

In addition to its MOU with GBCVB, MSM has entered into a similar MOU with the North of Boston Convention and Visitors Bureau (NBCVB). This MOU contains the same commitments to marketing and cross-promoting regional attractions at trade shows and exhibitions. Both MOUs also provide additional provisions that will allow give Greater Boston businesses significant marketing access to MSM visitors:

- The GBCVB and NBCVB will educate MSM guest services personnel and VIP services team about the attractions of the Greater Boston region, so that those personnel can share that information and knowledge with guests.
- MSM will provide member businesses with opportunities for sponsorship and cross-promotion on the MSM website, and visitors to the website will be able to follow links to member hotels, restaurants, and other attractions.
- MSM will create a bi-weekly “Spot-Light” segment on the Regional Interests page of its website, highlighting GBCVB members and other local businesses.
- MSM will include advertisements for the GBCVB and its members in mailers.
- MSM will include sponsorship and cross-promotional opportunities for the GBCVB, NBCVB, and their members in its mailers and virtual concierge kiosks.

These provisions are in addition to the unparalleled partnership opportunities for local businesses afforded by MSM's Momentum Points Partnership Program. MSM will use best efforts to enroll GBCVB and NBCVB members in Momentum. Once enrolled, MSM guests will be able to spend points at member hotels, restaurants, and other businesses.

## Tourism - Question 5

In your answer to RFA question 3-27, you state your “continuing support of local hospitality businesses”. Please describe the ways in which you are continuing your support of local hospitality businesses.

Mohegan Sun Massachusetts (MSM) is aggressively pursuing partnerships with local hospitality businesses. The Memoranda of Understanding with the Greater Boston Convention and Visitors Bureau (GBCVB) and North of Boston Convention and Visitors Bureau (NBCVB) described in MSM’s answer to Tourism - Question 4 suggest the kind of close partnership MSM envisions. MSM views local hospitality businesses as assets and partners, and is interested in promoting local hospitality in a variety of ways. Member businesses of both GBCVB and NBCVB will be provided sponsorship and cross-promotional opportunities on MSM’s website, where visitors will be able to follow links to member hotels, restaurants, and other attractions. Guests at MSM will also have access to virtual concierge kiosks where members will have these same opportunities. MSM will have a healthy symbiosis with event planners and hospitality businesses, bringing visitors to the region by hosting events and visitors and providing a unique selling point for local businesses marketing the region themselves.

Additionally, the Momentum Points Partnership was designed from the ground up to put millions of dollars in casino-based rewards into the registers of local businesses. Momentum re-imagines the typical casino rewards program in which points are redeemable only at casino amenities and allows points to be redeemed as a cash equivalent with partner businesses. MSM’s guests will be able to use Momentum points to pay for a wide array of goods and services, both within and without the hospitality business. All of this will be possible from day one of operation; indeed, guests who have already accumulated points at other Mohegan Sun properties will be able to spend them immediately at local businesses participating in Momentum.

MSM has also entered into an Entertainment Services and Collaboration Agreement with Citi Performing Arts Center. Under this agreement, Citi Center will operate ticketed, live entertainment at MSM. When MSM schedules off-site live entertainment, Citi Center will have first right to host those events at its well-known Wang, Shubert, or Emerson Colonial Theatres in Boston’s burgeoning Theatre District or the Strand in Dorchester. This agreement is just one more example of how MSM envisions itself not as a walled-off enclave of slot machines and table games, but rather as a provider of one more unique experience in a vibrant and historic region, and a conduit for bringing in visitors that MSM will educate about the region’s many attractions.

## Mitigation - Question 1

In the five and a half months since the submittal of your RFA-2 Application, have you entered into any additional partnerships or supporting agreements with non-profit organizations and/or community groups in the host community?

Mohegan Sun Massachusetts (MSM) knows that partnerships with community groups are vital to the success of resorts and gaming in the Commonwealth and in general. These partnerships hold particular value to MSM's efforts to build a diverse workforce and supplier base that is reflective of the community. To that end, MSM has worked tirelessly over the past five and a half months to forge agreements with a variety of community groups to ensure that the development of MSM will be an inclusive process from the outset and that will continue after the resort opens. MSM has also recognized that the process could not freeze once the RFA-2 Application was filed. Rather, MSM has continued its extensive outreach since filing the RFA-2 Application.

To that end, and in addition to the numerous endeavors described below to support non-profit and community groups throughout the region, MSM is thrilled to announce a truly unique and innovative charitable initiative. MSM has developed a program to enable patrons to donate to select local charities their Momentum rewards points, earned by gaming and spending at the resort. This will result in direct cash donations to these charities. We will work with our host and surrounding communities, employees and customers to periodically select a few of these representative local charities to benefit from the tens of millions of dollars in Momentum Points earned by our patrons. Just as the Commonwealth's industry-changing, outward-looking economic model will create jobs and economic activity among area businesses, so too these donations will provide additional resources to address unmet community needs. This program would be above and beyond charitable activity and contributions by MSM.

In addition, MSM has entered Memoranda of Understanding with three important partners that will help MSM identify and connect with unemployed, underemployed, and diverse groups around the City of Revere and the surrounding communities. Community Action Programs Inter-City, Inc. has worked to eradicate the root causes of poverty in Chelsea, Revere, and Winthrop for over fifty years. Community Enterprises Inc. has worked across the region for nearly forty years to provide supported employment, education, and living services to people with disabilities. The Massachusetts Fallen Heroes Fund assists local veterans in acquiring educational, employment, medical, legal, financial, and other services.

The MOUs with these organizations reflect Mohegan's approach to building an inclusive workforce, which begins before employees arrive and provides continued support while employed with MSM. First, MSM will work with these organizations to match individuals they represent with the many opportunities at MSM. Second, MSM will assist those individuals and provide accommodations for filling out applications, crafting resumes, and scheduling and conducting job interviews. Third, MSM will support those individuals once they arrive. MSM will provide on-the-job mentors to serve as coaches and resources for adapting to the MSM workplace. MSM will provide tuition assistance for employees seeking high school diplomas, GEDs, English as a Second Language Programs, vocational skills programs,

college diplomas, and graduate degrees associated with their work. And MSM will provide a wide variety of training, counselling, rehabilitation, and other employee support services to ensure its employees have the resources they need to succeed.

Additionally, MSM has entered into MOUs with the Greater Boston and North of Boston Convention and Visitors Bureaus (GBCVB and NBCVB). Described more fully in MSM's responses to the Commission's Tourism Questions, these agreements are an integral part of MSM's vision of an outward-facing casino that will both benefit and utilize businesses across the region. The agreements provide a framework for MSM to work with both organizations to brand and market Greater Boston and the North Shore to attract more tourists and lengthen stays.

MSM has also entered into an Impacted Live Entertainment Agreement with the Massachusetts Performing Arts Coalition (MPAC), pursuant to G.L. c. 23K §17(b). In this agreement, MSM has made commitments to MPAC's constituent members, which include seven not-for-profit community entertainment theaters located across Massachusetts, to mitigate the impacts of MSM on live entertainment venues and provide terms for cross-marketing coordination.

MSM also views the eleven neighboring communities with which it has executed Surrounding Community Agreements as critical partners in the success of the resort. MSM is unique in its cooperative approach to voluntarily reaching agreements with these eleven important regional communities without arbitration. We are proud to give them a true seat at the table, and believe their input will contribute to the success of the resort.

In particular, where a surrounding community asked that MSM provide support for a valuable non-profit organization, we were receptive. As a consequence, MSM is proud to be providing:

- \$100,000 in annual payments to the Viking Pride Foundation to fund educational and recreational youth programs in the Town of Winthrop;
- \$100,000 in annual payments as part of the Winthrop Surrounding Community Agreement to be contributed to Community Action Programs Inner City, Inc. ("CAPIC") to be spent on social services and job readiness programs;
- \$200,000 annually as part of the Winthrop Surrounding Community Agreement to be divided among Business Improvement Districts to support small businesses in the Town;
- \$100,000 to the City of Chelsea, which the City will in turn provide to job readiness organizations to train unemployed and underemployed residents.

- \$50,000 in the Somerville Surrounding Community Agreement to be donated by MSM to a local Somerville-based non-profit entity or entities that provide jobs skills training to Somerville residents.

MSM also considers the Revere Beach Reservation to be one the primary attractions of the resort and the region, and for this reason is working toward an agreement with the Reservation's caretaker, the Department of Conservation and Recreation (DCR), on a host of measures to support the beach and other DCR assets. MSM will contribute a substantial amount annually to DCR's Urban Parks Trust Fund to enhance maintenance and visitor experiences at parks throughout the Commonwealth. In addition, MSM will operate seasonal shuttle buses in partnership with DCR from the resort to Revere Beach and support programming at the Beach, such as weekly Movie Nights for families. MSM will heavily market the Beach and its proximity to the resort to its patrons and the wider community.

Mohegan Sun has a long history of providing support to our nation's veterans. This is part of the Mohegan Way, and MSM will enthusiastically continue this tradition. As one example, MSM has executed an MOU with the Massachusetts Fallen Heroes Fund, as described above, to hire veterans directly from the Fallen Heroes Fund's workforce development programs, and to provide assistance and job training to those veterans. This is the first many ways MSM plans to honor our troops.

These commitments are in addition to the hundreds of enrollments in MSM's Momentum Points Partnership Program. Currently over 360 businesses are signed up for Momentum, because they are excited about the prospect of casino guests being able to spend rewards points as cash equivalents to purchase a wide variety of goods and services throughout the community. Momentum was designed to be a different kind of rewards program that focuses not only on bringing a guest back to a casino, but on putting dollars into the registers of local business as part of an outward facing community strategy.

MSM would also like to remind the Commission of its MOUs with the Massachusetts Casino Careers Training Institute (MCCTI) and Greater New England Minority Supplier Development Council (GNEMSDC). While MSM has apprised the Commission of these MOUs in the past, MSM notes its continued commitment to these agreements since that time. MSM has continued to work with MCCTI to hold forums and develop curricula to ensure that the community colleges will be able to hit the ground running in training students for dynamic, well-paid jobs with MSM as the project moves forward. MSM will continue this collaboration, working to:

- Comply with Gaming Commission Regulations regarding vendor criteria, certification, and licensure, and other requirements.
- Develop a Diversity Plan to ensure as much as possible that the trained labor pool meets the intent of the Gaming Act to expand employment opportunities for diverse groups.
- Develop an inventory of positions and the related qualifications/skill levels for each occupation.
- Create Career Pathways for casino employees and market those Pathways to unemployed, underemployed, and minority populations in the region.



As part of its MOU with GNEMSDC, MSM has participated in many diversity events, job and vendor forums, and trade shows since the submission of its RFA-2, as detailed in its response to External Business - Question 2. MSM will work with GNEMSDC to:

- Continue to identify local minority-owned design and building contractors and vendors.
- Continue holding facilitating workshops that help build the capacity of local and regional companies that are interested in procurement opportunities with MSM and educating and assisting minority, women-owned, and veteran-owned businesses new to the gaming industry in the process of gaming vendor licensing.
- Host Community forums to highlight procurement opportunities and meet with MSM personnel.
- Continue to identify opportunities for spending with minority-owned suppliers.
- Ensure that information about MSM's business diversity outreach efforts are publicized on its website, and share that information with local elected officials.

Lastly, we have engaged in substantial outreach and conversation with members of the environmental community. We have held face-to-face meetings to seek feedback on our project with Mystic River Watershed Association and The Boston Harbor Association to name just two. We also held a luncheon in which we invited more than 20 environmental organizations to hear about the environmental attributes of our project, and to solicit input and further suggestions.

## Transportation - Question 1

### Are there any significant changes in your traffic mitigation package since submission of your Application?

Mohegan Sun Massachusetts (MSM) has proposed substantial improvements that more than offset the resort's impacts and mitigate longstanding regional traffic problems. MSM's overall traffic mitigation is little changed since the submission of our Application. However, in addition to these more than \$45 million in permanent, privately funded traffic mitigation solutions, MSM reports the following additions to its traffic mitigation package:

- The selection of two alternative Route 1A mitigation options by MassDOT that have been extensively studied by MSM in its Supplemental Draft Environmental Impact Report (SDEIR) and are discussed in greater detail in Transportation Question 3. These include two excellent options: (1) a northbound "flyover" solution from the intersection of Route 1A and Boardman Street to the intersection with Route 145 (known as Option 8N) that will add additional northbound lanes approaching Boardman Street, accommodate local and resort traffic through at-grade turning lanes, and construct a grade-separated overpass that allows northbound traffic to travel past the resort without interruption; and (2) an at-grade traffic solution that adds lanes to Route 1A, and rebuilds and streamlines multiple intersections with an innovate design that even more dramatically reduces traffic backup at Boardman Street and other Route 1A locations (known-as Option 11).

Both of these options are designed to accommodate traffic demands through the year 2032 and carry more than 50% more traffic capacity than is currently available on this section of Route 1A. As will be shown in our SDEIR, MSM will dramatically reduce travel times for commuters and visitors alike along Route 1A between the Neptune Road (south of Boardman Street) through to Bell Circle, and vice versa. These Route 1A improvements are the centerpiece of MSM's 21 different roadway infrastructure mitigation projects, and will provide noticeable convenience on a daily basis for all users of Route 1A.

- MSM has committed to the following funding for additional traffic mitigation measures in its Surrounding Community Agreements:
  - \$450,000 for a traffic mitigation study of measures to improve congestion at Wellington Circle in the Surrounding Community Agreements with the Cities of Medford and Malden;
  - \$350,000 for a traffic mitigation study to increase movement on Route 16 in the Surrounding Community Agreement with the City of Everett; and
  - \$350,000 for operation of a water shuttle and related recreational capital improvements in the Surrounding Community Agreement with the City of Winthrop.



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In addition, MSM remains in productive discussions with the MBTA on a host of improvements and beautification projects to be undertaken at Beachmont Station. By increasing the accessibility and aesthetics of the MBTA rapid-transit station that opens to the resort's front door, MSM will further be able to capitalize on this truly unique location and ensure more of its patrons and employees take advantage of our immediate access to the T.

Transportation

**MGC Host  
Community  
Questions for  
Mohegan Sun**

## Transportation - Question 2

Are there any significant changes in your parking plans on and off-site and for patrons and employees since submission of your Application?

Mohegan Sun Massachusetts (MSM) has significantly developed our innovative High Occupancy Vehicle (HOV) Employee Interceptor Shuttle plans since the submission of our Application, and also augmented plans for our patron on-site parking.

### Employee HOV Interceptor Shuttle Plan

There will be no employee parking on site except for senior management and employees with special needs. Employee parking is not planned on the adjacent Suffolk Downs complex. Likewise, because of resident parking restrictions in the surrounding neighborhoods, and the general lack of commercial parking in the area, employees will be unable to park near enough to the destination resort casino to practicably commute to work in single occupancy vehicles. MSM understands that municipal parking enforcement is key to ensuring that no employees attempt to park in residential or commercial areas in the City of Revere or the City of Boston, and will work closely with those cities to ensure vigorous ticketing and towing of illegally parked vehicles. This commitment is memorialized in MSM's Host Community Agreement with the City of Revere, which provides that MSM:

... shall, in consultation with the City, adopt and enforce policies prohibiting employees, contractors and agents of the Project from parking their vehicles on the streets in the City . . .

Shall, as soon as reasonably possible after the Effective Date and not later than three (3) months after receiving the Gaming License, provide the City with a list of properties, if any, located in the City to be utilized by the Developer to provide parking facilities for patrons, employees, contractors, agents and other visitors of the Project. In addition to obtaining any necessary permits, licenses and other approvals from the City for such parking facilities, the Developer shall, in consultation with the City, develop a plan to minimize the impacts of such parking facilities on City residents and businesses.

Revere HCA, §§ 2.F(1), (3).

Further, as part of MSM's Transportation Demand Management (TDM) program (described at Attachment 4-25-05), MSM will encourage and incentivize employees to use mass transit and other alternative modes of transportation. MSM's extensive traffic analysis suggests that 30 percent or more of employees are projected to access the site via public transportation. This is a conservative forecast. Higher numbers are possible given MSM's superior and unprecedented access to Beachmont Station on the MBTA's rapid transit Blue Line and its location on or near multiple

MBTA bus routes. But, by remaining conservative at this stage, MSM has been careful not to underestimate roadway traffic impacts.

Moreover, MSM's unique location within 150 feet of an MBTA rapid transit station and adjacent to MBTA bus service greatly improves the likelihood of success for the TDM initiatives generally, and, specifically, for achieving a high degree of employee (and patron) public transit use. MSM will also offer other employee benefits that incentivize use of public transit, such as subsidizing employee transit passes. MSM's unprecedented access to the MBTA's rapid-transit Blue Line will naturally incentivize use of public transportation, particularly among employees.

For those employees who choose not to, or are unable to, use the MBTA (including those traveling during the MBTA off hours), MSM has developed a High Occupancy Vehicle Shuttle Plan (HOV Shuttle Plan or the Plan) to intercept employees commuting to the resort at key transit hubs and at multiple yet-to-be-identified geographically dispersed satellite locations remote from the resort. Using existing capacity at these off-site locations, the plan is intended to minimize employee vehicle trips in the immediate area of the destination resort casino and on the most affected roadways. The plan has numerous benefits including reducing congestion on the most affected local roadways, lessening demand on parking at the destination resort casino, and improving air quality. While MSM has developed – and continues to develop – this plan, it will be implemented and operated by an experienced third-party high occupancy vehicle contractor. Most important, this contractor will operate a seamless shuttle program from the off-site employee interception points.

## Operation of HOV Shuttle Plan

MSM's HOV Shuttle Plan calls for a flexible, performance-based contract under which an experienced vendor will shuttle employees to the resort and be responsible for route planning, pick-up locations, and scheduling. The Plan will be tailored to the distinct needs of the MSM employees. While MSM is committed under its Host and Surrounding Community Agreements to ensuring that 75 percent of resort employees are residents living within 15 miles of Revere City Hall, the full scope of the employee shuttle service and the locations of the interception points can only be fully defined once MSM has recruited and hired its employees, and can better assess their geographic distribution and those employees have determined how they intend to travel to work.

Under this proposed scope of work, the contractor would be the entity responsible for implementing the off-site HOV Shuttle Plan, for designating both the number and location of employee interception locations, and for securing all necessary approvals and rights to use and occupancy. The contract will require that the contractor use existing parking assets to the maximum extent possible. MSM does not envision the construction of any new facilities. The scope of work will not only ensure that the shuttle program intercept employees at these carefully selected off-site locations, but also at key regional transit hubs or park-and-ride locations to further incentivize public transit use and car-pooling.

Subject to revision and further study, MSM has determined that up to three reasonably convenient parking facilities will be necessary to accommodate employee parking demands. High occupancy shuttle buses will run on a continuous

basis, with frequency and fleet number subject to demand. These three locations will be selected after further study to minimize employee vehicle miles travelled (VMT), as employees will choose to board at locations that are most convenient to their commute.

Preliminary projections of off-site employee parking demand, based on employee counts and work shifts, indicate that approximately 750 parking spaces will be needed in total to accommodate peak demand. This peak demand reflects the variations in the number of employees at the resort over the course of the 24-hour day on the busiest day of the week. It is anticipated that the demand for spaces will be evenly allocated among off-site employee parking locations.

While in the preliminary stages, MSM is currently working with Alternative Concepts, Inc. (ACI), the Boston-based transportation management firm that operates the Paul Revere Transportation line of motor coaches to develop the HOV Shuttle Plan. If MSM selects ACI to implement some or all of the Plan, MSM is confident that ACI has the capability and experience to seamlessly operate the program. Paul Revere has been under contract with the Massachusetts Port Authority (MassPort) to operate the “Logan Shuttle Bus” for 18 years. Through this contract, Paul Revere has successfully provided shuttle service from a remote parking facility in the City of Chelsea to airline and airport employees on a 24-hour, 7-day-a-week basis using a CNG-compliance Green Bus Depot to accommodate a fleet of 50 motor coaches. Paul Revere also operates the six-day-a-week fixed-route shuttle service for the Medical Academic and Scientific Community Organization (MASCO) transporting employees from off-site parking facilities, Harvard University locations in Cambridge, and MBTA stations, to the Longwood Medical Area. This shuttle plan uses 37 efficient, ultra-low sulfur diesel fuel buses and seven vans on seven different fixed routes, carrying 11,300 passengers daily.

## Patron Parking Pricing

While free parking for all would be an attraction in its own right, after considering the business and social responsibility factors, MSM has decided to charge fees for parking on site, with validation for free or nominal parking fees in both valet and self-parking areas for patrons who qualify and overnight hotel guests. MSM believes this will help achieve the appropriate balance of control and management of the facility with convenience for the patron.

This balanced decision to charge certain patrons for parking reflects MSM’s commitment to encourage use of public transit and to capitalize on our convenient urban location, as well as the comprehensive patron shuttle services that MSM will offer. This commitment is reflected in MSM’s Transportation Demand Management and Off-Site Employee Shuttle plans. The Beachmont Station on the MBTA rapid transit Blue Line is located approximately 150 feet away from one of the two primary entrances to the resort. This access is emblematic of the project’s link to the greater Boston region, its residents, its tourists and MSM’s employees. The “T” is inexpensive and convenient for persons of every age and means. In addition to MSM’s policy of charging a parking fee, this unprecedented access will further encourage public transit use.



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MSM has not yet made a determination as to what type of qualifications would be required for a patron to receive free parking validation although it will likely be casino play related, and we have not made a determination as to what technical systems or processes would be employed to manage such validation. Likewise, MSM has not determined the cost of parking without validation. These determinations will require further study of market rates within the area, patron demand and other issues. We also expect the valet parking options at Mohegan Sun in Revere will be popular and allow for convenient access to the gaming and hotel facilities and efficient management of electric vehicle charging.

## Transportation - Question 3

Please provide an update regarding on-going discussions with MassDOT and the Route 1A improvement alternatives.

### Discussions with MassDOT

MSM's technical team has met with MassDOT's planning (Public-Private Development Unit) and highway (Highway Division) representatives on a regular basis for several months. Through those meetings, agreement has been reached on critical items such as trip generation rates and distribution percentage, and MSM has continued to make progress regarding the extent of each of the highway improvements that have been proposed to the state and regional highway system.

### Route 1A Improvement Alternatives

The Secretary of the Executive Office of Energy and Environmental Affairs required that MSM, in coordination with MassDOT and as part of its Supplemental Draft Environmental Impact Report (SDEIR), reduced the multiple options that had previously been proposed to mitigate traffic in the Route 1A corridor to two primary options. Through many productive planning meetings, MSM, with MassDOT's approval and consultation, has analyzed two alternatives: (1) a northbound "flyover" solution from the intersection of Route 1A and Boardman Street to the intersection with Route 145 (known as Option 8N) that will add additional northbound lanes approaching Boardman Street, accommodate local and resort traffic through at-grade turning lanes, and construct a northbound overpass that allows northbound traffic to travel without interruption; and (2) an at-grade traffic solution that adds lanes to Route 1A, and rebuilds and streamlines multiple intersections thereby dramatically reducing traffic backup at Boardman Street and other locations (known-as Option 11). It is worth noting that, as required by MassDOT, MSM has designed both of these Route 1A traffic improvement options to accommodate traffic through the year 2032.

Today, extensive traffic queuing and delay are experienced on various approaches along Route 1A, corresponding with the morning southbound and afternoon northbound peak periods. Both of MSM's extensive alternatives for traffic improvements will provide capacity to carry approximately 50% more northbound traffic than currently handled by this section of Route 1A, far in excess of traffic generated by the resort. As will be shown in our SDEIR, MSM will reduce travel times by several minutes for commuters and visitors alike along Route 1A between the Neptune Road (south of Boardman Street) through to Bell Circle, and vice versa. These Route 1A improvements are the centerpiece of MSM's 21 different roadway infrastructure mitigation projects, and will provide a noticeable convenience on a daily basis for all users of Route 1A.

Option 8N, the so-called "flyover option" provides a northbound overpass addressing the current source of congestion in the Route 1A corridor during the evening peak period, and allowing northbound traffic to continue northbound, while resort visitors and other local traffic continues at-grade. The northbound flyover is planned to be constructed within the



existing northbound corridor with three lanes approaching Boardman Street: one left turn lane, one through lane, and one right turn lane. The through lane merges with the overpass lanes at Tomasello Drive providing three lanes northbound to the Route 1A off-ramp to Route 145. This alternative has been designed to be consistent with work planned by a hotel developer to widen Boardman Street westbound. Furlong Drive, which is one of the site's multiple access locations, will be modified to provide three northbound and three southbound through lanes. A right-turn lane into Furlong Drive is also provided. No left-turns into Furlong Drive will be allowed at this location. The Route 1A southbound traffic will proceed to the jughandle signal where they can reverse direction and access Furlong Drive via the right-turn lane. Three lanes (two left-turn and one right-turn) will be provided on the Furlong Drive approach. The estimated time to construct the northbound flyover and northbound collector/distributor system is approximately 24 to 26 months.

Option 11, the so-called at-grade alternative addresses all traffic movements at several intersection in two signal phases and is based on a design approach advocated by the Federal Highway Administration in its "Every Day Counts" program. The basic design provides three lanes in each direction on Route 1A (adding a lane in each direction) with the majority of improvements confined to within the existing State Highway Layout and most within the existing outside curb lines. At Boardman Street, three lanes would be provided both northbound and southbound. Direct left turns from Route 1A southbound to Boardman Street would be prohibited and that traffic instead would proceed further south on Route 1A to a signal-controlled left exit into a signal-controlled U-turn to access the northbound lanes of Route 1A and Boardman Street. MSM's study of this design shows a dramatic reduction in congestion and travel times between Neptune Road (south of Boardman Street) and Bell Circle.

As MassDOT is the agency with permitting authority over these road improvements, it will be MassDOT that ultimately selects the chosen alternative. Both are excellent options that provide a permanent and privately funded solution to a longstanding traffic problem.

## Transportation - Question 4

Can you clarify how buses and deliveries will access the property and impacts that this may or may not have on site circulation and parking?

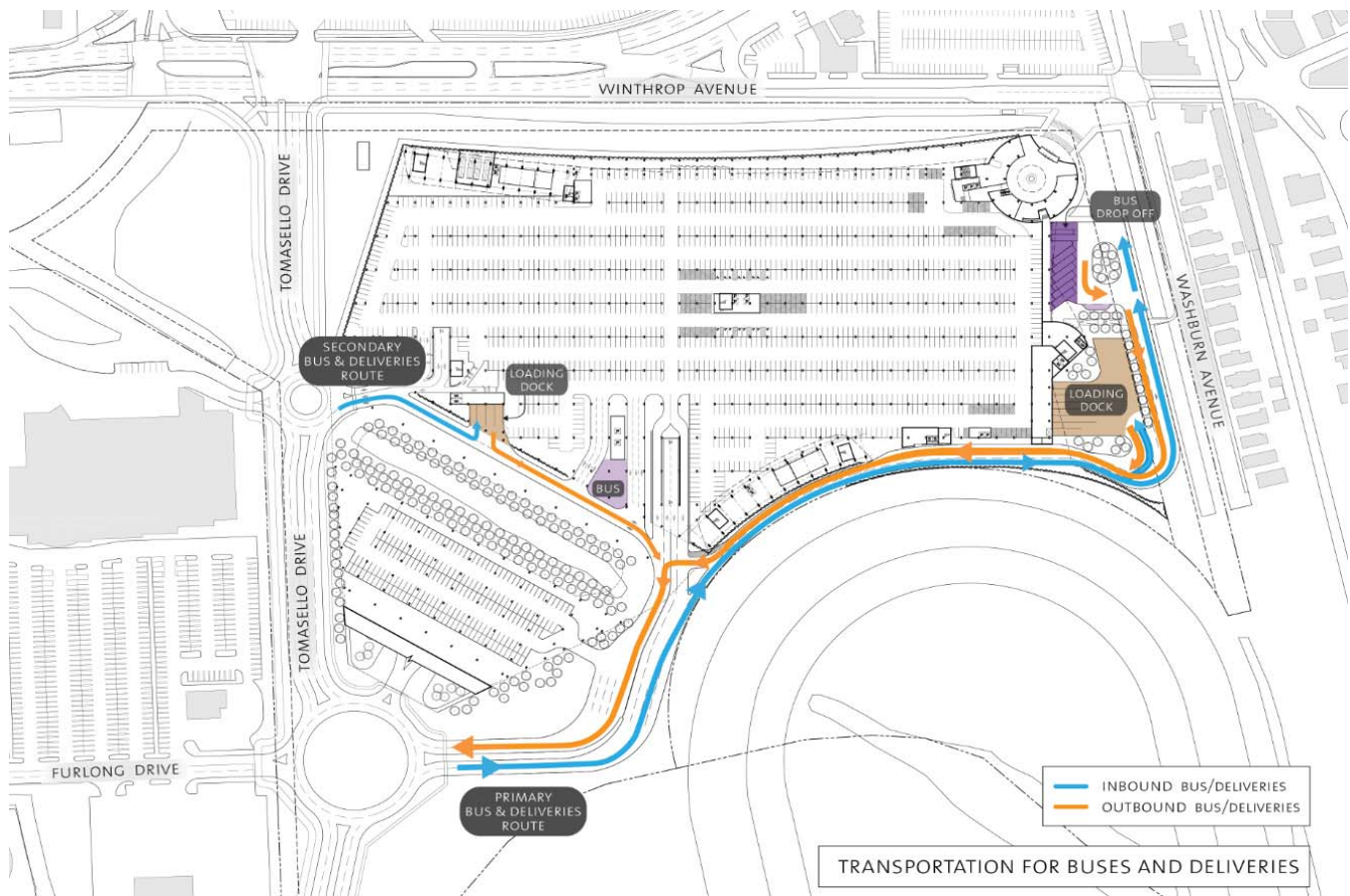
Mohegan Sun Massachusetts' (MSM) plans for both bus and delivery vehicle access have evolved since our December submission. The graphics below show the plan we have developed to organize traffic routes for buses and deliveries on-site without impacting parking or circulation.

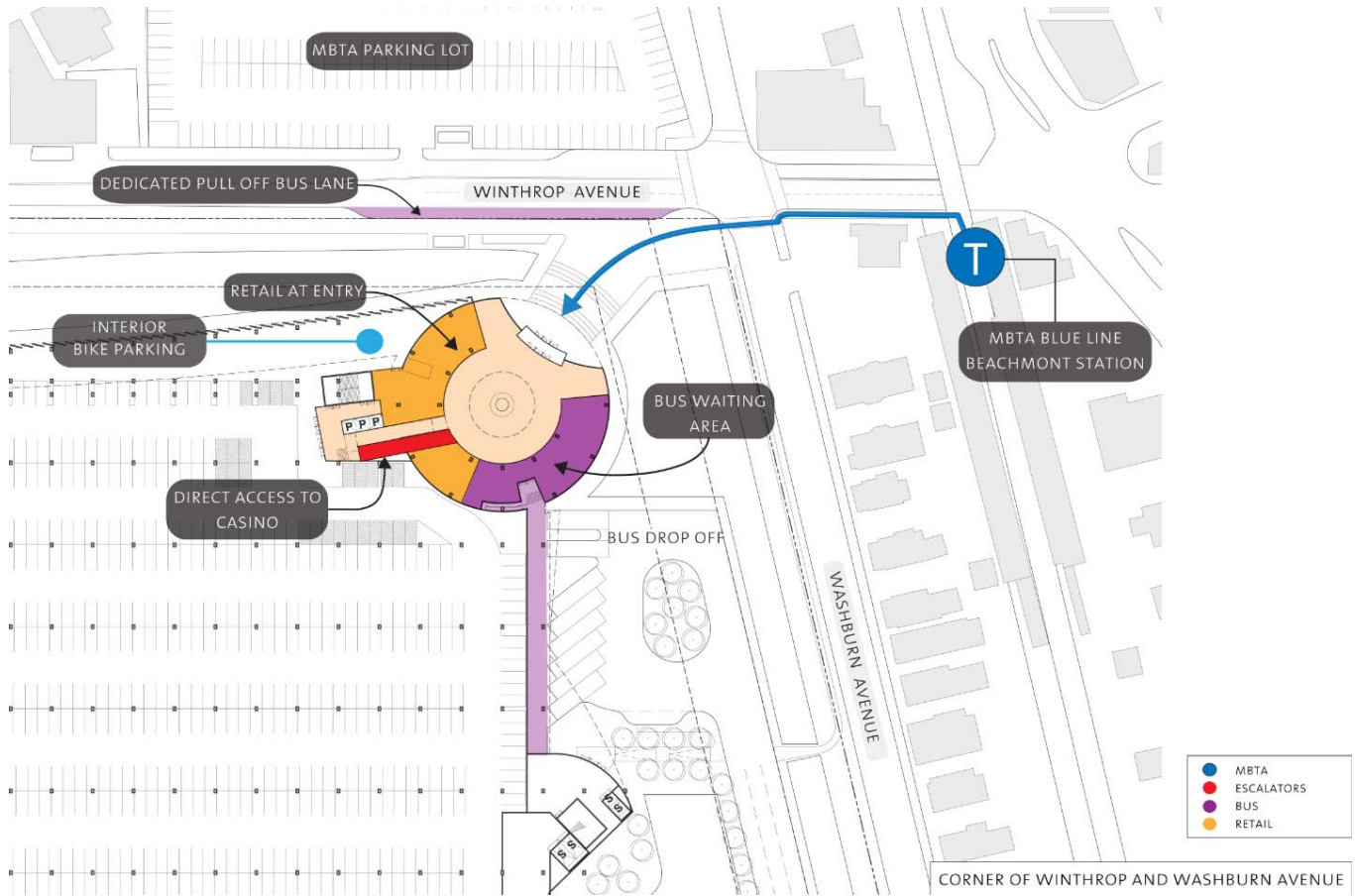
Buses will follow the access road traveling south of the casino hotel to a terminus in the northeast corner of the site near the Beachmont entrance and Donnelly Square. At Beachmont Station we have created an exciting pedestrian plaza to connect the MBTA station. This area will also serve as a transportation center where MBTA buses, motor coaches and patron and employee shuttles will pick up and drop off. The bus drop off area will be parallel to Washburn Avenue just south of the Beachmont entrance. This entrance will be a stimulating, exciting portal into the resort for patrons arriving by T, coach and shuttle.

Guests who are arriving in a private vehicle will have two options: they can either self- park, in which case they will take lower access road from the roundabout at Tomasello Drive and enter the parking garage under the resort, or they can valet where they will take the upper access road to the resort's grand Porte Cochere.

For delivery vehicles, MSM has revised the location of one loading dock and have added a second dock to facilitate access. After discussions with MSM's operations team, we determined due to the size of the resort that it made sense to add a second dock on the West side of the resort. We can accomplish this with ease due to the multiple points of access and egress at the resort. The loading dock on the resort's east side will primarily service the casino and the loading dock on the west side will service the Boutique Hotel, multi-purpose conference center and entertainment space and the resort's retail operations.

To access the casino loading dock on the resort's east side, trucks will leave the roundabout at Tomasello Drive, take the lower access road to south of the casino and pull into the loading bays which are planned for the south east corner of the resort. Deliveries to the Boutique Hotel and retail mall will turn off Tomasello Drive from the roundabout nearest Winthrop Avenue and then take the road below the Porte Cochere to access the loading dock on west side of resort.





## Building and Site Design - Question 1

### What is your schedule for completing the MEPA process?

Massachusetts Environmental Policy Act (MEPA) permitting is tracking on the schedule we defined in our RFA-2 application and reflects a start of construction in late Fall 2014. The Secretary of the Executive Office of Energy and Environmental Affairs (Secretary) issued a Certificate for the Notice of Project Change (NPC) on March 28, 2014. As set forth in the Certificate, Mohegan Sun Massachusetts (MSM) has prepared a Supplemental Draft Environmental Impact Report (SDEIR) and is planning to file the SDEIR on June 30, 2014. The Secretary stated in the Certificate:

Contingent upon the completeness of the SDEIR and adequacy of response to the scope outlined below, I may limit the scope of the Final EIR (FEIR) in accordance with the rights afforded to me at 301 CMR 11.08(8)(b)(2)(a) and (b). This may include either allowing for review of the SDEIR as a Final Environmental Impact Report (FEIR), or allowing the Proponent to file responses to comments and draft Section 61 Findings as an FEIR.

MSM has engaged in extensive outreach with the MEPA Office, permitting agencies, and environmental groups in an effort to ensure that the SDEIR is fully and adequately responsive to the scope outlined by MEPA in this Certificate, and the comments received on the DEIR. In particular, MSM continues its engagement and coordination with state agencies such as the Massachusetts Department of Transportation (MassDOT), the Massachusetts Department of Environmental Protection (MassDEP), the Department of Conservation and Recreation (DCR) and the Massachusetts Department of Energy Resources, as well as numerous stakeholder groups. The SDEIR submitted on June 30 will be fully responsive to both the attached MEPA Scope and agency comment letters. As requested by agency comment letters, as well as the MEPA Scope, the SDEIR includes an assessment of all environmental impacts and associated mitigation, as well as changes in the project that have occurred since the filing of the DEIR. Our filing date could change depending on the outcome of MSM's Surrounding Community Agreement negotiations with the City of Boston, which are ongoing. In that event, MSM still expects to receive a Certificate from the Secretary by November 14, 2014.

Based on the detailed analysis and study of impacts contained in the SDEIR that has been completed, the amount of agency outreach, and the diligence in responding to the scope in the Secretary's Certificate, the SDEIR is found to be a complete filing in full accordance with the MEPA Scope, such that it may be reviewed as a Final EIR pursuant to 301 CMR 11.08(8)(b), then MSM anticipates receiving a MEPA Certificate for the SDEIR on 8/15/14 and an FEIR Certificate on 10/3/14. If MEPA requires a limited -scope FEIR, a Final Certificate on the limited-scope FEIR would be issued on 11/14/2014.

The dates below summarize MSM's timeline:

**SDEIR Submitted:                      June 30, 2014**



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**Certificate on SDEIR Issued: August 15, 2014**

**Certificate on FEIR issued: Between October 3, 2014 and November 14, 2014**

## Building and Site Design - Question 2

### How do you plan to deal with compensatory flood storage in the 100 year flood plain?

The Mohegan Sun Massachusetts (MSM) site has been designed to provide over 1,000,000 cubic feet of additional floodplain storage. This additional storage is accomplished throughout the site and will be provided on a foot by foot basis in full compliance with the Wetlands Protection Act. We surveyed the existing site to quantify the amount of existing capacity and then mapped the amount of structure, building or land form which is being added in that 1 foot increment. Preliminary designs of the project include building and grading plans that depict proposed grades and structures that are proposed within the 100-year floodplain. All analysis was performed using the Preliminary FEMA floodplain maps. Using the proposed conditions plans, the increase in the amount of floodplain storage realized by the project was calculated on a foot-by-foot basis, consistent with the Wetlands Protection Act. The results of this analysis are shown in the table below and demonstrate that there is an increase in the amount of floodplain storage volume on the property.

The site is designed to allow floodwaters to flow through the site unimpeded, consistent with Wetlands Protection Act performance standards. This is accomplished with an open first floor of parking beneath the building as well as open areas beneath the entry garden. In the event of a catastrophic flood condition, waters will rise and pass unimpeded through the lower parking level and entry garden to the rest of the site.

Creating flood storage capacity in the lower levels of MSM's parking structure is intended to address catastrophic flooding events, such as a major hurricane or a so-called "100-year event." In such an event, the resort would be operating on an emergency basis, and there would be no demand for parking that would necessitate the use of this level to accommodate vehicles. In the case of a storm, the parking areas within both flood storage locations (underneath the elevated plane as well as the lower level of the garage) will be evacuated and moved to a higher elevation.

MSM has had discussions with the both the Revere Conservation Commission and Massachusetts Department of Environmental Protection regarding the approach the project has taken to compliance with the Wetlands Protection Act. Both agencies are in general agreement with our approach.

The table below shows the increase in floodplain storage volume on foot by foot basis in accordance with the Wetlands Protection Act. Elevations are based on City of Boston datum.

<i>Elevation (feet, BCB)</i>	<i>Incremental Existing Site Floodplain Storage (cubic feet)</i>	<i>Incremental Proposed Site Floodplain Storage (cubic feet)</i>	<i>Net Incremental Volume of Compensatory Flood Storage (cubic feet)</i>
5-6	123	129	6
6-7	922	934	12
7-8	3,172	3,200	28
8-9	7,100	9,023	1,923
9-10	14,901	20,802	5,901
10-11	22,572	54,283	31,711
11-12	31,082	70,729	39,647
12-13	61,109	153,945	92,836
13-14	231,247	321,698	90,451
14-15	542,918	880,621	337,703
15-16	871,439	1,151,480	280,041
16-17	1,316,254	1,403,638	87,384
17-18	1,477,586	1,497,679	20,093
18-18.5	443,190	456,060	12,870
<b>TOTAL VOLUME</b>			<b>1,000,606</b>



## Building and Site Design - Question 3

You claim you do not need water for irrigation. How do you plan to maintain your plantings without irrigation?

Mohegan Sun Massachusetts (MSM) stated in our response to RFA-2 Application Question 4-42 that “irrigation needs will be minimized with the use of native plant materials and soils that promote water retention.” In a resort setting such as MSM, it would be tempting to irrigate the entire site. However, with almost half our of our 40 acre site devoted to green space, that would amount to a significant area in need of irrigation. That level of water use is not in keeping with our sustainability goals and our plans to be the greenest casino in the world. Therefore, we will be selecting native drought resistant plants throughout the site to reduce the amount of area we will need to irrigate in addition to other measures to reduce water usage for plantings.

We detailed our projected irrigation use in our RFA-2 Response 4-35-12 and provided projections for landscaping water use. These projections are provided again below:

TOTAL LANDSCAPE (SF)	446,922
CUBIC FEET/WEEK OF IRRIGATION AT PEAK	37,095
GALLONS/WEEK IRRIGATION AT PEAK	277,467
GALLONS/DAY IRRIGATION AT PEAK	39,638

GALLONS PER MONTH AND YEAR		
MONTH	GALLONS/DAY	GALLONS/MONTH
January (0%)	0	0
February (0%)	0	0
March (0%)	0	0
April (50%)	12882	386460
May (50%)	12882	399342
June (75%)	19324	579720
July (100%, Peak, .65" per week)	25764	798684
August (100%, Peak, .65" per week)	25764	798684
September (75%)	19324	579720
October (50%)	12882	399342
November (0%)	0	0
December (0%)	0	0
ANNUAL IRRIGATION DEMAND (GALLONS)		3,941,952

SEASONAL DEMAND	
MONTH	GALLONS/DAY
November-March	0
April - June	15,029
July-October	20,934

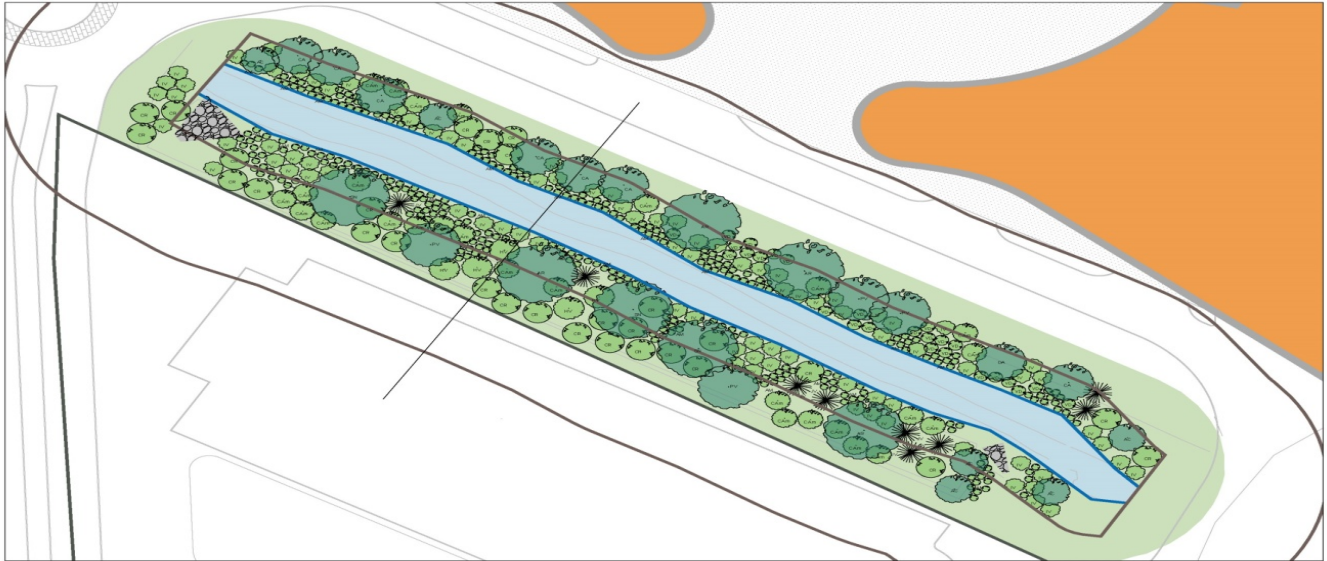
## Building and Site Design - Question 5

### What enhanced environmental mitigation are you proposing for the work necessary in the Rumney Marsh ACEC?

Work within the ACEC on the project site consists of restoration grading and plantings along the banks of Sales Creek on the property south and west of the resort buildings. This restoration work will include removal of debris and trash and removal of the invasive plant species which are currently over-running the banks of Sales Creek. We will then replace the invasive species with restorative, native plantings. In all, we will provide more than an acre of restorative plantings within the Rumney Marsh ACEC, restoring the habitat along the banks of Sales Creek. The revitalized creek will be a wonderful complement to our abundant on-site greenspace.

In addition to the restoration work shown on the figures below, existing stormwater management system will be replaced and improved with a stormwater management system that meets and exceeds the Massachusetts Department of Environmental Protection Stormwater Management Guidelines. The new stormwater management system will include Low Impact Development techniques such as bioswales, bioretention basins, green roofs, and rainwater harvesting systems as well as conventional best management practices such as catch basins with hoods and deep sumps, detention basins, and proprietary water quality units. The improved stormwater management system will result in cleaner stormwater being discharged to Sales Creek and having an overall positive impacts on water quality in the Rumney Marsh ACEC.

The figures below show the extent of the restoration re-grading and plantings. The first figure shows the a restoration of approximately 37,000 square feet along the banks of Sales Creek directly south of the casino entrance. The second figure shows a restoration area of approximately 14,000 square feet directly west of the casino.



## Building and Site Design - Question 6

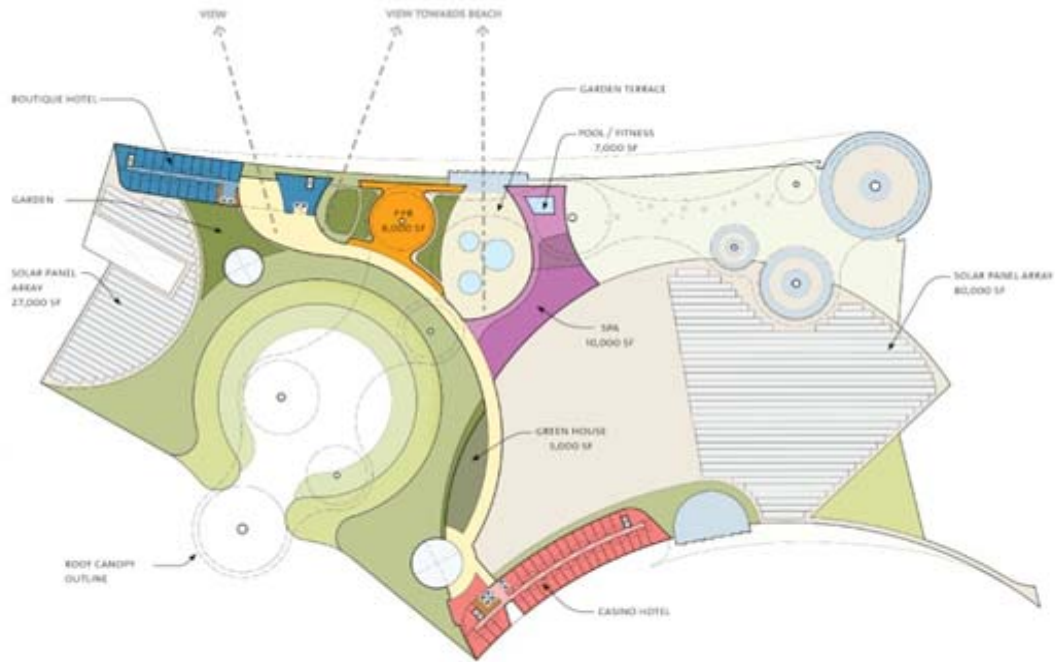
**Is there any significant progress to report related to your plans for solar photo-voltaics, including size and location of the proposed systems?**

Mohegan Sun Massachusetts (MSM) will supply approximately 20% of the resort's energy from its rooftop solar power installation. Since the submission of our RFA-2 Application in December, MSM has re-evaluated the location of its one megawatt of solar photovoltaic (PV) panels at the resort. Working with Tangent Energy Solutions Inc., we have confirmed the size of the PV field. We will place two large arrays on the roof of the resort. One will be 80,000 SF (~ 2 acres) which will be placed above the casino on the eastern part of the property. A second array of 27,000 SF (~0.5 acres) will be placed on West side roof above the Central plant.

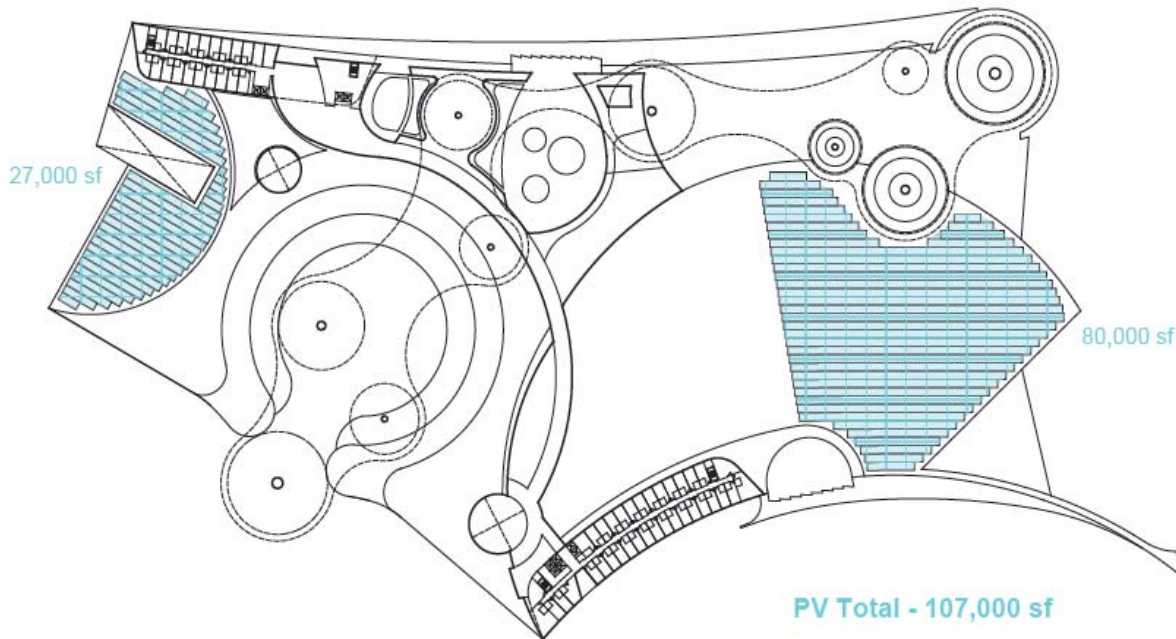
Tangent Energy Inc. has confirmed that with the square footage in these locations, we will produce 1 MW of solar electric generation. It is anticipated that this amount of solar power will generate 1,200,000 Kwh/year, powering roughly 20% of the energy used on-site.

These PV panels will only occupy a portion of the roof, as the rest will be used for a pool, fine dining, the resort's world-class spa and garden terraces with wading pools. The rooftop spa and pool will connect the casino and boutique hotels and be immediately accessible by both, while commanding exquisite views of the Boston skyline in one direction and Revere Beach in another. With its unparalleled views and luxurious atmosphere amidst a lush, landscaped roof, MSM expects this rooftop pool to become a premier feature of the resort, if not the entire region. Other features of the rooftop that will be in easy reach of all hotel guests will be a rooftop greenhouse garden that provides locally sourced produce to the resort's restaurants, and food and beverage outlets. MSM is discussing various top-tier restaurant concepts to take advantage of not only the connection to both hotels, but the stunning rooftop environment.

It is a testament to MSM's creative design and large horizontal roof that the many uses from PV power generation to urban farming to top-tier dining to pool and fitness can all be accommodated atop the resort. The PV and rooftop plans, as well as a rendering of the pool are provided below:



PODIUM ROOF PLAN





## Finance - Question 1

Mohegan has provided that 21% of the total project financing would come from equity contributions (\$235 million). For the purposes of defining equity contributions you have included all amounts that are to be contributed to the project from all stakeholders. Those stakeholders include Applicant shareholders, landlord and retail operator. In the event of any cost overruns with the project, where would the Applicant acquire additional funds to accommodate cost over runs? Will the Applicant consider increasing equity to the project? If so, please expound.

The Mohegan Sun Massachusetts (MSM) project budget has been carefully crafted in consultation with construction, finance and development professionals, and a construction Guaranteed Maximum Price contract with standard contingencies will be in place along with typical completion guarantees, to ensure that cost overruns are unlikely and to mitigate against any unforeseen developments. If additional project funding should be required during the development, MSM has readily available funds through its partnership with Brigade Capital Management, LLC (“Brigade”).

MSM’s contemplated project funding structure is well-conceived and protective of the interests of the Commonwealth in that there are multiple liquid sources of funding in the event of any cost overruns:

1. As part of the project financing plan set forth in the commitment letters we have received from two top investment banks (Goldman Sachs and Bank of America), our banks agreed with our assessment that our \$245 million in equity contributions will account for over 24% of the overall development budget, exclusive of the 2<sup>nd</sup> hotel and tenant fit-outs. One of our investment banks has committed to provide additional incremental funding of up to \$90 million, or more than 10% of the project financing, if needed in connection with the development of the project (as previously detailed in submissions to the Commission).
2. To the extent there are overruns in the retail or boutique hotel, our retail and boutique hotel partners are ready, willing, and able to provide more equity to finish the project.
3. Brigade is also ready, willing, and able to provide more equity to finish the project if required.

MSM’s strong equity partner Brigade has already taken a number of steps to assure that all needed funding will be provided. As noted in MSM’s application and supplemental response materials, Brigade, on behalf of its managed funds and accounts, has issued a backstop financing commitment letter to MSM that would cover the purchase of certain operating systems and equipment, as well as the development of the boutique hotel portion of the MSM project, subject to agreed-upon terms and conditions typical of such financing arrangements. This Brigade commitment provides backstop financing for the purchase and installation of the casino’s operating systems and equipment. In addition, Brigade’s backstop commitment provides sufficient funds to pay for the construction of the boutique hotel.

The operating agreement between Mohegan Sun and Brigade also contains a detailed mechanism for making additional capital contributions should such contributions be necessary to advance the project. Under these terms,



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Brigade, through its subsidiary New England Gaming Partners, LLC, would provide additional necessary capital in response to funding requests submitted by the development team. These terms are in addition to already committed equity contributions and the backstop financing discussed above.



## Finance - Question 2

Mohegan operates a facility (Connecticut) in the contemplated existing gaming market that attracts many existing Massachusetts' players. Any gaming dollar earned at the gaming facility in Connecticut would ultimately benefit The Mohegan Gaming Tribal Gaming Authority more than if that same dollar was earned at the proposed facility in Massachusetts. Please discuss your plans to address this market dynamic.

This potential market dynamic was recognized at the outset of the planning to bid on a license for the Commonwealth, and Mohegan Sun recognized that to attract investors it would have to be willing to create a structure that would protect the Massachusetts market for the Mohegan Sun Massachusetts (MSM) project. In seeking an investment partner, Mohegan Sun made it clear that it would be willing to agree to market protection provisions in its deal to assure its investor partner that Massachusetts customers would not be encouraged to visit other Mohegan Sun properties.

Mohegan Sun sought investors by starting with the most successful and knowledgeable investment manager investing in the casino gaming industry, Brigade. Although Brigade is very familiar with Mohegan Sun's ability to successfully run resort casino operations, Brigade has not invested in the equity of Mohegan Sun's other casinos, and thus wanted to assure that the profitability of MSM is maximized and prioritized over other Mohegan properties. To make the project attractive to Brigade, Brigade insisted on numerous provisions in the operating structure of MSM to give Brigade (1) assurance that customers of MSM would be protected; (2) a strong voice in the operation and direction of the company; and (3) the ability to regularly monitor the situation to assure that the protective provisions are being followed. As further incentive, Mohegan Sun agreed to provide access to its existing customer database. As structured, MSM thus gets the benefit of access to an existing database of over 5 million customers without the detriment of its information being shared with properties in other states in the region.

In essence, Mohegan Tribal Gaming Advisors (MTGA) and its affiliates are required to draw business to Massachusetts from any related competing property, but they are prohibited from sending Massachusetts business to competing jurisdictions. In effect, unlike any other project under consideration, the proposed MSM property would convert MTGA from a potential competitor of a metropolitan Boston gaming project into an extraordinary ally of the metropolitan Boston gaming market.

The protections outlined above are detailed in the various agreements of Brigade and Mohegan Sun provided in previous filings with the Commission. Brigade, which will manage the funds and accounts holding equity interests in the MSM project, insisted upon these protections in order to maximize the revenue and value of the MSM project. Brigade commits not to waive any of the contractual safeguards protecting the Massachusetts project from MTGA competition.

In addition and importantly, Brigade has fiduciary duties to the investors in its funds and accounts. Brigade's fiduciary duties require it to vigorously pursue efforts to maximize the investment in MSM through careful management and oversight. These fiduciary duties drove the negotiation process between Brigade and MTGA at the outset of the Massachusetts development process, and prompted Brigade to insist upon specific contractual assurances of marketing restrictions and other operational authority over the Massachusetts project (as discussed in the response to



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Request for Clarification 2, the operational documents provided to the Commission in various MSM filings, and the personal interview process with the various Brigade-related qualifiers) as well as the covenants benefitting Brigade that prevent MTGA from competing with the Massachusetts project.

In sum, there are numerous fiduciary, business, reputational, and legal constraints on MTGA acting against the economic interest of MSM's proposed Massachusetts project and Brigade, as a major investor in the proposed project, has powerful incentives to ensure that these constraints are assiduously enforced so as to maximize the value of its investment in MSM. This dynamic, which only exists in MSM's proposed project, fully safeguards the interests of the Commonwealth and uniquely positions MSM to enjoy the benefits of being able to market to an existing customer database of 5 million people in the region, without reciprocation.

## Finance - Question 3

We understand Brigade manages funds that have significant debt holdings in Mohegan Sun Connecticut. Please discuss the implications of this on the Massachusetts project. In addition, please discuss the ramifications should Brigade decide they need to sell its interest in the Massachusetts project within the 15 year term of the license.

As a point of clarification, the debt holdings mentioned above are not held in Mohegan Sun Connecticut, but in its ultimate parent entity, the Mohegan Tribal Gaming Authority (MTGA), which holds various other gaming assets, including those associated with the proposed Mohegan Sun Massachusetts (MSM) project. These debt holdings have no effect whatsoever on the development of MSM for a variety of financial, legal, and business reasons detailed below:

### Limited Yield and Governance Rights Related to Debt Holdings

Brigade's investments in MTGA consist entirely of debt holdings with limited and specific percentage yields on each such investment. These yields are not directly tied to MTGA's operational performance. In addition, these holdings of MTGA debt comprise only a small percentage of the investments of the Brigade funds and accounts holding them, mitigating any significant exposure from the performance of MTGA debt to the overall yield of each fund. In other words, MTGA debt does not meaningfully drive results for these funds and accounts. As such, the fact that separate funds and accounts managed by Brigade hold debt in MTGA will have absolutely no effect on the MSM project.

As background, most of Brigade's investments in MTGA debt were made by Brigade on behalf of its managed funds and accounts well before there was any thought of seeking a Massachusetts gaming license. Because percentage yields on debt are specific and these debt investments are passive in nature, Brigade is generally limited in the actions it can take on behalf of its funds, accounts, and investors that could, in any way, influence the affairs of MTGA. Thus, with respect to such debt holdings, Brigade is prevented from directly influencing the affairs of the business of MTGA. Although Brigade strongly believes that its debt holdings would not create any sort of conflict with its equity ownership in MSM, Brigade would be willing to divest from such debt holdings upon the award of the Massachusetts license to MSM if the Commission deems it to be necessary. These debt interests are publicly traded and there is an existing demand.

### Substantial Revenue Potential of Equity Investment

As detailed in Finance – Question 2, Brigade has powerful obligations to maximize the value of the MSM project as a result of the fact that the value of Brigade's equity in MSM is directly and intimately tied to MSM's operational performance, Brigade has fiduciary duties to its clients, and Brigade's fees earned in connection with its investment in MSM will increase commensurately with the financial success of MSM's proposed casino resort in Revere.

By contrast, Brigade's role in its investment in MTGA debt is much more limited than the equity interest Brigade will hold in MSM. Brigade and its qualifiers sought suitability determinations, and are working to support MSM's license application, precisely because they plan to be actively involved in assuring the success of MSM as a top priority. As noted, Brigade's equity interest in MSM is directly and intimately bound to the performance of the Massachusetts property, and the potential profitability of such equity investment will not be subject to the same capped upside as a debt investment.

## **Fiduciary Duties to Investors**

As also detailed above, Brigade has strict fiduciary duties to maximize its investments on behalf of the clients that invest in the various funds and accounts managed by Brigade. As Brigade cannot directly affect or influence the affairs of MTGA through its debt holdings, and because Brigade will have direct influence over the affairs of MSM under the terms of the operating agreement, Brigade will have a special and elevated responsibility—and ability to act—with respect to its investment in the equity interests of MSM. Brigade takes pride in its unyielding adherence to this responsibility, which is also crucial to instilling client confidence and critical to its continued success in the financial industry.

## **Commission Oversight of Any Transfer of Brigade's Interest**

Brigade fully intends to retain its ownership in MSM during the license term. If, however, it comes to pass that the funds and accounts managed by Brigade divest their interest in MSM, Brigade and MSM will work closely with the Commission in an effort to ensure that any existing covenants that protect the revenue-maximizing potential of the Revere project for the Commonwealth are maintained by subsequent equity holders so that the Commission's goals and objectives, including compliance with any license conditions and policies, continue to be met throughout any such transfer process and after any ownership transition.

The Commission maintains various tools and mechanisms to implement and ensure compliance with procedures designed to protect the interests of the Commonwealth. Brigade and MSM are committed to openly consulting with the Commission and its staff to ensure that all relevant transfer of interest approvals are properly received, including compliance with draft 205 CMR 129.00, its subsequent amendments, and/or any other statutory or regulatory requirements to effectuate any such potential transaction. Brigade will also work with the Commission to ensure that any subsequent purchasers/transferees of its equity holdings will be acceptable parties to the Commission. In this way, the Commission is afforded protection that the package of covenants and contractual commitments that have been developed to ensure the greatest potential profitability of the Massachusetts project can remain in place for as long as the Commission deems appropriate. In addition, it is anticipated that any purchasers/transferees of an interest in MSM are likely to insist that the same package of commitments remain in place in any event for their own benefit.