



August 28, 2014

Sent by Hand

Hon. James F. McHugh
Gayle Cameron
Bruce Stebbins
Enrique Zuniga
Commissioners
Massachusetts Gaming Commission
84 State Street, Suite 720
Boston, MA 02109

Re: Summation of Mohegan Sun Massachusetts, LLC Overview Section of the RFA-2 Application

Dear Commissioners:

Mohegan Sun Massachusetts, LLC ("MSM") writes to summarize what, in our view, are the most important elements of Section 5, the Overview Section, of our Application. We have grouped these elements into the eight questions that the Commission is using to evaluate the applicants in this Section.

I. The MSM Project Manifests an Appreciation for and Collaboration with the Massachusetts Brand

MSM understands the Massachusetts brand. Indeed, we are a New England-based company and Mohegan Sun-Connecticut has long been a favored destination for Bay State residents. In fact, Mohegan Sun currently has more than one million residents of Greater Boston in our customer database, which represents approximately one in five residents. With our unique knowledge of the Massachusetts consumer and culture, MSM has created the entire project with this brand in mind.

MSM has designed the resort to pay homage to the history of the City of Revere and Massachusetts' coastal roots. Recently, the Massachusetts chapter of the American Institute of Architects (AIA) concluded that the MSM design "echoes Revere's history of recreation and

links the resort to its beach.” Moreover, the AIA praised the resort’s design for being “curvy, playful, fun architecture that fits Revere’s long history of recreation and entertainment: beach, honky tonk amusements, ballroom and racing. This local history theme is integrated into the project (not just tacked on) by using large-scale umbrellas and canopies as the primary design elements.”

Once built, MSM will be the catalyst that reinvigorates many iconic Massachusetts institutions, most notably Revere Beach and Suffolk Downs. MSM will make Revere Beach a central attraction to its resort by running a seasonal shuttle to the Beach and sponsoring programs, such as family movie nights and the National Sand Sculpting Festival. The expansive views of the Atlantic Ocean from both hotels and MSM’s luxurious rooftop pool and gardens will entice visitors outward to visit America’s oldest public beach. Moreover, ground lease payments from MSM will provide a much needed revenue stream to Suffolk Downs, securing the financial future of the Commonwealth’s horse racing industry. Sterling Suffolk Racecourse, LLC, the racetrack owner, has contractually committed to the City of Boston to continue racing operations for at least 15 years if MSM is awarded the Region A casino license.

In all other aspects, MSM has paid great respect to the Massachusetts brand. By building a grand pedestrian entrance that literally opens to Beachmont Station on the MBTA Blue Line, MSM has integrated the T – physically, programmatically, and economically – into the resort. All ticketed, live entertainment at the resort will be operated by another quintessential Massachusetts institution: the CitiCenter for the Performing Arts. Through our comprehensive Agreement with the CitiCenter, if MSM schedules an off-site live entertainment event for its patrons, the CitiCenter will have the right to host the event at the Wang, Shubert, and Emerson Theaters or the Strand Theater. Similarly, we executed strong agreements with several local labor unions and the Massachusetts Lottery prior to submitting the RFA-2 Application. Our industry-changing Momentum Points Partnership Program will create a common currency of millions of dollars that can be earned at MSM and spent at many local businesses throughout the region, nearly 400 of which already have signed on.

Examples of specific partnerships abound, but most importantly, we understand that Massachusetts is a Commonwealth of 351 unique and vibrant cities and towns. To that end, we have demonstrated an abiding philosophy that to truly exemplify the Massachusetts brand, we must promote and protect the quality of life of our neighbors and local small businesses in the same manner as we will create profitable synergies with the Commonwealth’s robust technology and convention markets, and its world-famous tourist attractions. As such, MSM has executed with the City of Revere the most comprehensive and fiscally generous Host Community Agreement in the Commonwealth, as well as Surrounding Community Agreements with 12 municipalities: Boston, Cambridge, Chelsea, Everett, Lynn, Malden, Medford, Melrose, Salem, Saugus, Somerville, and Winthrop.

While MSM has begun developing strong partnerships with the Massachusetts Convention Center Authority and the Greater Boston Convention and Visitors Bureau, we also link ourselves to hundreds of individual, local “Massachusetts brands” through the Momentum Program. This innovative program will encourage MSM patrons to visit and spend rewards dollars at truly iconic Massachusetts businesses and tourist attractions, such as Boston Duck Tours, Kowloon, Seven Seas Whale Watch, Woodman’s of Essex, the Salem Witch Museums,

and Kelly's Roast Beef, and also hundreds more local shops, like hair stylists, grocers and service stations, that are the fabric of communities in Revere, East Boston, Chelsea, Dorchester, Medford, and beyond.

II. The MSM Project Fully Accomplishes the Legislature's Goal of Creating Both a Destination Resort and a City Integrated Casino

The MSM resort will be a destination in every sense of the word. The resort will feature two hotels: one catering to the highest standards of luxury, with top-tier amenities and large rooms featuring world-class furnishings and exquisite views of the Boston skyline and the Atlantic Ocean; the other a boutique offering with a chic, urban vibe offered at a more affordable price point and tailored to the resort's vibrant location in Revere, and in view of the city lights of Boston. The retail spine of the resort will be a shopping beacon with tenants selectively chosen by Finard and New England Development, two of the largest commercial developers in New England. The age-appropriate "Kid's Zone" will be an exciting space for children, far-removed from the gaming floor. The resort also will feature 38,000 square-feet of flexible meeting space that will be International Association of Conference Centers certified and will include a ballroom with a stage (which can seat 950 guests for an entertainment event), several individualized meeting rooms, and top-of-the-line service amenities. MSM's 10,000 square-foot spa will radiate luxury, while the rooftop pools enveloped in garden terraces and commanding stunning views of the Atlantic Ocean and the Boston skyline will become a destination in their own right.

City integration begins with our location on the MBTA Blue Line and adjacent to highway connections. Those arriving by air will be a short MBTA or shuttle ride away, just down the road from the resort. MSM will promote the T to patrons and will sell Charlie Cards on site, with the goal of enabling patrons to seamlessly reach the Greater Boston area's tourist attractions from the resort's front door. MSM also will transport patrons on five different shuttle routes to dine and make a water shuttle connection in Maverick Square; shop and link to hotels in the Back Bay area; enjoy the waterfront attractions or connect to the Boston Convention and Exhibition Center in the Seaport area; take in dinner and a show in the Theater District; or visit nearby Revere Beach.

The Metropolitan Area Planning Council (MAPC), a leading authority in the Commonwealth on land use and transportation issues, recently analyzed the RFA-2 Applications and other documentation, including MEPA-related submissions, of both applicants for a category 1 gaming license in Region A. The MAPC's evaluation concluded that MSM held a distinct advantage in reducing traffic congestion through its off-site infrastructure improvements and by maximizing the use of public transportation. By improving traffic conditions on regional roadways, MSM can maximally achieve integration with the surrounding attractions and communities.

III. MSM Truly Embodies an Outward Looking Resort through its Location, Physical Design, Agreements with its Host and Surrounding Communities and Financial and Marketing Partnerships with Hundreds of Local Businesses, Convention and Visitors Bureaus, Educational Institutions, and Cultural Attractions

Through its physical design, MSM has created a resort that embodies an outward looking model, just as the Legislature intended. Rather than lauding our own project, it seems more balanced to again use the words from the AIA's evaluation. The AIA stated that MSM's "design shows sensitivity to the local community by breaking up the massing into different medium-level heights and having an entrance at Winthrop and Washburn that enlivens the street and functions as a celebratory entry for pedestrians, those arriving by bus and the nearby Beachmont subway stop, and passers-by." Summing up the essence of our outward-facing design, the AIA stated that the MSM resort "projects a grand civic presence."

Through ease of access, MSM also achieves an outward looking model for the resort. With an MBTA subway stop virtually on-site and simple highway access, the MSM resort enables visitors to seamlessly combine the experience of our resort with visits to the array of attractions just beyond our doorstep.

Economically, MSM's outward looking business model combines numerous contractual agreements and partnerships, both innovative and traditional, to stimulate millions of dollars of new revenue for the Commonwealth. As one element of this inclusive economic program, MSM has entered into extensive Memoranda of Understanding (MOU) with the Greater Boston Convention and Visitors Bureau (GBCVB) and the North of Boston Convention and Visitors Bureau (NBCVB). Both MOUs give the CVBs' member businesses significant marketing access to MSM patrons. For example, (i) MSM will create cross-promotional pages on its website allowing visitors to follow links to member hotels, restaurants, and other attractions, thus connecting MSM website visitors to local business websites for one-stop booking of hotels, restaurant reservations, and more; (ii) the CVBs will educate MSM guest services personnel and VIP services team about the attractions of the Greater Boston region so that those personnel can promote those attractions to guests; and (iii) MSM will include sponsorship and cross-promotional opportunities for the GBCVB, NBCVB, and their members in its mailers and virtual concierge kiosks. MSM also will participate in conferences, including international marketing efforts that feature MSM in attracting premier large conferences to Boston and the North Shore.

MSM will not stop at bringing new visitors to the region and ensuring that they extend their stays. Our Momentum Program will stimulate millions of dollars of new spending at area small businesses, institutions, and attractions. The Momentum Program will mark the first time on a widespread basis that casino patrons will be able to spend the cash-equivalent of their rewards points at off-site businesses. Currently, MSM has signed up nearly 400 businesses to participate in the Momentum Program, and those small businessmen and businesswomen from Gloucester to Mattapan and beyond look forward to generating substantial new revenue once the Momentum Program is underway. MSM has estimated that its patrons will earn approximately \$50 million per year in rewards dollars that can be spent both on- and off-site.

For too long, all of the complimentary programs in U.S. casinos have been a tool for keeping guests indoors at the casino. But when Massachusetts passed the Expanded Gaming Act, it rightfully called for a different kind of casino, and a different kind of business model. Our Momentum Program is one of our signature means to create the very essence of the outward looking resort that the Legislature envisioned.

MSM also believes that to succeed as an outward looking resort, it must be true partners with its neighbors. To that end, our Host and Surrounding Community Agreements provide for the payment of more than \$50 million annually to our 13 municipal partners. Not only will these annual payments infuse municipal budgets with much-needed capital for local services, but they specifically designate funding for a host of projects of regional importance, such as infrastructure improvements, water transportation services, regional traffic planning, sewer improvements, an addiction resource center in East Boston, a new youth center in Revere, a first-time home buyers program, and much more.

Lastly, MSM – and the more than \$45 million it has committed to improve longstanding congestion on regional roadways – will stimulate positive development in the community. Again, the MAPC applauded our project's likely role in stimulating positive redevelopment without creating adverse traffic conditions. The MAPC concluded that MSM's proposal held tremendous potential to revitalize underutilized areas in the City of Revere. The MAPC found that “[t]he ongoing redevelopment of the Revere Beach area ... is proposed to include significant retail and hotel space related to, and benefitted by, the casino redevelopment. Other community level priorities, such as the Wonderland Station area of Revere, may also benefit from the casino development.” This, too, is in keeping with MSM's outward looking goals.

IV. MSM Has an Appropriate 10-Year Plan to Succeed in the Competitive Gaming Environment, Without Taking Revenue Away from Other Massachusetts Gaming Establishments, Race Tracks, or Businesses

As detailed more specifically in our Summation of Mohegan Sun Massachusetts, LLC Finance Proposal to Commissioner Enrique Zuniga on August 21, 2014, MSM and its partner, Brigade Capital Management, LP (“Brigade”), have the strongest balance sheet, lowest levels of existing debt and highest operating results of any applicant for a category 1 gaming license in the Commonwealth. MSM has shown that it will produce a commercially reasonable return on investment and that its investment will be recouped over the 15 year term.

The Commission can have great faith in our ability to provide a substantial return on investment. Mohegan Sun-Connecticut is the highest grossing casino in the Western Hemisphere. We have the experience to make MSM similarly high performing. Secondly, Mohegan Sun, as a matter of business practice, makes conservative financial projections that it routinely exceeds. For instance, Mohegan Sun-Pocono Downs generated slot gross terminal revenue more than 30% above its own projections and nearly 70% above the state's projections in the first year of operation with regional competition. When the Pennsylvania Treasurer's Office reviewed results in the first year of table gaming, in 2010, Mohegan Sun-Pocono Downs stood out as producing 2.5 times Pennsylvania's projected expectations. Finally, the MSM project has been carefully designed to drive growth and returns in the local economy through its outward-looking approach. These millions of dollars of returns beyond the casino walls and into the local community are a unique benefit of the resort.

With regard to other gaming establishments and racetracks, MSM will not just create a fair balance of competition with Suffolk Downs, the Commonwealth's last remaining thoroughbred track, but it will also ensure the industry's survival. Sterling Suffolk Racecourse,

LLC, the racetrack owner, has contractually committed to the City of Boston to continue racing operations for at least 15 years if MSM is awarded the Region A casino license. The MSM resort will not only save the 1,400 direct and indirect jobs attributable to horse racing, including 850 jobs at the racetrack itself, but also sustain the viability of thousands of acres open space and scenic farmland.

MSM has several plans to create synergies with local businesses. Under MSM's agreement with the CitiCenter for the Performing Arts, the CitiCenter will operate all ticketed, live entertainment at MSM. Furthermore, if MSM schedules an off-site live entertainment event for its patrons, the CitiCenter will have the right to host the event at the Wang, Shubert, and Emerson Theaters or the Strand Theater. MSM has also entered an agreement with seven not-for-profit entertainment venues including the nearby Lynn Community Theater, and local institutions like the Lowell Memorial Auditorium, the Cape Cod Melody Tent in Hyannis and Symphony Hall in Springfield. Finally, MSM has proposed an elaborate shuttle system that will transport patrons on five fixed routes to the Back Bay, the Theater District, the Seaport District, Maverick Square in East Boston and Revere Beach to ensure that its patrons are able to visit the many attractions and businesses of the Greater Boston region.

V. MSM will Meet Unmet Needs in the Community

MSM notes that, unfortunately, the City of Revere and many of its Surrounding Community partners, such as East Boston, Chelsea, Everett, Lynn, and others, were hard hit by the economic recession and slower to recover than the rest of the Commonwealth. Our robust Host and Surrounding Agreements make specific, tangible commitments that will lift the economic fortunes of families and business owners in these communities.

MSM has committed to hire 20% of its workforce from Revere, 5% of its workforce from Chelsea, and has provided for hiring preferences for residents of the 11 other communities with which it has executed a Surrounding Community Agreement. MSM also has made a significant commitment to hiring local vendors. We have pledged to spend \$50 million annually on vendors located within 15 miles of Revere City Hall. Because this goal is so ambitious, MSM already has hosted numerous vendor forums and has, to date, identified more than 400 businesses, the majority of which are local, who are interested in serving as vendors.

To equip local community members with the skills they need to advance at MSM and throughout their careers, MSM has executed an Agreement with the Community College Careers Training Institute (the "Institute") to provide job skills training at Bunker Hill Community College, Roxbury Community College and North Shore Community College, and will explore bringing a satellite campus to the City of Revere. We already have convened a series of workforce development informational sessions, in conjunction with the Institute, at North Shore Community College's campus in Lynn and Bunker Hill Community College in Charlestown. Moreover, MSM also has entered into an agreement with Lasell College in Newton. Through this Agreement, MSM staff educators will teach courses at the College and graduates will be given job placement opportunities at MSM. Through our outreach in recent months, MSM has laid the groundwork to immediately hire a qualified workforce from within the community.

Our efforts do not stop there, however. MSM also notes that it submitted strong and complete Project Labor Agreements with its RFA-2 Application that ensure that virtually all non-exempt construction and permanent positions will be union. MSM also has signed three MOUs intended to address unmet workforce development needs in the region. The first, with Community Action Programs Inter-City, Inc. ("CAPIC"), a non-profit organization dedicated to eradicating the root causes of poverty in Chelsea, Revere, and Winthrop, requires MSM to hire low-income individuals from CAPIC's workforce development program, and provide on-the-job mentors and an array of other resources so these employees can thrive in their jobs at MSM. Second, MSM has entered into an MOU with Community Enterprises, Inc., which supports employment, education, and housing for individuals with physical or developmental disabilities through its offices in Gloucester, Somerville, Plymouth, Salem, and Wakefield. The MOU requires MSM to hire disabled individuals associated with Community Enterprises' range of programs and to provide extensive workplace training to facilitate their meaningful long-term employment. Finally, MSM is honored to have entered into an MOU with the Massachusetts Fallen Heroes' Fund to employ local veterans, many of whom have recently returned from combat. As just one final example, the Surrounding Community Agreement with City of Boston allocates a portion of MSM's \$30 million in up-front impact funding for Community Capital Projects to be used to support local businesses through the East Boston Neighborhood Business Association. For these reasons, the MAPC, in its evaluation, lauded MSM for its many job readiness programs, and the millions of dollars committed to such efforts. We look forward to continuing and expanding these efforts after licensure.

The resort will address other unmet needs in the community, as well. As just a few examples, MSM's \$45 million in roadway improvements will provide permanent solutions at numerous intersections long riddled with congestion, while the Surrounding Community Agreements provide for first-time home buying incentive programs in East Boston, new public school, police, fire, and, water and sewer spending in Revere, and many more projects for which no state funding is otherwise available.

VI. MSM Has a Comprehensive Plan to Market Outside of Massachusetts by Leveraging its Database of 5 Million Customers in the Northeast and Targeting International Visitors

It bears repeating that one out of five adults (or approximately one million adults) in the Greater Boston region already is included in Mohegan Sun's database. This is a tremendous asset that will position MSM to generate both gaming and non-gaming revenues on day one, and will not require several months or years to build a database. Moreover, MSM's marketing efforts will be supported by the additional four million customers in Mohegan Sun's database from throughout the Northeast, nationally, and internationally. Through Mohegan Sun's operation of Mohegan Sun-Connecticut, as well as properties in Pennsylvania and Atlantic City, MSM will hold the largest and best collection of marketing information for East Coast gamers that exists in the entire industry.

Because of its agreement with Brigade, MSM's database will only be used to market MSM. This arrangement will ensure that all MSM efforts will be directed towards the Commonwealth and not to other destination markets. As just one example of our use of this

database, MSM will send 60 mailers annually to Mohegan Sun guests that highlight regional attractions and draw visitors to MSM. Additionally, cross-marketing ventures with the GBCVB and NSCVB, the CitiCenter, as well as the synergies created by the Momentum Program will be highly effective marketing tools to further promote the resort.

VII. MSM is Firmly Committed to Hiring a Diverse Workforce and Supplier Base

In addition to MSM's commitment to hire 25% of its workforce from the diverse communities of Revere and Chelsea, as well as giving hiring preferences to residents of its similarly diverse Surrounding Community partners, MSM has undertaken exhaustive efforts to ensure its construction and permanent workforce are highly diverse.

First, MSM has made specific pledges in its Host and Surrounding Community Agreements that at least 25% of the total construction employee worker hours in each trade shall be by minorities and at least 10% of the total employee worker hours in each trade shall be by women. This exceeds the minimum required by the Expanded Gaming Act by more than 10%.

Secondly, our sincere belief that our collective success is made greater through diversity is demonstrated in Mohegan Sun's corporate practices. Mohegan Sun has shown its commitment to hiring diverse personnel at Mohegan Sun-Connecticut and Mohegan Sun-Pocono Downs, where nearly 41% of employees are nonwhite. MSM has presented a Diversity Plan to the Commission that is robust and demonstrates our aggressive efforts to attract and retain minority employees at all levels, including management and senior executives. Our MOUs with CAPIC, Community Enterprises, Inc., and our Community College partners further demonstrate our commitment. Likewise, the MAPC concluded that MSM held a distinct advantage by clearly committing to "local hiring preference as well as its commitment to market to and hire minority, women-owned and veteran-owned businesses." That commitment is firmly rooted in the Native American ownership of the project, through the Mohegan Tribe, and the unique perspective on inclusion and promotion of minority and diverse economic development of MSM's senior management.

Third, our pledge to spend \$50 million annually on vendors located within 15 miles of Revere City Hall is also intended to support the array of minority- and women-owned enterprises in the many diverse communities that comprise this 15-mile radius. Because this goal is so ambitious, MSM has already hosted numerous vendor forums in communities, such as Revere, Chelsea, Roxbury and Lynn, and has, to date, identified more than 400 businesses, the majority of which are local, that are interested in serving as vendors. Additionally, a substantial number of our partners in the Momentum Program are minority-, women-, or veteran-owned enterprises, such as restaurants and small businesses of all types in Revere, East Boston, Chelsea, Lynn, and more.

Finally, MSM submitted with its RFA-2 Application its MOU with the Greater New England Minority Supplier Development Council and has partnered with the Center for Women and Enterprise to ensure we are connected with as many minority-, women-, and veteran-owned businesses as possible, while MSM's Diversity Policy also requires us to use a variety of tools to

ensure that minority-, women-, and veteran-owned businesses receive significant consideration in the procurement process.

VIII. MSM will Broaden the Entire Region's Tourism Appeal through its Cross-Promotional Efforts, Local Partnerships and Work with Convention and Visitors Bureaus

MSM has described above the one-of-a-kind benefits of its local partnerships, as well as the detailed provisions of its MOUs with the GBCVB and NSCVB. In particular, 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 the Boston area as a gaming destination in addition to many other attractions that draw tourists and conventioners from around the world. MSM also plans to work closely and to enter into an agreement with the Massachusetts Office of Travel and Tourism at an appropriate time.

Part of our success in attracting visitors will be based on the proximity of our resort to Logan International Airport, and its ease of access to downtown Boston and the Convention Center. However, to attract a niche market of high-profile international gamers, MSM will use its experience to create a targeted marketing campaign. Mohegan Sun's experience suggests that the international market has two distinct segments – international tourists and international gamblers – each of which requires a unique approach. MSM has provided distinct and targeted plans to market to both those visiting Boston for general tourism – by far, the larger of the two tourism segments – and to attract a large volume of international gamers who plan visits centered around destination resort casinos. In concert with its leveraging of its five million customer database to attract national gamers and its existing agreements to draw visitors to the Boston region more generally, MSM is confident that these targeted marketing programs will draw new international visitors to the region for many years to come, while our domestic efforts will ensure that the MSM resort becomes one of New England's singular tourist destinations.

Again, we thank the Commission and the consultants engaged in the review of the RFA-2 Application. Please do not hesitate to communicate any remaining questions to our team.

Sincerely,



Mitchell Etes,
Manager, Mohegan Sun Massachusetts
CEO, Mohegan Tribal Gaming Authority

cc: Ms. Nancy Stack
Mr. J. Gary Luderitz
David Rome, Esq.
Kevin Conroy, Esq.



August 18, 2014

Sent by Hand

Gayle Cameron
Commissioner
Massachusetts Gaming Commission
84 State Street, Suite 720
Boston, MA 02109

Re: Summation of Mohegan Sun Massachusetts, LLC Mitigation Proposals

Dear Commissioner Cameron:

As we reach the conclusion of the Region A licensing process, I write to express my gratitude for the Commission's professionalism and dedication to a robust and substantive review of the merits of our RFA-2 Application for the category 1 gaming license. The Commission's thoughtful Application and Requests for Clarification have made our proposal both stronger and, we think, fully in concert with the comprehensive aims of Chapter 23K. Mohegan Sun Massachusetts, LLC ("MSM") writes to summarize what, in our view, are the most important elements of Section 5, the Mitigation Section, of our Application. We have grouped these elements into the four criteria that you and your consultants used to evaluate the MGM Springfield Resort Casino Application.

I. Criterion 1 – MSM has Achieved Considerable Community Support

A. Through its Host Community Agreement, MSM Mitigates the Impacts of the Resort Casino.

MSM has executed a Host Community Agreement ("HCA") with the City of Revere that guarantees community impact payments to the City that will not be less than \$25 million in the first three years of operation, \$28 million in years four-through-six, and \$30 million annually for the seventh year and beyond. In practice, these payments will be millions of dollars greater each year when adjusted by a percentage of gross gaming revenues. In addition, the HCA provides for \$33 million in pre-opening payments, an additional \$2 million for high school stadium renovations, and an additional \$1 million for a new youth center. MSM further has committed to

purchase \$10 million annually in goods and services from Revere small businesses. The HCA also requires MSM to undertake substantial transportation, water and sewer improvements and to implement a responsible gaming plan for City residents.

B. MSM has Considerable Public Support and has Undertaken Substantial Outreach.

MSM has been meeting daily with prospective vendors, workforce development organizations, community college representatives, community groups, business organizations, and trade groups as set forth in greater detail in our response to the Commission's External Business Question 2 prior to the Revere Host Community Hearing.

Because of our extensive outreach, MSM has earned public accolades from a diverse range of supporters, including Chelsea City Manager Jay Ash, Lynn Mayor Judith Flanagan Kennedy, Melrose Mayor Robert J. Dolan, Salem Mayor Kimberley Driscoll, the Greater Boston Labor Council, the AFL-CIO, IBEW Local 103, the Hispanic American Chamber of Commerce, the North Shore Chamber of Commerce, the Greater Boston Convention and Visitors Bureau, the North of Boston Convention and Visitors Bureau, Community Action Programs Inter-City Inc., and the Massachusetts Fallen Heroes Fund, to name just a few in addition to the many thousands of local residents who have spoken out to support us.

Of course, the residents of the City of Revere most notably demonstrated their support, with 62.23 percent voting in favor of the resort in the host community election on February 25, 2014 – a greater percentage than voted in favor of the prior proposal the previous November. And, it bears repeating that untold people throughout the Commonwealth are in favor of the more than 2,000 jobs and 6,650 acres of farmland that are supported by thoroughbred racing at Suffolk Downs. The track's operator, Sterling Suffolk Racecourse, LLC, has contractually committed to the City of Boston to use ground lease payments from MSM to continue the 76-year legacy of racing for at least 15 more years if MSM is awarded the gaming license.

C. MSM has 12 Surrounding Community Agreements, all Achieved without Arbitration.

MSM has executed Surrounding Community Agreements (SCAs) with twelve (12) municipalities: Boston, Cambridge, Chelsea, Everett, Lynn, Malden, Medford, Melrose, Salem, Saugus, Somerville, and Winthrop. These SCAs provide more than \$52 million in annual payments and provide that MSM will purchase at least \$50 million annually in goods and services from vendors and local businesses with a principal place of business within a 15-mile radius of Revere City Hall, and will hire at least 75 percent of its workforce from this same area, which encompasses all of these same surrounding communities. The SCAs require MSM to undertake specific traffic mitigation measures related to the municipalities, to promote the municipalities' restaurants, hotels and attractions, and to implement a marketing program for the municipalities' minority, women and veteran-owned businesses. All of the SCAs were achieved through open and collaborative discussions with the municipalities.

The Metropolitan Area Planning Council (MAPC), one of the Commonwealth's leading authorities on land use and transportation issues, recently analyzed the RFA-2 Applications and other documentation including MEPA-related submissions, of both applicants for a category 1

gaming license in Region A. The MAPC concluded that MSM held a distinct advantage providing economic and community benefits throughout the region, noting with favor that "Mohegan Sun has negotiated roughly twice as many agreements . . . and the total amount of annual payments to the communities is significantly higher"

Moreover, the MAPC applauded MSM for the comprehensiveness of its SCAs, including the specific enumeration of public safety uses for portions of the \$18 million annual community impact fee provided in the SCA with the City of Boston and the commitment of hundreds of thousands of dollars for affordable housing support in the Boston SCA and the SCA with the Town of Winthrop. Of particular note, MSM's SCA with the City of Boston allocates substantial community impact funding to community-based services to address affordable housing and business improvement. Significant funding is provided for small businesses through the East Boston Neighborhood Business Program and the City of Boston's Department of Neighborhood Development, Office of Business Development. We also are tremendously proud of the affordable housing program developed in conjunction with the City of Boston and memorialized in the SCA. Through this program, \$500,000 annually from MSM's Community Impact Trust payments under the SCA will be deposited into a First-Time Home Purchasing Fund to provide East Boston residents up to \$10,000 to assist in the purchase of a first home in the neighborhood.

D. MSM will Partner and Not Compete with Regional Entertainment Venues.

MSM has executed two Impacted Live Entertainment Venue (ILEV) Agreements, one with the Citi Performing Arts Center ("CitiCenter"), including its three constituent theaters in Boston's theater district and the Strand Theatre in Dorchester, and the other with the Massachusetts Performing Arts Coalition, including its seven not-for-profit municipally owned venues. With respect to the ILEV Agreement with CitiCenter, it will operate all ticketed, live entertainment at any MSM venue. In addition, if MSM schedules a live entertainment event for its patrons that will take place off-site from the destination resort, the Citi Center will have the opportunity to host, present or co-present the event at its Wang, Shubert or Emerson Colonial Theatres in Boston's Theatre District or at the Strand. These ILEV Agreements truly encompass the type of partnerships envisioned by Chapter 23K through the cross-marketing and cross-booking of events and enhanced collaboration among MSM and these venues.

II. Criterion 2 -- MSM will Mitigate its Traffic and Offsite Impacts

Memorialized in MSM's Host Community Agreement ("HCA") with the City of Revere and 12 Surrounding Community Agreements is MSM's commitment to spend at least \$45 million in improvements to local and regional infrastructure that not only offset incremental impacts to capacity, but solve longstanding regional traffic problems.

These improvements include a solution to eliminate congestion in the Route 1A corridor. Under consideration by MassDOT are two options: (1) a northbound "flyover" solution from the intersection of Route 1A and Boardman Street to the intersection with Route 145 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 through the Boardman Street/Route 1A intersection without interruption (known

as Option 8N); and (2) an at-grade traffic solution that adds capacity to Route 1A, and rebuilds and streamlines multiple intersections with an innovative design that even more efficiently accommodates traffic on Route 1A (known as Option 11). MSM has further committed to complete several additional roadway improvements, including construction of an interchange connecting Route 1 and Route 16 to alleviate traffic throughout the corridor; widening of the northbound approach to Bell Circle; and numerous reconfigurations of important intersections in East Boston and the City of Revere. All of these improvements will be constructed prior to opening. This work will provide a solution that improves traffic conditions at every intersection that will experience a measurable impact from the resort.

MSM will further mitigate traffic-related impacts by taking maximum advantage of its superior location directly adjacent to Beachmont Station on the MBTA's Blue Line. MSM will aggressively market the T to patrons, and will sell Charlie Cards on site, with subsidies and pre-tax spending account programs for employee commuter passes, all as part of a robust Transportation Demand Management (TDM) Plan that will include a monitoring program featuring a Transportation Monitoring and Annual Report. Another key component of this TDM plan is the imposition of a near-total prohibition on employee parking at the resort in favor of a High Occupancy Vehicle (HOV) Shuttle program that will intercept employees at key regional transit hubs and other locations. The HOV Shuttle program will substantially reduce single occupancy vehicle trips to the resort, thereby mitigating congestion on local roadways and environmental effects from vehicle traffic.

Likewise, the MAPC's evaluation concluded that MSM held a distinct advantage in traffic mitigation through its off-site infrastructure improvements and by maximizing the use of public transportation.

MSM's patron parking program is designed to further mitigate impacts. On site, there will be a structured parking facility for approximately 4,200 vehicles, with an additional 270 parking spaces beneath the garden plaza. MSM will charge fees for parking at the resort with validation for patrons who qualify by reaching certain casino-play related benchmarks and for overnight hotel guests. While MSM could have provided entirely free parking, this balanced decision reflects MSM's commitment to heavily encourage use of public transit and the resort's patron shuttle services to relieve congestion on local roadways.

Additionally, MSM is proposing substantial on- and off-site improvements to mitigate impacts of the resort on nearby neighborhoods. MSM will use lower light level sources that are directed downward. In addition, we will construct two thick layers of landscape buffer to enclose the entire eastern side of the property and shield the neighborhood along Washburn Avenue from noise and light intrusion, and from visual impacts. As provided in the HCA, MSM will cause to be funded and permitted, in coordination with all state and municipal agencies, all water and sewer improvements required to accommodate the resort, as well as additional improvements elsewhere in the City of Revere, including sewer and water line and inflow and infiltration improvements.

Looking more broadly at MSM's role in mitigating ancillary impacts occasioned by resort development, the MAPC again applauded our project's likely role in stimulating positive redevelopment without creating adverse traffic impacts. The MAPC concluded that, unlike the

competing project, which would “seriously damage” the City of Boston’s transit- and pedestrian-oriented plans for redevelopment of Sullivan Square and the Rutherford Avenue corridor and the City of Somerville’s ambitious development at Assembly Square, MSM’s proposal held tremendous potential to revitalize underutilized areas in the City of Revere. The MAPC concluded that “[t]he ongoing redevelopment of the Revere Beach area . . . is proposed to include significant retail and hotel space related to, and benefit by, the casino redevelopment. Other community level priorities, such as the Wonderland Station area of Revere, may also benefit from the casino development.”

III. Criterion 3 – MSM Proposes Robust Measures to Promote Responsible Gaming and Address Problem Gaming

A. MSM is Proposing Significant Direct Efforts to Mitigate Problem Gaming.

MSM has proposed significant on site resources for problem gambling. These resources are incorporated into MSM’s Problem Gambling Plan that was submitted with the RFA-2 Application. First, as directed by Chapter 23K, MSM will provide complimentary on-site space for an independent substance abuse, compulsive gambling and mental health counseling service. Second, MSM will strategically place private, interactive self-assessment kiosks in the resort casino. Third, MSM also has proposed a robust self-exclusion policy and a protective credit extension policy for the resort casino. Both of these policies will be refined based on discussion with the Commission and in full compliance with forthcoming Commission regulations. The MAPC, in its evaluation, lauded MSM’s efforts to address problem gaming. The MAPC emphasized the strength of MSM’s plan, as memorialized in the SCA with the City of Chelsea, to tailor problem gaming services to different cultural and geographic constituencies, especially by providing information, counseling and other services in Spanish, and, as provided in the SCA with the City of Boston, to construct a new Addiction Resource Center in East Boston and support a compulsive gaming awareness program in the public schools.

B. MSM is Proposing Extensive Processes and Measures to Mitigate Problems.

MSM is proud to be an industry leader in addressing problem gaming. Part of this success is due to Mohegan Sun’s comprehensive Code of Business Conduct and Ethics for Principal Officers and Employee Policy on Responsible Gaming. MSM has been recognized as a founding member of the Massachusetts Council on Compulsive Gambling, and has been a uniquely active participant in the Council’s meetings and programs. Mohegan Sun worked to enhance the Connecticut Council on Compulsive Gambling more than eight months before Mohegan Sun Connecticut opened its doors in 1996, and has continued to spearhead new research efforts, training policies, and industry best practices through its participation on the Councils in all jurisdictions in which it operates. Mohegan Sun has provided, and continues to provide generous funding to both the Massachusetts and Connecticut Councils on Compulsive Gambling to support their efforts.

Consistent with this support, Mohegan Sun is eager to immediately share its database metrics on problem gaming with the Commission, including underage, self-exclusion, and other data, as soon as MSM is licensed to expedite the Commission’s research.

C. MSM Will also Undertake Indirect Efforts to Mitigate Problem Gaming.

MSM's RFA-2 Application discusses the detailed on-site signage plans that MSM will use regarding responsible gaming measures. We plan to use a variety of media to educate patrons about problem gaming including video clips, shadow boxes, LED signage, clear and concise brochures, and whenever possible – novel formats that will grab and hold attention of our patrons. In addition, MSM has pledged to hire an advertising agency to help create an onsite poster campaign that further publicizes these important issues for our patrons.

IV. **MSM has Undertaken Extensive Efforts to Protect and Enhance the Lottery**

MSM has had a direct working relationship with the Massachusetts Lottery since before it filed the RFA-2 Application. On December 23, 2013, MSM executed a Lottery Agent Agreement with the Massachusetts Lottery that will identify the best locations for on-site lottery sales, establish awareness among patrons of lottery offerings, and direct-mail lottery promotions to the millions of patron accounts in Mohegan Sun's database in the New England area. Through this Agreement, MSM will be continually seeking new and creative ways to market the lottery for years to come.

Again, we thank the Commission and the consultants engaged in the review of the RFA-2 Application. Please do not hesitate to communicate any remaining questions to our team.

Sincerely,

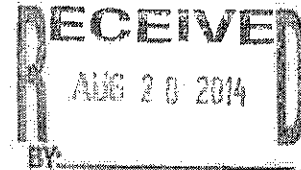


Mitchell Etess,
CEO, Mohegan Tribal Gaming Authority

cc: Ms. Nancy Stack
Mr. Mark Vander Linden
Mr. J. Gary Luderitz
David Rome, Esq.
Kevin Conroy, Esq.



August 20, 2014



Sent by Hand

Hon. James F. McHugh
Commissioner
Massachusetts Gaming Commission
84 State Street, Suite 720
Boston, MA 02109

Re: Summation of Mohegan Sun Massachusetts, LLC Building & Site Design Proposals

Dear Commissioner McHugh:

As we reach the conclusion of the Region A licensing process, I write to express my gratitude for the Commission's professionalism and dedication to a robust and substantive review of the merits of our RFA-2 Application for a category 1 gaming license. The Commission's thoughtful Application and Requests for Clarification have made our proposal both stronger and, we think, fully in concert with the comprehensive aims of Chapter 23K. Mohegan Sun Massachusetts, LLC ("MSM") writes to summarize what, in our view, are the most important elements of Section 4, the Building and Site Design Section, of our Application. We have grouped these elements into the seven criteria that you and your consultants used to evaluate the MGM Springfield Resort Casino Application.

I. The MSM Destination Resort Demonstrates Creativity in Design and Overall Concept Excellence

MSM has assembled a world-class team of sophisticated and accomplished architects, engineers and development professionals led by Kohn Peterson and Fox. Working closely with City of Revere and local neighbors, they have created a design which is iconic (fitting for this great location), integrated into its community and pays homage to Revere's history.

Rather than lauding our own project, it seems more balanced to use the words of the design panel of nine architects organized by the highly respected Massachusetts chapter of the American Institute of Architects (AIA) that reviewed the design proposals and related materials

of both applicants for a category 1 gaming license in Region A. Their conclusion was unequivocal:

- “A panel of architectural professionals convened by AIA MA unanimously found that the proposal by Mohegan Sun for Revere was markedly superior in every design aspect”

The panel recognized the way the design created a remarkable destination:

- “The proposed resort-casino is a creative, successful design for the site;”
- “[T]he Revere building projects a grand civic presence;” and
- “The proposed project feels like a true destination.”

In addition to being visually stunning, the design also cleverly integrates to the surrounding neighborhoods. Again, using the words from AIA panel:

- “The Revere design is playful, has two inviting entrances, is pedestrian friendly, and makes good connections to public transit and the surrounding community;” and
- “[T]he design shows sensitivity to the local community by breaking up the massing into different medium-level heights and having an entrance at Winthrop and Washburn that enlivens the street and functions as a celebratory entry for pedestrians, those arriving by bus and the nearby Beachmont subway stop, and passers-by.”

Part of that connection to our community is to link with the roots of Revere as a destination for amusement and hospitality and the city’s great history. The AIA panel noted:

- “The design also echoes Revere’s history of recreation and links the resort to its beach;” and
- “The Revere design is curvy, playful, fun architecture that fits Revere’s long history of recreation and entertainment: beach, honky tonk amusements, ballroom and racing. This local history theme is integrated into the project (not just tacked on) by using large-scale umbrellas and canopies as the primary design elements.”

We are grateful to the AIA committee for their review. We are more pleased to see that what we set out to create in our design was recognized by them.

II. MSM Will Feature a Gaming Establishment of High Caliber with Quality Amenities in Partnership with Local Facilities

The MSM program is exciting and unique. The gaming floor will be approximately 171,000 square feet with 4,200 slots and 100 table games and 20 poker tables. The two MSM hotels cater to multiple price points, with a hip boutique hotel responding to a young urban market, and an upscale casino hotel featuring extravagant amenities and luxurious "high roller" suites. Many of the approximately 500 hotel rooms will feature exquisite views of the Boston skyline and breathtaking panoramas of Revere Beach and the Atlantic Ocean. The retail spine of the resort will be a shopping beacon, while the age-appropriate "Kid's Zone" will be an invigorating space for children, far-removed from the gaming floor. An exhibition space for local artists will complement MSM's lively indoor decor, while a landscaped arrival court, retail galleria, and the opportunity for outdoor terraces overlooking picturesque gardens provide flexible spaces for intimate exhibits or live music.

The resort also will feature 38,000 square-feet of flexible meeting space that will be International Association of Conference Centers certified and will include a ballroom with a stage (which can seat 950 guests for an entertainment event), several individualized meeting rooms, and top-of-the-line service amenities. MSM's 10,000 square-foot spa will radiate luxury, while the hotels, restaurants and garden terraces that command stunning views of the Atlantic Ocean and the Boston skyline will become one of New England's singular destinations.

As an outward facing resort, MSM intends to fully integrate into the surrounding community – physically and economically. The resort has specifically been designed so that the front door opens to the Blue Line and MBTA's Beachmont Station, less than 150 feet away. In keeping with MSM's outward-facing philosophy, MSM will operate shuttles to transport patrons in luxury coaches on five different routes for patrons to dine and make a water shuttle connection in Maverick Square; shop and link to hotels in the Back Bay area; enjoy the waterfront attractions or connect to the Boston Convention and Exhibition Center in the Seaport area; take in dinner and a show in the Theater District; or visit nearby Revere Beach.

Similarly, MSM has partnered with the region's Convention and Visitor Bureaus (CVBs) and the stewards of numerous attractions throughout the region, such as the CitiCenter for the Performing Arts and the Department of Conservation and Recreation to offer joint programming that ensures MSM guests are connected to the wider community. When one combines the transportation connections with the geography, the historic hospitality and the collaborative agreements forged, MSM truly serves as a bridge to the North Shore and the entire region. It is bolstered by MSM's one-of-a-kind Momentum Points Partnership Program, which will enable patrons to spend rewards dollars earned at the resort at hundreds of local retailers, stimulating millions of dollars annually in new spending at small businesses.

III. MSM has Demonstrated Compatibility with its Surroundings, including Robust Transportation Improvements and Excellent On and Off-Site Improvements

Memorialized in MSM's Host Community Agreement ("HCA") with the City of Revere and 12 Surrounding Community Agreements is MSM's commitment to spend at least \$45

million in improvements to local and regional infrastructure that not only offset incremental impacts to capacity, but solve longstanding regional traffic problems.

These improvements include a solution to eliminate congestion in the Route 1A corridor. Under consideration by MassDOT are two 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 through the Boardman Street/Route 1A intersection without interruption; and (2) an at-grade traffic solution that adds capacity to Route 1A, and rebuilds and streamlines multiple intersections with an innovative design that even more efficiently accommodates traffic on Route 1A (known as Option 11). MSM has further committed to complete several additional roadway improvements, including construction of an interchange connecting Route 1 and Route 16 to alleviate traffic throughout the corridor; widening of the northbound approach to Bell Circle; and numerous reconfigurations of important intersections in East Boston and the City of Revere. All of these improvements will be constructed prior to opening. All work will provide a solution that improves traffic conditions at every intersection that will experience a measurable impact from the resort.

MSM will further mitigate traffic-related impacts by taking maximum advantage of its superior location directly adjacent to Beachmont Station on the MBTA's Blue Line. MSM will aggressively market the T to patrons, and will sell Charlie Cards on site, with subsidies and pre-tax spending account programs for employee commuter passes as part of a robust Transportation Demand Management (TDM) Plan that will include a monitoring program featuring a Transportation Monitoring and Annual Report. Another key component of this TDM plan is the imposition of a near-total prohibition of employee parking at the resort in favor of a High Occupancy Vehicle (HOV) Shuttle program that will intercept employees at key regional transit hubs and other locations. MSM currently is working with Alternative Concepts, Inc. (ACI), the Boston-based transportation management firm that operates the successful Logan Airport and Longwood Medical Area employee shuttle programs, to develop our HOV Shuttle program. MSM anticipates that it will require approximately 750 off-site parking spaces dispersed across multiple interception points to ensure the success of this program.

The Metropolitan Area Planning Council (MAPC), a leading authority in the Commonwealth on land use and transportation issues, recently analyzed the RFA-2 Applications and other documentation, including MEPA-related submissions, of both applicants for a category 1 gaming license in Region A. The MAPC's evaluation concluded that MSM held a distinct advantage in reducing traffic congestion through its off-site infrastructure improvements and by maximizing the use of public transportation.

On site, there will be structured parking for approximately 4,200 vehicles, with an additional 270 parking spaces beneath the garden plaza. MSM will charge fees for parking at the resort with validation for patrons who qualify by reaching certain casino-play related benchmarks and for overnight hotel guests. This balanced decision reflects MSM's commitment to heavily encourage use of public transit and the resort's comprehensive patron shuttle services.

The MSM site is best positioned for access and egress by highway and air arrival with Logan Airport a short MBTA or shuttle ride away. More specifically, MSM has multiple access points, with access to be provided at Furlong and Tomasello Drives and at Winthrop Avenue. Access from Beachmont Station, less than 150 feet away, is a unique advantage to the site that relieves congestion and easily connects patrons to the airport and attractions in the City of Boston and throughout the region.

Additionally, MSM is proposing substantial on- and off-site improvements, including restoration of Sales Creek and the surrounding vegetation, use of lower light level sources that are directed downward, and construction of two thick layers of landscape buffer to enclose the entire eastern side of the property and shield the nearby neighborhood from noise and light intrusion, as well as visual impacts. As provided in the HCA, MSM will cause to be funded and permitted, in coordination with all state and municipal agencies, all water and sewer improvements required to accommodate the resort, as well as additional improvements elsewhere in City of Revere, including sewer and water line and inflow and infiltration improvements.

Looking more broadly at MSM's compatibility with its surroundings, the MAPC again applauded our project's likely role in stimulating positive redevelopment without creating adverse traffic conditions. The MAPC concluded that MSM's proposal held tremendous potential to revitalize underutilized areas in the City of Revere. The MAPC concluded that "[t]he ongoing redevelopment of the Revere Beach area . . . is proposed to include significant retail and hotel space related to, and benefitted by, the casino redevelopment. Other community level priorities, such as the Wonderland Station area of Revere, may also benefit from the casino development."

IV. MSM Will Utilize Sustainable Design Principles in the Construction and During the Life Cycle of the Facility

MSM is not exaggerating when it states, proudly, that this will be the most sustainable resort casino development in the world. MSM currently has attained 66 points in the LEED for New Construction 2009 rating system. We continually seek to improve this score, and will obtain LEED Gold status while striving for LEED Platinum certification. Our holistic plan integrates exemplary sustainable design features that limit GHG emissions, minimize waste, conserve water, create open space, and incentivize use of alternative modes of transportation.

Among many other features, MSM will include:

- a 1MW gas-fired cogeneration plant;
- a 1MW rooftop photovoltaic (PV) system;
- alternative transportation infrastructure for EV plug-ins, bicycle racks, bicycle parking spaces and showers for employees, and other bicycle accommodations;
- MSM's participation as an anchor tenant for an anaerobic digestion program that will produce nearly 25,000 kWh of net energy from organic waste;

- a grease recycling program through which fryer (yellow grease) and Grease Recovery Unit (GRU) material (brown grease) is sold to vendors;
- installation of a 100,000-gallon rainwater harvesting tank that will save about 4 million gallons of water per year;
- a greywater reuse system;
- energy efficient slot machines that use LED lighting and operate at under 2 amps/slot at 120 volts (almost 25% less than recent industry standards);
- an energy efficient HVAC system with hot water thermal storage to reduce peak utility loads among numerous other state-of-the-art features;
- several rigorous provisions for shifting peak energy load, including a smart network that can turn off cooling and lighting and adjust set points; use of diesel powered emergency generators that would be configured to curtail normal peak power if needed, and substantial local generation of energy through the on-site cogeneration plant and solar electric panels;
- a 5,000 square foot hydroponic greenhouse that will produce vegetables for use in the resort's garden fresh restaurant; and
- green space that will comprise about 45% of the project site.

MSM also has entered into an agreement with Harvest Power of Waltham to test composting and waste-to-energy services, as well as to educate MSM employees and patrons about new methods to reduce and reuse organic waste.

V. MSM Will Have Industry Leading Security, Monitoring, and Emergency Procedures

In operating the highest grossing casino in the Western Hemisphere and additional resorts in Atlantic City and Pennsylvania, Mohegan Sun has adopted the most rigorous internal controls and security features in the industry. The emergency response procedures and site surveillance at MSM will meet or exceed the requirements of Chapter 23K and industry norms.

VI. MSM's Permitting and Construction Schedule Will Allow the Commonwealth to Experience the Benefits of Gaming the Soonest

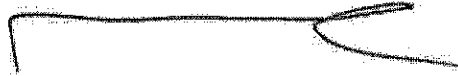
On August 15, 2014, the Secretary of the Executive Office of Energy and Environmental Affairs (Secretary) issued a Certificate on MSM's Supplemental Draft Environmental Impact Report (SDEIR). We are pleased that the Secretary and her staff found that our filing adequately and properly complied with the requirements of the Massachusetts Environmental Policy Act. We are actively working on the small number of items that the Secretary has required for the Final Environmental Impact Report (FEIR). The issues that remain to be addressed are limited, and we look forward to working closely with MassDOT, DCR, the Boston Transportation

Hon. James F. McHugh
August 20, 2014
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Department and other organizations and agencies to both thoroughly and expeditiously complete the FEIR consistent with the Secretary's and the Commission's requirements.

Again, we thank the Commission and the consultants engaged in the review of the RFA-2 Application. Please do not hesitate to communicate any remaining questions to our team.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mitchell Etes', with a long horizontal stroke extending to the left.

Mitchell Etes,
Manager, Mohegan Sun Massachusetts
CEO, Mohegan Tribal Gaming Authority

cc: Ms. Nancy Stack
Mr. J. Gary Luderitz
David Rome, Esq.
Kevin Conroy, Esq.



August 18, 2014

Sent by Hand

Bruce Stebbins
Commissioner
Massachusetts Gaming Commission
84 State Street, Suite 720
Boston, MA 02109

Re: Summation of Mohegan Sun Massachusetts, LLC Economic Development Proposals

Dear Commissioner Stebbins:

As we reach the conclusion of the Region A licensing process, I write to express my gratitude for the Commission's professionalism and dedication to a robust and substantive review of the merits of our RFA-2 Application for a category 1 gaming license. The Commission's thoughtful Application and Requests for Clarification have made our proposal both stronger and, we think, fully in concert with the comprehensive aims of Chapter 23K. Mohegan Sun Massachusetts, LLC ("MSM") writes to summarize what, in our view, are the most important elements of Section 3, the Economic Development Section, of our RFA-2 Application. We have grouped these elements into the three criteria that you and your consultants used to evaluate the MGM Springfield Resort Casino Application.

I. Criteria 1 – Job Creation

A. HR Practices and Employment

MSM has demonstrated a commitment to hiring individuals who live locally and who reflect the diversity of the region. MSM through both its Host and Surrounding Community Agreements has committed to hire 20% of its workforce from Revere, 5% of its workforce from Chelsea, and has provided for hiring preferences for residents of the 12 communities with which it has executed Surrounding Community Agreements.

In addition, MSM has made a specific pledge to hire diverse personnel for construction jobs, including that at least 25% of the total employee worker hours in each trade shall be by minorities and at least 10% of the total employee worker hours in each trade shall be by women. This commitment is memorialized in our Host Community Agreement with the City of Revere and exceeds the minimum required by the Expanded Gaming Act by more than 10%.

Indeed, our belief that our success comes from our employees, and that our success is made greater through diversity, is demonstrated in Mohegan Sun's corporate practices. Mohegan Sun has shown its commitment to hiring diverse personnel at Mohegan Sun-Connecticut and Mohegan Sun-Pocono Downs, where nearly 41% of employees are non-white. With its RFA-2 Application, MSM has presented a Diversity Plan that is robust and demonstrates our uniquely aggressive efforts to attract and retain minority employees at all levels, including management and senior executives.

Finally we note that more than 40% of the workforce at Mohegan Sun-Connecticut speaks English as a second language. This is a reflection of the considerable resources that Mohegan Sun devotes to basic training, English as a Second Language and related programs. We spend more than \$500,000 annually for translation, human resources and operations, including employee relations specialists who speak Spanish and Chinese dialects and extensive employee training programs, including offering English classes on-property. We will offer the same programs at MSM.

The Metropolitan Area Planning Council (MAPC), a well-respected expert in economic and development issues in the Commonwealth, recently analyzed the RFA-2 Applications and other documents of both applicants for a category 1 gaming license in Region A. The MAPC concluded that MSM held a distinct advantage by clearly committing to "local hiring preference as well as its commitment to market to and hire minority, women-owned and veteran-owned businesses."

MSM will create thousands of good-paying, local jobs with clear paths for career advancement, and little turnover. MSM will provide approximately 4,000 permanent jobs at the casino resort (including the third party retail complex and boutique hotel), and approximately 2,500 construction jobs. The average compensation of MSM employees, inclusive of benefits and tips, is projected to be approximately \$56,000. Benefits as a portion of the payroll are approximately 40%. Salaries ultimately will be determined through collective bargaining and based on market conditions at that time. MSM will provide extremely competitive benefits, excellent medical coverage and an educational assistance program that reimburses employees 90% of tuition costs up to a maximum of \$3,000 per year for a wide range of undergraduate classes and up to \$4,000 per year for graduate studies.

MSM will provide its employees with a clear program for advancement. As evidence of the success of our internal career development programs, more than 90% of all supervisory/management positions at existing Mohegan Sun properties have been filled with internal promotions. Mohegan Sun employees are uniquely satisfied with their jobs. Mohegan Sun-Connecticut's employee turnover rate is extremely low – less than 5% – and we expect to have similarly low turnover at MSM. Part of what makes Mohegan Sun such a great place to work are the other job-related benefits we provide. As one notable example, Bright Horizons, a

national leader in high quality child care, operates our on-site daycare center at Mohegan Sun Connecticut and, consistent with the Expanded Gaming Act, will likely operate a state-of-the-art daycare facility at MSM.

The more than 1,400 jobs attributed to the thoroughbred horse racing industry at Suffolk Downs will be preserved. Ground lease payments by MSM will provide a much-needed revenue stream for the Suffolk Downs racetrack, securing the future of the Commonwealth's horse racing industry, which not only directly and indirectly supports more than 1,400 jobs in the state, including 850 jobs at the racetrack itself, but sustains the viability of open space and scenic farmland. Sterling Suffolk Racecourse, LLC, the racetrack owner, has contractually committed to the City of Boston to continue racing operations for at least 15 years if MSM is awarded the Region A casino license.

B. Workforce Development

MSM has a comprehensive plan for hiring the unemployed and underemployed, and has already begun that critical effort. MSM has entered into three Memorandums of Understanding that form the basis of its plan to hire the underemployed and unemployed. First, MSM has entered into a workforce training MOU with Community Action Programs Inter-City, Inc. ("CAPIC"), a non-profit organization dedicated to eradicating the root causes of poverty in Chelsea, Revere, and Winthrop. The MOU requires MSM to hire low-income individuals from the region who are enrolled in CAPIC's workforce development program, and provide on-the-job mentors and an array of other resources for these employees so they can properly succeed and advance at MSM.

Second, MSM has entered into an MOU with Community Enterprises, Inc., which supports employment, education, and housing for individuals with physical or developmental disabilities. Community Enterprises, Inc. has offices in Gloucester, Somerville, Plymouth, Salem, and Wakefield. The MOU requires MSM to hire disabled individuals associated with Community Enterprises' range of programs and to provide extensive workplace training to ensure their meaningful long-term employment. This has been a particular emphasis for Mohegan Sun at its other properties. In fact, a University of New Hampshire business professor, Valentini Kalargyou, concluded in a recent white paper entitled "Gaining a Competitive Advantage with Disability Inclusion Initiatives" in the Journal of Human Resources in Hospitality and Tourism that disabled employees at Mohegan Sun "exhibited strong loyalty, lower turnover, dependability and improved productivity, and workplace physical and psychological safety." Finally, MSM has entered into an MOU with the Massachusetts Fallen Heroes' Fund to provide employment opportunities to local veterans, many of whom have recently returned from combat.

Moreover, through its commitment to hiring locally, MSM is also ensuring that it will hire unemployed and underemployed workers, as the City of Revere has consistently had a higher unemployment rate than the Massachusetts average, as have several surrounding communities to which MSM has pledged to give hiring preferences. The MAPC, in its evaluation, lauded MSM for its host of workforce development and job readiness programs, and the millions of dollars committed to such efforts in its 13 Host and Surrounding Community Agreements. These commitments include the up-front \$30 million Community Capital Projects

Fee to be used to support local businesses through the East Boston Neighborhood Business Association in Agreement with the City of Boston, and we are eagerly looking to expand our efforts after licensure.

C. Labor Relations

MSM has demonstrated a strong working relationship with organized labor. MSM was the only applicant to submit strong and complete Project Labor Agreements (PLAs) with its RFA-2 Application in December. In fact, establishing firm and open relationships with the labor community and reaching agreements with local labor unions were two of our very first priorities. MSM's agreements with unions will make nearly every non-exempt position in the resort casino subject to collective bargaining.

MSM has entered into extensive partnerships with higher education institutions to ensure that its workforce will be trained. MSM has entered into a partnership with the Community College Careers Training Institute (the "Institute") to provide job skills training at Bunker Hill Community College, Roxbury Community College and North Shore Community College. We have already begun the process of developing a local workforce on the region's community college campuses. This Spring, MSM held a series of workforce development informational sessions, in conjunction with the Institute, at North Shore Community College's campus in Lynn and Bunker Hill Community College in Charlestown. Through these sessions, we have met many prospective employees and planted the seed for their formal training in the months ahead. In addition, MSM's Host Community Agreement requires us to work with the Institute and the City of Revere to examine the feasibility of operating a satellite community college campus in Revere.

Moreover, MSM also has entered into an agreement with Lasell College in Newton pursuant to which MSM personnel will teach courses at the College and graduates will be given job placement opportunities at MSM. Through our outreach in recent months, MSM has laid the groundwork to immediately employ a well-trained and qualified workforce from within the community.

II. Criteria 2 – Support for External Business

A. Local Business Promotion and Support

MSM's Momentum Points Partnership Program will stimulate millions of dollars annually for local businesses and is the kind of creative program that embodies MSM's commitment to an outward facing business model, just as the Legislature intended. MSM will not stop at bringing new visitors to the Greater Boston region and working with local convention bureaus and tourism agencies to ensure that travelers extend their stays. We will use our innovative Momentum Program to stimulate millions of dollars of new spending at area small businesses, institutions and attractions. The program is simple: patrons will be able to spend the rewards dollars they earn by gaming, dining and staying at MSM at hundreds of participating businesses. MSM will then reimburse those participating businesses for the total cost of goods or services, minus a small discount to cover program overhead, purchased with

Momentum rewards dollars. For the first time on a widespread basis, casino patrons will not only be able to use their points earned at the casino and retail on-site, but at off-site businesses.

For too long, all of the complimentary programs in U.S. casinos have been a tool for keeping guests indoors at the casino. With MSM's new, one-of-a-kind Momentum Program, MSM has created a vehicle to literally share the profits of the resort with hundreds of businesses in the community, just as the Legislature intended in crafting the Expanded Gaming Act with an emphasis on a "outward facing" business model. Currently, MSM has signed up nearly 400 businesses to participate in this program, and those small businessmen and women from Gloucester to Mattapan and beyond look forward to generating substantial new revenue once the Momentum Program is underway. MSM has estimated that its patrons will earn approximately \$50 million a year in points that can be spent both on- and off-site.

B. Support of Minority, Women and Veteran-Owned Businesses

MSM has made a significant commitment to spending \$50 million annually on goods and services from local and diverse vendors and to assist these vendors with licensing. Through its Host and Surrounding Community Agreements, MSM has made a significant commitment to hiring local vendors. It has pledged to spend \$50 million annually on vendors located within 15 miles of Revere City Hall. Because this goal is so ambitious, MSM has already hosted numerous vendor forums and has, to date, identified more than 400 businesses, the majority of which are local, who are interested in serving as vendors. Additionally, a large number of our partners in the Momentum program who will experience a substantial influx in revenue are minority, women or veteran-owned enterprises, such as restaurants and small businesses of all types in the City of Revere, East Boston, Chelsea, Lynn, and more.

Moreover, MSM has entered into an MOU with the Greater New England Minority Supplier Development Council and has partnered with the Center for Women and Enterprise to ensure we are connected with as many minority, women and veteran-owned businesses as possible. MSM also held several vendor fairs in neighborhoods with a highly diverse business community, such as Dorchester, Chelsea, Lynn, and, of course, the City of Revere, to register interested minority, women and veteran-owned vendors and to provide information about the Commission's licensing process. MSM's Diversity Policy also requires us to use a variety of tools to ensure that minority, women and veteran-owned businesses receive significant consideration in the procurement process. To assist vendors, MSM will have a Vendor Licensing Specialist on staff that will be responsible for helping vendors through the Commission's licensing process.

C. Regional Impact

MSM has forged partnerships with a number of regional institutions that will provide benefits throughout the Commonwealth. Under MSM's agreement with the CitiCenter for the Performing Arts, the CitiCenter will operate all ticketed, live entertainment at MSM. Furthermore, if MSM schedules an off-site live entertainment event for its patrons, the CitiCenter will have the right to host the event at the Wang, Shubert, and Emerson Theaters or the Strand Theater. MSM has also entered an agreement with seven not-for-profit entertainment venues including the nearby Lynn Community Theater, and local institutions like the Lowell

Memorial Auditorium, the Cape Cod Melody Tent in Hyannis and Symphony Hall in Springfield.

Finally, MSM has proposed an elaborate shuttle system that will transport patrons on five fixed routes to the Back Bay, the Theater District, the Seaport District, Maverick Square in East Boston and Revere Beach to ensure that its patrons are able to visit the many attractions and businesses of the Greater Boston region. Likewise, MSM's superior location within 150 feet of Beachmont Station on the MBTA Blue Line will allow visitors to seamlessly reach destinations throughout Boston and the region by public transportation. MSM will heavily promote use of the T and make Charlie Cards readily available for purchase on site.

MSM's Host and Surrounding Community Agreements will provide more than \$50 million dollars each year to 13 different communities. MSM's Host and Surrounding Agreements provide for the payment of more than \$50 million annually to the Cities of Boston, Cambridge, Chelsea, Everett, Lynn, Malden, Medford, Melrose, Revere, Salem, Somerville, and the Towns of Saugus and Winthrop. Not only will these annual payments infuse municipal coffers with additional capital for local services, but specifically designate funding for a host of projects of regional importance, such as infrastructure improvements in East Boston, water transportation services, and regional traffic planning.

The MSM project is consistent with regional economic plans. As detailed in MSM's RFA-2 Application, MSM's development is consistent with Revere's FY 2010-2015 Strategic Plan, Governor Patrick's Executive Order 384 regarding sustainable development principles, and the Boston Region Metropolitan Planning Organization's Journey to 2030.

D. Domestic Gaming Equipment

Domestically manufactured slot machines are currently installed in both Mohegan Sun Connecticut and Mohegan Sun Pocono Downs. Consistent with the Expanded Gaming Act, MSM will install domestically manufactured slot machines at its facility in Revere.

III. Criteria 3 – Tourism

A. Tourism and Regional Promotion

MSM will once again make Revere Beach a superior tourist destination. Revere Beach, America's first public beach, is not only an important nearby recreational and tourist destination, but the resort itself, in its playful design and plentiful sightlines to the ocean, is in many ways an homage to the beach. MSM has proposed making Revere Beach a central attraction to its resort by taking such measures as running a seasonal shuttle to the Beach and sponsoring programs, such as family movie nights and the National Sand Sculpting Festival. MSM has discussed with the Department of Conservation and Recreation (DCR), the beach's owner and steward, ways to further support the Beach. Indeed, the expansive views of the Beach from both hotels and MSM's luxurious rooftop pool and gardens will entice visitors outward to visit America's oldest public beach. MSM's involvement with Revere Beach will enhance recreational opportunities and attract many new visitors, making Revere Beach, once again, a world-famous destination in its own right.

MSM has made a significant commitment to partner with convention bureaus and other regional tourism organizations to market the attractions of the region. MSM has entered into detailed MOUs with the Greater Boston Convention and Visitors Bureau (GBCVB) and the North of Boston Convention and Visitors Bureau (NBCVB). Both MOUs give Greater Boston and North Shore attractions and hospitality businesses significant marketing access to MSM visitors. For example, (i) 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; (ii) the CVBs 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; and (iii) 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. MSM also will participate in conferences, including international marketing efforts, to assist the CVBs in attracting premier large conferences to Boston and the North Shore.

MSM has a detailed plan to attract international guests. 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 and will ensure that Boston's resort casino works in conjunction with the regional tourism organization. MSM also plans to work extensively and to enter into an agreement with the Massachusetts Office of Travel and Tourism at the appropriate time. 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, and MSM has provided distinct and targeted plans to market to both those visiting Boston for general tourism -- by far, the larger of the two tourism segments -- and to attract a large volume of international gamers who plan visits centered around destination resort casinos.

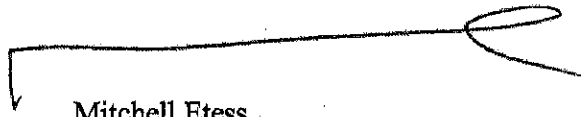
B. Other Amenities, Enhancements and Strategies

Mohegan Sun has the largest database of gamers in the Northeast United States to draw visitors to the resort and the region. MSM's database contains over 5 million accounts, including some of the most valuable players in the country, and because of its Connecticut, Pennsylvania and Atlantic City casinos, this database has the largest and best collection of marketing information for East Coast gamers. 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. Because of its agreement with Brigade, MSM's database will only be used to market MSM.

MSM will have significant non-gaming amenities that will draw patrons from around the world and throughout New England. MSM will be far more than just a casino. With its proximity to the beach and luxurious accommodations, MSM will be a place to attract visitors looking for sand and sun, as well as fine cuisine and nightlife. The Shops at Mohegan Sun will be the premier shopping destination north of Boston, while the rooftop pools and gardens, set against exquisite views of the Boston skyline and the Atlantic Ocean will itself become a premier attraction. The "Kid's Zone" at MSM will be a family friendly destination far removed from the gaming floor, while MSM also will feature 38,000 square-feet of flexible conference space and include a ballroom with a stage which can seat 950 guests for an intimate concert or comedy show. In short, MSM will provide something special for everyone – just what the Commonwealth expects and deserves.

Once again, thank you for the opportunity to compete for the Region A license. We look forward to working with you to make the Commonwealth a better place.

Sincerely,

A handwritten signature in black ink, appearing to read "Mitchell Etes", with a long horizontal stroke extending to the right and a small loop at the end.

Mitchell Etes,
CEO, Mohegan Tribal Gaming Authority

cc: Ms. Jill Griffin, Director, Workforce Development and Supplier Diversity
Ms. Lynn Browne, Lecturer in Economics, Brandeis University
Ms. Jennifer James Price, Undersecretary, Executive Office of Labor and Workforce Development
Ms. Betsy Wall, Executive Director, Massachusetts Office of Travel and Tourism
Ms. Nancy Stack
Mr. J. Gary Luderitz
David Rome, Esq.
Kevin Conroy, Esq.



August 21, 2014

Sent by Hand

Enrique Zuniga
Commissioner
Massachusetts Gaming Commission
84 State Street, Suite 720
Boston, MA 02109

Re: Summation of Mohegan Sun Massachusetts, LLC Finance Proposal

Dear Commissioner Zuniga:

As we reach the conclusion of the Region A licensing process, I write to express my gratitude for the Commission's professionalism and dedication to a robust and substantive review of the merits of our RFA-2 Application for a category 1 gaming license. The Commission's thoughtful Application and Requests for Clarification have made our proposal both stronger and, we think, fully in concert with the comprehensive aims of Chapter 23K. Mohegan Sun Massachusetts, LLC ("MSM") writes to summarize what, in our view, are the most important elements of Section 2, the Finance Section, of our RFA-2 Application. We have grouped these elements into the four criteria that you and your consultants used to evaluate the MGM Springfield Resort Casino Application.

I. Criteria 1 – Financial Capability

A. Ability to Obtain Project Capital

MSM has demonstrated evidence of access to and availability of capital required to fund the MSM project cost as submitted in the RFA-2 application. MSM and Brigade Capital Management, LP ("Brigade") commit to funding 25% of the development of the Resort Casino and the Casino Hotel with the remainder financed through project funding.

Recognizing the operational and financial strengths of this project, Brigade was eager to join and bring with it a unique ability to attract capital. Having grown from a company with

\$100 million in assets at inception to over \$16 billion today, it is remarkable that Brigade has achieved such growth without ever taking on any debt. It is also important to note that Brigade currently has over \$1 billion in gaming investments under management worldwide. MSM is thus a combination of Brigade's financial strengths together with the operational and management talent of Mohegan Sun. No other operator has the expertise in the New England gaming market that Mohegan Sun brings.

Moreover, both Goldman Sachs and Bank of America Merrill Lynch ("BAML") have provided commitment letters with limited conditions. Through these letters, the banks agreed with MSM's assessment that the \$245 million in equity contributions will account for 25% of the overall development, exclusive of the third party hotel and tenant fit-outs. Goldman Sachs' commitment letter is for \$800 million and BAML's commitment letter is for \$825 million. In addition, BAML has committed to provide additional incremental funding of up to \$90 million, or more than 10% of project funding, if needed in connection with the development of the project.

For the third party hotel, Finard/New England Development ("Finard/NED") will provide 25% of the costs as equity and the remainder will be financed. Brigade, on behalf of its managed funds and accounts, has committed to provide backstop financing for this third party hotel project in an amount up to \$60 million to pay for the third party hotel project's construction. Brigade's commitment also includes backstop financing for the purchase and installation of the casino's operating systems and equipment.

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

Finally, it is important to note that MSM has spent over \$35 million thus far on developing the project and that all payments are current. Thus, MSM has demonstrated the strong ability to obtain project capital from multiple sources that assures that a first-class resort casino will be quickly built in Region A.

B. Current Financial Strength

MSM has provided evidence that this project is the most financially sound proposal that the Commission will review. MSM recognizes that this is a high bar, but based on an analysis of the financial data at hand, MSM believes that it has achieved this goal. MSM has provided evidence of a strong balance sheet, reasonable levels of existing debt and positive operating results. As detailed in our RFA-2 responses and related filings, the collective strengths brought to the MSM project by the members is what makes our application the most financially stable. Mohegan Sun brings operational expertise and superior knowledge of the New England gaming market, while Brigade brings financial strength and investment expertise. The fact that the financing for the Massachusetts project has been kept separate and apart from the financing of other Mohegan Sun properties will allow the MSM property to be singularly focused on promoting the greatest benefits to the Commonwealth and local and regional communities. This arrangement will ensure that all MSM efforts will be directed towards the Commonwealth and not to other destination markets.

In our host community presentation, we presented figures for the MSM project that are the same metrics that were used in the Region B evaluation. We determined that the project will have a current assets-to-liabilities ratio at 3.17; a capital asset turnover ratio at 1.17; a debt/equity ratio at .33; a return on investment level of 46% and a time interest earned ratio of 4.96.

These figures are telling – the MSM project provides the greatest financial profile of the Category 1 applications being reviewed by the Commission. They are a reflection of the strong partnership between Mohegan Sun and Brigade which will continue to reverberate in the local and regional economy well after the Commission's licensing decision. The financial strength of the project will provide for steady and continuous construction activity, create a general confidence in the market that will allow for easier access to additional capital if necessary, and position the project to weather any unforeseen economic downturns. These effects will significantly contribute to the goals of the Commission and the Commonwealth to create the greatest opportunity for a resort casino that maximizes revenue and promotes financial stability.

C. Expected Returns

MSM will achieve significant returns over the length of the license. Through its RFA 2 responses, MSM has shown that it will produce a commercially reasonable return on investment and that its investment will be recouped over the 15 year term. In addition, MSM has shown that a positive Return on Investment can be achieved with a 15% discount rate. The Commission can have great faith in our ability to provide a substantial return on investment. Indeed, Mohegan Sun-Connecticut is the highest grossing casino in the Western Hemisphere, and we have the ability to make MSM similarly high performing.

The MSM team has been assembled with these expected returns in mind, creating a partnership which will provide the Commonwealth with the greatest opportunity for generating positive economic growth throughout the region. Mohegan Sun has over 20 years of experience operating in the New England market, assuring a strong knowledge of local preferences that will drive player loyalty and generate the largest possible interest in the Massachusetts casino from local, domestic, and international players. In addition, Brigade offers the project unique benefits, such as ready access to capital, its institutional knowledge of gaming markets, and its experience in actively managing gaming investments, compared to many other institutional gaming investors, due to the often passive involvement of companies in the space. This combination of operational and investment expertise provides the MSM project with the strongest operational and financial profile and the greatest opportunity for all parties to maximize their return on investment in the project, most importantly the Commonwealth.

It is important to note that the MSM project has also been designed to drive growth and returns in the local economy through its outward-looking approach. By creatively utilizing its Momentum Points Partnership Program, partnering with local and regional businesses, cross-promoting area tourism attractions, purchasing tens of millions of dollars in goods and services from local vendors, and creating new employment opportunities, the MSM project will create returns beyond the casino and into the local and regional communities. These benefits are in addition to the defined payments and initiatives contained in the Revere Host Community

Agreement and numerous surrounding community agreements. As such, the project has been designed not only to drive positive returns for MSM, but for the entire region.

II. Criteria 2 – Investment Plan

A. Commitment to Spend Required Capital

MSM has provided the required evidence that its capital budget includes eligible capital expenses of at least \$500 million. MSM has conservatively estimated that nearly \$700 million qualifies towards eligible costs pursuant to 205 CMR 122. We have provided a breakdown of these eligible capital expenses in RFA-2 Response 2-27-01.

B. Project Timelines

MSM has provided a reasonable timeline for the opening of the permanent facility. MSM has actively engaged its design and construction team. We have the benefit of a clean site and relatively straightforward construction methods. We believe our 30 month construction schedule to not only be fast, but also reasonable. Furthermore, we have had extensive conversations with the City of Revere and Conservation Commission and have aligned with their permitting and plan review process. We are pleased that the Secretary of the Executive Office of Energy and Environmental Affairs issued a Certificate finding that our Supplemental Draft Environmental Impact Report adequately and properly complied with the requirements of the Massachusetts Environmental Policy Act. We are actively working on the small number of items that the Secretary has required for the Final Environmental Impact Report (FEIR). The issues that remain to be addressed are limited, and we look forward to working closely with MassDOT, DCR, and the Boston Transportation Department to thoroughly and expeditiously complete the FEIR. Since we have so few items to be addressed in our FEIR we are confident we can quickly submit this FEIR.

C. Consistency with Financials

The size and the scope of the MSM facility are consistent with our business and financial plans. The MSM resort's gaming floor will be approximately 171,000 square feet with 4,200 slots, 100 table games, and 20 poker tables. Accordingly, the square footage proposed at MSM is consistent with the required square footage assumptions for slot machines and table games. MSM, working with our development partners, is excited to bring a range of food offerings to attract all price points, and provide a food and beverage seats per position ratio consistent with industry norms. Finally, with approximately 4,600 spaces on site (and a further 750 off-site for employee parking), the proposed on-site parking spaces per gaming position is reasonable given the typical industry norms (1:1). Similarly, the proposed facility has been designed to "integrate" with the local community in that it relies on the MBTA for transportation access and it is an outward facing casino.

III. Criteria 3 – Market Assessment

MSM's GGR projections are within the likely performance range consistent with MSM's marketing programs. MSM's base case scenario projects \$858 million in Gross

Gaming Revenue (GGR) in year 1 and \$910 million in GGR in year 3. MSM retained PKF Consulting to perform an independent market study, which prepared the revenue scenarios in MSM's RFA-2 Application. The market study assumed that there would be three casinos located in the Commonwealth (one in each of the Eastern, Western and Southeastern regions) and one slot parlor. The PKF Consulting report also provided GGR estimates in the event a casino opened at Rockingham Park in Southern New Hampshire. The source of MSM's revenue was based on a specific geographic market area as highlighted in the PKF Consulting report.

The PKF Consulting Report is comprehensive and conservative. It projects primary and secondary zones that are within reasonable driving distances of MSM. The Report acknowledges that MSM could generate revenue from beyond its market area, but conservatively acknowledges that these visitors will lead to relatively modest additional revenue for the casino. MSM has provided plans to market to the geographic area that PKF Consulting has identified as the primary and secondary market areas.

IV. Criteria 4 – Operations Plan

A. Internal Controls

MSM has demonstrated that it has a strong understanding of the importance of a strong internal control environment and has extensive experience working in a highly regulated environment. MSM's affiliates operate in one tribal-state compact jurisdiction, Connecticut, and two commercial jurisdictions, Pennsylvania and New Jersey. Mohegan Sun is a sophisticated gaming operator that has the unique experience of creating internal audit, control and compliance regulatory processes to adhere to SEC and other federal, state and tribal best practices with independent auditing and monitoring and close, constructive relationships with each of its regulatory agencies. The Mohegan Tribe was also the first Native American tribe to go to Wall Street for casino financing, in 1995, and has been an SEC-filer ever since. With its application, MSM provided its internal controls from its affiliated property in Pennsylvania, Mohegan Sun-Pocono Downs, which was the first commercial casino to open in Pennsylvania. Subject to specific Massachusetts statutory requirements and Commission regulations and directives, we would expect to adopt comprehensive internal controls based on our rigorous Mohegan Sun-Pocono Downs model. Such controls at MSM would help the Massachusetts gaming industry open with well-established policies, procedures and personnel to ensure the integrity of gaming and the highest standards of financial controls. MSM and Brigade have each been recognized by the Commission's Investigation and Enforcement Bureau for their cooperative approach to working with regulators and for their value systems which emphasize transparency, compliance and integrity throughout their organizations.

Given its extensive gaming industry experience and extensive experience in regulated environments, Brigade, and its appointees to the Board of Directors of MSM, will bring further seasoned understanding for the need to have robust Internal Control Systems that fully comply with all gaming regulations and state and federal requirements to, among other things, prevent money laundering, and assure a strong commitment to responsible gaming practices.

B. Business Plan and Financial Projections

MSM's financial projections are consistent with its market expectations, its proposed facility and the business and marketing plans submitted. We make conservative financial projections that we routinely exceed. For instance, in 2009 at Mohegan Sun-Pocono Downs, the first year with competition from a competing slots parlor in Bethlehem, PA, slot gross terminal revenue exceeded our internal projections by 32.6% and exceeded the projections by the Pennsylvania Gaming Control Board Financial Suitability Task Force by 69.4%.

Marketing Plan. With one out of five adults in the Greater Boston region already in Mohegan Sun's database (or approximately 1,000,000 adults), MSM will be uniquely positioned to generate strong casino and non-gaming revenues on day one, and will not require several months or years to build a database. Importantly, the immediate region will be supported by an additional 4,000,000 customers in Mohegan Sun's database from throughout the Northeast, nationally, and internationally. MSM has also creatively proposed the Momentum Program, which will encourage consumers to use their points at area businesses. MSM's arrangement with Citi Center will provide for extensive entertainment cross-marketing opportunities and its robust shuttle system and access to the MBTA will easily allow patrons from all over Greater Boston to access the resort casino, helping bridge their activities to the North Shore and beyond.

Slot and Table Product Plan. Due to its extensive knowledge of the market, MSM has provided detailed slot and table product plans which are tailored to this market. The mix of games, level of play and type of product will yield the conservative financial projection we have made. This product experience is enhanced with a well-designed layout of the gaming space itself, including specialized areas and amenities for high-end play and offerings that cater to ethnic play.

Hotel Plan. MSM's plans include both a casino hotel and a boutique hotel with multiple price points. The number of rooms was assessed by industry expert PKF, which found that the number and variety of room types is ideal for a casino resort in this particular market. The Greater Boston market has many hotel rooms, but for guests who want to stay directly at the casino or even visit Revere, the number and range of offerings is ideal. The projected room rate has been modified heavily to accommodate any offers which may be given to our gaming customers. The hotel revenues are consistent with our three other successful properties in the Northeast.

Food and Beverage Plan. The MSM arrangement with Finard/NED will provide us access to national and regional food and beverage vendors. It allows for high quality, unique dining options delivered by culinary specialists who know their cuisine genre and who can deliver the best possible experience for our guests. This approach facilitates renewal and freshness to ensure that our products will adjust to the changing tastes of the consumer and encourages an entrepreneurial spirit in a competitive environment both on-site and off. Our application has provided a detailed plan including food and beverage options to be owned and operated by MSM, as well as planned by third party operators.

Retail Plan. Finard/NED are collectively the largest retail developer in Massachusetts. Their expertise has already attracted a compelling list of potential tenants. The retail space at the resort will be experiential and an economic driver on its own.

Parking. MSM's parking plan is consistent with the rule of thumb that one parking space should be provided per gaming position. The proximity to Logan Airport is ideal for a destination resort. Moreover, MSM's plan to charge for parking for those who do not meet certain minimums makes sense, while its near-total prohibition on on-site employee parking and rigorous employee shuttle plan will ensure that nearly all employees will park off site.

Once again, thank you for the opportunity to compete for the Region A license. We look forward to working with you to make the Commonwealth a better place.

Sincerely,



Mitchell Etess,
CEO, Mohegan Tribal Gaming Authority

cc: Ms. Nancy Stack
Mr. J. Gary Luderitz
David Rome, Esq.
Kevin Conroy, Esq.