

will be infiltrated into the ground where possible. Groundwater testing will be conducted during dewatering operations as appropriate to determine the type and degree of contamination present and to evaluate and implement appropriate measures to manage groundwater associated with Project excavation and construction, including use of a fractionation tank(s) and adherence to the requirements of temporary construction dewatering permits, as appropriate.

## **7. Material Handling**

The Project includes the demolition of existing buildings, paved driveways, parking lots, sidewalks, and various utilities that will generate large volumes of waste products. Based on available information, a portion of the demolition waste includes hazardous materials such as asbestos, minor amounts of materials containing low levels of polychlorinated biphenyls (PCBs), and lead paint. In addition, due to the scale of the Project, a large amount of general construction waste is also expected. The sections below detail how hazardous and non-hazardous solid wastes will be handled during demolition and construction. The Developer is targeting a 75% reduction in construction debris.

### **7.1 Solid Waste and Recycling**

Proposed construction, demolition, and remediation activities will generate solid waste, including certain regulated building waste streams (e.g., asbestos-containing materials, PCBs, and oil/hazardous materials). The general contractor will take an active role in the processing and recycling of construction waste. The disposal contract will include specific requirements to ensure that procedures allow for the necessary segregation, reprocessing, reuse, and recycling of materials. For those materials that cannot be recycled, solid waste will be transported in covered trucks to an approved solid waste facility per MassDEP Regulations for Solid Waste Facilities, 310 CMR 16.00. Brick, concrete, gypsum wallboard, wood and metal will be segregated from other construction debris for recycling, with the other debris to be disposed of as non-banned construction waste in accordance with waste facility management regulations at 310 CMR 19.017.

Demolition of the administration building, electrical building, and portions of the existing grandstand and link buildings will generate asphalt, brick and concrete (ABC) debris. ABC that is not coated, impregnated, or otherwise treated will be crushed and reused on site without MassDEP pre-approval, provided that MassDEP and the municipalities are notified in advance. However, for ABC that is painted, coated, impregnated, or otherwise treated, the contractor will submit a Beneficial Use Determination (BUD) Application to MassDEP for approval before those materials are crushed and reused on site. The application will be supported by documentation demonstrating that the material will be beneficially used on site and that use of the material will not result in a significant risk to health or the environment and will not increase the overall level of contamination at the site.

### **7.2 Hazardous Waste**

Releases of oil or hazardous material to the environment are managed under the MCP (M.G.L. Chapter 21E and 310 CMR 40.0000) under the supervision of an LSP. The Project includes demolition and reconstruction as part of site redevelopment. [*Customary background information regarding Project environmental matters to be addressed in final CMP*].

An LSP has been engaged by Developer to provide environmental consulting services during Project design and construction. If contamination is identified in pre-construction sampling or during construction, an LSP will provide services consistent with the MCP as required for regulatory compliance and close-out. The Project environmental consultant will ensure that the Project conforms to MCP regulatory requirements for construction of buildings in contaminated areas, and that all required submittals will be provided to MassDEP.

The presence of PCBs in the caulking of buildings constructed between 1950 and 1980 has recently become public knowledge. There are minor amounts of PCB-containing materials on the Project site, specifically the caulking used to seal some of the windows. PCB-containing material is also common in items such as florescent light fixtures. A building assessment of the existing buildings has been completed quantifying the demolition debris that requires special disposal conditions. Non-hazardous waste landfills in Massachusetts landfills are permitted to accept PCB-containing materials where concentrations are less than 2 mg/kg; such disposal does not require approval from the EPA.

The site is also regulated under asbestos abatement regulations (310 CMR 4.00), and asbestos-containing materials are known to exist on the Project site. Asbestos is classified as a "special waste" under MassDEP solid waste regulations, and asbestos and asbestos-containing material require special handling and transporting methods set out in MassDEP regulations. Asbestos-containing material surveys and abatement plans will be developed for each building prior to demolition. Asbestos can only be disposed of in landfills that have been approved to accept asbestos-containing waste materials. Any entity or individual engaged at the site for asbestos abatement or containment shall be licensed and certified under 453 CMR 6.00.

The Project involves the demolition of existing buildings, paved driveways, parking lots, sidewalks, and various utilities including portions of existing water mains and sewer mains. Based on available information, a portion of the demolition waste will include hazardous materials such as asbestos and lead-based paint. These materials are classified as "special waste" under MassDEP solid waste regulations. Accordingly, asbestos, asbestos-containing material, and materials with lead-based paint will be segregated and Project operations will proceed in accordance with the required special handling and transporting methods set out in MassDEP regulations.

Based on a February 14, 2007 Phase I/Phase II Environmental Site Assessment report completed by GEI Consultants, an on-site inspection for asbestos-containing building materials and lead-based paint was conducted by Smith & Wessel of Merrimac, Massachusetts in select buildings on the Project site. Materials that tested positive for asbestos included floor tile and paper, wall

and ceiling panels, insulation, window glazing compound, and door caulking. It is unclear whether the existing grandstand roof contains asbestos. It is also noted that some painted surfaces contain lead-based paint.

Surveys and abatement plans related to asbestos-containing material, PCB-containing material, and lead-based paint will be required for each building prior to demolition. Asbestos, PCBs, and lead-based paint will be disposed of in accordance with MassDEP regulations at landfills that have been approved to accept these materials. Any entity or individual engaged at the site for asbestos, lead-based paint, or PCB abatement or containment shall be licensed and certified under 453 CMR 6.00.

Construction operations at the site, including earthwork, will generate dust. As required on construction projects, the Contract Documents will specify the requirements for dust control and include the site-specific Contractor Health & Safety Plans to protect worker safety. If required, dust will be suppressed by spraying the site with water, and air quality will be measured with dust monitors.

Based on existing information, one active UST exists on site. The existing UST is a 7,000-gallon partitioned gasoline and fuel oil tank located near the northwest corner of the existing building. During construction, the existing UST will be removed and a new UST will be installed near the proposed new maintenance building. The Project LSP will ensure that tank removal and closeout is completed in accordance with the MCP and requirements for the city of Revere. In addition, previously unknown USTs encountered during construction will be managed similarly, as needed.

## **8. Draft Spill Response Plan**

Small quantities of hazardous materials or chemicals may be utilized on site, including petroleum/fuel products. Any such materials will be handled and stored in accordance with all applicable regulatory requirements. In the event of an unplanned release of petroleum/fuel products or other contaminants, the general contractor and its subcontractors will utilize the following procedures:

1. Notify Fire Department and contracted spill response contractor;
2. Notify the U.S. Army Corps of Engineers;
3. Mobile excavating equipment will come to the spill/release area and if necessary, create berms, dig channels or cover effected area with soil to reduce spreading or migration;
4. The general contractor will maintain a spill kit on site containing absorbent materials that will be positioned near fueling areas and utilized in the event of spill or release;
5. The general contractor and its subcontractors will reduce the probability of an unplanned spill or release by having fuels delivered by truck to a designated fueling area

rather than bulk storage and/or tanks of petroleum/fuel products or other contaminants;

6. Fire extinguishers will be positioned adjacent to fueling areas;
7. No hot work, smoking or potential ignition sources will be allowed in the fueling areas;
8. Personnel involved with fueling or handling of any contaminant will be equipped with communication devices to sound an alarm in the event of spill or unplanned release;
9. Only authorized personnel will be allowed in the spill release area; and
10. The general contractor and its subcontractors will provide assistance as necessary to the qualified spill response contractor and fire department.

## **9. Geotechnical Impacts and Monitoring**

Excavation will be required for the deep foundations (precast piles and/or steel piles), drilled elements such as micropiles, and PIFs proposed in the Project design. Means and methods for installing the deep foundation system will consider potential impacts to abutting facilities that will remain within the property limits (e.g., the grandstand). It is not expected that vibrations will approach thresholds that could potentially impact existing facilities; nonetheless, vibration monitoring will be conducted during pile driving activities. In addition, the Project team will conduct a full existing conditions survey of existing structures prior to commencement of construction, with follow-up on completion.

## **10. Rodent Control**

To control rodent infestation, the City enforces requirements established under the Massachusetts State Sanitary Code, Chapter 11, 105 CMR 410.550 and the State Building Code, Section 108.6. Policy Number 87-4 (City of Boston), which require the extermination of rodents for issuance of permits for demolition, excavation, foundation and basement rehabilitation.

A rodent control program will be developed for the Project prior to commencement of construction and submitted to the City for its review and approval. The program will include performing extermination and control procedures on a bi-weekly basis and placing tamper-resistant bait boxes around the site perimeter.

## **11. Utilities**

New infrastructure for sewer, drainage, domestic water, fire protection water, telephone, gas, and electric services will be tied into existing infrastructure. Specific traffic management plans will be developed for the work required to perform these tie-ins. Connections to the existing services will be coordinated with the proper utilities and their respective contractors, as necessary. All shutdowns will be arranged with affected parties and proper notice will be given prior to any shutdowns. Any and all work requiring a BTM Permit will be approved in writing by

the general contractor at the time of permit application. The written approval of the general contractor will be presented to BTM by the contractor performing the work at the time of application of permit to BTM.

**12. Damage to Public Property**

The Contractor will be responsible for repairing any damage to public streets, public sidewalks, or other public property resulting from its construction activities.

**13. Emergency Contacts**

A 24-hour emergency contact list will be distributed to all parties involved in the Project. This list shall contain at least three (3) representatives for the Contractor. A 24-hour complaint hotline telephone number shall be provided and will be visibly posted on Project site signage subject to the approval of BTM, including on a Project sign visible from Route 1A. This hotline shall be staffed appropriately to ensure that a caller is allowed to speak to a person as opposed to leaving a message. Logs of all complaints and how/when the complaints were resolved will be kept on-site.

**EXHIBIT 4**

## Projected Traffic Volumes

Since filing of the Draft Environmental Impact Report (DEIR), the Resort program has been reduced from 6,000 gaming positions to 5,000 gaming positions, a reduction of approximately 17%. The vehicle trip generation is expected to be reduced accordingly, thus reducing the overall traffic impact of the Mohegan Sun Massachusetts (MSM) destination resort.

The traffic analysis that is presented in Attachment 4-24-02 (Roadway Network) is based on the 6,000 gaming position resort that was previously proposed in the DEIR. The resort project-generated daily vehicle trips were projected to be 24,188 Average Daily Trips (ADT), total both inbound and outbound. Resort project-generated hourly trips were projected to be 525, 1,869 and 1,916 trips for the Friday AM Peak, Friday PM Peak and Saturday Afternoon Peak hours, respectively. Friday was chosen for a conservative (worst case) analysis as it is the busiest weekday for the resort.

Now, as a result of MSM's reduction in gaming positions, based on a conservative (lower) reduction of 10% in resort project-generated trips, the vehicle trip generation for the Resort project on the peak days, as now included in the RFA-2 Gaming License Application, is projected to be as follows:

<b>Average Daily Trips (ADT),</b>	<b>21,769 Vehicle Trips (total inbound and outbound)</b>
<b>Friday AM Peak Hour,</b>	<b>493 Vehicle Trips (total inbound and outbound)</b>
<b>Friday PM Peak Hour,</b>	<b>1,781 Vehicle Trips (total inbound and outbound)</b>
<b>Saturday Afternoon Peak Hour,</b>	<b>1,916 Vehicle Trips (total inbound and outbound)</b>

The Friday peak hours represent the commuter peak hours on the roadway network. The Saturday afternoon peak hour represents the worst combination of project-generated trips and roadway network traffic on a Saturday.

It should be noted that the projected project-generated trips in the local study area are over-estimated, as they include both patron and employee vehicle trips. During operation, project-generated trips will be less than shown because parking for employees, other than essential staff/senior management and employees with special needs, will not be provided on-site. Those employee vehicle trips will be intercepted at remote locations and brought to the site by the Resort's comprehensive shuttle system. Therefore, the trip generation and traffic analysis presented in Attachment 4-24-02 reflect a conservative (worst case) assessment of traffic impacts in light of both the inclusion of all employee trips as being generated at the Resort site itself, and the reduced Resort program included in the Gaming License Application since the previous DEIR analysis.

## Study Area

The study area is presented in the map shown in Attachment 4-24-10 and includes the following locations, all of which are under signal control unless otherwise noted:

1. Route 1A at Suffolk Downs/Tomasello Drive (unsignalized/signalized with Project);
2. Route 1A at Furlong Drive (unsignalized);
3. Winthrop Avenue (Route 145) at Route 1A southbound On-Ramp;
4. (a) Winthrop Avenue (Route 145) at North Shore Road;  
(b) Winthrop Avenue (Route 145) at Suffolk Downs (Tomasello Drive);
5. Bennington Street/State Road at Winthrop Avenue;
6. Bennington Street at Saratoga Street;
7. Boardman Street at Route 1A;
8. Winthrop Avenue (Route 145) at Revere Beach Parkway (Route 16)/Harris Street;
9. (a) Route 60 (American Legion Highway) at Bell Circle;  
(b) Route 1A (VFW Parkway) at Bell Circle;  
(c) Route 16 and Route 1A at Bell Circle;  
(d) Beach Street at Bell Circle;
10. Ocean Avenue at State Road/Revere Beach Parkway;
11. Eliot Circle (roundabout);
12. Route 1A at Jughandle;
13. (a) Bennington Street at Neptune Road;  
(b) Neptune Road at Route 1A NB off-ramp;
14. Butler Circle (roundabout);
15. Revere Street at Route 60;
16. Brown Circle (roundabout);
17. Copeland Circle (three weave locations, three merge locations)
18. Route 1/Route 16 Interchange (three merge locations);
19. Route 16 (Revere Beach Parkway) at Garfield Avenue/Webster Avenue;
20. Route 1A northbound at Waldemar Avenue (unsignalized/signalized with Project);
21. Bennington Street at Crescent Avenue (unsignalized);
22. Route 1A SB at Curtis Street (unsignalized);
23. Neptune Road at Saratoga Street (unsignalized);
24. Neptune Road at Bremen Street (unsignalized);
25. Route 1A (North Shore Road) at Wonderland MBTA Station;
26. Route 1A (North Shore Road) at Revere Street;
27. Route 60 (Squire Road) at Charger Street; and
28. Route 60 (Squire Road) at Sigourney Street/ Mall Driveway.

## Data Collection

Existing traffic volumes were established and validated by conducting several count programs. Initially, bi-directional daily traffic volume data were collected for an entire week in June 2010 along Route 1A (two locations), Route 16, and Route 60, the key roadways surrounding the Project site.





Supplemental daily counts were performed for a full week in July 2012 along Route 1A, as well as at the three site access roads: Tomasello Drive at Route 1A, Tomasello Drive at Route 145, and Furlong Drive.

In addition to daily traffic volumes, manual TMCs were conducted in June 2010 at the majority of the study area intersections. These counts were conducted during the critical Friday evening commuter peak hours and Saturday afternoon hours to analyze the worst case scenario for projected project trip generation. Where 2010 intersection data was not available, peak period TMCs were performed in April and May 2013.

To validate the 2010 traffic counts, MassDOT asked that the ATR counts performed at the four arterial locations in 2010 be repeated to determine if traffic levels generally have increased or decreased since that time. ATR counts were performed over the course of a full week in April 2013 at the same locations as the 2010 ATR counts, as follows:

1. Route 1A south of Furlong Drive;
2. Route 1A north of Route 145;
3. Route 60 north of Bell Circle; and
4. Route 16 west of Route 145.

Based on these traffic count programs and analysis, Existing 2013 traffic volumes were established and approved by MassDOT.

# **EXHIBIT 5**

## Expected Vehicle Traffic

Since filing of the Draft Environmental Impact Report (DEIR), the Resort program has been reduced from 6,000 gaming positions to 5,000 gaming positions, a reduction of approximately 17%. The vehicle trip generation will be reduced accordingly, thus reducing the overall traffic impact of the Mohegan Sun Massachusetts (MSM) destination resort.

The traffic analysis that is presented in Attachment 4-24-02 (Roadway Network) is based on the 6,000 gaming position resort that was previously proposed and presented in the DEIR. The resort project-generated daily vehicle trips were projected to be 24,188 Average Daily Trips (ADT), total both inbound and outbound. Resort project-generated hourly trips were projected to be 525, 1,869 and 1,916 trips for the Friday AM Peak, Friday PM Peak and Saturday Afternoon Peak hours, respectively. Friday was chosen for a conservative (worst case) analysis as it is the busiest weekday for the resort.

Now, as a result of MSM's reduction in gaming positions, based on a conservative (lower) reduction of 10% in resort project-generated trips, the vehicle trip generation for the Resort project on the peak days, as now included in the RFA-2 Gaming License Application, is projected to be as follows:

<b>Average Daily Trips (ADT),</b>	<b>21,769 Vehicle Trips (total inbound and outbound)</b>
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<b>Friday PM Peak Hour,</b>	<b>1,781 Vehicle Trips (total inbound and outbound)</b>
<b>Saturday Afternoon Peak Hour,</b>	<b>1,916 Vehicle Trips (total inbound and outbound)</b>

The Friday peak hours represent the commuter peak hours on the roadway network. The Saturday afternoon peak hour represents the worst combination of project-generated trips and roadway network traffic on a Saturday.

It should be noted that the projected project-generated trips in the local study area are over-estimated, as they include both patron and employee vehicle trips. . . During operation, project-generated trips will be less than shown because parking for employees, other than essential staff/senior management, will not be provided on-site, and those employee vehicle trips will be intercepted at remote parking locations and brought to the site by the Resort's comprehensive shuttle system. Therefore, the trip generation and analysis presented in Attachment 4-24-02 reflect a conservative (worst case) assessment of traffic impacts in light of both the inclusion of all employee trips as being generated at the Resort site itself, and the reduced Resort program included in the Gaming License Application since the previous DEIR analysis.

It is also the ease that several of the planned improvements, such as the improvements planned at Route 1 and Route 16, while assisting in mitigating traffic impacts, are principally designed to address long-standing traffic issues of regional concern, not resort-generated vehicle trips. MSM also has also taken steps to study and offer suggestions on ways to mitigate existing traffic concerns less proximate to the resort at the request of MassDOT. An example of this assistance is the review of Ted Williams Tunnel traffic in South Boston, and suggestions offered to assist in

tunnel mainline operations that were included with our Application.

It should be clarified, however, that MSM did not propose in the application, and is not proposing in this supplement, these suggestions as either necessary for resort traffic or as proposals for the project, and, more particularly, has not proposed to close or dedicate an I-90 lane for traffic mitigation.

## Definition of Surrounding Area

The study area surrounding the Resort project site is presented in Attachment 5-33-07, extending to the following locations:

- North on Route 1A to its intersection with Revere Street, approximately 1.4 miles geographically from the site
- Northwest on Route 60 to its intersection at Route 1 (Copeland Circle), approximately 2.5 miles geographically from the site
- West on Route 16/Revere Beach Parkway to its intersections with Route 1 and Webster Avenue, approximately 1.7 miles geographically from the site
- South on Route 1A and Bennington Street to their intersections at Neptune Road, approximately 1.9 miles geographically from the site, and south on I-90 to the South Boston side of Boston Harbor, approximately 4.7 miles geographically from the site
- East along the Bennington Street corridor, north to Route 145 at Elliot Circle, approximately 0.4 miles geographically from the site, and south to Saratoga Street, approximately 1.1 miles geographically from the site.

# **EXHIBIT 6**

## Parking

### Parking Program and Public Transit

The Mohegan Sun Massachusetts (MSM) destination resort provides approximately 4,500 parking spaces, 4,200 structured spaces, within the three-level parking garage below the resort and 270 surface parking spaces on the east side of the property that will be covered by a solar canopy to generate sustainable and renewable energy. There will be no employee parking on site except for senior management and employees with special needs, and employees will be shuttled from remote locations to an employee entrance located below the gaming floor to reduce trips to and from the destination resort.

These parking numbers are supported by our extensive traffic analysis that indicates that 11 percent of visitors and 30 percent of project employees are projected to access the site via public transportation. Beachmont Station of the Blue Line, located on the northeast corner of the site, provides convenient access into the project. Additionally, Winthrop Avenue will be widened to provide dedicated space for buses. The design of the project therefore incorporates a dedicated pedestrian entrance at the corner of Winthrop Avenue and Washburn Avenue and considers this entrance as one of the front doors to the project. The access to the project from the fixed transit system is perhaps unrivalled in the United States.

One of the many successes of the Mohegan Sun projects in Connecticut and Pennsylvania is the promotion of bus programs for the patrons and MSM intends to accommodate a similar program as a key part of our commitment to Transportation Demand Management (TDM). The patrons arriving by charter buses will enter through a designated bus lobby that connects to the main casino floor by escalators. The guests will experience the same level of accommodation, whether they arrive by bus or private cars. Consistent with our commitment to sustainability, and to reduce traffic accessing the site we will provide very limited on-site parking for employees. We will, instead, encourage employees to use mass transit and other alternative modes of transportation and will initiate a ground shuttle service that will intercept employees at locations dictated by demand. In addition, secure bicycle racks will be provided for those employees that chose to commute to the site via bicycle, and pedestrian access to the site at several locations will be enhanced.

The parking garage will be directly below the main public areas. This will mean guests can park and then take an elevator or escalator directly to their chosen destination (gaming floor, retail, hotel, conference center). It will be extremely convenient for guests with minimal travel from vehicle to venue.

The building is located on a site with substantial existing impervious area. The proposed garage below the Resort intends to reduce building footprint occupied on site and has pulled away from the edges of the site to incorporate a significant landscape buffer zone between the building and the surrounding roadways and sidewalks. The proposed

surface parking areas will have overhead photovoltaic panels to generate renewable energy on site and to provide shading for the parked cars. An enclosed bicycle parking area within the building, as well as convenient bike racks along the perimeter of the Resort, will also be provided to encourage sustainable and traffic-reducing bicycle trips by both patrons and employees. As part of the sustainable focus of the project, electric charging stations and preferred parking spaces will also be located at the Resort.

The main vehicular entrance to the site is a landscaped roundabout to accommodate vehicles from different access points into the project site. A shaded approach road rises up from grade and brings the guests from the roundabout to the self-park garage below the casino floor and to the main porte-cochere for valet parking service.

The parking will include 800 spaces for valet parking service and a small number of employee spaces for senior management, staff with physical disabilities, and on-site service vehicles. The valet parking zone is located on the top parking floor, P1, for its proximity to the main porte-cochere above to achieve maximum operation efficiency. Dedicated valet access ramps are incorporated in the design of the porte-cochere area so the valet traffic and guest traffic do not intermingle.

The self-park area fills up the remaining garage with its main entrance located on P2. The dedicated internal circulation allows guests to move between floors with ease. The lowest parking floor, P3, is designed as floodplain compensatory storage in the event of a major storm event. P2, the middle level, connects to the service parking area to the east of the building.

As part of the sustainable design initiatives, bicycle access infrastructure within the area is being proposed. An enclosed bicycle parking area is located within the project, with easy access to the bike path, for both patrons and employees. Additionally, a number of convenient bike racks are also located along the perimeter of the project site, notably in the vicinity of Beachmont Station entrance.

The parking plan for staff is based on the use of multiple, geographically dispersed locations remote from the project site based on demand, with employee shuttle service to and from the project. This will result in maximum dispersion of employee auto trips and will minimize employee vehicle miles travelled (VMT), as employees will choose to board at locations that are most convenient for their commute. Further, it will minimize employee vehicle trips in the vicinity of the project site, as the majority of employee trips will be intercepted on the roadway network before they reach the project site area and therefore will not use the roadway network local to the project site. Attached for reference is the project's LEED Checklist (See Attachment 4-08-03) and Reference images (See Attachment 4-08-02).

## Zoning

The zoning code requires 0.75 parking spaces per gaming position. As demonstrated in the table below, the proposed parking supply is greater than zoning requirements. Off-site parking for employees is proposed to encourage employees to use mass transit to commute rather than driving.

**Parking Calculations**

Gaming Positions	5000
Zoning parking ratio	0.75/Gaming Position
Zoning required parking spaces	3750
Proposed Parking Supply	
On-site patron parking	4470
Off-site Employee parking	750
	5220

The designation resort proposed parking supply is based on a shared parking analysis of the land uses on campus. The casino portion of the analysis is based on parking demand research Walker conducted at Mohegan Sun's Connecticut campus, other Walker projects, as well as from information on parking generation from the Urban Land Institute's Shared Parking model. The model uses industry research on parking generation rates for each individual land use, tailors these rates for area-specific adjustments such as local transit usage and captive markets, and then calculates the combined parking demand from each land use including the casino over the course of a weekday and weekend in each month of the year to arrive at a projected overall peak.

For this site, the analysis includes an 11% credit for transit use by patrons and adjustments for captive markets from hotel guests visiting the casino and retail as well as casino guests using the retail and restaurants. Accounting for sharing of resources between land uses and use of transit, we project that the mix of uses will generate more parking demand than the Zoning Code requires based on gaming positions, and thus the resort is proposing a greater supply than the zoning code minimum to accommodate guests and employees. The proposed parking supply is believed to be adequate for the current program proposed for this site.

**Signage**

The ideal wayfinding design is one that requires no signage. Since that ideal is simply impossible to achieve, signage design is an integral part in the development of a parking facility. It is important to remember, however, that signage should reinforce natural means of wayfinding. Signage can compensate for compromises that are necessary to balance competing objectives in the design process.

Signage is a means of communication with the driver and/or pedestrian, especially one using the facility for the first time. To be effective, the signage in parking facilities must be clear, concise, and simple. The driver has no time to read the Preamble to the Constitution or even Lincoln's Gettysburg Address as he or she moves through the facility. While the creative designer may itch to make an architectural statement, "plain" is far better than "fancy," particularly for traffic direction.

It is obvious there are many questions that go through the driver's mind as he or she travels the facility looking for a "good" parking space. The driver must remain alert for pedestrians, other vehicles, structural elements, parking



control equipment, and directional information that may be present in the facility. Often structure (i.e., beams and columns) or other vehicles may obstruct much of this information. There are equally as many concerns for the pedestrian finding his or her way through a facility. In addition to being alert to vehicles, structural elements, and visual obstructions while wayfinding, pedestrians are often concerned about security and may thus be hurrying. It is therefore important to separately address the unique wayfinding requirements for vehicular and pedestrian modes of travel through the

facility. The experienced graphic designer does this by establishing hierarchies of information to be communicated.

The essential information required to guide the user through the facility falls into four basic categories:

- Traffic information, which assists drivers by providing directions at points of decisions (One Way, Right Turn Only, Park, Exit, etc.).
- Pedestrian information, which helps the user find such destinations as elevators and stairs, and helps in recollecting the parking location.
- Regulatory information, which identifies areas such as reserved, compact or accessible parking spaces, or which prohibits or restricts entry/exit or vertical clearance limitations.

The intent for the signage program is to match the level of the signage at Mohegan Sun's Connecticut campus which successfully addresses the above concerns. Signage will include:

- Project identification
- Vehicular signage directing patrons to and from parking and regulatory signage such as ADA parking spaces, fire lanes and no parking zoned.
- Variable message signage directing drivers to open parking floors will be provided prior to entering the parking structure and at key decision points within the parking structure.
- Pedestrian signage within the parking areas directing patrons to and from the primary destinations within the facility. In a parking structure, pedestrians normally walk along drive aisle to their destination similar to how they do in the adjacent surface lots at Target and Suffolk Downs.
- Location reminder signage for drivers to facilitate remembering where they parked their vehicle.

## Maintenance of Existing Parking

This project does not displace any existing parking for the adjacent Suffolk Downs racetrack.

Attachments providing a visual description of the approach to wayfinding and other signage are provided (See 4-08-04 and 4-08-05).

# **EXHIBIT 7**

## Projected Benefit for Regional Businesses

Pursuant to the market study completed by PKF Consulting and dated December 18, 2013, provided as Attachment 3-21-02, approximately 7.8 million visits will occur annually at the Mohegan Sun Massachusetts (MSM) gaming facility in Revere. Based on other casinos, the study assumes that 35% of these visitors make some type of **incremental** spend at a regional business as a consequence of their casino trip and that incremental spend will average \$20.00. Accordingly, the study found that approximately \$290 million would be spent at regional businesses during the first five years of operations (refer to Figure 3-21a below).

	Operational Year - Average Case ("Base Case")					
	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
# of Patron Trips	7,802,863	7,880,892	7,959,701	8,039,298	8,119,691	39,802,443
Capture Rate to Spend at Local Businesses	35.00%	35.00%	35.00%	35.00%	35.00%	
Average Spend	\$ 20.00	\$ 20.40	\$ 20.81	\$ 21.22	\$ 21.65	
Total Estimate Spend at Regional Businesses	\$54,620,041	\$56,269,566	\$57,968,907	\$59,719,568	\$61,523,099	\$290,101,182

*Figure 3-21a - Average Case / "Base Case" Spend at Regional Businesses*

Best Case and Worst Case scenarios (providing a 30% premium or 25% reduction on the Average / Base Case scenario respectively) are presented in Figures 3-21b and 3-21c. The range for regional spend based on these scenarios is \$217 million to 377 million in the first five years of operations.

	Operational Year - Average Case ("Base Case")					
	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
# of Patron Trips	10,143,722	10,245,159	10,347,611	10,451,087	10,555,598	51,743,176
Capture Rate to Spend at Local Businesses	35.00%	35.00%	35.00%	35.00%	35.00%	
Average Spend	\$ 20.00	\$ 20.40	\$ 20.81	\$ 21.22	\$ 21.65	
Total Estimate Spend at Regional Businesses	\$71,006,053	\$73,150,436	\$75,359,579	\$77,635,439	\$79,980,029	\$377,131,536

*Figure 3-21b - Best Case / "Upside Case" Spend at Regional Businesses*

	Operational Year - Average Case ("Base Case")					
	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
# of Patron Trips	5,852,147	5,910,669	5,969,775	6,029,473	6,089,768	29,851,832
Capture Rate to Spend at Local Businesses	35.00%	35.00%	35.00%	35.00%	35.00%	
Average Spend	\$ 20.00	\$ 20.40	\$ 20.81	\$ 21.22	\$ 21.65	
Total Estimate Spend at Regional Businesses	\$40,965,031	\$42,202,175	\$43,476,680	\$44,789,676	\$46,142,324	\$217,575,886

*Figure 3-21c - Worst Case / "Downside Case" Spend at Regional Businesses*

# **EXHIBIT 8**

# TOURISM ECONOMICS

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## The Economic & Fiscal Impacts of the Proposed Mohegan Sun Massachusetts Casino

Report Submitted to:  
Mohegan Sun



TOURISM  
ECONOMICS

AN OXFORD ECONOMICS COMPANY

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# 1 Executive Summary

Suffolk Downs announced that it reached an agreement with Mohegan Sun as its development partner and gaming operator for a world-class resort casino on 42 acres of the track's 52 acres in Revere, Suffolk County, Massachusetts.

The partnership teams New England's premier gaming brand with historic Suffolk Downs and will ultimately create a world-class destination, Mohegan Sun Massachusetts ("the Casino"), which will generate significant economic impacts in the local, regional, and statewide economies.

## 1.1 Economic Impacts

Mohegan Sun Massachusetts will generate significant economic impacts as one-time development expenditures, annual operational expenditures, and annual ancillary spending by casino patrons at outside businesses ripple through the local, regional, and state economies. Suffolk County and the State of Massachusetts will benefit from new economic activity, jobs, and employee salaries and wages.

The Casino's development period will generate one-time impacts of \$821 million in total economic activity in Suffolk County and \$1.0 billion in the State of Massachusetts, as shown in Figure 1.1.

Figure 1.1: Summary One-Time Economic Impacts Attributable to Mohegan Sun Massachusetts (\$ Millions in 2016 Dollars & Total Jobs)

Description	Suffolk County	MA State
Total Economic Impact	\$821	\$1,048
Total Jobs Impact	4,478	7,335
Total Salaries & Wages Impact	\$321	\$469

Source: Tourism Economics (2013)

Annual operational expenditures at Mohegan Sun Massachusetts, along with annual ancillary spending by Casino patrons, will generate considerable *ongoing* economic impacts. In the Casino's first year of operations, Suffolk County will benefit from \$482 million in total economic activity, more than 4,500 total jobs, and \$194 million in employee salaries and wages. The State of Massachusetts will benefit from \$616 million in total economic activity, including \$256 million in employee salaries and wages, supporting nearly 5,600 total jobs, as shown in Figure 1.2.

Figure 1.2: Summary Economic Impacts Attributable to Mohegan Sun Massachusetts Operations & Ancillary Casino Patron Spending in the First Year of Operations (\$ Millions in 2016 Dollars & Total Jobs)

Description	Suffolk County	MA State
Total Economic Impact	\$482	\$616
Total Jobs Impact	4,521	5,586
Total Salaries & Wages Impact	\$194	\$256

Source: Tourism Economics (2013)

## 1.2 Fiscal (Tax) Impacts

The economic impacts outlined above will also generate significant fiscal (tax) impacts as they cycle through the local, regional, and statewide economies. In its first year of operations, Mohegan Sun Massachusetts will generate nearly \$217 million in gaming taxes and Massachusetts Gaming Commission funding. Mohegan Sun Massachusetts' development period will generate a one-time impact of \$50.0 million in state and local tax revenues, while annual operations and casino patron ancillary spending will generate \$124.0 million in state and local tax revenues in the Casino's first year of operations.

Figure 1.3: Summary One-Time and Annual Tax Impacts Attributable to Mohegan Sun Massachusetts (\$ Millions in 2016 Dollars)

Description	One-Time Impacts	Annual Impact (First Year of Casino Operations)
<b>Gaming Taxes (\$ Millions)</b>		
Gaming Taxes (25% of Gross Gaming Revenue)	NA	\$214.5
Gaming Commission Funding (\$600 per slot machine)	NA	\$2.4
<b>Total Gaming Tax Revenue</b>	<b>NA</b>	<b>\$216.9</b>
<b>Non-Gaming Taxes (\$ Millions)</b>		
Social Insurance Taxes	\$0.7	\$0.4
Sales	\$16.4	\$35.4
Property & Corporate Taxes	\$15.4	\$78.5
Personal Income Tax	\$15.8	\$8.9
Excise and Fees	\$1.6	\$0.8
<b>Total State and Local Taxes</b>	<b>\$50.0</b>	<b>\$124.0</b>

Source: Tourism Economics (2013)

## 2 Introduction & Project Background

Suffolk Downs announced that it reached an agreement with Mohegan Sun as its development partner and gaming operator for a world-class resort casino on 42 acres of the track's 52 acres in Revere, Suffolk County, Massachusetts. The partnership teams New England's premier gaming brand with historic Suffolk Downs and will ultimately create a world-class destination that will generate significant economic impacts in the local, regional, and statewide economies.

### Suffolk Downs

Founded in 1935, Suffolk Downs has been a gaming and entertainment venue in the city of Boston for over 78 years. It is New England's only remaining active Thoroughbred racetrack. Rich in history, Suffolk Downs has hosted Hall of Fame horses Seabiscuit, Whirlaway and Cigar, and has been the site of performances by world-renowned entertainers, including the Beatles and Aerosmith.

### Mohegan Sun

Owned by the Mohegan Tribal Gaming Authority, Mohegan Sun is one of the largest, most distinctive and spectacular entertainment, gaming, shopping and dining destinations in the United States. Situated on 185 acres along the Thames River in scenic southeastern Connecticut, Mohegan Sun is within easy access of New York, Boston, Hartford and Providence and located 15 minutes from the museums, antique shops and waterfront of Mystic Country.

Tourism Economics, an Oxford Economics company, was retained to estimate the potential economic and fiscal (tax) impacts attributable to the proposed Mohegan Sun Massachusetts casino ("Mohegan Sun Massachusetts" or "the Casino").

### 3 Economic Impacts Defined

The first step in calculating the economic and fiscal impacts attributable to the proposed Casino is to identify the direct expenditures that will generate economic activity in the local, regional, and statewide economies:

- One-time development/construction expenditures
- Ongoing annual operational expenditures
- Ancillary patron spending at nearby businesses surrounding Mohegan Sun Massachusetts

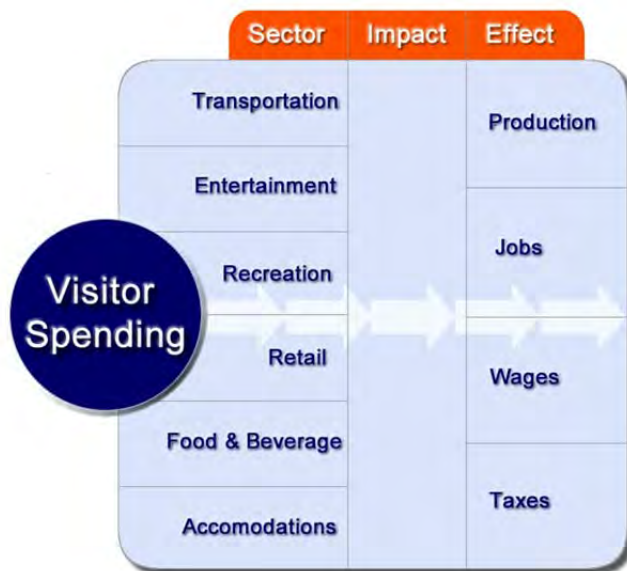
The first main component in the economic impact analysis is the Casino's development and construction expenditures. These expenditures will generate one-time downstream economic activity for a variety of supplier industries in the form of increased sales, jobs, and spending by businesses and employees.

The second main component is Mohegan Sun Massachusetts' annual operational expenditures. These annual expenditures will generate ongoing impacts in the local, regional, and statewide economies as businesses supply goods and services to maintain operational activities at the Casino. For example, the Casino may hire a local PR/advertising company to assist with marketing efforts, a local law firm to assist with legal matters, or a local food and beverage purveyor to supply goods for the on-site restaurants.

The final impact component is ancillary spending by casino patrons. A portion of patrons at Mohegan Sun Massachusetts will also spend time outside the Casino and will spend money at local retail, food and beverage, and recreation/attraction sites. Similar to the casino's development and operational expenditures, ancillary spending will also generate significant economic benefits.

The economic impacts of each component outlined above were estimated using a county and statewide Input-Output (I-O) model based on IMPLAN ([www.implan.com](http://www.implan.com)) models. IMPLAN is recognized as one of two industry standards in local-level I-O models. An I-O model represents a profile of an economy by measuring the relationships among industries and consumers. For example, an I-O model tracks the flow of the Casino's operational expenditures to wages, profits, capital, taxes and suppliers. The supplier chain is also traced to wholesalers, to suppliers, to professional services firms, and so on. In this way, the I-O model allows for the measurement of the direct and indirect sales generated by Casino operations. The model also calculates the induced impacts of Casino operations. These induced impacts represent benefits to the economy as employees of the Casino and supplier industries spend their wages in the local economy, generating additional output, jobs, taxes, and wages.

Figure 3.1: Illustration of Economic Impact Model



IMPLAN is particularly effective because it calculates these three levels of impact – direct, indirect, and induced – for a broad set of indicators. These include the following:

- Spending
- Wages
- Employment
- Federal Taxes
- State Taxes
- Local Taxes

The modeling process begins with aligning the expenditure measurements with the related sectors in the model (e.g. restaurants, retail, and entertainment). The model is then run to simulate the flow of these expenditures through the economy. In this process, the inter-relationships between consumers and industries generate each level of impact for each economic indicator (sales, wages, employment, etc.).

### 3.1 Geographic Impact Areas

The economic impact analysis focused on impacts for the following geographic regions:

- Suffolk County
- State of Massachusetts

## 4 Development/Construction Expenditures

Based on preliminary development budgets provided by Mohegan Sun, the total development budget for Mohegan Sun Massachusetts will amount to approximately \$1.4 billion, including \$218.7 million in hard construction costs, \$77.4 million in soft construction costs, \$105 million in RDE facility costs, and \$60 million in third party hotel construction costs. Hard costs include construction and materials costs, while soft costs include architectural & engineering costs, legal expenses, and other professional services fees.

Figure 4.1: Preliminary Mohegan Sun Massachusetts Casino Development Budget

Description	Amount
Suffolk - Development Expenses (Spent to Date)	\$50,000,000
Cost of Land	\$316,128,438
Construction Costs (Hard)	\$218,725,000
Construction Costs (Soft)	\$77,395,000
Contingency Costs	\$40,380,000
Environmental Related Costs	\$16,000,000
RDE Facility Costs	\$105,000,000
Off-Site and HCA Related Up-Front Costs	\$35,000,000
Third Party Hotel - Construction Costs	\$60,000,000
Construction Period Interest	\$149,539,180
Upfront Application & Regulatory Fees	\$85,000,000
Pre-Opening Costs & Expenses	\$10,000,000
Financing Fees & Costs	\$21,955,699
Prior Developer Payment (Caesar's)	\$28,000,000
Pre-Operations Rent Payment	\$43,000,000
RDE Tenants Fit-Out	\$30,000,000
Bond Expense (Completion Bond for MA)	\$10,000,000
MTG Sunk Costs	\$35,000,000
<b>Subtotal</b>	<b>\$1,331,123,317</b>
CM/Development Fee	\$6,561,750
<b>Subtotal</b>	<b>\$1,337,685,067</b>
Cage Cash/Working Capital	\$15,300,000
<b>Total Project Costs</b>	<b>\$1,352,985,067</b>

Source: Mohegan Sun (2013)

## 5 Annual Operational Expenditures

### 5.1 Mohegan Sun Massachusetts Casino Operational Expenditures

Based on data provided by Mohegan Sun, total annual operational expenditures at Mohegan Sun Massachusetts will amount to approximately \$552 million (expressed in 2016 dollars) in its first year of operations. The total operating budget includes approximately \$123 million in labor expenses (including tips and incentive comp.), \$7 million in legal, taxes, licenses and fees, \$5 million in insurance, \$10 million in outside services, and \$214 million in gaming taxes. By its fifth year of operation, the Casino's operating budget will amount to approximately \$604 million.

In addition to the Casino, the RDE facility and third party hotel will also have annual operating expenditures. Based on data provided by Mohegan Sun, preliminary estimates indicate that the third party hotel will have 200 rooms, while the RDE facility will have 75,000 leasable square feet (sf) of food and beverage space, 30,000 sf of retail space, and 45,000 sf of entertainment/other space. We conservatively assume that the RDE facility will have \$15.0 million of operating expenditures, and the third party hotel will have \$2.9 million in operating expenditures in the first year of operations<sup>1</sup>.

Figure 5.1 summarizes Mohegan Sun Massachusetts' operational budget and third party operational expenditures during the first five years of operations. Combined casino and third party operational expenditures amount to an estimated \$316.4 million in the first year of operations.

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<sup>1</sup> With 150,000 sf of leasable space, we assume that average operating expenditures in the RDE facility will be \$100/sf, resulting in \$15 million in operating expenses in the first year of operation. We assume the 200 room hotel will have a 70% occupancy rate. We further assume that average operating expenditures will be \$55 per occupied room, resulting in \$2.8 million in operating expenditures in the first year of operation.

Figure 5.1: Preliminary Mohegan Sun Massachusetts Casino & Third Party Operating Expenditures (\$ Millions)

Casino Operating Expenditures					
	Year 1	Year 2	Year 3	Year 4	Year 5
Labor Expense (inc. tips and incentive comp.)	\$123.14	\$126.53	\$130.02	\$133.62	\$137.33
Advertising	\$7.00	\$7.18	\$7.35	\$7.54	\$7.73
Bad Debt Expense	\$0.86	\$0.88	\$0.91	\$0.93	\$0.95
Cost of Goods Sold	\$1.72	\$1.79	\$1.90	\$1.94	\$1.98
Dues and subscriptions	\$0.25	\$0.26	\$0.27	\$0.27	\$0.28
Entertainment expenses	\$1.00	\$1.03	\$1.06	\$1.09	\$1.13
Employee shuttle expense	\$1.00	\$1.03	\$1.06	\$1.09	\$1.13
F&B debt expense	\$0.26	\$0.27	\$0.28	\$0.29	\$0.29
Hotel expenses (operating)	\$1.56	\$1.56	\$1.56	\$1.56	\$1.56
Insurance	\$5.00	\$5.10	\$5.20	\$5.31	\$5.41
Legal, taxes, licenses, and fees	\$7.00	\$7.14	\$7.28	\$7.43	\$7.58
Regulatory fees	\$7.00	\$7.14	\$7.28	\$7.43	\$7.58
Operating expenses and supplies	\$9.34	\$9.62	\$9.91	\$10.11	\$10.32
Outside services	\$10.00	\$10.20	\$10.40	\$10.61	\$10.82
Annual license fee/problem gamblers	\$5.65	\$5.76	\$5.88	\$6.00	\$6.12
Promo/direct marketing expense	\$10.72	\$11.05	\$11.38	\$11.61	\$11.84
Tenant comp expense	\$50.19	\$51.74	\$53.23	\$54.24	\$55.28
Rent expense	\$37.33	\$37.33	\$37.33	\$37.33	\$20.62
Repairs and maintenance	\$2.50	\$2.55	\$2.60	\$2.65	\$2.71
Special events and promotion	\$5.15	\$5.30	\$5.46	\$5.57	\$5.68
T&E expense	\$0.40	\$0.41	\$0.42	\$0.42	\$0.43
Utilities expense	\$9.00	\$9.23	\$9.46	\$9.69	\$9.93
Racetrack expense (i.e., loss)	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50
<b>Subtotal, Casino Operating Expenditures</b>	<b>\$298.58</b>	<b>\$305.60</b>	<b>\$312.76</b>	<b>\$319.24</b>	<b>\$309.20</b>
Third Party Operating Expenditures					
	Year 1	Year 2	Year 3	Year 4	Year 5
200 Room Third Party Hotel	\$2.81	\$2.87	\$2.92	\$2.98	\$3.04
RDE Complex	\$15.00	\$15.75	\$16.22	\$16.55	\$16.88
<b>Subtotal, Third Party Operating Expenditures</b>	<b>\$17.81</b>	<b>\$18.62</b>	<b>\$19.15</b>	<b>\$19.53</b>	<b>\$19.92</b>
<b>Grand Total, Casino &amp; Third Party Operating Expenditures</b>	<b>\$316.39</b>	<b>\$324.21</b>	<b>\$331.90</b>	<b>\$338.77</b>	<b>\$329.12</b>

Source: Mohegan Sun & Tourism Economics (2013)



## 6 Direct Employment at Mohegan Sun Massachusetts

Based on data provided by Mohegan Sun, Mohegan Sun Massachusetts will generate nearly 2,300 total jobs, with more than \$109 million in annual salary expenses (including tips and incentives).

In addition, third party labor (including a 200 room hotel and the RDE complex) will add 750 additional jobs and nearly \$19 million in annual salary expenses<sup>2</sup>.

Taken together, casino and third party labor will amount to approximately 3,000 total jobs with \$128 million in annual salary expenses, as shown in Figure 6.1.

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<sup>2</sup> We conservatively assume that the third party employees at the hotel and RDE complex will have an average annual wage of \$25,000. According to the US Census Bureau's 2011 County Business Patterns database, employees in Suffolk County in the "Accommodation and Food Services" industry have an average annual wage of \$25,069.

Figure 6.1: Direct On-Site Jobs, Payroll (Including Benefits), and Tip Income (Total Jobs & 2016 Dollars)

Description	Job Count	Wages Total Inc. Est. Hourly Tips & Incentive Comp	Fringes Total	Annual Salary Expense Inc. Est. Hourly Tips & Incentive Comp
<b>Mohegan Sun Massachusetts Casino Labor Estimates</b>				
Executive Department	9	\$1,418,780	\$851,268	\$2,270,048
Slot Department	120	\$5,389,217	\$2,246,814	\$7,636,031
Table Department	683	\$28,092,388	\$8,128,169	\$36,220,557
Poker Department	134	\$5,524,180	\$1,569,055	\$7,093,235
Hotel Department	131	\$3,353,312	\$1,822,447	\$5,175,759
Information Technology	19	\$822,444	\$493,467	\$1,315,911
Finance	15	\$494,643	\$296,786	\$791,429
Operational Accounting	19	\$531,548	\$318,929	\$850,477
Cage/Count	128	\$3,314,289	\$1,813,853	\$5,128,142
Credit	13	\$381,318	\$228,791	\$610,109
F&B Admin	14	\$389,097	\$233,458	\$622,555
Buffet/EDR	38	\$825,099	\$495,059	\$1,320,158
Beverage	168	\$9,162,059	\$1,188,515	\$10,350,574
Center Bar	11	\$409,344	\$86,486	\$495,830
VIP Lounge	2	\$63,804	\$19,562	\$83,366
Facilities and EVS	129	\$2,703,981	\$1,622,389	\$4,326,370
RDE Support	22	\$407,539	\$244,523	\$652,062
Marketing	123	\$3,008,651	\$1,805,191	\$4,813,842
Human Resources	20	\$646,520	\$387,912	\$1,034,432
Security/Surveillance	167	\$3,401,867	\$2,041,120	\$5,442,987
Materials Management	20	\$419,116	\$251,470	\$670,586
Transportation	96	\$2,704,907	\$874,144	\$3,579,051
Chargebacks	9	\$339,392	\$203,635	\$543,027
Labor - Contingency	189	\$5,000,000	\$3,000,000	\$8,000,000
<b>Subtotal</b>	<b>2,280</b>	<b>\$78,803,495</b>	<b>\$30,223,043</b>	<b>\$109,026,538</b>
<b>Third Party Labor Estimates</b>				
200 Room Third Party Hotel	125			\$3,125,000
RDE Complex	625			\$15,625,000
<b>Subtotal</b>	<b>750</b>			<b>\$18,750,000</b>
<b>Grand Total</b>	<b>3,030</b>			<b>\$127,776,538</b>

Source: Mohegan Sun & Tourism Economics (2013)

## 7 Economic Impacts

### 7.1 One-Time Economic Impacts Attributable to Development/Construction Expenditures

#### 7.1.1 Direct Impacts of Development/Construction Expenditures

Based on data provided by Mohegan Sun, the total development budget for Mohegan Sun Massachusetts will amount to approximately \$1.4 billion. It is important to note that certain line item costs are excluded from the economic impact analysis since they do not represent the transfer of tangible goods and do not generate economic impacts. Excluded line item costs include \$316 million in land costs, \$150 million in construction period interest, \$85 million in upfront application and regulatory fees, \$22 million in financing fees, \$28 million in prior developer payment, \$10 million in bond expense, and \$35 million in MTG sunk costs.

Expenditures included in the economic modeling include \$77 million in soft costs, \$219 million in hard construction costs, \$40 million in contingency costs, \$16 million in environmental related costs, \$105 million in RDE facility costs, \$35 million in off-site and HCA related up-front costs, and \$60 million in third party hotel construction costs. As shown in Figure 7.1, total direct development expenditures included in the economic impact model amount to \$595 million.

Figure 7.1: One-Time Economic Impacts Attributable to Mohegan Sun Massachusetts Development/Construction Expenditures (\$ Millions and Total Jobs)

Description	Suffolk County	MA State
<b>Output Impacts (\$ Millions)</b>		
Direct Expenditures	\$595.1	\$595.1
Indirect Expenditures	\$83.6	\$169.6
Induced Expenditures	\$142.2	\$283.2
<b>Total Economic Output</b>	<b>\$821.0</b>	<b>\$1,047.9</b>
Output Multiplier	1.38	1.76
<b>Job Impacts</b>		
Direct Jobs	3,136	4,397
Indirect Jobs	483	995
Induced Jobs	859	1,944
<b>Total Jobs</b>	<b>4,478</b>	<b>7,335</b>
<b>Salary &amp; Wage Impacts (\$ Millions)</b>		
Direct Salaries & Wages	\$234.4	\$295.5
Indirect Salaries & Wages	\$37.4	\$71.0
Induced Salaries & Wages	\$49.6	\$103.0
<b>Total Salaries &amp; Wages</b>	<b>\$321.4</b>	<b>\$469.5</b>

Source: Tourism Economics (2013)

## 7.1.2 Total Impacts of Development/Construction Expenditures

### Suffolk County

In Suffolk County, \$595.1 million in direct construction expenditures will generate an additional \$83.6 million in indirect expenditures and \$142.2 million in induced expenditures, resulting in a total economic impact of \$821.0 million. This total economic impact includes \$321.4 million in total salaries and wages, supporting nearly 4,500 total jobs. The output multiplier for Suffolk County is 1.38, which indicates that each \$1 in direct development expenditures will generate an additional \$0.38 in indirect and induced expenditures in Suffolk County.

### State of Massachusetts

In the State of Massachusetts, \$595.1 million in direct construction expenditures will generate an additional \$169.6 million in indirect expenditures and \$283.2 million in induced expenditures, resulting in a total economic impact of more than \$1.0 billion. This total economic impact includes \$469.5 million in total salaries and wages, supporting more than 7,300 total jobs. The output multiplier for the State is 1.76, which indicates that each \$1 in direct development expenditures will generate an additional \$0.76 in indirect and induced expenditures in the State of Massachusetts.

While the impacts attributable to development/construction expenditures are one-time impacts in County and State, they represent significant, positive impacts in terms of economic output, total jobs, and salaries and wages.

## 7.2 Ongoing Economic Impacts Attributable to Annual Operational Expenditures

### 7.2.1 Direct Impacts of Annual Casino Operational Expenditures

While the development/construction of Mohegan Sun Massachusetts will generate significant *one-time* economic impacts, the impacts generated by annual operations represent *ongoing* benefits in the local, regional, and statewide economies. As previously shown, annual operating expenditures at Mohegan Sun Massachusetts will amount to approximately \$551.7 million (in 2016 dollars) in the first year of operation, excluding any tax payments on gaming revenues.

Similar to the treatment of development expenditures, certain line item operating expenditures are excluded from the economic impact modeling, since they do not represent the transfer of goods or services and therefore do not generate any economic

impacts. For example, \$0.9 million in bad debt expenses, \$0.3 million in F&B debt expenses, \$5.7 million in annual license fees, and \$214 million in gaming taxes are excluded from first year operational expenditures. After excluding these costs, total operating expenditures included in the economic impact model amount to approximately \$290.4 million.

Based on staffing and payroll estimates provided by Mohegan Sun, Mohegan Sun Massachusetts will support a total of 2,280 jobs with a payroll (including benefits and tip income) of \$109 million (in 2016 dollars). In addition, Mohegan Sun estimates 750 additional jobs (with an estimated salary expense of \$18.8 million) at the 200-room third party hotel and RDE complex. Taken together, total direct employment amounts to 3,030 jobs with annual salary expenses of \$127.8 million.

Figure 7.2: Economic Impacts Attributable to Mohegan Sun Massachusetts Annual Operational Expenditures, First Year of Operations (\$ Millions in 2016 Dollars and Total Jobs)

Description	Suffolk County	MA State
<b>Output Impacts (\$ Millions)</b>		
Direct Expenditures	\$290.4	\$290.4
Indirect Expenditures	\$91.2	\$113.6
Induced Expenditures	\$47.3	\$146.0
<b>Total Economic Output</b>	<b>\$428.9</b>	<b>\$550.0</b>
Output Multiplier	1.48	1.89
<b>Job Impacts</b>		
Direct Jobs	3,030	3,030
Indirect Jobs	517	722
Induced Jobs	285	999
<b>Total Jobs</b>	<b>3,833</b>	<b>4,751</b>
<b>Salary &amp; Wage Impacts (\$ Millions)</b>		
Direct Salaries & Wages	\$127.8	\$127.8
Indirect Salaries & Wages	\$31.6	\$46.1
Induced Salaries & Wages	\$14.4	\$53.0
<b>Total Salaries &amp; Wages</b>	<b>\$173.8</b>	<b>\$226.9</b>

Source: Tourism Economics (2013)

## 7.2.2 Total Impacts of Annual Operational Expenditures

### Suffolk County

In Suffolk County, \$290.4 million in direct operating expenditures in the first year of operations will generate an additional \$91.2 million in indirect expenditures and \$47.3 million in induced expenditures, resulting in a total economic impact of \$428.9 million. This total economic impact includes \$173.8 million in total salaries and wages, supporting more than 3,800 total jobs throughout the County. The output multiplier for Suffolk

County is 1.48, which indicates that each \$1 in direct operating expenditures will generate an additional \$0.48 in indirect and induced expenditures in Suffolk County.

### State of Massachusetts

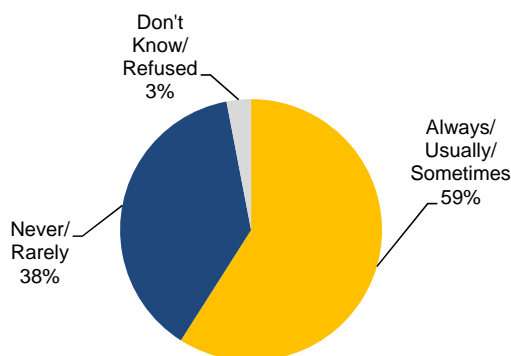
In the State of Massachusetts, \$290.4 million in direct operating expenditures in the first year of operation will generate an additional \$113.6 million in indirect expenditures and \$146.0 million in induced expenditures, resulting in a total economic impact of \$550.0 million. This total economic impact includes \$226.9 million in total salaries and wages, supporting nearly 4,800 total jobs throughout the State. The output multiplier for the State is 1.89, which indicates that each \$1 in direct operating expenditures will generate an additional \$0.89 in indirect and induced expenditures in the State of Massachusetts.

## 7.3 Ongoing Economic Impacts Attributable to Ancillary Patron Spending

In addition to spending money inside Mohegan Sun Massachusetts, casino patrons will also inject money into the local economy as they frequent restaurants and bars, hotels, retail and general merchandise stores, entertainment venues, and tourist attractions.

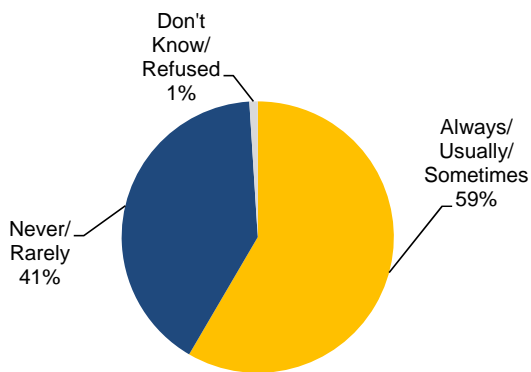
According to the American Gaming Association's ("AGA") 2011 State of the States (The AGA Survey of Casino Entertainment), nearly 60% of responding casino patrons indicated that they visit attractions in the area outside casino properties, as shown in Figure 7.3. In addition, the survey also found that nearly 60% of casino patrons shopped at local retailers and ate at local dining establishments outside casino properties.

Figure 7.3: Percentage of Survey Respondents who Visit Attractions in the Area Outside Casinos



Source: VP Communications, Inc. & Peter D. Hart

Figure 7.4: Percentage of Survey Respondents who Shop or Eat at Establishments Outside Casinos



Source: VP Communications, Inc. & Peter D. Hart

As shown in the AGA's 2011 study, the majority of casino patrons visit entertainment, shopping, and/or dining establishments outside a casino during their gaming visit.

Similar to annual Casino operational expenditures, this ancillary spending by Casino patrons will also generate significant economic impacts for the City, Region, and State.

### 7.3.1 Direct Impacts of Ancillary Patron Spending

Based on estimates provided by PKF Consulting, Mohegan Sun Massachusetts patrons will fall under the following four market segments:

- Primary Residential Zone: consists of the residents of Suffolk County, Norfolk County, Essex County, and Middlesex County in Massachusetts.
- Secondary Residential Zone: consists of residents in Plymouth County, Bristol County, and Worcester County in Massachusetts and Rockingham County, Hillsborough County, and Merrimack County in New Hampshire.
- Visitor Market: consists of local hotel guests coming from outside the immediate area not represented in the primary or secondary residential zones.

Based on PKF's market segment analysis<sup>3</sup>, Mohegan Sun Massachusetts will have approximately 8.1 million patrons in its first year of operation, including 7.8 million patrons from the primary and secondary residential markets and nearly 250,000 patrons from the visitor market.

<sup>3</sup> PKF's report presented two scenarios for potential gaming visits and gaming revenues at Suffolk Downs Casino. One scenario a casino would be developed in New Hampshire, while the second scenario assumed no development would occur. All gaming and visit estimates presented throughout this report are based on the scenario with no casino development occurring in New Hampshire. Please refer to PKF's complete report for a comprehensive analysis and description of the methodology underlying Suffolk Downs' estimated patron base.

Figure 7.5 provides a detailed summary of the estimated visits in Mohegan Sun Massachusetts' first year of operations.

Figure 7.5: Estimated Visits to Mohegan Sun Massachusetts, First Year of Operations

Residential Markets	
Primary Zone	Visits
Suffolk, MA (Boston)	1,989,606
Norfolk, MA	748,811
Essex, MA	1,093,583
Middlesex, MA	2,303,066
<b>Subtotal</b>	<b>6,135,066</b>
Secondary Zone	Visits
Plymouth, MA	331,238
Bristol, MA	122,395
Worcester, MA	426,865
Rockingham, NH	303,287
Hillsborough, NH	346,625
Merrimack, NH	137,387
<b>Subtotal</b>	<b>1,667,797</b>
Subtotal, Residential Markets	7,802,863
Visitor Market	249,315
<b>Total Visits</b>	<b>8,052,178</b>

Source: PKF Consulting (2013)

We estimate that 25% of patrons from the primary residential zone will spend money outside of Mohegan Sun Massachusetts. We conservatively assume that average spending will amount to \$15 per patron, resulting in a total of \$23 million in spending by primary residential zone patrons at establishments outside the Casino.

We estimate that 33% of patrons from the secondary residential zone will spend money outside of Mohegan Sun Massachusetts. At a conservative average of \$25 per person, total spending by secondary residential zone patrons at establishments outside the Casino will amount to nearly \$14 million.

The estimated percentages of the primary and secondary residential markets that will spend money outside the Casino are conservative compared to the percentages reported in the AGA's 2011 survey of casino patrons.



Finally, we assume that 50% of the visitor market patrons will spend an average of \$75 outside of Mohegan Sun Massachusetts, resulting in \$9 million in ancillary spending at establishments outside the Casino.

Spending estimates for each market segment represent *net new* spending by Casino patrons that would not have occurred had it not been for their trip to Mohegan Sun Massachusetts.

Based on the estimates outlined above, total ancillary patron spending in Mohegan Sun Massachusetts' first year of operations will amount to approximately \$46.1 million, as shown in in Figure 7.6.

Figure 7.6: Estimated Mohegan Sun Massachusetts Patrons and Ancillary Spending (First Year of Operation), by Market (in 2016 Dollars)

Description	Number of Visits	% of Visitors Who Will Spend \$ Outside Mohegan Sun Massachusetts	Average \$ Spent Outside Mohegan Sun Massachusetts	Total Patron Spending (\$ Millions)
Primary Residential Zone	6,135,066	25%	\$15	\$23.01
Secondary Residential Zone	1,667,797	33%	\$25	\$13.76
Visitor Market	249,315	50%	\$75	\$9.35
<b>Total</b>	<b>8,052,178</b>			<b>\$46.12</b>

Source: PKF Consulting & Tourism Economics (2013)

### 7.3.2 Total Impacts of Ancillary Patron Spending

The economic impacts attributable to \$46.1 million in ancillary patron spending are summarized in Figure 7.7.

Figure 7.7: Economic Impacts Attributable to Mohegan Sun Massachusetts Ancillary Patron Spending, First Year of Operations (\$ Millions in 2016 Dollars and Total Jobs

Description	Suffolk County	MA State
<b>Output Impacts (\$ Millions)</b>		
Direct Expenditures	\$36.2	\$36.2
Indirect Expenditures	\$9.4	\$12.0
Induced Expenditures	\$7.4	\$17.9
<b>Total Economic Output</b>	<b>\$53.0</b>	<b>\$66.1</b>
Output Multiplier	1.46	1.83
<b>Job Impacts</b>		
Direct Jobs	593	641
Indirect Jobs	51	72
Induced Jobs	45	123
<b>Total Jobs</b>	<b>688</b>	<b>835</b>
<b>Salary &amp; Wage Impacts (\$ Millions)</b>		
Direct Salaries & Wages	\$15.1	\$18.6
Indirect Salaries & Wages	\$3.2	\$4.5
Induced Salaries & Wages	\$2.4	\$6.5
<b>Total Salaries &amp; Wages</b>	<b>\$20.7</b>	<b>\$29.6</b>

Source: Tourism Economics (2013)

#### Suffolk County

In Suffolk County, \$46.1 million in ancillary patron spending in the first year of operations will generate a direct impact of \$36.2 million. This direct impact will generate an additional \$9.4 million in indirect expenditures and \$7.4 million in induced expenditures, resulting in a total economic impact of \$53.0 million. This total economic impact includes \$20.7 million in total salaries and wages, supporting nearly 700 total jobs throughout the County. The output multiplier for Suffolk County is 1.46, which indicates that each \$1 in direct ancillary spending will generate an additional \$0.46 in indirect and induced expenditures in Suffolk County.

#### State of Massachusetts

In the State of Massachusetts, \$46.1 million in ancillary patron spending in the first year of operations will generate a direct impact of \$36.2 million. This direct impact will generate an additional \$12.0 million in indirect expenditures and \$17.9 million in induced expenditures, resulting in a total economic impact of \$66.1 million. This total economic impact includes \$29.6 million in total salaries and wages, supporting 835 total jobs throughout the State. The output multiplier for the State is 1.83, which indicates that each \$1 in direct development expenditures will generate an additional \$0.83 in indirect and induced expenditures in the State of Massachusetts.

## 7.4 Combined Ongoing Economic Impacts Attributable to Operational Expenditures and Ancillary Patron Spending

Figure 7.8 summarizes the combined impact of casino operations and ancillary patron spending in Suffolk Down's first year of operations.

Figure 7.8: Combined Economic Impacts Attributable to Mohegan Sun Massachusetts Operational Expenditures & Ancillary Patron Spending, First Year of Operations (\$ Millions in 2016 Dollars and Total Jobs)

Description	Suffolk County	MA State
<b>Output Impacts (\$ Millions)</b>		
Direct Expenditures	\$326.6	\$326.6
Indirect Expenditures	\$100.6	\$125.6
Induced Expenditures	\$54.7	\$163.9
<b>Total Economic Output</b>	<b>\$481.9</b>	<b>\$616.1</b>
Output Multiplier	1.48	1.89
<b>Job Impacts</b>		
Direct Jobs	3,623	3,671
Indirect Jobs	568	794
Induced Jobs	330	1,122
<b>Total Jobs</b>	<b>4,521</b>	<b>5,586</b>
<b>Salary &amp; Wage Impacts (\$ Millions)</b>		
Direct Salaries & Wages	\$142.9	\$146.3
Indirect Salaries & Wages	\$34.8	\$50.6
Induced Salaries & Wages	\$16.8	\$59.5
<b>Total Salaries &amp; Wages</b>	<b>\$194.5</b>	<b>\$256.5</b>

Source: Tourism Economics (2013)

### Suffolk County

In Suffolk County, casino operational expenditures and ancillary patron spending in the first year of operations will generate a direct impact of \$326.6 million. This direct impact will generate an additional \$100.6 million in indirect expenditures and \$54.7 million in induced expenditures, resulting in a total economic impact of \$481.9 million. This total economic impact includes \$193.5 million in total salaries and wages, supporting more than 4,500 total jobs throughout the County. The output multiplier for Suffolk County is 1.48, which indicates that each \$1 in direct operational expenditures and ancillary spending will generate an additional \$0.48 in indirect and induced expenditures in Suffolk County.

### State of Massachusetts

In the State of Massachusetts, casino operational expenditures and ancillary patron spending in the first year of operations will generate a direct impact of \$326.6 million. This direct impact will generate an additional \$125.6 million in indirect expenditures and \$163.9 million in induced expenditures, resulting in a total economic impact of \$616.1 million. This total economic impact includes \$256.5 million in total salaries and wages, supporting nearly 5,600 total jobs throughout the State. The output multiplier for the State is 1.89, which indicates that each \$1 in direct operational expenditures and ancillary spending will generate an additional \$0.89 in indirect and induced expenditures in the State of Massachusetts.

## 8 Fiscal (Tax) Impacts

The economic impacts outlined in previous sections will also generate significant fiscal (tax) impacts as they cycle through the local, regional, and statewide economies.

### 8.1 Gaming Taxes

PKF Consulting estimates that Mohegan Sun Massachusetts will have a win of \$857.9 million (in 2016 dollars) in its first year of operations, including \$147.4 million in table games revenue, \$700.8 million in slots revenue, and \$9.6 million in poker revenue. Based on these estimates, we estimate that Mohegan Sun Massachusetts will generate more than \$214 million in gaming taxes (expressed in 2016 dollars) in its first year of operations. In addition, based on an annual fee of \$600 per slot machine, the Massachusetts Gaming Commission will receive \$2.4 million in fees each year. Figure 8.1 provides a detailed breakdown of the various gaming tax components and revenues.

Figure 8.1: Mohegan Sun Massachusetts Gross Gaming Revenue & Estimated Gaming Taxes  
(\$ Millions in Inflated Dollars)

Description	Year 1	Year 2	Year 3	Year 4	Year 5
# of operating days	365	365	365	365	365
# of tables	100	100	100	100	100
# of slots	4,000	4,000	4,000	4,000	4,000
# of Poker Tables	20	20	20	20	20
Table Game Revenue	\$147.4	\$151.9	\$156.5	\$159.6	\$162.8
Slot Revenue (Net of free play)	\$700.8	\$722.0	\$743.7	\$758.6	\$773.8
Poker Revenue	\$9.6	\$9.9	\$10.2	\$10.4	\$10.6
Gross Gaming Revenue	\$857.9	\$883.8	\$910.4	\$928.6	\$947.2
<b>Gaming Taxes (25% of Gross Gaming Revenue)</b>	<b>\$214.5</b>	<b>\$221.0</b>	<b>\$227.6</b>	<b>\$232.2</b>	<b>\$236.8</b>
<b>Annual License Fees (\$600 per slot machine)</b>	<b>\$2.4</b>	<b>\$2.4</b>	<b>\$2.4</b>	<b>\$2.4</b>	<b>\$2.4</b>
<b>Share of Annual Public Health Trust Fund Fee (65% of \$5 million annual fee)</b>	<b>\$3.3</b>	<b>\$3.3</b>	<b>\$3.3</b>	<b>\$3.3</b>	<b>\$3.3</b>

Source: Mohegan Sun, PKF Consulting & Tourism Economics (2013)

## 8.2 Non-Gaming Taxes

Based on the estimates of total economic impacts outlined in Section 7, Figure 8.2 outlines the various state, local, and federal taxes attributable to the one-time construction period impacts and the impacts of annual casino operations and ancillary patron spending in Mohegan Sun Massachusetts' first year of operations.

Figure 8.2: Non-Gaming Tax Revenues (State and Local & Federal) Attributable to Mohegan Sun Massachusetts, (\$ Millions in 2016 Dollars)

Description	One-Time Tax Impact Attributable to Development/ Construction	Annual Tax Impact Attributable to Casino Operations & Ancillary Spending (First Year of Operations)
Social Insurance Taxes	\$0.7	\$0.4
Sales	\$16.4	\$35.4
Property & Corporate Taxes	\$15.4	\$78.5
Personal Income Tax	\$15.8	\$8.9
Excise and Fees	\$1.6	\$0.8
<b>Total State and Local Taxes</b>	<b>\$50.0</b>	<b>\$124.0</b>

Source: Tourism Economics (2013)

As shown in Figure 8.2, Suffolk Down's development/construction activities will generate a total one-time impact of \$50.0 million, including \$15.8 million in personal income tax revenue, \$13.5 million in property tax revenue, and \$16.4 million in sales tax revenue.

Casino operations and ancillary patron spending will generate \$124.0 million in state and local tax revenues in the first year of operations, including \$35.4 million in sales tax revenue, \$8.9 million in personal income tax revenue, and \$78.5 million in property and corporate tax revenues<sup>4</sup>.

<sup>4</sup> Annual corporate and property tax revenues include direct property tax/mitigation payments and corporate income tax payments by Mohegan Sun, as well as property tax revenues from indirect and induced business activity. Direct corporate and property tax payments by Mohegan sun are based on Mohegan Sun's preliminary revenue projections. Annual sales tax revenue includes sales tax revenue generated by on-site activity at Mohegan Sun, third party retail sales at the RDE complex and hotel, and sales tax revenue generated by indirect and induced business activity.

## 9 Company Background



**Tourism Economics** is an Oxford Economics company with a singular objective: combine an understanding of tourism dynamics with rigorous economics in order to answer the most important questions facing destinations, developers, and strategic planners. By combining quantitative methods with industry knowledge,

Tourism Economics designs custom market strategies, destination recovery plans, tourism forecasting models, tourism policy analysis, and economic impact studies.

With over four decades of experience of our principal consultants, it is our passion to work as partners with our clients to achieve a destination's full potential.

Oxford Economics is one of the world's leading providers of economic analysis, forecasts and consulting advice. Founded in 1981 as a joint venture with Oxford University's business college, Oxford Economics enjoys a reputation for high quality, quantitative analysis and evidence-based advice. For this, it draws on its own staff of 50 highly-experienced professional economists; a dedicated data analysis team; global modeling tools, and a range of partner institutions in Europe, the US and in the United Nations Project Link. Oxford Economics has offices in New York, Philadelphia, London, Oxford, Dubai, and Singapore.

**Michael Mariano** is a Senior Economist and Director of Geospatial Analytics with Tourism Economics and Oxford Economics. Michael has over 13 years of experience in economic and statistical consulting, and his research interests include economic and fiscal impact modeling, econometric forecasting, retail market studies, and GIS (Geographic Information Systems) modeling and geospatial analytics.

Mr. Mariano has consulted and provided expert testimony for various public, private, and non-profit clients and has managed projects examining public housing, economic development, tax policy, market analysis, and real estate impacts. He has worked on economic impact studies for hotels, casinos, and retail parks nationwide and has extensive experience providing job impact estimates for project funding through the U.S. government's EB-5 immigrant investor program.

Prior to joining Tourism Economics, Michael was Managing Director of Geospatial Analytics and GIS Solutions at Econsult Corporation, an economic consulting firm based in Philadelphia. Michael received a Bachelor of Science in economics and marketing from the Wharton School and a Master of Science in Urban Spatial Analytics from The University of Pennsylvania.





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# **EXHIBIT 9**

December 19, 2013

**TO: Massachusetts Gaming Commission**

**Re: Impact Studies in Support of Section: 03-01 : Studies & Reports**

**Attached to this memo are studies pertaining to the areas of:**

1. **"Impacts of a Casino at Suffolk Downs on Entertainment Venues , the Arts & Cultural Institutions" (attachment: 03-01-02)**
2. **"Impacts of a Casino at Suffolk Downs on Small and Local Business" (attachment 03-01-03)**

The above studies were commissioned by the original partnership of Caesars Entertainment Corporation and Suffolk Downs in October of 2012 and September of 2012 respectively. These studies have been reviewed by the current Mohegan Sun Project Team and have been found to be applicable and pertinent to the project envisioned in the current Mohegan Sun/Suffolk Downs project configuration.

It should be noted that in the "Impact of a Casino at Suffolk Downs on Entertainment Venues, the Arts and Cultural Institutions" report: pps 25 through 28 have been removed as those pages detailed Caesars experiences with Entertainment venues in other locations around the country. This excising has no effect on the content or flow of the report.

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# Impacts of a Casino at Suffolk Downs on Small Local Business

Prepared for:  
**Suffolk Downs**

September 2012



Prepared by:  
THE INNOVATION GROUP  
400 N Peters Street, Suite 206  
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# IMPACT ON LOCAL BUSINESS

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The following section outlines the effect that the addition of a casino has on the local business environment of a community.

## *Introduction*

This analysis reviews the experience of local businesses in the vicinity of a casino in relation to business volumes. Based on this review the analysis identifies the likely impact that the proposed casino development at Suffolk Downs will have on small businesses in the area.

Three causal factors suggest that local businesses benefit from the development of a casino:

- Casino visitors stopping at local retail outlets (mostly gas stations) for goods and to some extent restaurants.
- Long-distance patrons staying at area hotels; even in markets with casino hotels, non-casino hotels enjoy boosts in occupancy.
- The development of Suffolk Downs as a casino will generate substantial employment. This influx of employees into the areas will in turn generate demand to local F&B and retail establishments. This effect can be enhanced when casinos implement bonus or discount programs with their employees to encourage use of local businesses.
- Purchases by the casino for goods and services from small local businesses will provide increased demand and income for these small local businesses.

## *Background Discussion and Secondary Research*

Casino opponents often claim that, through cannibalization, casinos will devastate local businesses, especially smaller “mom and pop” retail, restaurant and entertainment businesses. In Massachusetts this argument has been especially prominent, and it rests on a central premise: most customers will come from within a 50-mile radius and the spending by these casino customers is simply diverting money that is already being spent in the economy with local businesses.

This argument has its origins in long-ago controversies regarding Atlantic City. Clyde Barrow, Director for the Center of Policy Analysis at the University of Massachusetts Dartmouth, traces the Atlantic City “myth” to a misinformation campaign by the Atlantic City Restaurant and Tavern Association “to win more concessions for its members from the city’s casino hotels.”<sup>1</sup>

Barrow cites research by Kathryn Hashimoto and George Fenich, which found that, contrary to a negative impact, casinos in Atlantic City actually reversed a downward trend:

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<sup>1</sup> Barrow, Clyde and Mathew Hirshy. “The Persistence of Pseudo-Facts in the U.S. Casino Debate: The Case of Massachusetts” *Gaming Law Review and Economics* Volume 12, Number 4, 2008.

the number of eating and drinking establishments in Atlantic County was actually declining in the years *prior* to the opening of the first casinos. However, this decline was actually reversed after the first casinos opened, when the number of non-casino eating and drinking places increased from 415 in 1978 to 569 in 1994 (37 percent). Moreover, in the 11 years since the Hashimoto and Fenich study, the number of non-casino eating and drinking places in Atlantic County has continued to increase to 625 (9.8 percent) in 2004 with 9,020 employees (36 percent).<sup>2</sup>

The research also revealed a motivating factor in local business opposition:

Similarly, the number of employees in this sector increased from 4,439 in 1978 to 6,624 in 1994 (50 percent). Payroll rose by two and one-half times the rate of employment, which indicates that wages improved in this sector due to competition from the casinos; a fact that explains why state restaurant associations routinely oppose casino legislation. **It is not because they will go out of business, but because they will have to offer their employees better wages and benefits.**<sup>3</sup>

There is substantial corroborating research from throughout the country, not just Atlantic City. Pulling together research from across the country, the research division of the Federal Reserve Bank of St. Louis concludes that the evidence is generally positive as it relates to the impact of casinos on local businesses:

The casino's impact on local retail sales is determined by consumption preferences of local citizens and the degree to which casinos attract visitors from outside the local area. There are three possibilities. First, casino gambling can serve as part of an overall tourist industry. Under this scenario, casinos attract non-local players who inject new money into the economy via the casino and other entertainment activities. A second possibility is that gambling can function as an import substitution activity that serves only local customers who, without the casino, would have spent their income outside of the local area. That is, the casino keeps local income local. Finally, the third possibility is that a casino functions as a local service only, just like any other business, and simply results in a redistribution of income from one business to another as local consumers choose where to spend their income.<sup>4</sup>

The study also states "casinos located in larger cities that offer relatively more amenities than rural areas will tend to attract casino patrons from outside the area more so than rural casinos will." This therefore results in a greater impact on local businesses, which would be expected in the case of Suffolk Downs.

Hashimoto and Fenich's 1997 research shows that "in jurisdictions from the seashore to the riverfront to rural areas, north and south, east and west, local restaurants tended to thrive after a casino opened nearby." Furthermore, Hashimoto and Fenich conclude: "When casinos are developed, all aspects of the local food and beverage business increase: the number of establishments increases, the number of people employed increases and payroll increases at an even greater rate than the first two."<sup>5</sup>

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<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.*

<sup>4</sup> Thomas A. Garrett, Senior Economist, Federal Reserve Bank of St. Louis, *Casino Gambling in America and Its Economic Impacts*, August 2003.

<sup>5</sup> George Fenich and Kathryn Hashimoto, "The Effects of Casinos on Local Restaurant Business," paper presented at the International Conference on Gambling and Risk-Taking, Montreal, 1997.

Research conducted in 1996 by Nancy Reeves and Associates for the Mille Lacs Band of Ojibwe, entitled “The Economic Impact of Grand Casino Mille Lacs and Grand Casino Hinckley on Their Surrounding Areas” concluded that:

At least 15 businesses have either opened, expanded, or re-opened since the opening of Grand Casino Mille Lacs. Included are 4 hotels/motels and resorts, 8 restaurants and fast food establishments, 2 gas stations and a go-kart track. Together, these businesses have added an estimated 142 jobs in the area.

With the opening of Grand Casino Hinckley in 1992, the hospitality business in Hinckley was transformed from a rest stop for travelers to a tourist destination. In addition to the casino complex, with its 1,275 jobs, Hinckley has added 11 new businesses and expanded 4 more since 1992, adding 87 new jobs. As is the case in the Mille Lacs area, Hinckley is now a year round destination because of the casino. Also similar to the Mille Lacs situation, the main street businesses in Hinckley have seen increases in customer spending attributed primarily to casino employees living in the area.

In a 2004 study by the Center for Policy Analysis, University of Massachusetts Dartmouth, the authors state:

There was a net increase of eight restaurants in Bossier City, Louisiana following the introduction of riverboat casinos. The city’s taxable restaurant sales, excluding restaurants in the hotels and casinos, increased by 5 percent in 1994 and by 7 percent in 1995 *after* the introduction of riverboat casinos. In Biloxi/Gulfport, Mississippi, the rate of non-casino retail sales growth increased from an average of 3 percent annually (1990-1992) in the years prior to riverboat gambling to 12 percent annually in the years after riverboat gaming began in the locality. Restaurant sales in Biloxi/Gulfport have increased overall, although increased competition from national chains and a migration of clients toward higher quality has forced some local restaurants to close. Nevertheless, the net economic welfare benefit is better quality, wider selection, increased overall sales and employment in eating and drinking establishments. Finally, along the Mississippi Gulf Coast overall hotel occupancy has increased from 55 percent in 1992 to 70 percent following the introduction of riverboat gaming.<sup>6</sup>

Furthermore the authors point out that:

... the number of restaurants in the area surrounding Foxwoods and Mohegan Sun increased from 472 to 506 following the casino’s opening, while restaurant employment increased from 5,911 to 6,628 during the same period.... In Gilpin County Colorado, the number of restaurants increased from 31 to 40 after the introduction of casino gaming. In Tunica County, Mississippi, the number of restaurants increased by 13 percent and restaurant employment grew by 9 percent after the introduction of casino gaming in the county<sup>7</sup>

Similar conclusions have been reached in other studies:

- Even after accounting for the substitution effect, economists at the University of Missouri and Washington University concluded that casino gambling in Missouri had a net positive annual impact on Missouri output of \$759 million, corresponding to a continuing

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<sup>6</sup> Center for Policy Analysis University of Massachusetts Dartmouth. “Economic and Fiscal Analysis for a West Warwick Resort Casino” Volume 2, May 2004.

<sup>7</sup> *Ibid.*



higher level of employment of 17,932 jobs generating \$508 million more in personal income.<sup>8</sup>

- A multijurisdictional analysis of retail spending found that in Biloxi/Gulfport, Miss., annual retail sales growth rates increased an average of 3 percent per year from 1990 to 1992, the year when casinos were introduced. Between 1993 and 1995, retail sales jumped 13 percent.
- In Will County, Ill., retail sales growth trailed statewide trends until 1992, when riverboat casinos were introduced in the local economy. But each year between 1992 and 1995, retail sales growth in Will County exceeded the state rate. In Shreveport/Bossier City, La., retail sales increased by more than 10 percent during 1994, the year that riverboat casinos opened, as the region enjoyed the highest retail sales increase in more than a decade.<sup>9</sup>

In summary, there is a wealth of evidence contradicting the proposition that gaming permanently substitutes for other expenditures. As concluded by Penn State University economist Adam Rose in a study for the National Gambling Impact Study Commission (NGISC), "The preponderance of empirical studies indicate claims of the complete 'cannibalization' of pre-existing local restaurants and entertainment facilities by a mere shift in resident spending is grossly exaggerated."<sup>10</sup>

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<sup>8</sup> Charles Leven et al., "Casino Gambling and State Economic Development," paper presented at the Regional Science Association, 37th European Congress, Rome, Aug. 26-29, 1997.

<sup>9</sup> Arthur Andersen, *Economic Impacts of Casino Gaming in the United States, Volume 2: Micro Study* (Washington, D.C.: American Gaming Association, May 1997).

<sup>10</sup> Adam Rose and Associates, *The Regional Economic Impacts of Casino Gambling: Assessment of the Literature and Establishment of a Research Agenda*, report prepared for the National Gambling Impact Study Commission (State College, Pa.: Adam Rose and Associates, Nov. 5, 1998).

## *Case Studies*

We can look to some qualitative evidence to support the likely local impact on businesses.

### **Osceola, Iowa**

In 2000, Lakeside Casino opened its doors in Osceola, Iowa. Per an agreement with the city of Osceola, the casino's owner/operator had to give 1.5% of the gross revenues to the Osceola's development corporation for community betterment projects.

In the late 1990's, Jimmy Dean's Osceola plant was shutting down, so the community started actively pursuing the opportunity of hosting a casino. When the community added the casino and its influx of income, new businesses began opening in the surrounding. Osceola has added three new hotels to its existing four. The occupancy rate of the seven hotels is now at 90% which is significantly higher than the occupancy rates of the hotels in the surrounding communities. Osceola's town square had four vacant buildings before the casino was opened and now it only has one. The community has added more than five restaurants, a QRS four-star childcare and pre-school facility, a state-of-art truck stop, a Wal-Mart and numerous other retail locations. Osceola's development corporation also started the Clarke County Foundation which allows local business to attain funding through a revolving loan fund. A representative from the Osceola Chamber of Commerce, in an interview with The Innovation Group, stated that the community has enough jobs to employ every person in the community (over 4,500 people). The majority of these jobs were added after 2005, and nearly all of the jobs were directly linked to the casino's revenues.

In 2012, with the casino's money, the community is seeking improved internet access for the entire community. The main goal of the development corporation is to have an iPad in the hands of every student in the Osceola school system. In order to make this goal feasible, internet access needs to be available not only at the school but also at the children's homes.

### **Shreveport, Louisiana (Multiple Casinos)**

As described previously, the casinos in downtown Shreveport, Louisiana were developed as part of master planned downtown regeneration. A victim of the oil bust that hit Louisiana in the 1980s, Shreveport had been a struggling city in one of the poorest states in the country. The casinos made a significant capital investment to the community which was credited by local officials as the catalyst for construction of a 350,000 sq. ft. convention center, and a 120,000 sq. ft. Red River District urban entertainment development, with restaurants new sidewalks, landscaping, art islands and residential conversion projects. Casinos have fueled a development boom for local and national restaurant brands system aimed to draw more families into the tourist market. Hotel occupancy rates averaged about 60 percent before casinos came to Shreveport, compared to the post-casino range of 85 percent to 90 percent.

### **The Star Casino, Sydney, New South Wales, Australia**

The Star Casino is located in a redeveloped section of old docks and warehouses called Pyrmont; it had 1,500 slots and 200 table games and employs 4,000 people at the time of this case study. The casino was licensed in 1994 and built as a first step toward redeveloping the area, which was

transformed into a mixed-use district of residences, shops and malls. According to a local official, "the area has been totally transformed".

### **Harrah's Casino, New Orleans, Louisiana**

Located in a major urban area, Harrah's casino in downtown New Orleans has approximately 2,600 gaming positions and gaming revenues of more than \$330 million. State legislation, driven by opposition from local businesses, initially limited the casino to a cafeteria-style buffet of 250 seats and prohibited the casino from developing a hotel or using gambling revenue to subsidize menu prices.

However, after operating for several years, the fears of local businesses were allayed and Harrah's was allowed to develop a 450 room hotel and expand its F&B, including a high-end celebrity steak house. Despite its F&B expansion and hotel opening, Harrah's continues to send its guests to the partnered restaurants, often times on a comp basis paid for by Harrah's, and to buy large room blocks from several adjacent hotels, as the following data indicates this has had a significant positive effect on local business:

- Contracts rooms at 10 local hotels (includes brands such as Hilton, Marriott, Loews, and W). In 2011 Harrah's purchased on average, 74 rooms on weekdays and 530 rooms on weekends. This resulted in spending of 2010 of \$8.5M and over \$95M in the last 10 years.
- While the casino has a well developed F&B program it also partners with more than 30 local restaurants which has resulted in spending of \$4.7M in 2010 and over \$45M in the last 10 years.

In referring to Harrah's New Orleans Jim Funk, Executive Vice President and CEO of the Louisiana Restaurant Association remarked:

"At first our local restaurants were concerned about cheap food and competition from the casino. In fact, this association was instrumental in obtaining restrictions on their food and beverage operations. But, over time, we found the tight restrictions were just not necessary. You see, the casinos don't just give away their food to everybody... and they really can't compete with the great food and diverse menus of our local restaurants."

Another major impact of Harrah's has been the activation of the lower end of Canal Street which has made the area safer and more amenable to pedestrian traffic, thus benefitting local businesses. In particular, Harrah's redeveloped an adjacent two-block strip as a pedestrian retail and entertainment mall with a major restaurant anchor. Called the Fulton Street experience, the redevelopment has benefitted an existing bar and restaurant that anchors the far end of the strip.

### **Cherokee Nation Enterprises, Oklahoma**

Cherokee Nation Businesses (CNB) operates a number of casinos in northeastern Oklahoma. Listing the spin-off benefits of the tribe's Catoosa property, CNB's past CEO, David Stewart, cited increased sales tax revenues, new businesses development, and an increase in property values. "What we have seen near that facility is older, rundown areas are purchased and cleaned up, paving the way for new businesses to move in. Take Walgreens, for example. They would

normally never locate in a town as small as Catoosa. But based on the town's growth pattern the last few years, the company decided that it would be a wise decision. Since we announced our plans to expand the property in Catoosa, which will include multiple entertainment and dining venues, numerous new businesses have made plans to locate there."

A planned Cherokee casino for West Siloam Springs created prospective spin-off development even before opening. Elaine Carr, the mayor of West Siloam Springs, said two hotels and a couple of restaurants have expressed interest in building near the casino. Wayne Mays, president of the Siloam Springs Chamber of Commerce, said he had heard talk of an outlet mall and even a large, multipurpose arena/convention center. "This will have a huge impact on us. The casino is a magnet. Whenever something like this locates in or near your community, other businesses and opportunities tend to pop up around it."

## Horseshoe Casino Cleveland

A more recent example is the Rock Ohio Caesars Casino a joint venture between Caesars and Cavaliers majority owner Dan Gilbert. In a recent article in the Cleveland Plain Dealer the following positive benefits to small local businesses were noted from its first full month of operation in June 2012:

"City tax collections have spiked since the Horseshoe Casino Cleveland opened, suggesting that the casino is bringing new life -- and money -- downtown.

Revenue from admissions, car rental, hotel and parking taxes was up 6 percent to 9 percent in June, the casino's first full month of operation, when compared with the same month in 2011. The increase totaled nearly \$1.2 million.

Finance Director Sharon Dumas said the numbers had been flat from year to year, so the increase seems to indicate that people are coming downtown, staying overnight and visiting the casino, restaurants and other attractions."

In the case of parking, a number of lots began charging higher special-event rates after the casino opened, causing an increase in collections of the 8 percent parking tax to naturally follow.

But city officials detect signs that the casino is adding activity and nudging downtown closer to the 24-hour-a-day hub that Mayor Frank Jackson predicted.

"We're seeing momentum there's no question is generating around the casino," Dumas said. "We have a steady flow of people downtown where we used to have nothing."

Dumas said businesses near the casino may be adding hours and employees, helping to fuel an increase in income tax collections. She said revenue is running three to four percentage points ahead of projections for the year, with each point worth \$2.6 million.

John Q's Steakhouse on Public Square is among restaurants where the casino rewards gamblers with complimentary meals.

Rick Cassara, who has owned John Q's for 20 years, said the restaurant has served up to eight comp meals a day but also gets patrons who are paying out of their own pockets and visiting downtown for the first time in years.

He said downtown activity has noticeably picked up, particularly on weekends, persuading him to stay open beyond 11 p.m. on Fridays and Saturdays and, soon, add Saturday lunches.

"Every Saturday night, the city's been crawling with people," said Cassara, who has added an extra manager and several other employees. "You see traffic at 11 o'clock at night."

Some people are staying downtown in complimentary hotel rooms provided by the casino owner".<sup>11</sup>

This success story is, as can be seen clearly from the article quoted above, readily apparent to small local business owners and City officials.

### *Benefit to Local Businesses—Some Numbers*

The following is analysis of the number of business in selected gaming markets both prior to and after the introduction of casinos.

#### **Shreveport/Bossier**

The Shreveport Bossier market was referenced previously in this report. Gaming began in Shreveport/Bossier in 1993 and by 1997 the market was generating over half a billion dollars a year from over 11.6 million visits with over 5,100 gaming positions.

% change in Number of Eating and Drinking Places in Shreveport/Bossier

	1993-1997	1998-2009
Bossier Parish, LA	13.8%	35.4%
Caddo Parish, LA	14.6%	8.9%

Source: US Census County Business Patterns

Despite the advent and growth of gaming between 1993 and 1997 the number of eating and drinking establishments in both Bossier and Caddo (Shreveport) parishes increased during this period by a significant increment as seen in the table above and taxable non-casino restaurant sales grew by an average of six percent in the years immediately after the introduction of gaming. This is contrary to the contention of casino opponents that casino development will result in a decline in the number of eating and drinking establishments. Eating and drinking establishments continued to increase over the next decade. In addition after casinos opened, the region enjoyed its highest retail sales increase in more than a decade. The latest development in the market is the development of the Margaritaville casino to be located beside an existing Bass-Pro Shop. Management of both developments sees this as mutually beneficial.

### **The Mississippi Gulf Coast**

Gaming started in the Gulf Coast in 1993. Today there are 12 casinos generating over \$1.11 billion in gaming revenues. With the intensity of casino development on the Gulf Coast it would

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<sup>11</sup> Cleveland Plain Dealer Tuesday, September 04, 2012  
[http://www.cleveland.com/metro/index.ssf/2012/09/cleveland\\_tax\\_collections\\_rise.html](http://www.cleveland.com/metro/index.ssf/2012/09/cleveland_tax_collections_rise.html)

have been expected according to the theory that casinos detract from local businesses, that a significant decline would have occurred in the number of retail and F&B establishments. However, as the following table shows between 1991 and 1997 the number of eating and drinking establishments actually increased in Hancock County, home to 2 of the 11 casinos. The increases were an astounding 77 percent for drinking and dining establishments while retail establishments in both counties also increased over this period. The Gulf Coast shows no evidence of any significant negative impact on retail or eating and drinking establishments. To the contrary it shows an increase.

**% change in Retail and Eating and Drinking Establishments in the MS Gulf Coast**

County	Retail (1991-1997)	Eating and Drinking Places (1991-1997)	Retail (1998-2004)	Eating and Drinking Places (1998-2004)
Harrison County, MS	14.7%	4.2%	2.4%	20.8%
Hancock County, MS	6.6%	77.1%	22.7%	15.0%

Source: US Census County Business Patterns

Note: The tables calculations run through 2004 because of the results of Hurricane Katrina in 2005.

Moreover, hotel occupancy increased In the Mississippi Gulf Coast after casino development, despite the fact that casinos were required to open their own hotels and despite a large increase in the supply of non-casino hotels. Overall hotel occupancy increased from 55 percent to 70 percent and the rate of non-casino retail sales growth in Biloxi/Gulfport increased from 3 percent annually in the years prior to casino gaming, to 12 percent annually in subsequent years.

Commenting on the effect of casinos on non-casino businesses Steven Richer, Executive Director of the Mississippi Gulf Coast Convention and Visitors Bureau stated that:

“Wherever there is an already established tourism product, a casino facility creates an added amenity that enhances the attractiveness of the area and gives people another reason to visit. It invariably results in more business for everyone...restaurants, hotels, shops...you name it. It’s a catalyst for development, not a deterrent.”

## Des Moines

Prairie Meadows racetrack opened its casino operation in 1995. In 2011, the facility generates more than \$191.7 million in gaming revenues. This market boasts another example of a casino’s positive impact on local businesses. The following table shows the increases in eating and drinking establishments in Polk County from 1993 to 1997 and from 1998 to 2009.

**% change in Eating and Drinking Establishments in the Des Moines Market**

	Eating and Drinking Places (1993-1997)	Eating and Drinking Places (1998-2009)
Polk County, IA	6.0%	14.9%

Source: US Census County Business Patterns

## Spending by Casino Visitors Outside the Casino Resort

Local merchants and hoteliers will benefit from the introduction of the casino to the area as patrons of the property can be expected to spend some money elsewhere in the area during their visit, ranging from convenience stores and gas stations to area restaurants and hotels. These expenditures are deemed to be induced by the presence of the casino, meaning that these merchants would not be able to expect these revenues were it not for the presence of the casino. The following tables quantify the economic impact of this new spending:

Estimates of Spending by Casino Visitors Outside the Casino Resort

	Visitor Basis	Visits	% of patrons making purchases outside of facility*	Avg. spend/patron*	Total induced spending
Hotel	> 35 miles	2,806,807	2.50%	\$95.00	\$6,666,166
F&B	> 5 miles	8,358,375	1.00%	\$15.00	\$1,253,756
Retail/other	> 35 miles	2,806,807	5.00%	\$25.00	\$3,508,508
<b>Total</b>					<b>\$11,428,430</b>

\*Based on proprietary research by The Innovation Group in other comparable markets.

## Employee Spending at Local Businesses

Another avenue to increase local benefit is for the casino and local merchants to work together to institute a discount program for casino employees who patronize local businesses. Casinos employ large numbers of people and many will utilize merchants in the area for food and other retail purchases. By implementing a cooperative discount program, the local community can increase the benefits that are likely to occur. This not only benefits local merchants but, from the casino’s perspective, provides an additional benefit to its employees. The specific economic benefits from such a program are quantified in this section.

The introduction of an employee discount program for employees of the Suffolk Downs casino in association with local retailers and restaurant achieves several goals:

- It will help support local merchants and retailers by tapping into and focusing the demand of Suffolk Downs employees towards local retailers and restaurants.
- It will increase employee loyalty for the casino by offering another benefit to employees.
- By helping to support local restaurants and retailers it will assist them in providing and maintaining viable and attractive business which will attract not only casino employees but also casino visitors drawn to the area.
- By creating customer loyalty among casino employees local business will in effect be creating “ambassadors” for their business among the casino employees most likely to have direct face-to-face contact with casino customers. Though these referrals casino visitors will be directed to local businesses.

One example was recently cited in Mississippi although no quantitative information was readily available.

Prime Outlets – Gulfport announced the roll out of the 2008 Casino Employee Discount Program, It’s Your Deal. Merchants are offering casino employees additional discounts that include extra percentages off or dollar-value discounts on the already low outlet prices. Participating merchants include Nike Factory Store, Lee Wrangler, Handbags & More, Vanity Fair, Jones New York, Wilson’s Leather, Reebok/Rockport Outlet Stores and more.

“We introduced the casino discount program last year,” said Rhonda Roberts, marketing manager at Prime Outlets – Gulfport. “Casino employees really liked the program so we wanted to add more merchants and make the program available in 2008.”

To provide a baseline for estimating the potential benefits of employee spending and the impact of an employee discount program on local businesses we made a series of calculations and assumptions.

The following assumptions were made:

- Based on Innovation Group’s analysis, without an employee discount program it is projected that 15 percent of casino employees will spend on average \$9 per day on F&B and will do so three times per week in the immediate area of the casino. Eight percent of employees will spend on average \$20 on retail items at local business in a given day.
- We have postulated that an employee discount program would double the capture rate on the proportion of employees patronizing local F&B businesses and that the average weekly spends would increase by a third. The capture rate for Retail/Other is postulated to increase by 50 percent while expenditures would increase by 25 percent.

These assumptions are incorporated in the following table.

<b>Employee Spending at Local Businesses</b>					
		Employees	% Capture	Spend per Week	Annual Spend
<b>Without incentive Program</b>	F&B	2,976	15%	\$27.00	\$626,746
	Retail/other	2,976	8%	\$20.00	\$247,603
	<b>Total</b>				<b>\$874,349</b>
<b>With Incentive Program</b>	F&B	2,976	30%	\$36.00	\$1,671,322
	Retail/other	2,976	12%	\$25.00	\$464,256
	<b>Total</b>				<b>\$2,135,578</b>

Based on the assumptions above the potential employee spend at local businesses is estimated at \$0.87 million annually without a incentive program. Our assumptions also lead to the conclusion



that these spending amounts could potentially increase by 144 percent with the institution of an employee discount program. To these potential revenue benefits must be added the effect such a program would have on the likelihood that casino customers would also be referred to local merchants as noted previously in relation to the Harrah's example. From the casino's perspective it benefits by being a good neighbor, by encouraging attractive and viable developments within its immediate environs, and by assisting in developing employee loyalty.

### *Implications for Suffolk Downs*

In relation to the Suffolk Downs casino, we would expect that there would be a significant positive impact on local businesses. First there will be an influx of visitors not normally drawn to the area from a wide area of Massachusetts and surrounding states. These patrons will spend money in the local economy to the benefit of the local businesses. In addition, many of the projected local Suffolk Downs casino visitors currently visit out-of-state casinos and thus their recapture to a facility in-state represents a net gain. For example, as noted in the St Louis Federal Reserve study cited previously, "casino gambling in Indiana results in import substitution—casinos attract local patrons who would have, without the casino, spent their money outside of the local area."

Compounding the effect from visitors, there will also be the positive impact on local businesses by bringing a sizeable number of employees into the immediate area around the Suffolk Downs casino. These employees will spend money on food and beverages in the local area, and will buy gasoline and other convenience and retail items. This is spending which does not currently occur in the area surrounding Suffolk Downs.

Spending by the casino to support operations on an annual basis will total \$150 million, much of which will be directed to local hotels and restaurants, but also to a multitude of small businesses covering a wide range of products and services. Much of this will accrue to businesses in the immediate area of the casino.

### *Recommendations*

There are certain steps that the local community and the developer can take to ensure that the advent of a casino benefits local merchants and businesses and vice versa. The first is that the project and its environs should be carefully master planned to ensure that casino patrons have access to quality retail and F&B developments in the immediate area of the casino. Such a master plan should carefully look at access routes, merchant mix, visibility and the attractiveness of the area. By working closely with the casino developer local communities can not only extract the maximum benefit from casino visitation but can also enhance the success of the casinos. It is in the best interests of Suffolk Downs to develop a mutually beneficial relationship with the local business community.

The goal of the local jurisdictions and the casino should be to create the maximum value for the host community by integrating it into the community fabric and vice versa. At the core of this approach are the following factors:

- The development should be outside-oriented, not a city or destination unto itself.
- The casino should stress linkages and synergies with pre-existing businesses in the surrounding neighborhoods and the larger host community.
- The casino should market the destination, not simply the casino.
- The casino should function as:
  - an additional magnet for tourism in Boston.
  - an anchor for other leisure and hospitality businesses.
  - a partner for local providers of goods and services.
  - an economic engine for the entire community generating jobs, capital investment, and material spin off benefits for local businesses.

For example the casino should:

- Promote area amenities via on-site concierge and on-property advertising and refer customers directly to area businesses/attractions.
- Include information on the area and its assets/amenities in casino marketing materials.
- Contracting/partnering with local small businesses for sourcing of services and products and for support functions.
- Customer experience activities, such as external hotel rooms
- Direct to consumer:
  - Meals at restaurants
  - Retail arrangements for discounts at stores
  - Tickets to shows, tours, events, etc.

In a more specific sense Suffolk Downs and the local jurisdictions should consider jointly funding and supporting the following fully integrated community wide initiatives:

- Destination Advertising Initiatives-Partnerships may include co-op ad placement, special consumer sections in magazines and newspapers, direct mail, etc.
- Media Publicity Programs-including promotional assistance, the hosting of writer familiarizations and site inspections, on the road receptions showcasing the destination, along with sales blitzes in major feeder markets, etc.
- Web Marketing-including bureau website banner advertising, special mentions, web linkage, etc.
- Trade Show Participation.
- Local Business and Tourist Publications for distribution through Suffolk Downs.

In return the local jurisdictions should actively promote the casino in its marketing and promotion efforts.

By applying these two key recommendations the success of the casino will create success for the community and local businesses.

## Disclaimer

Certain information included in this report contains forward-looking estimates, projections and/or statements. The Innovation Group has based these projections, estimates and/or statements on our current expectations about future events. These forward-looking items include statements that reflect our existing beliefs and knowledge regarding the operating environment, existing trends, existing plans, objectives, goals, expectations, anticipations, results of operations, future performance and business plans.

Further, statements that include the words "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan," "project," or other words or expressions of similar meaning have been utilized. These statements reflect our judgment on the date they are made and we undertake no duty to update such statements in the future.

Although we believe that the expectations in these reports are reasonable, any or all of the estimates or projections in this report may prove to be incorrect. To the extent possible, we have attempted to verify and confirm estimates and assumptions used in this analysis. However, some assumptions inevitably will not materialize as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties and unanticipated events and circumstances, which may occur. Consequently, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material. As such, The Innovation Group accepts no liability in relation to the estimates provided herein.

# **EXHIBIT 10**



**MOHEGAN SUN**  
MASSACHUSETTS



**Mohegan Sun Marketing Partnership**

**MOHEGAN  
SUN**  
MASSACHUSETTS



Mohegan Sun Massachusetts is the owner and operator of an exciting new casino destination resort complex that will provide an economic lift to the Eastern Massachusetts region. Certainly the magnitude of the new resort will result in a variety of business relationships in and around the region as Mohegan Sun seeks supplies and services. But the resort will also draw and service millions of visitors from the region, from other states and from around the community. Mohegan Sun sees this as an opportunity to create enhanced business and marketing partnerships by sharing these visitor trips. Your participation in this program will benefit your establishment by adding patron traffic. It will create new options to the Mohegan Sun Momentum Program by providing additional discount and redemption opportunities. This combination of added values will encourage greater visitation to our region and promote sustainable economic growth.

Through its Momentum program, Mohegan Sun will provide millions of dollars annually in casino-based rewards for our patrons. Typically such rewards are redeemable within the retail, hotel and food and beverage confines of the facility. However, in the Mohegan Sun Massachusetts business partnership model, these rewards can also be used as a cash equivalent at any of our participating regional establishments. While there may be a few exceptions, nearly any retail business that deals in goods and services can participate.

Such participating business establishments can also choose alternatives to redeeming Momentum card rewards by providing discounts on products or services to patrons who present the card or by providing unique special offers to those patrons. The program, which will be subject to review and approval by the Massachusetts Gaming Commission, can be promoted both by Mohegan Sun and by its partners, thus allowing for an unprecedented scope of mutually beneficial awareness.

#### The Marketing/Business Partnership

1. A participating establishment enters into a promotional partnership agreement with the Mohegan Sun family of properties. Establishments can participate by:
  - a. Agreeing to use Momentum card rewards as a cash equivalent to allow for the purchase goods and services. (Reimbursement will be provided by Mohegan Sun at a negotiated discount), and/or
  - b. Agreeing to provide Momentum card discounts on goods and services if the patron rewards are exhausted, and/or
  - c. Agreeing to provide Momentum card discounts without necessarily choosing to participate in the rewards redemption program, and/or
  - d. Agreeing to provide special offers of any kind to patrons who present the Momentum card and/or
  - e. Agreeing to provide employee discounts or special offers to patrons who present a Mohegan Sun employee card.

**MOHEGAN  
SUN**  
MASSACHUSETTS



### Participating In the Rewards Transactions

2. If the partnering establishment chooses to participate by allowing Mohegan Sun Momentum card rewards to be used as cash equivalents the establishment agrees to install or upgrade a point-of-sale system and/or terminal that communicates effectively with a compatible system at Mohegan Sun. Such a system will maintain data associated with partner-related transactions and provide reporting capabilities for participating establishments and Mohegan Sun.
3. Settlement of all Momentum card transactions will be conducted monthly.
4. When a patron transacts for goods or service he or she presents:
  - a. A valid Mohegan Sun Momentum card, and
  - b. An acceptable form of identification
5. The cashier or representative at the participating establishment affirms the Momentum card/ID match to avoid theft of rewards.
6. The Momentum card is swiped at the point of sale and available rewards are electronically applied toward the purchase. Purchases that exceed the available rewards are supplemented by the patron with cash or credit paid directly to the participating establishment.
7. The participating establishment retains the signed receipt for support and for the possibility of periodic audits.

### Joint Promotional Activity

8. Participating establishments will be included in periodic and ongoing promotional activities designed to provide awareness to the local and regional markets. Such activities may include:
  - a. Direct Mail
  - b. Direct Email
  - c. Print Advertising
  - d. Radio & Television Advertising
  - e. Internal Property Posters, Light Boxes, Video and Audio
  - f. Web-based
9. Participating Establishments agree to display partnership promotional material provided by Mohegan Sun within their place of business and storefronts.

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**MOHEGAN  
SUN**  
MASSACHUSETTS



**Mohegan Sun Marketing  
&  
Regional Business Partnership Program**

I am interested in participating in the Mohegan Sun Marketing Partnership program. Please provide our establishment with more information and a formal agreement when the program is launched.

Name of Proprietor or Proprietor's Representative: \_\_\_\_\_

Name of Business Establishment: \_\_\_\_\_

Address of Business Establishment (Street and Number): \_\_\_\_\_

Address of Business Establishment (City and State): \_\_\_\_\_

Telephone Contact Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Please contact me regarding participation in the following program(s) – please check all that apply

- Momentum Rewards Program (Patron presents Momentum card to redeem points for goods & services)
- Merchant Discount Program (Patron presents Momentum card for in store Discounts)
- Employee Discount Program (MS Employee presents Employee Badge for in store Discounts)
- I am NOT interested in participating at this time.

\*I understand that by signing this form, I am only expressing interest in the Mohegan Sun Marketing Program, and this is not a binding agreement. I understand that I will be contacted in the future to complete program terms and to enter into a formal agreement with Mohegan Sun. I also understand that Mohegan Sun may use my name publicly and I am showing support for Mohegan Sun Massachusetts' application for a gaming license.

Signature/Date: \_\_\_\_\_ / \_\_\_\_\_

Print Name: \_\_\_\_\_

**MOHEGAN  
SUN**  
MASSACHUSETTS





# **EXHIBIT 11**

## HOST COMMUNITY AGREEMENT

**THIS AGREEMENT** (this “Agreement”) is by and between the **CITY OF REVERE**, a Massachusetts municipality acting by and through its duly authorized Mayor, having a principal place of business at 281 Broadway, Revere, Massachusetts 02151 (the “City”), and **MOHEGAN SUN MASSACHUSETTS, LLC**, a Delaware limited liability company having a principal place of business at One Mohegan Sun Boulevard, Uncasville, Connecticut 06382 (the “Developer”), dated as of **December 23, 2013** (the “Effective Date”). Hereinafter, the “Developer” shall also mean the Developer’s successors and/or assigns. Hereinafter, the Developer and the City are together the “Parties” and individually a “Party.”

### **RECITALS**

Reference is made to the following facts:

1. The Developer has entered into a binding agreement pursuant to which the Developer will hold a long term lease of an approximately 40-acre parcel of land located off of Winthrop Avenue in the City of Revere, Massachusetts, which is a portion of the properties identified by the City’s Assessors as Parcel 6-120B-1A and Parcel 4-80-14B (the “Property”), on which it has proposed to construct and thereafter own and operate a first class resort-style gaming establishment and related amenities (the “Project”, as more particularly described in Exhibit A).
2. The Developer will file an RFA-2 Response (the “RFA-2 Response”) with the Massachusetts Gaming Commission (the “Commission”) seeking to operate the Project pursuant to a category 1 gaming license (a “Gaming License”) at the Property in accordance with the provisions of M.G.L. chapter 23K (“Chapter 23K”).
3. Although the voters of the City, at a November 5, 2013 referendum, overwhelmingly supported the use of the Property as a suitable location for a gaming establishment operating with a Gaming License, the Commission has suggested, through a vote at its meeting on December 10, 2013, and the City and the Developer have determined that there should be another vote in the City. Pursuant to this Agreement, the Project will be located entirely in the City and therefore the Developer is providing significantly more benefits to the City and its residents.
4. The City is a “Host Community” as that term is defined and used in Chapter 23K, because the Developer has proposed locating the Project within the municipal boundaries of the City.
5. The Developer intends to request from the City a binding vote of the residents of the City on the ballot question specified in Section 15(13) of Chapter 23K (the “Ballot Question Election”).
6. In accordance with Sections 15(8) and 15(13) of Chapter 23K, prior to requesting the Ballot Question Election the Developer is required to enter a “Host Community Agreement”

with the City, as that term is defined and used in Chapter 23K, setting forth the conditions to have a gaming establishment located within the City, including a community impact fee for the City and all stipulations of responsibilities between the City and the Developer, including stipulations of known impacts from the Project.

7. This Agreement is the “Host Community Agreement” between the Developer and the City for the Project, as contemplated by Section 15(8) of Chapter 23K.

8. The Parties acknowledge that total investment in the Project (including improvements to the regional infrastructure) will be more than One Billion Dollars (\$1,000,000,000). In addition, the Project is expected to bring significant new investment to the City, increased governmental revenue and new permanent employment opportunities for residents of the City and other local communities, all as specified in this Agreement.

9. The Parties acknowledge the Project will result in at least 2,500 construction jobs and approximately 4,000 permanent jobs.

10. The Parties acknowledge that once all stages of the Project are complete and open to the public, the Project’s “Gross Gaming Revenue” (defined below) is anticipated to be approximately One Billion Dollars (\$1,000,000,000) annually at maturity. For the purposes of this Agreement, “Gross Gaming Revenue” shall have the same meaning as given to such term in Chapter 23K, and shall also specifically include, to the extent permitted by the Commonwealth at any time in the future, gross revenues attributable to the Developer’s Gaming License or the Project and received by the Developer or its controlled affiliates from internet-based gaming, sports betting or any other forms of gaming authorized by laws enacted after the Effective Date.

11. Pursuant to Chapter 23K, a portion of the licensing fees and state taxes on the Project’s Gross Gaming Revenue would be, following the date that any stage of the Project opens for gaming to the general public (the “Opening”), allocated to a state community mitigation fund (the “Community Mitigation Fund”). Upon the Developer’s receipt of a Gaming License, the City would have the ability to apply to the Commission for payments from the Community Mitigation Fund to address some of the impacts of the Project.

12. Pursuant to Chapter 23K, a portion of the state taxes on the Project’s Gross Gaming Revenue would be allocated to a state grant program to be administered by the Massachusetts Cultural Council. Upon the Developer’s receipt of a Gaming License, municipally-owned performing arts centers in the area that are impacted by the Project would have the ability to apply for grants from this program.

13. In addition to the new jobs and direct investment at the Property, the Project is expected to promote small businesses and the tourism industry and have a positive economic impact on the City and the Commonwealth of Massachusetts. The Project is expected to permit tourists to enjoy both the gaming establishment and the unique cultural and social resources of the City, resulting in additional enjoyment of and support for those resources.

14. The Property is located in an area designated in the Zoning Ordinance of the City of Revere as Planned Development District 1, and the City has concluded that the proposed use of the Property as a gaming establishment is consistent with the City's economic plans and priorities, all in accordance with Section 9(a)(18) of Chapter 23K.

15. The Developer and the City have entered into this Agreement to evidence the obligations of the Developer to make certain payments to the City and to undertake certain mitigation measures with respect to the Project.

THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby enter into this Agreement with mutual understandings and agree as follows:

## **SECTION 1. IMPACTS OF THE PROJECT**

### **A. STIPULATIONS OF KNOWN IMPACTS**

1. The Parties intend that this Section 1.A shall be deemed to be the "stipulations of known impacts" that are required to be included in this Agreement pursuant to Section 15(8) of Chapter 23K.

2. The Project is expected to increase the number of vehicles using the City's public ways and other highways and roads in the vicinity of the Project. The projects identified in the provisions of this Agreement regarding infrastructure improvements will mitigate such impacts and remedy longstanding background traffic conditions.

3. The Project may have an impact on public safety in the City and is expected to require additional expenditures by the City in order to provide police services to the Project and the areas located near the Property. In addition to the relevant sections of Chapter 23K that address the provision of state and local police services to the Project, the Developer's payments to the City under this Agreement will provide the City with adequate resources to mitigate any such impacts.

4. The Project is expected to have an impact on municipal services and require additional expenditures by the City in order to provide such services to the Project. The Developer's payments to the City under this Agreement will provide the City with adequate resources to mitigate any such impacts.

5. The capital improvements to the Property may have a significant impact on the City's property tax rate and state aid receipts. The structuring of the Developer's payments to the City under this Agreement as alternative tax payments will mitigate any such impacts.

6. The Project may have an impact on problem or compulsive gambling in the City. In addition to the relevant sections of Chapter 23K providing financial and other resources

necessary to address problem or compulsive gambling, provisions of this Agreement regarding compulsive gaming resources will mitigate such impacts.

7. Other impacts of the Project are noted in the various studies obtained and reviewed by the City, and the matters addressed in this Agreement will mitigate such impacts.

B. ADDITIONAL IMPACTS

1. The Parties acknowledge that there may be additional impacts associated with the Project that are unknown as of the Effective Date (the “Additional Impacts”). The Parties intend that any Additional Impacts of the Project that are not sufficiently mitigated through this Agreement shall be mitigated through the Commission’s licensing process, through any other state or municipal permitting processes that may be necessary to carry out the Project and through the Community Mitigation Fund established by Section 61 of Chapter 23K.

2. Consistent with the Gaming Commission’s regulations, set forth at 205 CMR 127, which are designed to protect host communities from significant and material adverse impacts occurring after the execution of a host community agreement, the Developer and the City shall, if reasonably necessary under the circumstances, negotiate in good faith an amendment to this Agreement if a triggering event, as provided in 205 CMR 127.02, occurs.

3. Notwithstanding Section 1.B.2 of this Agreement and consistent with the provisions of 205 CMR 127.06, the Developer and the City shall (i) negotiate in good faith amendments to this Agreement to correct any non-material terms or typographical errors in this Agreement, and (ii) negotiate in good faith amendments to this Agreement (if any) under the conditions as expressly set forth elsewhere in this Agreement.

4. If the Developer intends a “Substantial Modification” (defined below) of the Project, based upon the description of the Project provided in the RFA-2 Response, then the Developer shall promptly notify the City and the Parties shall negotiate in good faith an amendment to this Agreement to mitigate any increased negative impacts, if any, resulting from such Substantial Modification. For the purposes of this Agreement, a Substantial Modification shall be defined as (a) any new or additional structure or combination of structures to be situated on the Property or off of the Property (excluding Infrastructure Improvements, defined below) that exceeds Fifty Million Dollars (\$50,000,000) in cost (such amount to be adjusted annually on the anniversary of the Opening by an amount equal to the increase (if any) in the Consumer Price Index (“CPI”), as defined by the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers, Boston-Brockton-Nashua, MA-NH-ME-CT All Items, 1982-84=100, during the preceding calendar year), and (b) any reduction in excess of twenty five percent (25%) of the proposed size of the gaming, retail, restaurant or hotel areas set forth in the RFA-2 Response.

## **SECTION 2. RESPONSIBILITIES AND UNDERTAKINGS BY THE DEVELOPER**

### **A. INFRASTRUCTURE**

The Developer shall complete a series of infrastructure improvements in connection with the Project, which are anticipated to cost the Developer in excess of Forty Five Million Dollars (\$45,000,000), including, without limitation:

1. Route 1A Infrastructure Improvements. The Route 1A corridor adjacent to the Property includes the Boardman Street/Route 1A intersection, which is a critical regional intersection. The Developer shall fund and cause the permitting, design and construction of – in coordination with state and municipal agencies, including the City – a so-called “FlyOver” included as part of the description in the attached Exhibit B, to alleviate and improve traffic conditions at the Boardman Street/Route 1A intersection and on Route 1A generally, the cost of which is anticipated to exceed Twenty-Five Million Dollars (\$25,000,000), or such other equal or superior improvements and solutions to alleviate and improve traffic conditions along Route 1A in the vicinity of the Project as may be approved by the Massachusetts Department of Transportation (“MassDOT”) in consultation with the City (the “Route 1A Infrastructure Improvements”). In addition to addressing certain traffic and transportation impacts associated with the Project, the Route 1A Infrastructure Improvements are intended to address existing historic and background traffic issues of concern to the City, neighboring communities and the region. The Developer shall diligently pursue the completion of the Route 1A Infrastructure Improvements following the Financing Date, defined below; provided, however, that the completion of the Route 1A Infrastructure Improvements shall occur as required under the MEPA Secretary’s Certificate and shall not be a condition to Opening.

2. Route 1/Route 16 Interchange.

(a) The City has had a long-standing concern about, and interest in, improving traffic flow and conditions at the Route 1/Route 16 interchange, both to improve the interchange and to ameliorate traffic conditions within the City, particularly along the Route 60 corridor. The Developer shall fund and cause the permitting, design and construction of – in coordination with state and municipal agencies, including the City – a series of intermediate geometric improvements and new signalizations described conceptually in the attached Exhibit C, to provide access to Route 1 northbound from Route 16 westbound and to facilitate access from Route 1 southbound to Route 16 eastbound (collectively, the “Route 1/Route 16 Intermediate Improvements”), the cost of which is anticipated to exceed Two Million One Hundred Thousand Dollars (\$2,100,000). Consistent with the Boston Metropolitan Planning Organization’s Lower North Shore Transportation Improvement Study (prepared by the Central Transportation Planning Staff for the Massachusetts Highway Department in October of 2000) (the “Lower North Shore Study”), the Route 1/Route 16 Intermediate Improvements are intended to transfer some Project traffic and some regional traffic from the Route 60 corridor to Route 1/Route 16. The Developer shall complete the Route 1/Route 16 Intermediate Improvements not later than the Opening, subject to Force Majeure as defined in this Agreement.

(b) In coordination with state and municipal agencies, including the City, and not later than the one year anniversary of the Opening the Developer shall fund and complete a study of the Route 1/Route 16 interchange for the purpose of planning additional improvements unrelated to the Route 1/Route 16 Intermediate Improvements, the cost of which is estimated to be approximately Four Hundred Thousand Dollars (\$400,000). The study will be in the nature of a long-range plan for the interchange based on conceptual plans for the interchange developed in the Lower North Shore Study, with a particular focus on the implementation of “Alternative #3” as set forth in the Lower North Shore Study. The plan is limited to a study of the merits of the design and does not include a full review of the environmental planning process nor final design plans.

3. Additional Roadway Improvements. The Developer shall fund and cause the permitting, design and construction – in coordination with state and municipal agencies, including the City – of the roadway improvements described in Subparagraphs 3(a) through 3(h) below (the “Additional Roadway Improvements”) each to be generally consistent with the preliminary conceptual plans prepared by the Developer’s transportation consultant, which were reviewed by the City’s transportation consultant prior to the Effective Date, subject to reasonable adjustments and modifications. The Developer shall obtain the City’s approval for all preliminary and final plans for the Additional Roadway Improvements. Unless specifically noted to the contrary, the Developer shall complete the Additional Roadway Improvements not later than the Opening. The Additional Roadway Improvements are as follows:

(a) Route 16/Revere Beach Parkway/Harris Street Intersection (cost estimated to be approximately One Million Six Hundred Thousand Dollars (\$1,600,000):

- (i) Design and implementation of an optimal traffic signal timing and phasing plan, including split phasing;
- (ii) Construction of two exclusive right turn lanes eastbound onto Revere Beach Parkway;
- (iii) Construction of pedestrian safety improvements to allow for safe pedestrian routes from Winthrop Avenue to Revere Beach Parkway in both eastbound and westbound directions, including associated sidewalk reconstruction, curb ramps, crosswalks and median improvements;
- (iv) Installation of an emergency vehicle preemption system; and
- (v) Not later than the one year anniversary of the Opening, a study of alternative lane configurations for the Winthrop Avenue, Harris Street, Route 16 and Revere Beach Parkway approaches, along with the design and construction of alternative lane configurations in consultation with the City and necessary state agencies, which design and construction shall be completed not later than the two year anniversary of the Opening.

(b) Donnelly Square (cost estimated to be approximately Three Million, Eight Hundred Sixty Thousand Dollars (\$3,860,000):

- (i) Design and implementation of an optimal traffic signal timing and phasing plan, including split phasing, for the weekday morning, weekday evening and Saturday midday peak periods;
- (ii) Redesign of the intersection to channelize traffic flow on the intersection approaches;
- (iii) Construction of permanent pedestrian crosswalks with new ADA accessible ramps at all crosswalks within the Donnelly Square area;
- (iv) Construction of aesthetic improvements within the Donnelly Square area, including new pavement markings;
- (v) Construction of landscaping improvements within the Donnelly Square area and along Winthrop Avenue leading to the Project entrance at Revere Beach Parkway and Tomasello Drive;
- (vi) Installation of an emergency vehicle preemption system;
- (vii) Widening of Winthrop Avenue west of Washburn Avenue to provide for the relocation of the MBTA bus stops in the eastbound and westbound lanes, to accommodate bus turn-in lanes and to provide for two lanes on Winthrop Avenue eastbound, subject to the approval of the MBTA; and
- (viii) Not later than three (3) years after the Opening, the design and construction of subsurface utility conduits to replace existing utility poles and the installation of ornamental light poles to replace existing lights along Winthrop Avenue in the vicinity of the Project; provided, however, that such work shall be completed in a manner so as to minimize to the maximum extent possible, disruption from the construction.

(c) North Shore Road/Revere Beach Parkway/Tomasello Drive Intersection (cost estimated to be approximately One Million Dollars (\$1,000,000):

- (i) Design and implementation of an optimal traffic signal timing and phasing plan at the intersection of North Shore Road and Revere Beach Parkway, including split phasing, to accommodate increased traffic movements associated with the Project;
- (ii) A study of alternatives for the provision of an exclusive right hand turning lane into the Tomasello Drive entrance to the Project;



- (iii) Construction of pedestrian safety improvements at the intersection and along Revere Beach Parkway, including traffic median improvements and potential realignment; and
- (iv) Installation of an emergency vehicle preemption system.

(d) Mahoney (Bell) Circle (cost estimated to be approximately Four Hundred Thousand Dollars (\$400,000):

- (i) Design and implementation of a comprehensive upgrade of the signs and pavement markings approaching and within Mahoney Circle, consistent with the Manual on Uniform Traffic Control Devices (“MUTCD”) standards, to improve motorist and pedestrian guidance and safety;
- (ii) Installation of ADA accessible ramps and associated sidewalk and median improvements within and around Mahoney Circle;
- (iii) Design and installation of channelization and signalization improvements within and around Mahoney Circle;
- (iv) Construction of upgrades to the traffic islands within Mahoney Circle, including new curbing and landscaping;
- (v) Widening Route 1A northbound approach to provide for additional storage capacity for movements continuing on Route 1A northbound;
- (vi) Installation of an irrigation system within all landscaped traffic islands; and
- (vii) Installation of an emergency vehicle preemption system.

(e) Brown Circle (cost estimated to be approximately One Hundred Seventy Five Thousand Dollars (\$175,000):

- (i) Design and implementation of a comprehensive upgrade of the signs and pavement markings approaching and within Brown Circle, consistent with the MUTCD standards, to improve motorist and pedestrian guidance and safety;
- (ii) Installation of ADA accessible ramps and associated sidewalk and median improvements within and around Brown Circle;
- (iii) Design and implementation of channelization and signalization improvements, including new pavement and directional markings and channelization islands, at the Route 107 northbound approach to Brown

Circle; and

- (iv) Construction of geometric and channelization improvements by extending existing islands and installing new islands to facilitate safer traffic flow.

(f) Route 60/Revere Street Intersection (cost estimated to be approximately Six Hundred Fifty Thousand Dollars (\$650,000):

- (i) Design and implementation of an optimal traffic signal timing and phasing plan at the intersection, including split phasing; and
- (ii) Construction of pedestrian safety improvements including new crosswalks and ADA accessible ramps with associated sidewalk reconstruction.

(g) Route 1A / Revere Street Intersection (cost estimated to be approximately Six Hundred Fifty Thousand Dollars (\$650,000):

- (i) Design and implementation of an optimal traffic signal timing and phasing plan at the intersection, including split phasing, and signal upgrades, review the need for micro milling and resurfacing along the sidewalk/ramps;
- (ii) Construction of pedestrian safety improvements including new crosswalks and ADA accessible ramps with associated sidewalk reconstruction; and
- (iii) Installation of an emergency vehicle preemption system.

(h) Copeland Circle / Route 1 (cost estimated to be approximately One Million Two Hundred Fifty Thousand Dollars (\$1,250,000):

- (i) Design and construction of channelization and signalization improvements (if possible) and signal interconnection work within and around Copeland Circle;
- (ii) Construction of pedestrian safety improvements including new crosswalks and ADA accessible ramps with associated sidewalk reconstruction; and
- (iii) Installation of an emergency vehicle preemption system.

4. Beachmont Streetscape Improvements. Not later than the Financing Date, in conjunction with the work proposed for Donnelly Square, the Developer shall submit to the City plans for streetscape, lighting, planting and other infrastructure improvements in and around the area bounded by Endicott Avenue, Winthrop Avenue, Unity Avenue, Crescent Avenue, Everard Avenue, Bennington Street and Washburn Avenue in the City's Beachmont neighborhood (the "Beachmont Streetscape Improvements"). Upon receiving the City's approval of the Beachmont Streetscape Improvements, the Developer shall fund and diligently cause the permitting, design

and construction of the Beachmont Streetscape Improvements and shall complete the Beachmont Streetscape Improvements not later than the Opening; provided, however, that the schedule for completion of the Beachmont Streetscape Improvements may be extended, upon the City's approval, not to be unreasonably withheld, for the purpose of coordinating the improvements with other work in the area so as to minimize construction impacts to the maximum extent possible. The foregoing Beachmont Streetscape Improvements are estimated to cost approximately Five Hundred Thousand Dollars (\$500,000).

5. Route 1A Planning. The City has a long-standing concern about, and interest in, improving traffic flow along Route 1A. In connection with such concerns, not later than the one year anniversary of the Opening the Developer shall provide to the City a feasibility study, by a consultant or consultants reasonably approved by the City, of various options available to improve traffic flow along Route 1A from Neptune Road in East Boston to the Revere/Lynn municipal boundary. The plan is limited to a study of the merits of the design and does not include a full review of the environmental planning process nor final design plans. The foregoing study is estimated to cost approximately Three Hundred Fifty Thousand Dollars (\$350,000).

6. Copeland Circle / Route 1 Planning. The City has a long-standing concern about, and interest in, improving traffic in the Copeland Circle area. In connection with such concerns, not later than the one year anniversary of the Opening the Developer shall provide to the City a long range plan for this segment of roadway consistent with conceptual plans developed in the Lower North Shore Study, to be completed in conjunction with the plan for the Route 1/Route 16 interchange described above. The plan is limited to a study of the merits of the design and does not include a full review of the environmental planning process nor final design plans. The foregoing plan is estimated to cost approximately One Hundred Thousand Dollars (\$100,000).

7. Route 60 Planning. The City has a long-standing concern about, and interest in, improving traffic flow along Route 60. In connection with such concerns, not later than the one year anniversary of the Opening the Developer shall provide to the City a long range plan for this segment of roadway consistent with conceptual plans developed in the Lower North Shore Study, to improve traffic flow along Route 60 between Route 1A and Route 1. The plan is limited to a study of the merits of the design and does not include a full review of the environmental planning process nor final design plans. The foregoing plan is estimated to cost approximately One Hundred Fifty Thousand Dollars (\$150,000).

8. Vehicle Access To and From the Project.

(a) Access Improvements: The Developer shall fund and cause the permitting, design and construction – in coordination with state and municipal agencies, including the City – of significant improvements to the Project's access ways at (i) the intersection of Furlong Drive and Route 1A, and (ii) the intersection of Tomasello Drive and Winthrop Avenue.

(b) Prohibited Entrances/Exits: With the exception of the Project's access way at the intersection of Tomasello Drive and Winthrop Avenue, the Developer shall not permit any

vehicles, including, but not limited to, service vehicles, to enter or exit the Property from Winthrop Avenue or Washburn Avenue.

9. MBTA and Bicycle Access Improvements. The Developer shall fund and cause the permitting, design and construction – in coordination with state and municipal agencies, including the City – of the MBTA and Bicycle Access Improvements described conceptually in the attached Exhibit D. Furthermore, the Developer and the City shall coordinate with the MBTA throughout the MEPA process to consider whether improvements to the Beachmont Station and/or access thereto shall be undertaken.

10. Transportation Demand Management. The Developer shall – in coordination with state and municipal agencies, including the City – fund and implement an ongoing, comprehensive transportation demand management program (the “TDM Program”) designed to reduce single occupancy vehicle trips by both employees and patrons of the Project. The Developer shall, as part of the TDM Program, provide regular reports to the City regarding transportation matters concerning the Project, with such regular reports to be due on a monthly basis during the first two years after the Opening and at least annually thereafter.

11. Water and Sewer Improvements. The Developer shall fund and cause the permitting, design and construction – in coordination with state and municipal agencies, including the City – of the water and sewer upgrades required to service the Project. The Developer shall pay all customary connection fees, inflow and infiltration charges, service charges, usage fees and permit fees to the City, which fees shall be subject to adjustment based on project-related improvements to the extent permissible by law. The Developer shall be responsible for the actual costs to maintain and repair any City water or sewer infrastructure that solely serves the Project.

12. Modification of Infrastructure Improvements. The Parties acknowledge that many of the infrastructure improvements described in this Section 2.A (an “Infrastructure Improvement” or the “Infrastructure Improvements”), require, and are expressly made subject to, the approval of various state and municipal agencies other than the City. The completion date for each shall, in each instance, be subject to the Force Majeure provisions of this Agreement. If the City reasonably determines that any modification to an Infrastructure Improvement or the refusal to authorize all or a portion of an Infrastructure Improvement by a state or municipal agency would materially and adversely affect the City, then the City shall promptly notify the Developer of such determination and the Parties shall negotiate in good faith an amendment to this Agreement to mitigate such adverse impacts.

13. Additional Infrastructure Improvements. Notwithstanding Section 1.B.1 of this Agreement, if, during the term of this Agreement, the City determines that the transportation impacts of the Project have not been sufficiently mitigated (i) by the Infrastructure Improvements, (ii) through the Commission’s licensing process, (iii) through any other state or municipal permitting processes that may be necessary to carry out the Project, or (iv) through the Community Mitigation Fund established by Section 61 of Chapter 23K, then the City shall promptly notify the Developer of such determination and the Parties shall negotiate in good faith

an amendment to this Agreement to mitigate such additional transportation impacts.

B. PAYMENTS TO THE CITY

Except as otherwise set forth in this Agreement, all payments required under this Section 2.B are in addition to any costs incurred by the Developer in compliance with any other sections of this Agreement, and in addition to any taxes or other legally required fees or payments made or to be made to the City by the Developer or with respect to the Project and the Property, all in accordance with Sections 2.B.1(c), 2.B.1(e), 2.B.2(b), and 2.B.2(c).

1. Initial Payments and Pre-Payments. The Developer shall make payments to the City as follows:

(a) Initial-Payments:

- (i) The Developer shall make a payment to the City in the amount of Six Million Dollars (\$6,000,000), which payment shall be due in full on the later of (i) July 15, 2014, or (ii) thirty (30) calendar days after the date the Developer receives its Gaming License, in conditional or final form, and notwithstanding any appeals of such Gaming License (the “First Initial Payment”). The First Initial Payment shall be made notwithstanding that the Opening has not yet occurred and shall be made in addition to any other payments due to the City by the Developer under this Agreement.
- (ii) Unless and until the Opening has occurred, the Developer shall make annual payments to the City in the amount of Nine Million Dollars (\$9,000,000), which payments shall be due in full on (i) July 15, 2015 for the City’s 2016 Fiscal Year; (ii) July 15, 2016 for the City’s 2017 Fiscal Year; and (iii) July 15, 2017 for the City’s 2018 Fiscal Year (the “Subsequent Initial Payments”; together with the First Initial Payment, the “Initial Payments”). The Subsequent Initial Payments shall be made notwithstanding that the Opening has not yet occurred (but shall be pro-rated in the year of the Opening as set forth below), and shall be made in addition to any other payments due to the City by the Developer under this Agreement, including any payments of the Community Impact Fee (defined below) made prior to or after July 15, 2017. Notwithstanding the foregoing, the Developer shall not be obligated to make any Subsequent Initial Payments until the Financing Date occurs.

(b) Pre Payments: On July 15 of each year after 2017 until the Opening, the Developer shall make a payment to the City in the amount of Nine Million Dollars (\$9,000,000) as pre-payment of the Community Impact Fee set forth herein, (a “Pre-Payment” or the “Pre-Payments”); provided, however, that the Developer shall not be obligated to make any Pre-Payments until the Financing Date occurs. All Pre-Payments shall be subject to adjustment as set forth in Section 2.B.2(c) below.

(c) Credits for Taxes: Notwithstanding anything to the contrary contained herein, the Developer shall receive a credit towards each Initial Payment and Pre-Payment in an amount equal to the total of real and personal property taxes due to the City with respect to the Project and/or the Property for the applicable City fiscal year; provided, however that in no event shall the City be required to make a refund or other payment to the Developer if such credit exceeds the amount of the Initial Payment or Pre-Payment. For the sake of clarity, in every City fiscal year prior to the Opening, the City shall always be paid the greater of (i) the amount of the applicable Initial Payment or Pre-Payment that is payable hereunder, if any, or (ii) the sum of real and personal property taxes due to the City with respect to the Project and the Property.

(d) To the extent permissible by law, the City will use best efforts to work with the Developer to utilize a bonding mechanism that will permit the Developer to pay the Initial Payments and the Pre-Payments by making all payments due under said bonds; provided, however, that the Developer shall be required to pay the Initial Payments and the Pre-Payments as required under this Agreement notwithstanding the City's inability to utilize such a bonding mechanism. The City shall not be required to incur unreasonable risks to the City's financial status in order to utilize such a bonding mechanism.

(e) Pro Rata Adjustment of the Final Subsequent Initial Payment: In the event that the Opening occurs prior to June 30, 2018, the Developer shall receive pro-rata credit towards future payments due to the City under this Agreement equal to the Final Partial Payment Amount (as hereinafter defined). As used herein, the "Final Partial Payment Amount" shall mean an amount equal to the Subsequent Initial Payment for that year multiplied by a fraction, the numerator of which shall be the number of days remaining in the fiscal year after the Opening, and the denominator of which shall be the number 365.

(f) Notwithstanding anything to the contrary herein, the Developer shall not be obligated to make any Initial Payments or Pre-Payments if this Agreement is terminated pursuant to Sections 4.N(b) or (c) of this Agreement.

2. Community Impact Fee. Commencing on the Opening, the Developer shall make payments to the City referred to herein, collectively, as the "Community Impact Fee", which is the community impact fee called for by Section 15(8) of Chapter 23K. For the purposes of this Agreement, an "Impact Fee Year" shall be each successive twelve (12) month period following the Opening. The Community Impact Fee shall be in an amount as more particularly set forth in Exhibit F-1 attached hereto. The Community Impact Fee payments shall commence on the first day of the month after the Opening and continue on the first day of each month thereafter. The Community Impact Fee payments shall be made in installment payments (each an "Installment Payment" or collectively the "Installment Payments"). The method of making such Installment Payments of the Community Impact Fee by the Developer to the City is set forth in Exhibit F-2 attached hereto.

(a) Certification of Gross Gaming Revenue: As set forth in Exhibit F-2, each Installment Payment made to the City under Section 2.B.2 of this Agreement shall be accompanied by documentation reasonably acceptable to the City making a certification with

respect to the Gross Gaming Revenue received by the Developer in the respective payment period.

(b) Credits for Taxes: Notwithstanding anything to the contrary herein, to the extent that any real or personal property taxes with respect to the Project and/or the Property are assessed by the City (i.e., an alternative tax payment structure has not been obtained by the Opening, as contemplated in Section 2.B.3 of this Agreement), the Developer shall receive a credit towards the Community Impact Fee in each Impact Fee Year in an amount equal to the total of real and personal property taxes due to the City with respect to the Project and/or the Property for the applicable Impact Fee Year; provided, however that in no event shall the City be required to make a refund or other payment to the Developer if such credit exceeds the amount of the Community Impact Fee. For the sake of clarity, in every Impact Fee Year, the City shall always be paid the greater of (i) the amount of the Community Impact Fee that is payable hereunder or (ii) the sum of real and personal property taxes due to the City with respect to the Project and the Property.

(c) Credits for Pre-Payments:

- (i) The City and the Developer agree that the Developer shall receive a credit towards future Community Impact Fee payments due to the City equal to the aggregate amount of all Pre-Payments, to be applied in installment amounts of not more than Two Million Dollars (\$2,000,000) per Impact Fee Year following the Opening (a “Pre-Payment Credit”). A Pre-Payment Credit shall be applied towards the Community Impact Fee in each of the first several Impact Fee Years until the full, aggregate amount of all Pre-Payments has been credited.
- (ii) Notwithstanding the foregoing Section 2.B.2(c)(i), in the event that real and personal property taxes with respect to the Project and/or the Property assessed by the City result in a credit towards the Community Impact Fee (in accordance with Section 2.B.2(b) of this Agreement) such that the Developer’s payment of the Community Impact Fee in such Impact Fee Year is less than the otherwise applicable Pre-Payment Credit, then the amount of the Pre-Payment Credit not received by the Developer shall be provided in the next Impact Fee Year in which the Community Impact Fee is sufficient to allow such credit to be received.

3. Alternative Tax Payments.

(a) 121A Approvals: Massachusetts General Laws Chapter 121A and Massachusetts Regulations 760 CMR 25.00 (collectively, “Chapter 121A”) set forth the procedures for negotiating an alternative tax payment beneficial to both the municipality and the developer for commercial projects in certain areas of the Commonwealth. In order to provide greater certainty with respect to real and personal property taxes due to the City with respect to the Project and the Property and the Community Impact Fee due to the City under Section 2.B.2 of this Agreement, the Parties and the Developer’s landlord, Sterling Suffolk Racecourse

LLC, or its successor in title (the “Owner”), shall, upon the Developer’s receipt of a Gaming License, work cooperatively to seek all necessary approvals under Chapter 121A for an alternative tax payment (the “121A Approvals”), to take effect upon the Opening. The 121A Approvals shall include, but not be limited to, a regulatory agreement with the Massachusetts Department of Housing and Community Development (“DHCD”) and an agreement between the City, the Developer and the Owner as described in Section 6A (“Section 6A”) of Chapter 121A (the “Section 6A Agreement”).

(b) Section 6A Agreement: The Section 6A Agreement shall require, among other things, the payment by the Developer, or the Developer’s designee, of an alternative tax payment or payment in lieu of taxes (“PILOT”) that is equal to the Community Impact Fee, so that the Community Impact Fee shall be inclusive of all real and personal property taxes that would otherwise have been due to the City with respect to the Project and the Property, but exclusive of any other taxes, charges, fees or payments due to the City. The Section 6A Agreement shall take effect upon the Opening.

(c) Special Act: In the event that the Parties and the Owner are unable to obtain all necessary 121A Approvals, then the Parties and the Owner shall work cooperatively to obtain a special act of the state legislature (the “Special Act”) to authorize an alternative tax payment or payment in lieu of taxes (“PILOT”) that is equal to the Community Impact Fee, so that the Community Impact Fee shall be inclusive of all real and personal property taxes that would otherwise have been due to the City with respect to the Project and the Property, but exclusive of any other taxes, charges, fees or payments due to the City. Any PILOT authorized by the Special Act shall take effect upon the Opening.

(d) Failure to Obtain 121A Approvals or Special Act: In the event that (i) the Parties and the Owner are unable to obtain the 121A Approvals or the Special Act necessary to carry out the purposes of this Agreement effective upon the Opening, or (ii) any of the City, the Developer or the Owner provides written notice to the others, not later than six (6) months after the Developer’s receipt of a Gaming License, that the 121A Approvals or the Special Act would have an adverse economic effect on such party, then (y) upon the Opening, the Owner shall continue to pay to the City all real and personal property taxes due with respect to the Project and the Property, and (z) the Developer’s Community Impact Fee payments shall be governed by Section 2.B.2 of this Agreement with any necessary credits as set forth in this Agreement.

(e) Inadvertent Effect on State Revenue. In the event that the Parties and the Owner do not implement alternative tax payments by the Opening, in accordance with Section 2.B.3(d) of this Agreement, then the Parties shall consider in good faith a restructuring of this Agreement or other alternatives to mitigate any negative impacts on the City’s annual receipt of state aid, but in no event shall any party be required to negatively affect its economic result.



4. Use of the Community Impact Fee.

On an annual basis, the City intends to use portions of the Community Impact Fee to mitigate the impacts of the Project and otherwise benefit the City, to be appropriated generally as follows in the First Impact Fee Year:

- (i) Police Department: \$2,000,000;
- (ii) Fire Department: \$2,000,000;
- (iii) Public Schools: \$1,000,000; and
- (iv) General Municipal: \$1,000,000.

C. ADDITIONAL PAYMENT OBLIGATIONS

1. Meal and Hotel Excise Taxes. The Developer (or its tenants or operators, as applicable) shall collect from its patrons and remit to the City meals taxes and hotel/room occupancy taxes associated with the Project, in accordance with applicable law. With respect to any meals or hotel/room occupancies associated with the Project for which taxes are not collected from a patron due to complimentary promotions which result in no charge to the patron, with the exception of complimentary promotions applied in portions of the Project operated by the Developer, its gaming operator, or any affiliate, the Developer shall pay to the City or arrange for payment by its tenants or operators the otherwise applicable tax amount based upon the cost of such promotion. Such payments shall be made to the City on a monthly basis at the same time meals and hotel/room tax payments are made to the Commonwealth, to be accompanied by documentation reasonably acceptable to the City verifying such payments. All payments made under this Section 2.C.1 shall be in addition to any payments to the City under Section 2.B of this Agreement.

2. Motor Vehicle Excise Taxes. The Developer shall principally garage all vehicles owned or leased by the Developer and associated with the Project on the Property and pay excise taxes to the City consistent with applicable law, which shall be in addition to any payments to the City under Section 2.B of this Agreement.

3. Permit Fees and Inspection Costs. The Developer agrees to pay the City's reasonable costs incurred in connection with the review and inspection of permit and license applications, including all inspection and building permit fees, consistent with applicable law, which shall be in addition to any payments to the City under Section 2.B of this Agreement.

D. OTHER FINANCIAL OBLIGATIONS

1. Community Improvements. Not later than thirty (30) days after the Financing Date, the Developer shall (i) make a payment to the City in the amount of Two Million Dollars (\$2,000,000) towards the renovation by the City of the City's football field, (ii) make a payment to the City in the amount of One Million Dollars (\$1,000,000) towards the construction of a

youth center in the City, and (iii) at the Developer's expense, cause the Developer's architect to prepare schematic designs for a youth center in the City in collaboration with the City. The payment obligations in this paragraph are independent of all other payment obligations of the Developer in this Agreement.

2. Reimbursement of Costs.

(a) In accordance with Chapter 23K, the Developer shall reimburse the City for all costs associated with the Ballot Question Election.

(b) Upon the Effective Date of this Agreement, and for each fiscal year prior to the Opening, the Developer shall within thirty (30) days of receipt of a proper invoice, directly reimburse the City for all reasonable costs incurred by the City for outside consultants, legal counsel and other such similar and reasonable costs of third party service providers necessary in connection with (i) analyzing and determining the impacts of the Project upon the City and negotiating this Agreement, (ii) the Ballot Question Election, (iii) the Developer's application for a Gaming License, (iv) the implementation of this Agreement by the City, (v) the review of the Infrastructure Improvements required by this Agreement, and (vi) other ongoing Project-related expenses; provided, however, that the City shall not seek reimbursement from the Developer for any such costs for which it has received reimbursement from the Gaming Commission or other sources; and, provided further, the aggregate amount of such reimbursement for costs incurred after the Effective Date in any City fiscal year shall not exceed Three Hundred Thousand Dollars (\$300,000). Following the Opening, the Parties shall negotiate in good faith an amendment to this Agreement for the reasonable cost of any unanticipated legal fees or expenses or any third party study required to understand the impact of any improvement requiring a reopener in accordance with Section 1.B.2 and 1.B.4 of this Agreement. The provisions of this Section 2.D.2 shall survive the early termination or expiration of this Agreement.

3. Police. Pursuant to the requirements of Section 6(f) of Chapter 23K and unrelated to this Agreement, the City's Police Department, as the law enforcement agency of the host community, shall enter into a memorandum of agreement with the department of state police which shall include, but not be limited to, procedures involving: (i) assignment of police officers of the host community to the gaming enforcement unit of the state police; (ii) first responder calls from the gaming establishment; (iii) emergencies occurring within the gaming establishment, including the gaming area; and (iv) public safety investigations involving employees or patrons of a gaming establishment.

4. Public Safety. The Developer acknowledges and agrees that so long as the Project is operational, in an effort to reduce the impact of the Project on the public safety services of the City, (i) the Developer shall develop and implement a plan to provide any necessary on-site security, fire and life safety, and on-site emergency medical technicians as well as develop and implement an emergency management plan and an emergency response plan (as required by Section 25(j) of Chapter 23K), all as acceptable to the City's emergency personnel leadership, or their designees, and (ii) all on-site security, fire and life safety, emergency medical technicians,

ambulance services and emergency management services shall work closely with the corresponding City department, agency or office.

E. CONSTRUCTION AND PERMANENT EMPLOYMENT

The Developer shall make and cause its agents, operators and contractors to make certain commitments relating to employment at the Project as follows:

1. Construction Employment. The Developer shall ensure that its general contractor or construction manager for the Project and those engaged by said general contractor or construction manager, on a craft-by-craft basis, shall use best efforts to meet the following goals:

(a) at least ten percent (10%) of the total employee worker hours in each trade shall be by bona fide residents of the City;

(b) at least twenty five percent (25%) of the total employee worker hours in each trade shall be by minorities; and

(c) at least ten percent (10%) of the total employee worker hours in each trade shall be by women.

2. Permanent Employment.

(a) The Developer shall use best efforts to ensure that at least twenty percent (20%) of the total permanent workforce for the Project shall be bona fide City residents.

(b) The Developer shall use best efforts to ensure that at least seventy-five percent (75%) of the total permanent workforce for the Project shall be individuals who reside within a fifteen (15) mile radius of Revere City Hall, 281 Broadway, Revere, Massachusetts 02151.

(c) The Developer's workforce shall be unionized and organized in accordance with Section 18(18) of Chapter 23K.

(d) The Developer shall provide a hiring preference for current and former Suffolk Downs Racetrack employees in accordance with the spirit of Section 90 of Chapter 194 of the Acts of 2011.

(e) Throughout the Term of this Agreement, the Developer shall employ one or more full-time employees to promote awareness of employment and business opportunities at the Project for City residents and businesses, including, without limitation, the job opportunities and local business, purchasing and economic development initiatives set forth in this Agreement, as well as to undertake outreach to neighborhood groups in the City.

(f) The Developer agrees to comply with the job creation and employment commitments listed in the attached Exhibit E.

(g) The Parties acknowledge that the Project is an important public policy initiative that requires the involvement of the entire community and adjoining communities. In that regard, the Developer shall work with the City to devise a plan to hold a jobs fair to promote the opportunities at the facility and shall work with the City to devise a network of training and recruitment partners. The Developer shall work with the City and other communities in the vicinity of the Project to encourage expansion of access to employment for minorities, women and veterans and other disadvantaged groups and generally to expand local employment opportunities. The Developer shall establish a protocol which shall be submitted to the City annually to define and assess these employment and other opportunities for City residents.

(h) The Developer shall meet annually with the City's Mayor to monitor and assess the Developer's progress in implementing the objectives listed in Section 2.E.2.

#### F. PARKING

1. On-Street Parking by Employees Prohibited. The Developer shall, in consultation with the City, adopt and enforce policies prohibiting employees, contractors and agents of the Project from parking their vehicles on streets in the City.

2. Parking on the Property. The Developer shall use reasonable efforts to provide parking facilities on the Property sufficient to accommodate all patrons of the Project.

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

#### G. SUPPORT FOR CITY APPLICATIONS FOR COMMUNITY MITIGATION FUNDS

Upon the Effective Date, the Developer shall support the City's requests for payments from the Community Mitigation Fund. Such support shall include, but not be limited to: (i) providing letters in support of the City's applications for funds; (ii) providing any non-proprietary and non-confidential studies, data, or other information requested by the Commission in order to process the City's applications for funds (with costs not to exceed Fifty Thousand Dollars (\$50,000) per annum); and (iii) making personal appearances and/or testimony from representatives of the Developer at meetings of the Commission in support of the City's applications for funds.

#### H. ONGOING COMMUNITY MITIGATION

1. Vendor Opportunities. On an annual basis, the Developer (together with its affiliates, tenants and operators) shall utilize best efforts to purchase not less than Ten Million Dollars

(\$10,000,000.00) in goods and services from vendors and companies with a principal place of business in the City. The Developer shall work with the City to hold vendor fairs that provide City businesses with information concerning providing goods and services to the Project. The Developer shall meet with local businesses regarding any opportunities to open satellite businesses within the Project. Moreover, the Developer shall ensure that City businesses will be able to benefit from partnership programs that incentivize employees and patrons of the Project to utilize City businesses, including through the rewards program maintained by the Developer's operator. In addition, the Developer will create and implement a marketing program for the utilization of minority business enterprises, women business enterprises and veteran business enterprises to participate as vendors in the provision of goods and services procured by the Developer and any businesses operated as part of the Project. The Developer shall, on a semi-annual basis, consult with the Revere Chamber of Commerce, the Community Advisory Board (defined below) and such other business groups or associations as the City may reasonably request to identify opportunities in furtherance of the objectives set forth in this section. The Developer shall, upon reasonable request, meet with the City's Mayor to provide updates on the Developer's efforts to comply with this Section 2.H.1. The Developer's obligations under this section shall be subject to the availability of such goods and services on commercially reasonable terms.

2. Regional Vendor Opportunities. On an annual basis, the Developer (together with its affiliates, tenants and operators) shall utilize best efforts to purchase not less than Fifty Million Dollars (\$50,000,000.00) in goods and services from vendors and companies with a principal place of business within a fifteen (15) mile radius of Revere City Hall, 281 Broadway, Revere, Massachusetts 02151 ("Regional Businesses"). The Developer shall work with the City to hold vendor fairs that provide Regional Businesses with information concerning providing goods and services to the Project. The Developer shall meet with Regional Businesses regarding any opportunities to open satellite businesses within the Project. Moreover, the Developer shall ensure that Regional Businesses will be able to benefit from partnership programs that incentivize employees and patrons of the Project to utilize Regional Businesses, including through the rewards program maintained by the Developer's operator. In addition, the Developer will continue to implement a marketing program for the utilization of minority business enterprises, women business enterprises and veteran business enterprises to participate as vendors in the provision of goods and services procured by the Developer and any businesses operated as part of the Project. The Developer shall, upon reasonable request, meet with the City's Mayor to provide updates on the Developer's efforts to comply with this Section 2.H.4. The Developer's obligations under this section shall be subject to the availability of such goods and services on commercially reasonable terms.

3. Community Advisory Board. The Developer shall work with the City to establish a "Community Advisory Board", appointed by the City's Mayor, to provide additional benefits relevant to the impacts of the Project and to generally benefit the City and its residents. The Developer shall work with the Community Advisory Board to develop mechanisms and networks for the inclusion of local vendors, with special emphasis on women, minority and veteran-owned enterprises in accordance with Sections 15(15) and 18(16) of Chapter 23K, and to provide goods, services and materials for the Project on an on-going basis in accordance with Section 18(10) of Chapter 23K, all in coordination with the Developer's obligations under this

Agreement. The Developer shall use commercially reasonable efforts to cause its agents, operators and contractors operating in any portion of the Project to comply with this provision.

4. Additionally, the Developer shall:

(a) work with the City to develop a program to provide incentives for employees and patrons of the Project to utilize other businesses located in the City;

(b) within forty-five (45) days of the award of the Developer's Gaming License, enter into a construction mitigation agreement with the City to address and mitigate impacts on the City's residents and businesses associated with construction activity at the Project; and

(c) ensure that taxi cab and livery service businesses based in the City shall have priority access to serve patrons and employees of the Project.

5. Business Development Grant. Upon the Opening, the Developer shall provide an annual grant to a non-profit or governmental entity located in the City with a primary purpose of promoting economic development in the City, in the amount of Two Hundred Fifty Thousand Dollars (\$250,000) for local business improvement programs, which shall be independent of and in addition to any payments to the City under Section 2.B of this Agreement.

I. COMMUNITY COLLEGES

The Developer will work with the City to bring off-site employment training courses to the City. Additionally, the Developer agrees to consult with the City, the Massachusetts Casino Careers Training Institute and the associated community colleges to examine the feasibility of operating a satellite community college campus in the City.

J. INCREASES IN CAR INSURANCE RATES

The Developer shall use best efforts to work with the Commonwealth's Division of Insurance to monitor, reduce or eliminate increases to car insurance rates within the City that are proposed as a result of the Project, including, without limitation, a safe driver educational program for all employees and the promotion of safe, unimpaired driving for all guests and patrons.

K. VEHICLES FOR HIRE

Due to increase in use of and demand for taxi cabs and other vehicles for hire to serve the Project, the Developer shall work with the City to facilitate and mitigate the use and impact of such vehicles in the City. The City will monitor and enforce rules, regulations and operation of such vehicles.

L. GUARANTEED RIDE HOME PROGRAM

The Developer shall establish a guaranteed ride home program funded and implemented by the Developer to provide safe rides home for patrons who may be impaired. The guaranteed ride home program shall include advertising and informing patrons of the existence of the program and training of employees at the Project with respect to the program. In addition, the Developer shall implement a guaranteed ride home program for all employees.

M. COMPULSIVE GAMBLING RESOURCES

The Developer shall implement a responsible gaming plan at the Property to make sure that those people who cannot game responsibly get the help they need and to make sure that people who can game responsibly understand the importance of gaming responsibly. The Developer shall mitigate the potential negative public health consequences associated with the Project.

The Developer shall accomplish the responsible gaming goals for the Project by, among other things: (i) complying in every respect with all responsible gaming provisions in Chapter 23K and all reasonable responsible gaming provisions subsequently adopted by the Commission or adopted by the City or its departments or agencies; (ii) ensuring that all gaming portions of the Project are restricted to patrons twenty-one (21) years of age or over, except as otherwise permitted by Chapter 23K or the General Laws with respect to lottery and other licensed gaming; (iii) educating its employees through formal training programs about the importance of responsible gaming and underage gambling and the policies and procedures of Developer's responsible gaming programs; (iv) providing information to patrons about the odds of games, signs and symptoms of compulsive gaming and how to make responsible gaming decisions; (v) promoting responsible gaming in daily operations; and (vi) supporting public awareness of responsible gaming, including, at a minimum, working with the National Council on Problem Gambling, Inc., its local councils and other service agencies in and around the City and region on a continuing basis to promote a better understanding of responsible gaming and underage gambling and supporting research on responsible gaming and underage gambling issues through on-going financial contributions.

The Developer shall implement a "self-restriction" program that allows anyone to request not to receive direct marketing by the Developer's owned, managed, or operated properties, as well as to be denied credit and check cashing privileges at the Project. Forms to request self-restriction or self-exclusion shall be readily available to all customers and individuals who visit the Property.

The Developer shall continue its or its affiliate's active participation in the Massachusetts Partnership for Responsible Gaming and actively work with City agencies for the express purpose of assisting the City to address issues of treatment for compulsive behavior, especially problem gaming in the City. The Developer's obligations under this Section 2.M shall not be inconsistent with any applicable orders, rules, policies or other directives of the Commission, the Commonwealth of Massachusetts, or any other governmental body, agency, authority or commission.

N. INSURANCE AND INDEMNIFICATION OF THE CITY

1. Insurance.

(a) The Developer shall maintain in full force and effect the types and amounts of insurance as set forth below, and to the extent permissible by applicable law, the City shall be named as an additional insured under each policy. The Developer shall be responsible for all deductibles related to such insurance. In addition, the City may require commercially reasonable increases in all insurance coverage amounts from time to time as may be appropriate for projects of similar size and complexity.

<u>Type of Coverage</u>	<u>Requirements</u>
Commercial General Liability (occurrence form)	Coverage shall include products liability, completed operations, liquor liability, garagekeepers legal liability, damage to rented premises, personal and advertising injury and blanket contractual injury. The policy shall have limits of at least \$1,000,000 per occurrence and \$2,000,000 per location aggregate for property damage and bodily injury.
Automobile Liability Insurance	\$1,000,000 combined single limit coverage each accident. This policy shall include coverage for loss due to bodily injury or death of any person, or property damage arising out of the ownership, maintenance, operation or use of any motor vehicle whether owned, non-owned, hired or leased.
Workers' Compensation Insurance	Limits as required by statute in the Commonwealth covering all of the Developer's personnel performing work or services in connection with the Project.
Employers' Liability Insurance	\$1,000,000 each accident and each employee for disease.
Umbrella and/or Excess Liability Insurance	\$100,000,000 each occurrence/aggregate.
Pollution Legal Liability Insurance	\$5,000,000 each occurrence/aggregate. This policy shall provide coverage for third-party bodily injury, property damage, cleanup costs and defense costs that arise in connection with the Project.



(b) Prior to undertaking any activities on the Property, the Developer and any of its authorized representatives shall first provide the City certificates of insurance evidencing all insurance policies that the Developer and any of its authorized representatives (including, without limitation, any architects, engineers, general contractors, subcontractors, and consultants) are required to carry hereunder. All such certificates of insurance shall confirm the specific coverage requirements stated above and shall unequivocally state that should any of the above-described policies lapse, be materially changed, or be cancelled before the expiration date thereof, the issuing insurer shall provide thirty (30) days written notice to the City.

(c) All policies of insurance referred to herein shall be written in a form that is reasonably acceptable to the City and by companies that are authorized to do business in the Commonwealth and having a financial strength rating by A.M. Best Company, Inc. of not less than "A-" or its equivalent from another recognized rating agency. The City, in its sole discretion, may waive or modify one or more of the foregoing insurance requirements if the same are not available on commercially reasonable terms. All policies of insurance shall provide that any act or negligence of the Developer shall not prejudice the rights of the City as a party insured under said policies. If requested by the City in writing, the Developer shall furnish the City with certified copies of the insurance policies required hereunder.

2. Policies Non-Cancelable. The Developer agrees that all policies of insurance referred to herein shall not be canceled or allowed to lapse nor shall any material change be made in any such policy which changes, restricts or reduces the insurance provided, nor shall there be a change in the name of the insured, without first giving thirty (30) days' notice in writing to the City.

3. Keep in Good Standing. The Developer shall observe and comply with the requirements of all policies of public liability, fire and other policies of insurance at any time in force with respect to the Project and the Developer shall so perform and satisfy the requirements of the companies writing such policies.

4. Waiver of Subrogation. The Developer hereby waives all rights of recovery against the City and its authorized representatives on account of loss or damage to the Property, and to the extent that the Developer obtains an insurance policy for such loss or damage, the Developer shall cause such policy to be endorsed to waive the insurer's rights of subrogation against the City and its authorized representatives.

5. Indemnity. Upon the Effective Date, the Developer shall defend, indemnify and hold harmless the City, its officers, employees and agents ("Indemnified Parties") against any claims, actions, demands, fines, penalties, costs, expenses, damages, losses, obligations, judgments, liabilities, and suits, including reasonable attorneys' fees, reasonable experts' fees and associated court costs ("Liabilities") that arise from or relate in any way to: (i) the validity of this Agreement and all of this Agreement's individual provisions; (ii) the authority of the City to enter into this Agreement; (iii) the validity of the Ballot Question Election and votes cast at the Ballot Question Election; (iv) any threatened or actual litigation arising from the City's participation in this Agreement; (v) the gross negligence or willful misconduct of the Developer,

or any of the Developer's authorized representatives in the performance of any activity, undertaking or obligation arising out of this Agreement; and (vi) any breach of or default under this Agreement by the Developer; provided, however, that the Developer shall not be liable for any defense or losses to the extent caused by the gross negligence or willful misconduct of any one or more of the City or its authorized representatives. The foregoing express obligation of indemnification shall not be construed to negate or abridge any other obligation of indemnification running to the City which would exist at common law or under other provisions of this Agreement, and the extent of the obligation of indemnification shall not be limited by any provision of insurance undertaken in accordance with this Agreement. This indemnification shall survive the termination or expiration of this Agreement for a period equal to the applicable statute of limitations period. If any action or proceeding is brought against the City arising out of any occurrence described in this section, upon notice from the City the Developer shall, at its expense, defend such action or proceeding using legal counsel approved by the City, provided that no such action or proceeding shall be settled without the approval of the City.

O. DUTY TO RESTORE

In the event of damage to or destruction of improvements at the Project or any part thereof by fire, casualty or otherwise, Developer shall restore the Project, provided however in the event that all or substantially all of the gaming establishment is destroyed by casualty, such duty shall not apply unless (i) such restoration is commercially viable considering the totality of the relevant circumstances, (ii) utilizing its commercially reasonable efforts, the Developer is able to obtain sufficient construction financing on commercially reasonable terms under then prevailing market standards in order to fund the restoration, and (iii) the Developer has actually received insurance proceeds in an amount equal to no less than the amount of the loss sustained by Developer in connection with the relevant casualty episode (less applicable deductibles).

P. SECURITY FOR DEVELOPER'S OBLIGATIONS

1. Letters of Credit.

(a) To secure the Developer's obligations under this Agreement to make payments of the Initial Payments and the Pre-Payments hereunder during construction and prior to the Opening, the Developer shall, not later than the date that the first Initial Payment is due and payable to the City, deliver to the City an original irrevocable standby letter of credit issued by a major money center bank located within the United States reasonably acceptable to the City in the initial sum of Five Million Dollars (\$5,000,000) (the "Initial Letter of Credit"). The Letter of Credit shall be issued in accordance with, and subject to, the International Standby Practices (ISP98) International Chamber of Commerce Publication No. 590 and the rules of the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, as most recently published and/or updated by the International Chamber of Commerce, or any successor code of standby letter of credit practices generally adopted by the issuing bank as may be in effect at the time of issuance (the "Letter of Credit Standards").

(b) In addition, to secure the Developer's obligations under this Agreement to make payments of the Community Impact Fee hereunder upon the Opening, the Developer shall deliver to the City an original irrevocable standby letter of credit issued by a major money center bank located within the United States reasonably acceptable to the City in the initial sum of Five Million Dollars (\$5,000,000) (the "Ongoing Letter of Credit"). The Ongoing Letter of Credit shall be issued in accordance with the Letter of Credit Standards, and shall be delivered to the City prior to the issuance of and as a condition to the issuance of the final certificate of occupancy by the City's Inspectional Services Department for the Project. The Initial Letter of Credit and the Ongoing Letter of Credit are together the "Letters of Credit."

(c) The Letters of Credit shall be in form and substance acceptable to the City in accordance with the Letter of Credit Standards set forth above. The Letters of Credit shall automatically renew. The Developer shall be obligated to maintain the Initial Letter of Credit until the City's receipt of the Ongoing Letter of Credit. Upon the Opening, provided no payments due to the City pursuant to this Agreement are outstanding, the Initial Letter of Credit shall be promptly be returned by the City to the Developer or to the Developer's lender.

(d) The City shall have the right to draw upon the respective Letters of Credit if the Developer fails to make a timely payment of any of the Initial Payments, the Pre-Payments or the Community Impact Fee and fails to make any such payment within ten (10) days after receiving written notice of an overdue payment from the City.

(e) Provided that the Developer timely makes its Community Impact Fee payments in the first two (2) years after the Opening, the Ongoing Letter of Credit shall promptly be returned by the City to the Developer or to the Developer's lender. If, however, the Developer fails to timely make its Community Impact Fee payments in the first two (2) years after Opening, then the Developer shall be obligated to maintain the Ongoing Letter of Credit until it has made seven consecutive years of timely Community Impact Fee payments, whereupon the Ongoing Letter of Credit shall promptly be returned by the City to the Developer or to the Developer's lender. If after the City returns the Ongoing Letter of Credit the Developer fails to make a timely payment following notice from the City, in accordance with Section 2.P.1(d), then the Developer shall deliver a new Ongoing Letter of Credit to the City, subject to the same terms and conditions set forth in this Section 2.P.1.

(f) The Letters of Credit shall be renewed or replaced prior to expiry with either a renewal of the then current Letter of Credit or with a replacement Letter of Credit satisfying the other requirements of this Section, in either case extending the expiry of the Letter of Credit for at least twelve (12) months. At least forty-five (45) days prior to the expiration of the then-current Letter of Credit, the Developer shall notify the City in writing of its intention to deliver an original renewal or a replacement Letter of Credit. The Developer shall deliver an original renewal or a replacement Letter of Credit to the City at least thirty (30) days prior to expiration of the then current Letter of Credit. If a satisfactory renewal or replacement Letter of Credit has not been delivered to the City at least thirty (30) days prior to the expiration of the then current Letter of Credit, the City shall be entitled to draw on the then existing Letter of Credit and shall hold the funds in escrow until such time as a replacement

Letter of Credit has been provided to the City. The provisions of this Section shall survive the termination or expiration of this Agreement.

2. Late Payment Penalty. If any portion of any payment due to the City under this Agreement is not received by the City as of the due date for such payment, then such portion shall be deemed overdue and shall bear interest of eighteen percent (18.00%) per year from the date that is five (5) business days after the date of notice by the City to Developer of such late payment until received by the City.

Q. AGREEMENT TO BE A CONDITION OF THE DEVELOPER’S GAMING LICENSE

The Developer shall use reasonable efforts to ensure that full compliance with the terms of this Agreement, including, but not limited to, making timely payments to the City of all amounts due under this Agreement, shall be a binding condition of the Developer’s Gaming License, and that any default by the Developer with respect to this Agreement that has not been addressed by the Developer to the City’s satisfaction within ten (10) days after receiving written notice from the City of such default, shall constitute a violation of a condition to the Gaming License. The Developer’s “reasonable efforts”, as used in the preceding sentence, shall include, but not be limited to, proposing such a condition in its application for a Gaming License. If such a condition is not included in the Developer’s Gaming License, the Developer shall promptly notify the City and the Parties shall negotiate in good faith an amendment to this Agreement to mitigate any negative impacts, if any, upon the City as a result.

R. DUTY TO OBTAIN FINANCING AND TO COMPLETE THE PROJECT

1. The “Financing Date” is the date that the Developer secures initial funding on commercially reasonable rates for the construction of the Project and the Developer’s pre-Opening obligations under this Agreement, either through third party financing or other means. The Developer shall use reasonable efforts to ensure that the Financing Date occurs on the earliest possible date so that (i) the Infrastructure Improvements may be completed in accordance with Section 1 of this Agreement, and (ii) the Initial Payments and the Pre-Payments may be paid to the City on the dates set forth in Section 2.A of this Agreement. The Developer shall provide the City with prompt written notice upon the occurrence of the Financing Date.

2. The Developer shall reasonably pursue completion of the Project such that the Opening may take place on the earliest reasonable date, subject to successful completion of financing.

S. RADIUS RESTRICTION

Neither Developer, the Developer’s operator, nor the Developer’s affiliates shall directly or indirectly (i) manage or operate any casino facility within a fifty (50) mile radius of the Property (“Restricted Area”) other than the Project, or (ii) make application for any franchise, permit or license to manage or operate any casino facility within the Restricted Area other than the Project. This restriction shall expire on the fifteenth (15<sup>th</sup>) anniversary of the issuance of a Gaming License to the Developer by the Commission (unless extended by the Parties pursuant to a renewal or extension of this Agreement).

T. LOCAL PERMITTING

The Developer hereby agrees to comply with all City permitting processes and licensing requirements, including, but not limited to, Site Plan Review.

U. STATUTORY BASIS FOR FEES

The Developer recognizes and acknowledges that the Community Impact Fee and other payments to the City required by this Agreement: (i) are authorized under Section 15(8) of Chapter 23K and M.G.L. c. 40, § 22F; (ii) are being charged to the Developer in exchange for particular governmental services which benefit the Developer in a manner not shared by other members of society; (iii) will be paid by the Developer by choice in that the Developer has voluntarily entered into this Agreement and is voluntarily seeking a Gaming License; and (iv) will be paid primarily not to provide additional revenue to the City but to compensate the City for providing the Developer with the services required to allow the Developer to construct and operate the Project and to mitigate the impact of the Developer's activities on the City and its residents.

V. COVENANTS OF THE DEVELOPER

1. Affirmative Covenants of the Developer. The Developer covenants that throughout the Term, the Developer shall:

(a) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence;

(b) Do or cause to be done all things reasonably necessary to preserve, renew and keep in full force and effect a Gaming License, and comply with all legal requirements applicable to the operation of its business and other activities, in all material respects, whether now in effect or hereafter enacted;

(c) Furnish to the City upon the request of the City all financial reports and other such written materials provided by Developer to the Commission or to other municipalities; and

(d) Make or cause to be made, annual capital expenditures to the Project consistent with Section 21(a)(4) of the Chapter 23K.

2. License Application. The Developer shall:

(a) Promptly, completely and accurately submit to the Commission the RFA-2 Response, all other information as the Commission may from time to time require from the Developer in connection with its application for a Gaming License, make all payments required under Chapter 23K to be made by an applicant for a Gaming License and use its best efforts to satisfy all criteria necessary to be issued a Gaming License by the Commission;

(b) Furnish to the City a copy of the public version of the RFA-2 Response simultaneous with or immediately following its submission to the Commission and reasonably consult with the City in advance of such submission, as to its content;

(c) Consult with the City prior to making any formal presentation to the Commission concerning its RFA-2 Response; and

(d) Prior to the Commission issuing a Gaming License to the Developer, keep the City informed as to all material contacts and communications between the Commission and its staff and the Developer so as to enable the City to evaluate the likelihood and timing of the Commission issuing a Gaming License to the Developer.

3. Negative Covenant of the Developer. The Developer covenants that throughout the Term, the Developer shall not declare or pay any dividends, payments or distributions to any members or shareholders of the Developer upon the occurrence of default of any payment to the City required under this Agreement until such default is cured.

4. Confidentiality of Deliveries. To the extent that Chapter 23K or other laws of the Commonwealth, in the reasonable opinion of the City, allow confidential treatment of items Developer is obligated to furnish to the City, the City agrees to keep such items confidential (for so long as they are entitled to confidential treatment) and shall not disclose them except (i) to such City officials and consultants on a need-to-know basis; and/or (ii) pursuant to a court order. Further, to the extent that the Developer requests confidential treatment of any documentation or information required to be provided to the City under this Agreement, and such documentation and information may be protected from disclosure by the City under applicable law, the City shall maintain such documentation and information confidential to the extent permitted by applicable law. In the event that the City is not able to assure the confidential treatment of any of any of the items required under this section, then Developer may satisfy its obligations under this section by making such items available for in-person review and inspection by the City without obligation to deliver printed copies to the City.

#### W. REPRESENTATIONS AND WARRANTIES OF THE DEVELOPER

The Developer represents and warrants to the City that each of the following statements is true and accurate as of the Effective Date:

1. The Developer is a duly formed limited liability company organized under the laws of the State of Delaware and is in good standing and qualified to do business under the laws of the Commonwealth of Massachusetts;

2. The Developer has taken all actions required by law to approve the execution of this Agreement;

3. The Developer's entry into this Agreement and/or the performance of the Developer's obligations under this Agreement do not violate any contract, agreement or other legal obligation of the Developer;

4. The Developer's entry into this Agreement and/or the performance of the Developer's obligations under this Agreement do not constitute a violation of any state or federal statute or judicial decision to which the Developer is subject;
5. The Developer is not a party to any pending lawsuits or other actions or proceedings which would prevent or impair the timely performance of the Developer's obligations under this Agreement;
6. The Developer has the legal right, power, and authority to enter into this Agreement and to consummate the obligations contemplated hereby, and the execution, delivery and performance of this Agreement have been duly authorized and no other action by the Developer is requisite to the valid and binding execution, delivery, and performance of this Agreement, except as otherwise expressly set forth herein, and this Agreement is enforceable against the Developer;
7. The individual executing this Agreement on behalf of the Developer is authorized to execute this Agreement on behalf of the Developer; and
8. This Agreement is binding on the Developer and is enforceable against the Developer in accordance with its terms, subject to applicable principles of contract, equity and insolvency laws.

X. WAIVER OF SOVEREIGN IMMUNITY

The Developer and its parent company and each member of such parent company shall, to the extent applicable, provide a limited waiver of sovereign immunity and consent to the jurisdiction of the courts of the Commonwealth of Massachusetts for the purposes of the enforcement of this Agreement by or on behalf of the City for any direct liability of such company or member. This provision and the waiver provided hereunder shall survive the expiration or earlier termination of this Agreement.

**SECTION 3. RESPONSIBILITIES AND UNDERTAKINGS BY THE CITY**

A. BALLOT QUESTION ELECTION

Upon the Developer's request (the "Election Request"), the City shall schedule the Ballot Question Election. In accordance with and subject to the provisions of Section 15(13) of Chapter 23K, the City shall hold the Ballot Question Election not less than sixty (60) days but not more than ninety (90) days from the date that the Developer's request for the Ballot Question Election is received by the City.

B. LOCAL PERMITTING

To the extent permissible by law, the City (i) agrees to expedite all permitting, zoning relief and other entitlements necessary for the Developer's development of the Project (and all future phases of the Project), (ii) commits to support tax incentive financing for the Developer,

the Owner or any of their affiliates in connection with the development or redevelopment of any land owned by the Developer, the Owner or any of their affiliates in the City, so long as such development is not a part of the Project, and (iii) commits to support infrastructure investment incentive financing for the development or redevelopment of any land owned by the Developer, the Owner or any of their affiliates in the City, so long as such development is not a part of the Project.

C. EXCLUSIVITY

During the term of this Agreement, the City shall not sign another Host Community Agreement with any other gaming license applicant, gaming licensee or owner of a gaming establishment other than the Developer and will only enter into a Surrounding Community Agreement relating to another Applicant if required by the Commission. To the extent permissible by law, the City (i) shall support the Developer's application for a Gaming License for the Project as the sole application within the City for a license to operate any gaming establishment, and (ii) shall not support the application or proposal of any other person to obtain a license to operate any gaming establishment.

D. SUPPORT FOR THE PROJECT

To the extent permissible by law, the City shall informally advise the Developer concerning, and shall actively cooperate with and publicly support, the Developer's efforts to obtain from the appropriate municipal, state and federal bodies and agencies, all such permits, licenses and approvals as may be necessary to carry out the Project, including without limitation the Developer's Gaming License.

E. ZONING AMENDMENTS

The City wishes to encourage the Developer to develop additional future phases of the Project in the City for the purpose of generating additional tax revenue and creating further jobs and economic development. To facilitate such future possible development, the City shall cause the Mayor to file and support zoning amendments as may be requested by the Developer.

F. REPRESENTATIONS AND WARRANTIES OF THE CITY

The City represents and warrants to the Developer that each of the following statements is true and accurate as of the Effective Date:

1. The City is a validly existing municipal corporation and has all requisite power and authority to enter into and perform its obligations under this Agreement, and all other agreements and undertakings to be entered into by the City in connection herewith;
2. This Agreement is binding on the City and is enforceable against the City in accordance with its terms, subject to applicable principles of equity and insolvency laws;
3. The City's entry into this Agreement and/or the performance of the City's obligations under this Agreement do not violate any contract, agreement or other legal obligation of the City;



4. The City's entry into this Agreement and/or the performance of the City's obligations under this Agreement do not constitute a violation of any state or federal statute or judicial decision to which the City is subject;
5. The City is not a party to any pending lawsuits or other actions or proceedings which would prevent or impair the timely performance of the City's obligations under this Agreement; and
6. The individual executing this Agreement on behalf of the City is authorized to execute this Agreement on behalf of the City.

#### **SECTION 4. GENERAL PROVISIONS**

##### **A. RECITALS**

The Recitals set forth above are incorporated herein by reference as though fully set forth herein.

##### **B. BINDING AGREEMENT**

This Agreement is binding upon and enforceable against, and inures to the benefit of, the Parties hereto and their successors and assigns (including, without limitation, any successor owner or owners of the Project, but excluding mortgagees of the Project or those claiming through mortgagees of the Project, unless said mortgagee obtains title to the Property and proceeds with the development of a gaming establishment on the Property). This Agreement shall remain binding upon and enforceable against the Parties hereto and their successors and assigns in the event that the Commission, some other duly authorized governmental agency or a court of competent jurisdiction determines that the City is not a Host Community for the purposes of Chapter 23K.

##### **C. REGULATIONS OF THE COMMISSION**

The Parties shall negotiate in good faith an amendment or amendments to this Agreement to incorporate any terms, provisions or subjects required to be included in this Agreement by the Commission or to make any provision of this Agreement consistent with the Commission's regulations or policies.

##### **D. NO LIABILITY FOR APPROVALS AND INSPECTIONS**

No approval to be made by the City under this Agreement or any inspection of the Project by the City shall render the City liable for failure to discover any defects or non-conformance with this Agreement, or a violation of or noncompliance with any federal, Commonwealth or local statute, regulation, ordinance or code.

E. TIME IS OF THE ESSENCE

All times, wherever specified herein for the performance by the Developer of its obligations hereunder, are of the essence of this Agreement.

F. NO PARTNERSHIP

No relationship between the City and the Developer of partnership or joint venture is intended to be created hereby, and any such relationship is hereby disclaimed.

G. RECORDING

The Parties shall cooperate in recording and filing a copy of a customary form of notice of agreement with the Suffolk County Registry of Deeds and Suffolk County Registry District of the Land Court. Upon the termination of this Agreement, the Parties shall cooperate in recording and filing a customary form of a notice of termination of notice of agreement with the Suffolk County Registry of Deeds and Suffolk County Registry District of the Land Court. The costs of recording the notice of agreement and notice of termination of notice of agreement shall be paid by the Developer.

H. TRANSFER OF INTERESTS

The Developer and the Owner shall have continually the right to grant a mortgage or mortgages on all or any portion of the Property, and to transfer its interest herein to any such mortgagee, to the purchaser at a foreclosure sale or otherwise in connection with the exercise of remedies under any such mortgage. In addition, the Developer shall have the right to transfer or assign its rights and interests under this Agreement, provided that:

- (i) prior to the time of such transfer or assignment, the Developer has obtained the consent of the City;
- (ii) at the time of such transfer or assignment, the Developer has made all payments then due and payable under this Agreement;
- (iii) if a Gaming License has been issued for the Project or any portion of the Property, the transfer or assignment is in connection with a transfer or assignment of such Gaming License and such transfer or assignment is permitted or has been approved pursuant to Chapter 23K;
- (iv) the successor or assignee shall expressly assume and agree to perform and comply with all of the covenants and agreements of this Agreement to be performed by the Developer; and
- (v) the Developer shall deliver to the City prior to or promptly after such transfer or assignment, a copy of the instrument or instruments evidencing any such assignment to and assumption by the successor or assignee.

The liability of the Developer and its successors or assigns (including, without limitation, mortgagees) arising under this Agreement shall be limited solely to the interests of the Developer in the Project, and no trustee, officer, director, manager, member, owner, agent, representative or employee of the Developer, or their respective successors or assigns, or any person or entity directly or indirectly holding any interests in any of the foregoing from time to time, or any such person's or entity's separate assets or property shall have or be subject to any personal or individual liability with respect to any obligation or liability hereunder, nor shall any person or entity be answerable or liable hereunder in any equitable proceeding or order beyond the extent of its interest in the Project. No holder of a mortgage on any or all of the buildings or portions of the Project, as the case may be, shall be liable to perform, or be liable in damages for failure to perform, any of the obligations of the Developer hereunder unless and until such holder acquires title to the Project by foreclosure or deed in lieu of foreclosure and pursues the completion of the Project in accordance with the provisions hereof.

I. REPRESENTATIVES AND AGENTS NOT INDIVIDUALLY LIABLE

No member, official, employee, agent, or other authorized representative of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, employee, agent, or representative participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is, directly or indirectly, interested. No member, official, employee, agent, or other authorized representative of the City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Developer or its successor or on any obligations under the terms of this Agreement. No stockholder, member, indirect or direct owner, director, manager, officer, employee, agent, or other authorized representative of the Developer shall be personally liable to the City, or any successor in interest, in the event of any default or breach by the Developer or for any amount which may become due to the City or its successor or on any obligations under the terms of this Agreement.

J. NOTICES

All notices and other communications required or permitted under this Agreement shall be in writing, signed by a duly authorized officer or representative of the City or the Developer, as the case may be, and shall be (i) delivered by nationally recognized overnight delivery service, or (ii) mailed by certified or registered mail, return receipt requested, postage prepaid, to the Parties at the following addresses or such other addresses as each may have specified to the other by such a notice:

City: Mayor of Revere  
Office of the Mayor  
281 Broadway  
Revere, Massachusetts 02151  
Attention: The Honorable Daniel Rizzo

with copies to: City of Revere City Solicitor  
Office of the City Solicitor  
281 Broadway  
Revere, Massachusetts 0151  
Attention: Paul Capizzi, Esq.

And

Mirick, O'Connell, DeMallie & Lougee, LLP  
100 Front Street  
Worcester, Massachusetts 01608  
Attention: Brian R. Falk, Esq.

Developer: Mohegan Sun Massachusetts, LLC  
One Mohegan Sun Boulevard  
Uncasville, CT 06382  
Attention: President

with a copy to: Mohegan Gaming Advisors  
One Mohegan Sun Boulevard  
Uncasville, CT 06382  
Attention: General Counsel

Owner: Sterling Suffolk Racecourse, LLC  
525 McClellan Highway  
East Boston, Massachusetts 02128  
Attention: William J. Mulrow

with a copy to: DLA Piper LLP (US)  
33 Arch Street, 26th Floor  
Boston, Massachusetts 02110  
Attention: Charles A. Baker III, Esq.

Any such notice shall be deemed to have been given on the date received or refused during normal business hours. The City specifically acknowledges that the Developer may change its designated street address.

K. SEVERABILITY

If any term or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be determined to be invalid and unenforceable, the remainder of this Agreement, or the application of such terms to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law; provided, however, that the City shall have the right to seek special legislation in order to validate any term or provision of this Agreement.

L. GOVERNING LAW

This Agreement shall be governed and construed by the laws of the Commonwealth of Massachusetts, without regard to conflict of law principles.

M. AMENDMENTS

This Agreement may be amended only by a written instrument signed by the Parties.

N. TERM

The term of this Agreement shall commence on the Effective Date and expire on the earlier of (a) the expiration or earlier termination of the Developer's Gaming License, including any extensions or renewals thereof, and subject to any assignment or reissuance thereof to a successor owner or operator of the Project; (b) the date on which the Developer notifies the City that the Developer has been rejected as an applicant by the Commission during any phase of the Commission's licensing process, with any appeals having been decided against the Developer and/or all appeal periods applicable to the licensing process having expired; or (c) the date on which Developer notifies the City that an applicant other than the Developer has received a "Category 1 License" for so called "Region A", as those terms are defined and used in Chapter 23K, with all appeals having been decided in that applicant's favor and/or all appeal periods applicable to the license having expired, provided that (i) the Developer has not previously been awarded a Category 1 License for Region A, (ii) the Developer has not previously been awarded any other gaming license from the Commission, and (iii) the Developer is not an applicant for any other gaming license from the Commission.

If this Agreement is terminated or expires pursuant to the terms hereof, then the Developer is relieved from all obligations under this Agreement, excepting therefrom any obligations that by their terms expressly state they shall survive expiration or termination of this Agreement.

O. EXECUTION IN COUNTERPARTS / MULTIPLE ORIGINALS

This Agreement may be executed in counterparts. All such counterparts shall be deemed to be originals and together, shall constitute but one and the same instrument. The Parties have agreed to execute multiple original copies of this Agreement.

P. ENFORCEMENT

It is the intention of the Parties that the provisions of this Agreement may be enforced only by the Parties hereto, and that no other person or persons shall be authorized to undertake any action to enforce any provisions hereof without the prior written consent of the Parties. Notwithstanding the preceding sentence, the Commission may enforce this Agreement to the extent that this Agreement shall be a binding condition of the Developer's Gaming License.

Q. DISPUTE RESOLUTION

1. Unless an alternative means of dispute resolution is mutually elected by both of the Parties as provided herein, the Parties reserve the right, either in law or equity, by suit, and complaint in the nature of specific performance, or other proceeding, to enforce or compel performance of any or all provisions of this Agreement.
2. The Parties may seek to resolve a dispute regarding this Agreement (a “Dispute”) pursuant to Sections 4.Q.2 through 4.Q.6 of this Agreement if (i) a Party gives a written dispute notice to the other Party referencing Sections 4.Q.2 through 4.Q.6 and setting forth the grounds for the Dispute (a “Dispute Notice”), and (ii) the Party receiving the Dispute Notice gives written notice to the other Party consenting to resolve the dispute pursuant to Sections 4.Q.2 through 4.Q.6.
3. Within ten (10) days of the date of the Dispute Notice, the Parties shall meet to negotiate in good faith to resolve the Dispute described in the Dispute Notice.
4. In the event that a Dispute is unresolved within sixty (60) days of the date of a Dispute Notice, such Dispute shall be submitted for arbitration by a single arbitrator (the “Arbitrator”) qualified the American Arbitration Association (the “AAA”). The Dispute shall be arbitrated in Boston, Massachusetts, before an arbitrator selected pursuant to the AAA's arbitration selection process. Upon such Dispute being submitted to the AAA for resolution, the AAA and the arbitrator shall assume exclusive jurisdiction over the Dispute. The proceedings before the Arbitrator shall be governed by the rules and regulations of the AAA, and the award and determination of the Arbitrator shall be binding and conclusive upon the Parties, and the Parties herewith agree to abide by the Arbitrator’s determination.
5. The arbitrator in arriving at his decision shall consider the pertinent facts and circumstances as presented in evidence and be governed by the terms and provisions of this Agreement and applicable law. To the extent any provisions of this Agreement are inconsistent with the AAA Rules, this Agreement shall control.
6. The arbitrator shall not have authority to make an award of equitable relief.

R. CERTIFICATION OF TAX COMPLIANCE

Pursuant to M.G.L. c. 62C, § 49A, the Developer by its duly authorized representative, certifies under penalties of perjury that it has complied with all laws of the Commonwealth of Massachusetts relating to taxes, reporting of employees and contractors, and withholding and remitting of child support.

S. FORCE MAJEURE

1. Definition of Force Majeure. An event of “Force Majeure” shall mean the following events or circumstances, to the extent that they delay or otherwise adversely affect the performance beyond the reasonable control of the Developer, or its agents and contractors, of their duties and obligations under this Agreement:

(a) Strikes, lockouts, boycotts, labor disputes, inability to procure labor, equipment, facilities, materials, services or supplies attributable to market-wide shortages, failure or delay of utilities or utility providers, or explosions;

(b) Acts of God, tornadoes, hurricanes, floods, sinkholes, fires and other casualties, landslides, earthquakes, epidemics, quarantine and/or pestilence;

(c) Acts of a public enemy, acts of war, terrorism, effects of nuclear radiation, blockades, insurrections, public disturbances, riots, civil disturbances, or local, national or international calamities;

(d) Any law, act or order of a governmental authority, including, without limitation, any stay, temporary restraining order, preliminary injunction or permanent injunction, or mandamus or similar order, and any litigation or administrative delay, in each case which impedes the ability of the Developer to complete the Project in accordance with this Agreement, unless based materially in whole or in part on the actions or failure to act of the Developer; and

(e) The failure by, or unreasonable delay of, the City or Commonwealth or other governmental authority to issue any permits or approvals necessary for the Developer to develop, construct, open or operate the Project unless such failure or delay is based materially in whole or in part on the actions or failure to act of the or its agents and contractors.

The Developer's lack of funds shall not be considered an event of Force Majeure.

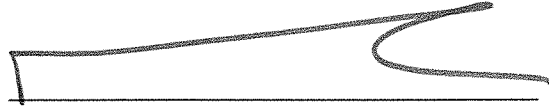
2. Notice. The Developer shall promptly notify the City in writing of the occurrence of an event of Force Majeure, of which it has knowledge, describe in reasonable detail the nature of the event and provide a good faith estimate of the duration of any delay expected in the Developer's performance obligations.

3. Extension of Performance. Notwithstanding any other provision of this Agreement to the contrary, the Developer shall be entitled to a reasonable adjustment in the time for or excuse of the performance of any duty or obligation of the Developer under this Agreement for Force Majeure events, but only for the number of days due to and/or resulting as a consequence of such causes and only to the extent that such occurrences actually prevent or delay the performance of such duty or obligation or cause such performance to be commercially unreasonable.

**[Signatures to follow on the next page.]**

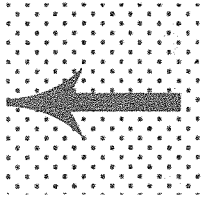
IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed in their behalf by their respective officers thereunto duly authorized as of the day and year first above written.

Mohegan Sun Massachusetts LLC

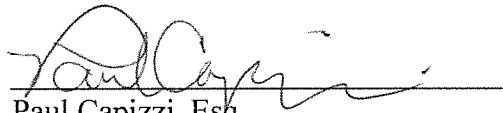
By:   
\_\_\_\_\_  
Mitchell Etess  
Manager

City of Revere

By:   
\_\_\_\_\_  
Daniel Rizzo  
Mayor



Approved as to form:

By:   
\_\_\_\_\_  
Paul Capizzi, Esq.  
City Solicitor



LIMITED JOINDER OF OWNER

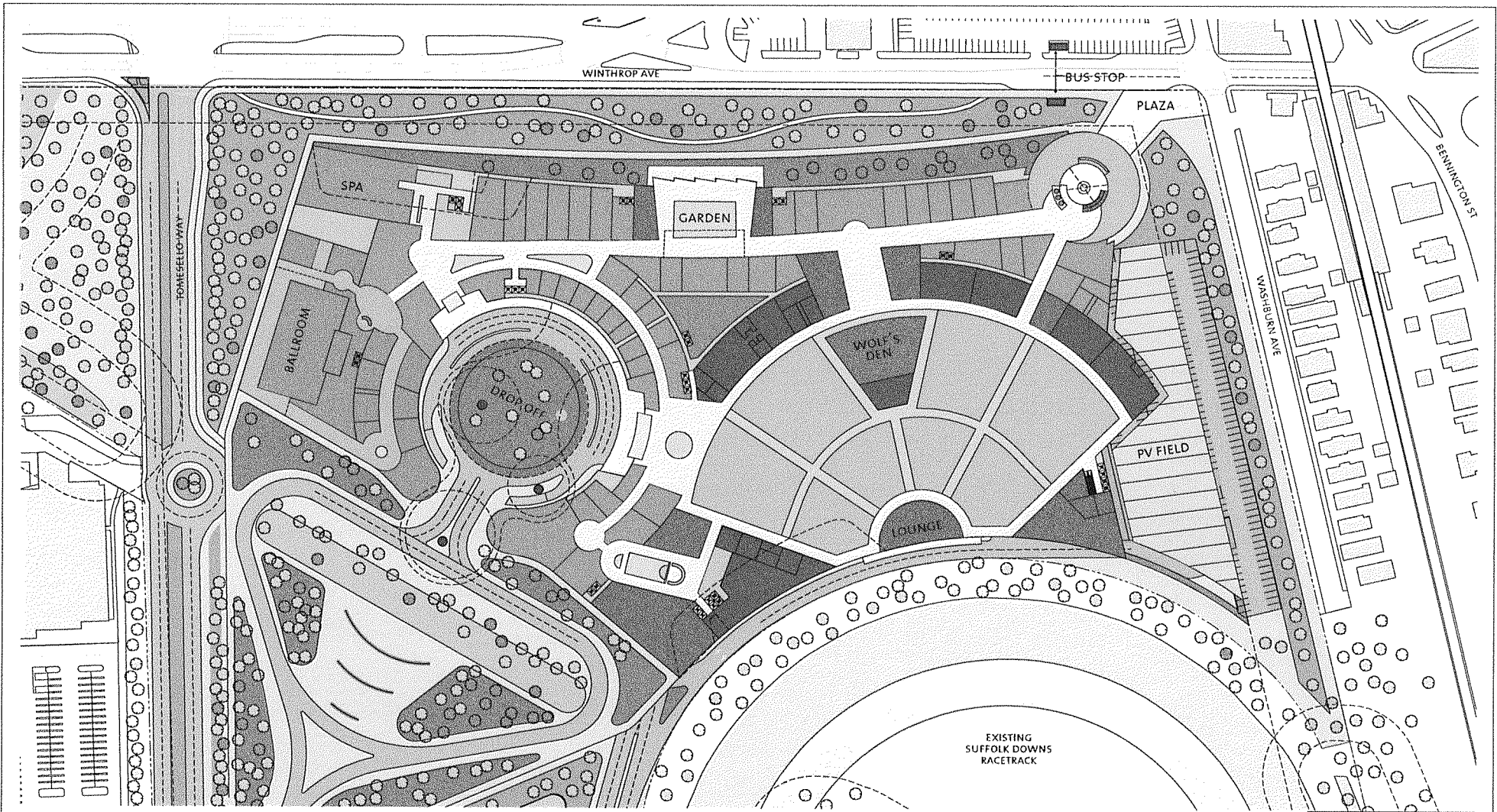
The undersigned Owner joins in the foregoing Agreement solely for the purpose of agreeing to the provisions of Section 2.B.3 of this Agreement. The Parties acknowledge and agree that neither the execution of this joinder by the Owner nor the performance of an undertaking made herein shall subject the Owner to any other provisions of this Agreement.

Sterling Suffolk Racecourse, LLC, solely in  
its capacity as Owner

By: William J. Mulrow  
William J. Mulrow, Chair of the Board


**Exhibit A**

[DESCRIPTION OF PROJECT]



© 2013 KOHN PEDERSEN FOX ASSOCIATES PC. ALL RIGHTS RESERVED.

MAIN FLOORPLAN ENLARGED

1/64"=1'-0" / 

## **Exhibit B**

### **Route 1A Infrastructure Improvements**

Four intersections are treated as one in the proposed Project construction program. The proposed improvements include construction of improvements to Route 1A consistent with the options set forth in the Draft Environmental Impact Report (DEIR) filed for the Project with the MEPA Office, which remain subject to MassDOT review and approval. Included as one of the options to be studied further is a northbound Route 1A overpass bridging the Boardman Street intersection, meeting grade to the south of Waldemar Avenue. Additional options include other flyover options and an at-grade alternative, each of which offers widening and other improvements to the current traffic conditions on Route 1A, at Boardman Street, and at points north of Boardman Street. Modifications to the alternatives to accommodate the Project include improvements to assist traffic conditions entering the Project site at Furlong Drive.

All of the associated widening required for this work will be completed on the easterly side of the Route 1A corridor. Boardman Street westbound will be widened to allow for three lanes to approach Route 1A, consistent with the proposal advanced as part of the proposed hotel development at the intersection of Route 1A and Boardman Street. Waldemar Avenue will be maintained as one lane in each direction. Tomasello Drive will be widened to provide two lanes departing from Route 1A (entering the Project), and four lanes approaching Route 1A (exiting the Project - three for left turns and one for right turns). This alternative selected is subject to the approval of MassDOT, the City of Boston Transportation Department (BTD) and Public Improvement Commission (PIC), and the City.

## **Exhibit C**

### **Route 1/Route 16 Intermediate Improvements**

The improvements are intended to provide missing movements to an important regional highway access point. Under existing conditions, access from Route 1 SB to Route 16 EB and from Route 16 WB to Route 1 NB are not provided, and there is redundant ramp access from Route 16 WB to Route 1 SB provided less than 1,500 feet from the existing interchange, or approximately 600 feet west of Webster Avenue. The proposed build condition would include closure of the Route 16 WB access to Route 1 SB within the existing interchange and a diversion of that movement farther to the west beyond Webster Avenue. The current on/off ramp configuration to and from Route 1 SB would become a four lane off ramp to Route 16 East and west with a median break on Route 16 and installation of a traffic signal. This ramp will provide the opportunity to significantly reduce left lane and left/U-turn congestion at the Route 16/Webster Street intersection. The on-ramp to Route 1 NB from Route 16 WB would be developed with a second Route 16 median break on the easterly side of Route 1 together with construction of a left turn lane. The left turn movement to Route 1 NB would be signal controlled and would tie into the existing EB to NB loop ramp through an open in-field area. Both signals would operate in two phases (Route 16 east and west and the Route 1 SB off at the off-ramp location and the eastbound through and westbound left to Route 1 NB at the second site). Note that there would be no stopping of the westbound through movement at the proposed signal to the northbound on-ramp movement. The interchange work would also include an update the Route 16, Webster Avenue, Garfield Avenue intersection, and pavement area reduction where acceleration lanes are no longer required. The improvements are subject to the approval of DCR, MassDOT, and cities of Revere and Chelsea.

## **Exhibit D**

### **Blue Line Access /Construct Beachmont Station upgrades**

Discussions with the MBTA regarding the specific improvements to be made to Beachmont Station remain preliminary and subject to change. The Developer shall ensure that should work continue at this MBTA station after the first Impact Fee Year, the Developer shall ensure full functionality and a clean and safe environmental for patrons with adequate wayfinding signage. These improvements are subject to the MBTA's approval, in consultation with the City.

### **Bicycle Access – Provide Bike Lanes on Bennington Street**

These improvements call for a “Constitution Beach to Revere Beach” bicycle connection. Bicycle lanes will be marked along the Bennington Street corridor from Saratoga Street in East Boston to Winthrop Parkway in Revere. The bicycle route will start at the northerly end of Constitution Beach Park, proceed northerly along Barnes Avenue (shared lanes) to Saratoga Street, and follow Saratoga Street easterly to Bennington Street also as a shared lane given width limitations on Saratoga Street over the MBTA Blue Line. From Saratoga, to the Boston/Revere City Line, a five foot minimum bicycle lane will be provided with one lane established for through movement northbound. Parking will generally be permitted along the curb line, except approaching the Bennington Street, Leyden Street Walley Street extended intersection area where two travel lanes will be designated, one for left turns and one for through movement. Within an area from 250 feet south of Leyden Street through Palermo Street, parking will be restricted. Parking restrictions, and/or painted median area or two-way left turn lane (TWLT lane) will be considered from Leverett Avenue to the Boston/Revere City Line. Southbound from the Revere/Boston City Line to the Suffolk Downs T Station parking will be restricted (matching northbound). Southerly from the T Station, one travel lane will be maintained with on street parking and the bicycle lane to an area between Ashley and Antrim Streets, where lane sharing will be provided to Saratoga Street. Initial plans in Revere would provide for a three lane corridor (one through/right lane in each direction with a two-way center left turn lane) with parking both sides at the curb and five foot minimum turn lanes from the City Line to Crescent Street. From Crescent Street to Winthrop Avenue, lanes would be shared in both directions. From Winthrop Avenue to Winthrop Parkway, one travel lane would be removed, maintaining one travel lane, parking and the bicycle lane. Approvals will be required from the Cities of Boston and Revere, as well as MassDOT and DCR.

## Exhibit E

### **The Developer's Quality Job Creation and Employment Commitments**

The Developer shall impose a local hiring program for both construction and permanent jobs at the Project that will include the following components:

#### Construction Jobs:

- Host and maintain a central job bank website (in English and Spanish) as a micro-site within the larger Project website.
- The Developer shall demonstrate to the City its efforts to provide construction employment opportunities to City residents.
- The Developer will utilize best efforts to use the existing labor force in the Commonwealth, and in particular the existing labor force in the City, when hiring for new construction jobs, as required by Chapter 23K.
- In furtherance of specific goals for the utilization of minorities, women and veterans on construction jobs, the Developer shall send to each labor union or representative of workers with which the Developer has a collective bargaining agreement or other contract or understanding, a notice advising the labor union or workers' representative of the Developer's commitments, as required by Chapter 23K.

#### Permanent Jobs:

- Establish, fund and maintain human resource hiring and training practices that promote the development of a skilled and diverse workforce and access to promotion opportunities through a workforce training program that: (i) establishes transparent career paths with measurable criteria within the gaming establishment that lead to increased responsibility and higher pay grades that are designed to allow employees to pursue career advancement and promotion; (ii) provides employee access to additional resources, such as tuition reimbursement or stipend policies, to enable employees to acquire the education or job training needed to advance career paths based on increased responsibility and pay grades; and (iii) establishes a program or partnership to provide off-site child day-care, all as required by Chapter 23K.
- Host and maintain a central job bank website (in English and Spanish) as a micro-site within the larger Project website.
- The Developer will provide City residents with advance notice of hiring activities by publishing announcements in local newspapers approximately four (4) to eight (8) consecutive weeks prior to initial hirings.
- Residents of the City (together with residents of host and surrounding communities (as defined in Chapter 23K) will be given first priority to apply for jobs during a specified

“advance period,” such advance period to be established jointly by the Developer and the City.

- Written flyers in English and Spanish will be distributed to local community-based organizations in the City to inform people about local advance period hiring and the Developer shall use best efforts to otherwise notify residents in the low income neighborhoods in the City proximate to the Project of potential job opportunities.
- The Developer maintain a minimum of two (2) computers on-site to ensure that residents without computers can research and apply online for jobs at the Project.
- During the Term of this Agreement, the Developer will hold job fairs at the Property to make City residents aware of job opportunities available at the Project.
- The Developer will utilize best efforts to use the existing labor force in the Commonwealth, and in particular the existing labor force in the City, when hiring for new jobs, as required by Chapter 23K.
- The Developer will make best efforts to ensure that twenty percent (20%) permanent employees at the Project are City residents, as more particularly set forth in the Agreement.
- In furtherance of specific goals for the utilization of minorities, women and veterans permanent jobs, the Developer shall send to each labor union or representative of workers with which the Developer has a collective bargaining agreement or other contract or understanding, a notice advising the labor union or workers’ representative of the Developer’s commitments.
- During the Term of this Agreement, the Developer shall use best efforts to work with the City’s schools to establish school to work programs for hospitality jobs.
- During the Term of this Agreement, the Developer shall support the efforts of and actively engage with the Commission and community colleges to develop the Massachusetts Community College Workforce Training Institute and Massachusetts Casino Careers Training Institute at community colleges in the Commonwealth.
- During the Term of this Agreement, upon request by the City, the Developer shall provide the Community Advisory Board with information regarding its contracts with organized labor, including hospitality services, the number of employees employed at the gaming establishment, including detailed information on the pay rate and benefits for employees and contractors, and the Developer’s plans to ensure labor harmony during all phases of the construction, reconstruction, renovation, development and operation of the gaming establishment.
- Consistent with the corporate policy of the Developer to provide equal opportunity for all applicants and employees, the Developer will not discriminate on the basis of race, color, religion, sex, national origin, age, disability, sexual orientation, gender identity or



expression, or veteran status. This policy applies to all areas of employment including recruitment, hiring, training, promotion, compensation, benefits, transfers and social and recreational programs.

The Developer shall implement a training and development program for permanent jobs at the Project that will include the following components:

- Provide opportunities for team members to pursue personal and professional growth, to enjoy satisfying careers, to participate in training and development programs and to celebrate success including rewards and recognition for superior performance against measurable goals.
- Provide new employees with learning programs, as well as specialized training courses customized to meet employee learning needs.
- If a position requires serving alcoholic beverages, authorizing complimentary alcoholic beverages, or managing a food and beverage operation, that employee must obtain an alcohol awareness certification card. All table games employees, valet attendants, limo drivers and security team members must also possess this certification.
- Provide an educational assistance program that reimburses employees ninety percent (90%) of tuition costs up to a maximum of Three Thousand Dollars (\$3,000) per year for pre-approved undergraduate classes or up to a maximum of Four Thousand Dollars (\$4,000) per year for pre-approved graduate study at an accredited college or university.
- Provide regulatory and compliance training.
- Implement a code of commitment to employees.

**EXHIBIT F-1**

**Calculation of Community Impact Fee**

Commencing on the Opening, the Developer shall pay a “Community Impact Fee”, which shall be determined as set forth in this Exhibit F-1.

A. Subject to Section B below, the Community Impact Fee shall consist of a “GGR Community Impact Fee” in an amount equal to the total Gross Gaming Revenue for such Impact Fee Year multiplied by the corresponding percentage set forth in Table F-1-1 – (GGR Percentage Table) below:

**TABLE F-1-1  
GGR Percentage Table**

<b><u>Gross Gaming Revenue</u></b>	<b><u>Percentage</u></b>
\$0.00-\$850,000,000	2.94%
\$850,000,001 - \$875,000,000	3.08%
\$875,000,001 - \$900,000,000	3.22%
\$900,000,001 - \$925,000,000	3.36%
\$925,000,001 - \$950,000,000	3.50%
\$950,000,001 - \$975,000,000	3.75%
\$975,000,001 - \$999,999,999	3.85%
\$1,000,000,000 – [no upper limit]	4.00%

B. Notwithstanding the provisions of Section A above, if the total amount of the GGR Community Impact Fee (as calculated pursuant to Section A above) is less than the “Minimum Community Impact Fee” for the corresponding Impact Fee Year as set forth in Table F-1-2— (Minimum Community Impact Fee) below, then the Community Impact Fee for such Impact Fee Year shall be equal to the Minimum Community Impact Fee, and no GGR Community Impact Fee shall be payable or due:

**TABLE F-1-2  
Minimum Community Impact Fee**

<b><u>Impact Fee Year</u></b>	<b><u>Minimum Community Impact Fee</u></b>
First Impact Fee Year	\$25,000,000 annually
Second Impact Fee Year	\$25,000,000 annually
Third Impact Fee Year	\$25,000,000 annually
Fourth Impact Fee Year	\$28,000,000 annually
Fifth Impact Fee Year	\$28,000,000 annually
Sixth Impact Fee Year	\$28,000,000 annually
Seventh Impact Fee Year and each Impact Fee Year thereafter	\$30,000,000 annually

## Exhibit F-2

Procedures for the determination of the payment of the Community Impact Fee:

A. First Impact Fee Year. Commencing on the first day of the month after the Opening and on the first day of each month during the first Impact Fee Year, the Developer shall make monthly Installment Payments of the Community Impact Fee to the City. Each Installment Payment shall be equal to one twelfth of the Minimum Community Impact Fee for the first Impact Fee Year only. The Developer shall pay, not later than thirty (30) days after the end of the first Impact Fee Year, the amount, if any, by which the GGR Community Impact Fee, as calculated in Exhibit F-1, exceeds the Minimum Community Impact Fee during the first Impact Fee Year.

B. Second Community Impact Fee Year and Thereafter. Commencing on the first day of the month after the first Impact Fee Year and on the first day of the month thereafter for the duration of this Agreement, the Developer shall make monthly Installment Payments to the City. Each Installment Payment shall be equal to one twelfth of the Community Impact Fee payment for the preceding Impact Fee Year. In the event that the Community Impact Fee is greater than the total amount of the Installment Payments for the applicable Impact Fee Year, the Developer shall pay the difference between the Community Impact Fee for the applicable Impact Fee Year and the total amount of the Installment Payments paid to the City not later than thirty (30) days after the end of the Impact Fee Year. In the event that the total amount of the Installment Payments for the applicable Impact Fee Year is greater than the Community Impact Fee, the Developer shall receive a credit towards the next twelve (12) Installment Payments in an amount equal to one twelfth of the amount of the difference.

C. Community Impact Fee Payments Without an Alternative Tax Structure. In the event that the Parties and the Owner do not implement alternative tax payments by the Opening, in accordance with Section 2.B.3(d) of this Agreement, then the Owner shall continue to pay to the City all real and personal property taxes due with respect to the Project and the Property, and the Developer shall pay the applicable Community Impact Fee, in full, not later than thirty (30) days after the end of each Impact Fee Year, subject to any credits as set forth in this Agreement.

D. Alternate Payment Plans. Notwithstanding the foregoing, the City and the Developer may, at any time, adopt an alternate payment plan for the Community Impact Fee deemed mutually agreeable to both Parties.

# **EXHIBIT 12**

# Casinos and Crime

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**Prepared By: The Innovation Group**

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# Casinos and Crime

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## Executive Summary

The most authoritative statement on the relationship of casinos and crime was made in independent research conducted as part of the National Gambling Impact Study in 1999, which was commissioned by the U.S. Congress:

First, the casino effect is not statistically significant for any of the bankruptcy or crime outcome measures..... This is not to say that there is no casino-related crime or the like; rather, these effects are either small enough as not to be noticeable in the general wash of the statistics, or whatever problems that are created along these lines when a casino is built may be countered by other effects.

In fact, the balance of the evidence suggests that citywide crimes are unlikely to increase. The strongest example of this can be found in Atlantic City where crime rates decreased after casinos were developed. It is highly likely that any crimes associated with casinos are either offset by the economic benefits brought by casinos or the level of crime is so small as to be overwhelmed by other more significant factors, such as the economy.

It can be concluded that, on a citywide basis, the development of Suffolk Downs is unlikely to increase crime rates, and in fact there is the potential that crime rates will actually decline. The mechanism underlying this potential decline is related to increases in employment which removes the monetary impetus for the commission of some crimes. As the January 2005 report by the Rappaport Institute for Greater Boston and the John F. Kennedy School of Economics at Harvard University states:

In sum, casinos are **not** associated with general increases in crime rates.

While the evidence shows that crime rates are generally unaffected in a measurable way at the city- or county-level, there is the concern that crime would increase at the neighborhood level where the casino is located. This is based on the proposition that if there is a substantial increase in suitable targets, then there is the potential that criminals will focus on this area.

However, casinos are acutely aware of that potential and therefore devote considerable resources in providing adequate security to deter on-site crimes. Based on the data, there is no evidence for large increases in crimes within adjacent casino neighborhoods. In an urban setting where sufficient on-site security is provided, and with supplemental police patrols provided in the surrounding neighborhoods, major criminal activity can be minimized and increases in crime can be effectively eliminated.

As it relates to the development of a casino at Suffolk Downs, we find that there is no evidence to support either an increase in citywide or neighborhood crimes.

To ensure that the impact on the neighborhood is minimized, the following actions should be considered:

1. Ensure that the casino has more than adequate on-site security in the building and especially within the parking lots or garages.
2. Ensure a prominent level of security off the premises provided for by casino-sponsored additional police patrols in the local neighborhoods.
3. Implement pro-active monitoring of problem gambling at the facility through self-exclusion programs.
4. Develop an information package to address citizens' concerns regarding the true facts in relation to casinos and crime.
5. Recommend that the current crime reporting system be reviewed to ensure that it will adequately capture and identify casino related crimes.

## Review of the Research

In assessing the issue of casinos and crime, we have examined the following:

- First, a broad examination of national studies and key methodological debates.
- Secondly, a review of secondary research and qualitative studies at the local level.
- Finally, primary research conducted by the Innovation Group of neighborhood-level impacts.

## National Studies and Methodology Discussion

A number of broad studies of the social and economic impact of casinos have been conducted in the United States. In the late 1990s, prompted by the expansion of casinos throughout the United States, mainly in the form of riverboat casinos, Native American casinos, and racetrack slot parlors, Congress set up the National Gambling Impact Study Commission (NGISC). Its findings were released in 1999.

The Commission retained the National Research Council (NRC) to review the existing research on the socio-economic impacts of casino development. The NRC concluded that the existing research on the subject was inadequate:

The NRC project involved a review of all existing and relevant studies by representatives of a variety of scientific fields. In the end, NRC recommended that further study be initiated. Study of the benefits and costs of gambling "is still in its infancy." Lamenting past studies that utilized "methods so inadequate as to invalidate their conclusions," the absence of "systematic data," the substitution of "assumptions for the missing data," the lack of testing of assumptions, "haphazard" applications of estimations in one study by another, the lack of clear identification of the costs and benefits to be studied, and many other problems, NRC concluded the situation



demands a "need for more objective and extensive analysis of the economic impact that gambling has on the economy."<sup>1</sup>

The Commission then retained the National Opinion Research Center (NORC) to undertake said "objective and extensive analysis" concerning crime impacts. The NORC came to the following conclusion:

First, the casino effect is not statistically significant for any of the bankruptcy or crime outcome measures..... This is not to say that there is no casino-related crime or the like; rather, these effects are either small enough as not to be noticeable in the general wash of the statistics, or whatever problems that are created along these lines when a casino is built may be countered by other effects.<sup>2</sup>

Despite the Commission's authoritative findings, some researchers continue to claim that casinos cause crime. However, there are three major flaws in much of this research:

1. Much of the research that attributes an increase in crime to casinos has ignored the temporary population increases brought about by casino visitation. When crime rates are calculated not accounting for the influx of visitors, there appears to be an increase in crime. While this may be true in absolute terms, it radically overestimates the increase in likelihood of a residents being victims of crime.
2. Further to #1, some research applies crimes such as on-site thefts of casino visitors to the local population, leading to an invalid increase in the local crime rate.
3. The crimes rates are not studied over a sufficient period of time and therefore temporary increases or long term trends attributable to more primary causal factors are not always recognized or are misinterpreted.

One of the earliest examples of flawed research related to Atlantic City. The **number** of crimes tripled after casinos opened in 1978, and some researchers applied the increase to the local resident population, which in the resulting invalid calculation resulted in a tripling of the crime **rate**. However, most of the increase related to thefts within the casinos, which did not impact the local population. A valid calculation of the crime rate has to include the visitation base.

Some early researchers realized the importance of accounting for visitor influx. In 1998 Douglas Seay reported on the crime figures for Atlantic City before and after the casino openings.

When the gross numbers of crimes (based on the FBI's Uniform Crime Report Index [UCR]) in Atlantic City before and after the opening the first casinos in 1978 are compared, there is little dispute that there was an immediate and substantial increase in virtually all categories of crime.

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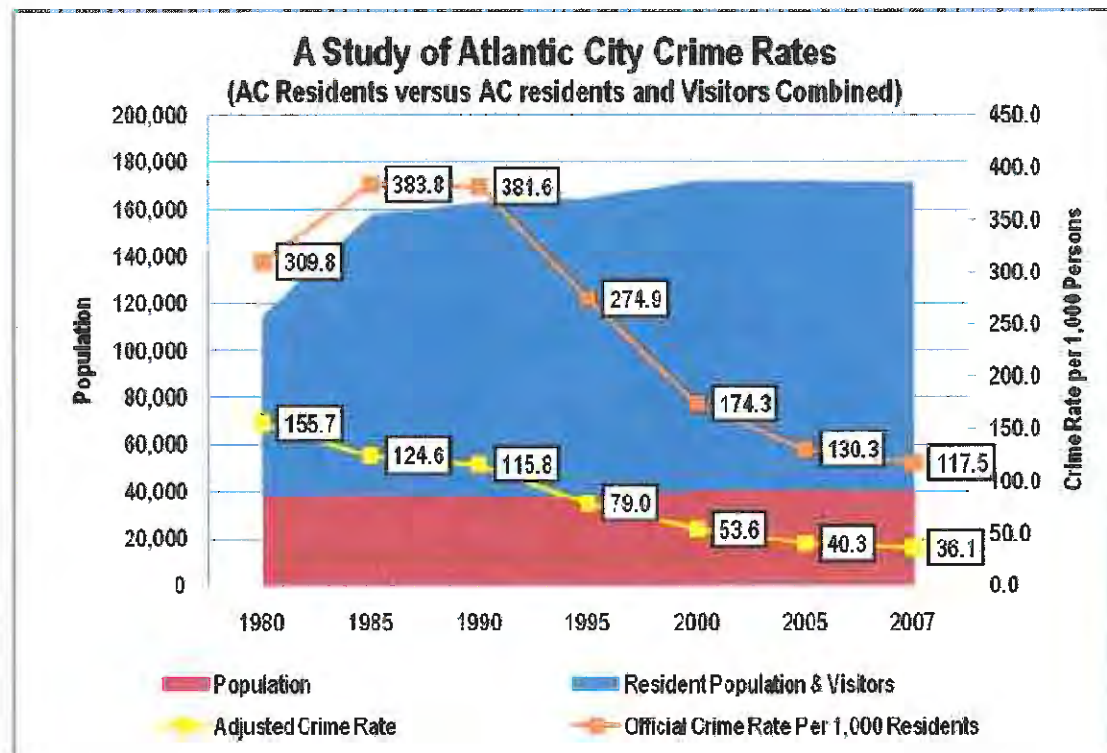
<sup>1</sup> National Gambling Impact Study, Chapter 7. 1999. *Gambling's Impact on People and Places*.

<sup>2</sup> The National Gambling Impact Study Commission, "National Gambling Impact Study" (1999).

.... There may be more crime, but it may be entirely commensurate with the larger tourist-padded population base, with the net impact on individuals being more or less benign.<sup>3</sup>

As gaming in Atlantic City expanded and matured during the past two decades, the crime rate continued to decline. Factors likely include an increase in casino employment and law enforcement resources, safer infrastructure with well-lit garages, and an increase in general tourism activity. According to the latest available annual data, this decline in crime rates per 1,000 residents continued through 2007 to a rate of 36.1 per thousand residents. The chart below illustrates crime rate trends since 1980.<sup>4</sup>

In actuality, therefore, there has been a *decreased* chance of being a victim of crime since casinos were developed in Atlantic City.



The Rappaport Institute for Greater Boston and the John F. Kennedy School of Economics at Harvard University (Baxandall and Sacerdote 2005) in a national, county-level study of Native American casinos found a slight decrease in crime rates after casinos opened. In the total sample group of 156 counties, the Rappaport study found a decrease of 3 reported crimes per 1,000 residents.

<sup>3</sup> Seay, D. (1998). *Gambling and crime*. National Gambling Impact Study Commission.

<sup>4</sup> Margolis, J. & Altheimer & Gray. (December 1997). *Casinos and crime: An analysis of the evidence*. American Gaming Association. <http://www.americangaming.org/assets/files/studies/Crime.pdf>

Two studies performed in the last decade purported to show a correlation between crime and casinos. In a statistical analysis of all U.S. counties, Grinols and Mustard (2000; updated 2004) estimated that a statistically significant proportion of violent and property crimes in casino counties could be attributed to casinos. In a study of Native American casinos, the National Bureau of Economic Research (NBER) found a measurably smaller increase. Unlike the NBER study, the Grinols study did not control for upward trends statewide, and thus came up with a higher estimate (i.e. crime was rising in the area at large, and not specifically at the casinos).

In sorting out the discrepancy between the Rappaport study and the Grinols/NBER, one critical difference in methodology is at work: the Rappaport study looked at what happens on the casino premises versus within the local community, whereas Grinols and NBER do not distinguish between on-site and off-site crimes.

For instance, the Rappaport study looked at crime trends in Ledyard, Connecticut (which hosts the Foxwoods casino) from 1991 to 1998. They found that crimes outside the casino increased from 214 in 1991 to 364 in 1998. In subsequent years, State Police data show that off-casino crimes in Ledyard fell below pre-casino levels. As with Ledyard, the number of crimes reported in Montville "remained relatively constant," which the authors conclude is "surprising since the sheer increase in activity around these towns might have led to greater crime."<sup>5</sup>

Furthermore, Grinols and NBER use "undiluted" crime rates. In other words, casino visitors are not included in the base population, which inflates the crime rate relative to the local population. In the Ledyard experience, for example, there were approximately 1,000 crimes committed on the premises (mostly minor thefts, traffic violations, DUI and disorderly conduct related crimes) of the casino by an estimated 6-8 million visitors to the casino (minus crimes committed by employees). Applying those crimes to the local resident population only would of course result in an alarming increase in crime rates.

Baxandall and Sacerdote responded directly to the NBER study and the use of undiluted rates in the following statement:

Our analysis shows that while total crime can be expected to increase when casinos open, the increase is due to increased population, not to a casino-created crime wave. Looking at FBI indexed crimes per resident in all [156] counties; we find that introducing a casino is associated with a decrease of 3 reported crimes per 1,000 people. The introduction of a casino, however, had no statistically significant effect on per-capita crime rates in either large-population casino counties or in large-casino counties. The per-capita crime rate in the 9 large-population counties that also hosted large-capacity casinos dropped 6 crimes per 1,000 residents, however.<sup>6</sup>

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<sup>5</sup> Baxandall, P. & B. Sacerdote (January 2005). *The Casino Gamble in Massachusetts: Full Report and Appendices*. Rappaport Institute for Greater Boston, John F. Kennedy School of Economics, Harvard University. Page 14.

<sup>6</sup> IBID. As summarized in their 2008 report, "Betting on the Future: The Economic Impact of Legalized Gambling."

From their total sample of 156 casino counties, the Rappaport study isolated out 57 counties with large casinos and relatively low population and nine counties with both large casinos and large populations to see if there were statistical differences in terms of community impacts. The following table shows their results:

**Rappaport Study Results**

	All casino-counties	Large -capacity casino counties	Populous casino counties
Population growth (%)	<b>+5*</b>	<b>+8.6</b>	<b>+8.1*</b>
Total employment (%)	<b>+6.7*</b>	<b>+14.9*</b>	<b>+5.7</b>
Unemployment (%)	-0.3	<b>-1.2*</b>	<b>+0.5</b>
House prices	<b>+\$5,869</b>	<b>+\$8,924</b>	<b>+\$7,083</b>
Crime (per 1,000 people)	<b>-3</b>	<b>-6</b>	<b>-1</b>

Statistically significant results are in bold (95% confidence interval). Asterix denotes higher levels of statistical significance (99% confidence).

Baxandall and Sacerdote conclude that:

In sum, casinos are not associated with general increases in crime rates. The total number of crimes can be expected to increase with the introduction of casinos, but only because casinos are associated with population increases which are far larger than any possible decrease in the number of crimes per resident.

Grinols acknowledges that casinos can reduce crime in the first two years by increasing employment, which thus would cause a decline in the population of individuals who might be financially motivated to commit crime. In addition, increases in police services as a result of casino funding temporarily depress crime. He claims, however, that by year three or four, the impact of problem gambling begins to take effect, and that crime begins to rise as problem gamblers run out of assets or credit and turn to stealing to support their addiction (i.e. "time lag" or "intertemporal" shifts in crime impacts). As we discuss in a later section, however, the impact of problem gaming on crime rates and bankruptcies is also highly contentious.

In summary, there is no evidence from this gross level data that the advent of casinos have a measurable impact on city-wide crime rates in general. It is highly likely that any crimes associated with casinos are either offset by the economic benefits brought by casinos or the level of crime is so small as to be overwhelmed by other more significant factors such as the economy.

From this it can be concluded that while the number of crimes reported on-site at Suffolk Downs will likely increase, overall crime rates will likely decline when gaming visitation is accounted for. Furthermore, the number of crimes in the surrounding area is unlikely to increase, or may even decrease as a result of increased employment and law enforcement presence.

## Local Studies and Qualitative Research

There is a plethora of local studies and expert witness opinion supporting the Rappaport and National Gambling Impact Study Commission findings.

Two separate studies on the impact of crime in Joliet (1994 and 1997) reported no increase in crime from riverboat casinos. The first study was performed by the Criminal Justice Information Authority and included both quantitative analysis of the Illinois Uniform Crime Report and calls-for-service data from October 1988 to August 1993 and interviews with local law enforcement officials. The second study, prepared for the American Gaming Association, showed the crime rate decreasing from 1993 to 1996.

Altoona, Iowa, Chief of Police John Gray specifically monitored the caseload resulting from casino operations at the Prairie Meadows Racetrack and Casino for ten years. He states with confidence that the law enforcement impact is negligible. Although the nightly attendance at the venue is typically between eight and ten thousand people, the impact on policing in the town of thirteen thousand residents is between 8 and 12 percent of the cases per month. He notes occasional complaints about lights used for night racing and noise associated with concerts from the two subdivisions closest to the track. Both of these issues are unrelated to slots.

In Gretna, Louisiana, host to Boomtown Casino and an OTB video-poker facility, both the mayor and the police chief report no problems associated with either venue. In fact, the chief of police, crediting the internal security provided by the facilities, says that more calls for service are received from Home Depot and low-cost hotels in area than from the OTB parlor or Boomtown.

Similarly, in Bossier City, Louisiana, the police department has not observed any adverse community impact associated with casino operations in their jurisdiction. According to Bossier City Police Chief Mike Halphen:

" We heard there would be prostitution, but we get more prostitution off of Craigslist than we do from the casinos.....Most of the stuff we've had at the casinos is someone's had too much alcohol....."<sup>7</sup>

Citywide since 1994, the year riverboats opened the numbers of homicides, robbery, thefts and burglaries have declined dramatically in Shreveport/Bossier<sup>8</sup>, total crime is down over 30%. In 2008 the riverfront district in which the casinos are located had the lowest total crime rate of any district in the city. As can be seen in the table below, the decline in total crime in Shreveport/Bossier between 1995 and 2007 was 11 points greater than experienced nationally, and in some specific crimes categories such as murder and non-negligent homicide and larceny/theft the declines were in excess of 21

<sup>7</sup> Shreveport Times April 10, 2009 "Shreveport-Bossier City casinos' take tops \$9.7 billion. Local economic outlook was dire before riverboats opened 15 years ago"

<sup>8</sup> Shreveport Bossier is home to six casinos grossing \$850 million in 2008 from 8,900 gaming positions.

points greater than the national rate of decline. While these declines cannot be accredited directly to the advent of casinos (although their positive impact can be implied as a result of the increase in employment that the casinos have generated) it is also apparent that there has been no negative impact from casino development.

**Declining Crimes in Shreveport/Bossier Versus National Crimes 1995-2007**

	Shreveport/Bossier City 1995-2007 Percent Change in Crime	National Rates 1995-2007 Percent Change in Crime	Differential
<b>Murder and Non-negligent Manslaughter</b>	-43.28%	-21.65%	-21.64%
<b>Robbery</b>	-23.58%	-23.32%	-0.26%
<b>Property Crime</b>	-35.32%	-28.91%	-6.41%
<b>Burglary</b>	-23.65%	-15.99%	-7.66%
<b>Larceny &amp; Theft</b>	-39.44%	-17.87%	-21.57%
<b>Total Crime</b>	-30.10%	-18.83%	-11.27%

Source: FBI Uniform Crime Reports

In a 5-year statistical report for Riverboat gambling in Indiana the following was provided:

“According to Gary’s Chief of Police, Majestic Star’s presence has not contributed to any additional criminal activity in the neighborhood surrounding the riverboat. According to Hammond Police Department, crime in the area around the riverboat (Horseshoe) has not risen since the boat opened; in fact, it has fallen in most categories when compared to before the boat opened.”<sup>9</sup>

A similar statement was also made by the Evansville Police Department which is home to Casino Aztar,

“Crime in the area around the riverboat has not risen since the boat opened; they indicated that they have more runs to the local mall than to the riverboat area.” “The casino has not produced the negatives expected, like increased traffic and crime.” “I have no reason to cut Aztar a break or anyone else a break.

A study of two urban casinos in New Zealand by the Australian Institute for Gambling Research at the University of Western Sydney corroborates these findings.

General crime incidents have occurred within and around the casino premises in Christchurch and Auckland, but the incidence has been no more than normally occurs with inner city entertainment venues of comparable size. . . .

<sup>9</sup> Center for Urban Policy and the Environment at Indiana University-Purdue University (in coordination with the Indiana Gaming Commission) (July 2001) <http://www.in.gov/gaming/reports/evaluations/majestic-5.pdf> and <http://www.in.gov/gaming/reports/evaluations/horseshoe-5.pdf>

There has been no overall increase in crime in the Christchurch Casino precinct, and a decrease in some crimes (sexual attacks, liquor offences, burglary and fraud). . . .

In Auckland there was an increase in public disorder offences in the casino precinct during the first few months of operation. Alcohol was a major factor in these crime incidents. Collaboration between the police and casino management resulted in a change in alcohol service policies and reduced these offences.<sup>10</sup>

The study credited the lack of impact to the following measures:

Effective casino management and crime prevention strategies contributed to an effective regulatory regime and minimization of crime. Casino management introduced preventative crime measures, including adequate site lighting and surveillance, a door policy to enforce dress and behavior standards, recruitment of ex-police officers to train and manage security and surveillance staff, and the application of trespass notices to remove offenders. Each casino also has an 'exclusion' policy to allow patrons to self-bar if they so choose. Both casinos have established close liaison and cooperation with the local police.<sup>5</sup>

The argument and counter argument for the impact of casinos on neighborhood crime is directly addressed in an article about crime and casinos in Detroit:

From the steps of the historic Second Baptist Church, the Rev. Kevin M. Turman sees people stream into the Greektown Casino across the street. It's a sight the pastor was once loath to accept. "I thought they set the wrong moral tone," Turman said. "I thought they were a magnet for crime. I thought they were economically counterproductive." The fact that the casinos are paying taxes on their income has helped the city at a time when it needed help. "While they aren't a panacea for all the city's ills, the casinos have hushed many critics, including Turman, who thought they'd bring only more crime and blight.

Soon after the first temporary casino opened eight years ago, downtown crime decreased, while development and redevelopment increased. The casinos were never expected to revitalize neighborhoods, but their prosperity has been good for the region, a spokesman for the mayor said.

From 2001 to 2005, crime incidents in downtown Detroit dropped from more than 3,000 to 2,025. More than half were larcenies, a Wayne State University study shows. "The casinos have been a bit of a stabilizing force," said Don Holecek, a Michigan State professor and former head of the school's travel and tourism resource center.<sup>11</sup>

In a December 2008 in a radio interview the mayor of Michigan City, Indiana (host to Blue Chip casino) stated that crime was down since the advent of the casino but there was more traffic, more accidents, and more DUI arrests.

The Center for Urban Policy and the Environment at Indiana University-Purdue University has prepared 5-year evaluations of riverboat licensees for the Indiana Gaming

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<sup>10</sup> McMillen, J. (1999). *Study of the social and economic impacts of New Zealand casinos*. University of Western Sydney.

<sup>11</sup> USA Today.Com 2007

Commission which contain section on community impacts. The following are excerpts from these reports with respect to police and fire protection.

"According to the Evansville Police Department, crime in the area around the [Casino Aztar] riverboat has not risen since the boat opened; in fact, in 1999 it even fell when compared to the previous year."

"According to Gary's Chief of Police, Trump's presence has not contributed to any additional criminal activity in the neighborhood surrounding the riverboat."

"According to the Hammond Police Department, crime in the area around the [Horseshoe Hammond] riverboat has not risen since the boat opened; in fact, it has fallen in most categories when compared to before the boat opened."

"According to a phone interview with the chief of the Rising Sun police, the main increase in crime in the area that can be attributed to the [Grand Victoria] riverboat is an approximately 25 percent increase in alcohol-related crimes, (driving under the influence, public intoxication, etc.). He also pointed out that they have had an approximately 400 percent increase in traffic through the area. Given that level of traffic, the increase is not as much as might have been predicted."

"According to a phone interview with the Lawrenceburg Police Department, Argosy-related arrests for public intoxication, DWI, and minor theft, as well as traffic accidents in the area have increased slightly each year from 1997 to 2000. Lawrenceburg has added two police officers since the boat opened to deal with the increased caseload."

"According to a phone interview with East Chicago's police department, the neighborhood surrounding the [Harrah's] riverboat has not experienced any additional criminal activity that can be attributed to the riverboat's presence. Crime in East Chicago has decreased substantially over this time period due to increased cooperation with federal agencies, community policing and increased staffing. Traffic to the rest of the city has not increased because of the direct access from the highway to the casino."

"According to a phone interview with Michigan City's chief of police, the neighborhood surrounding the riverboat has not experienced additional criminal activity that can be attributed to Blue Chip's presence."

Several other sources cite examples of the minimal impact of crime in casino communities.

"Segarini, president and CEO of Tuolumne County Chamber of Commerce and a member of the board of directors of the Tuolumne Economic Development Co. 'I haven't heard any negative remarks from anyone at this point,' Segarini said of the Black Oak Casino that opened in Tuolumne in 2001. 'There were some fears by some of the neighbors in the area that with the construction of the new facility and the bringing in of alcohol that there would be some problems they had not had previously. But if there are any problems, they have been very minor.'"<sup>12</sup>

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<sup>12</sup> "New gold rush sweeps Lode: Casinos pour millions into sleepy towns. But such riches can come at a price: drugs, crime, crippling gambling addictions." *Record* (Stockton, CA), Sept 30, 2006:



"According to data compiled from the FBI's Uniform Crime Reporting programme, Las Vegas has a lower crime rate and is safer than virtually every other major American tourist venue. The crime rate in Atlantic City, New Jersey has fallen dramatically since 1991. Joliet, Illinois, is experiencing its lowest crime rate in 15 years. Crime rates in Baton Rouge, LA have decreased every year since casino gaming was introduced."<sup>13</sup>

"In 1998, 24 sheriffs from various states in the USA met to explore the issue. They concluded that they could identify "no connection between gaming and crime" in their jurisdictions, some even pointed to a decrease in crime in their communities. A March 2000, report by the Public Sector Gaming Study Commission, stated that "...the majority of the information collected during the past decade indicates there is no link between gambling, particularly casino-style gambling and crime."<sup>14</sup>

"Foxwoods Resort Casino opened in southeastern Connecticut, the area has not observed a significant increase in crimes against property. Traffic-related crimes and accidents have increased however, creating a need to expand the police force."<sup>15</sup>

"Officials in Chester and Bensalem say they have seen no uptick in crime in their communities that can be attributed to Harrah's Chester and Philadelphia Park, whose slots parlors opened in January 2007 and December 2006, respectively."<sup>16</sup>

"In a Gallup poll...67 percent of those surveyed said they believe that opening a casino helps a community's economy and three-fourths said they approve of state lotteries."<sup>17</sup>

## Case Studies, Neighborhood Impacts

While the evidence clearly shows that crime rates are generally unaffected in a measurable way at the city- or county-level, there is the concern that crime would increase at the neighborhood level where the casino is located. This is based on the proposition that if there is a substantial increase in suitable targets, then there is the potential that criminals will focus on this area.

A report to the Pennsylvania Gaming Control Board by Price Waterhouse Cooper and the Bureau of Investigation and Enforcement indicated typical security incidents around casinos in jurisdictions it studied were purse snatching, disorderly conduct, counterfeiting and coin bucket theft.<sup>18</sup> Coin bucket theft would obviously be eliminated if a coinless (ticket in/ticket out) system is used at Suffolk Downs.

<sup>13</sup> "Casinos and crime: A new myth based on an old reality." *The America's Intelligence Wire*, August 24, 2003.

<sup>14</sup> "Casinos and crime: A new myth based on an old reality." *The America's Intelligence Wire*, August 24, 2003.

<sup>15</sup> Browne, M. Neil and Nancy K. Kubasek. "Should we encourage expansion of the casino gaming industry?" *Review of Business*, Spring 1997 Volume 18 Number 3 (9).

<sup>16</sup> "Slots, sleaze & slippery slopes: Sure, casinos have crime. But is it really bad enough to worry about?" *Philadelphia Daily News* (Philadelphia, PA), August 18, 2008.

<sup>17</sup> "Study finds one sure bet: Casinos bring higher crime." *The Atlanta Journal-Constitution* (Atlanta, GA), June 17, 1999.

<sup>18</sup> Pennsylvania Gaming Control Board Web site, May 18, 2005

However, casinos are acutely aware of that potential and therefore devote considerable resources in providing adequate security to deter on-site crimes. This is not only driven by responsibility to their patrons but also from a profit perspective. In a survey conducted for the Philadelphia Gaming Advisory Task force (PGATF) in 2005 as part of a study directed by the Innovation Group safety and security perceptions of the casino site played a paramount role in the process of deciding which casino to visit.

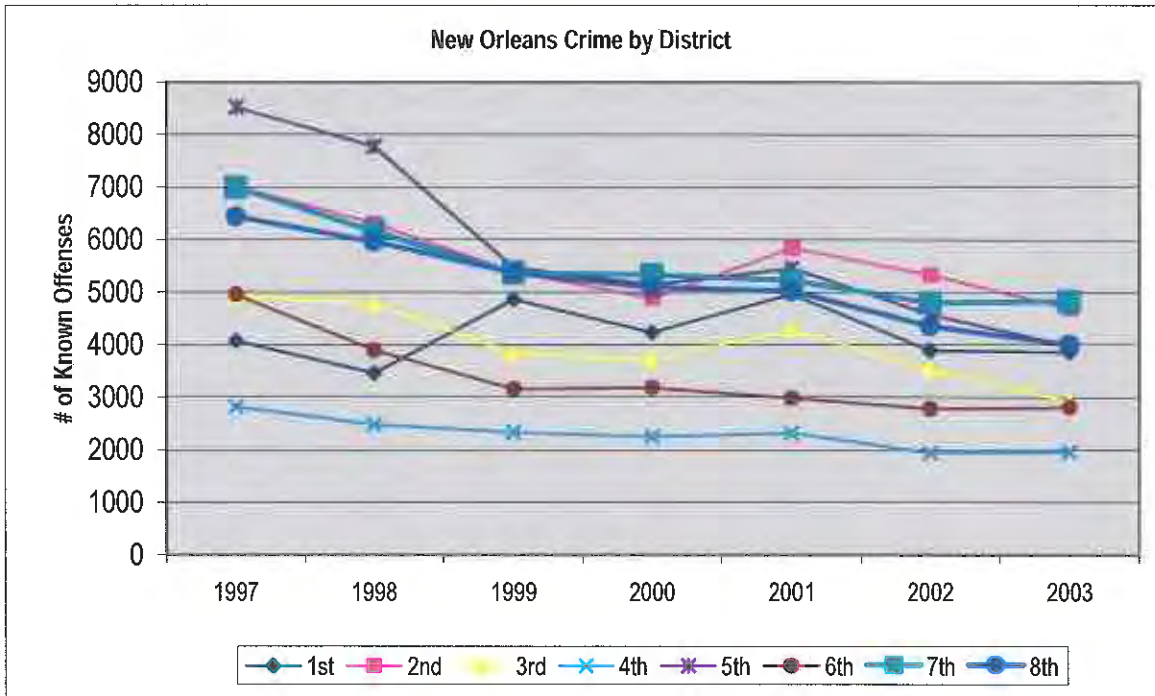
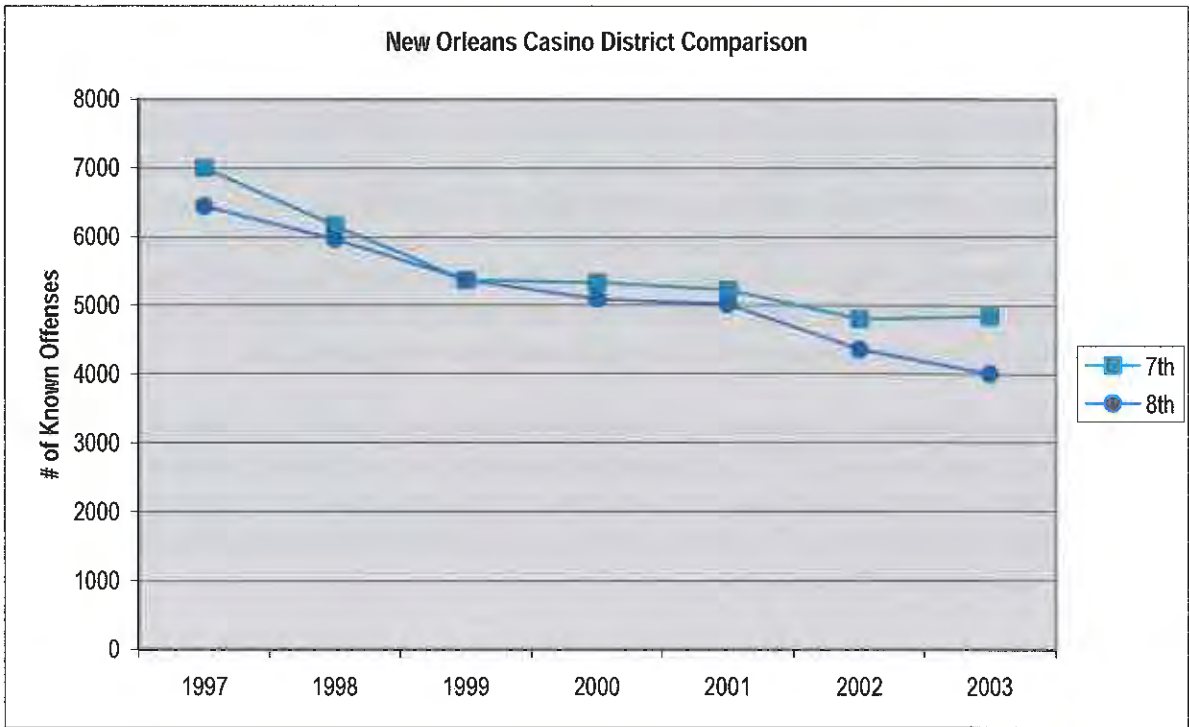
As discussed below, the data and the anecdotal evidence available suggest that crime at the neighborhood level does not appear to be a major problem when sufficient resources are committed to provide the required level of casino security and increased police patrols.

### **New Orleans, Louisiana**

In New Orleans, based on district-level crime statistics, crime rates and traffic offenses declined between 1997 and 2003<sup>19</sup> in the 7<sup>th</sup> district (Harrah's opened in the 7<sup>th</sup> District in October of 1999) and 8<sup>th</sup> district (Bally's). These declines have been consistent year over year compared to the first second and third districts where this general decline was interrupted by a slight upward increase in 2001. Significantly, crime such as robberies and thefts declined in these districts.

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<sup>19</sup> Data by district is unavailable after 2004 and would be unrepresentative due to the disruption caused by Hurricane Katrina.



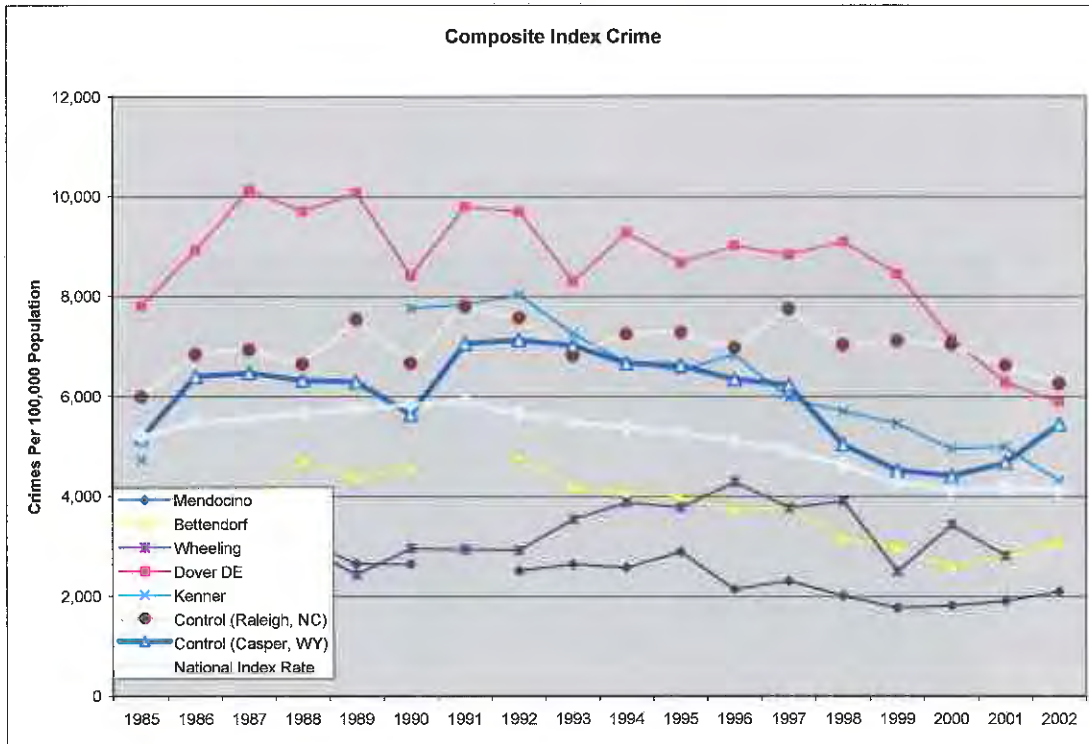
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## Casinos in Residential Areas

The vast majority of casinos and racinos in the country are located in rural areas or in commercial or industrial districts. However, we identified two that are close to residential neighborhoods: Wheeling Island racino in West Virginia and the Black Bart Casino in Willits, California. In addition, the Downs at Albuquerque is located in a residential in-fill neighborhood, and the Isle of Capri riverboat casino in Bettendorf, Iowa is located across a major thoroughfare from a historic riverfront neighborhood. Dover, Delaware (host to the Dover Downs slot racino) and Kenner, Louisiana (host to the Treasure Chest riverboat casino) were also studied. In addition, law enforcement officials in the New Orleans area, Louisiana, and Iowa were surveyed.

Crime data research consisted of telephone interviews with local law enforcement officials supplemented by crime statistics compiled by the federal Bureau of Justice Statistics or local police stats. It should be emphasized that the crime statistics are undiluted (not adjusted for casino visitors: crimes per 100,000 permanent residents only) and include on-site crimes.

For comparison, the national crime index rates and the rates for Raleigh, North Carolina and Casper, Wyoming, which are very far from any gambling venues while being normative cities (i.e., no unusual rates of crime), were tabulated and graphed with the subject communities. The national rates, which indicate a steady decline for the period, fall squarely in between the various communities, as would be expected of aggregated data; most of the communities with gambling have lower crime rates than the national rates. This supports the conclusion that slots are not affecting an overall reduction in crime reported for the communities considered.

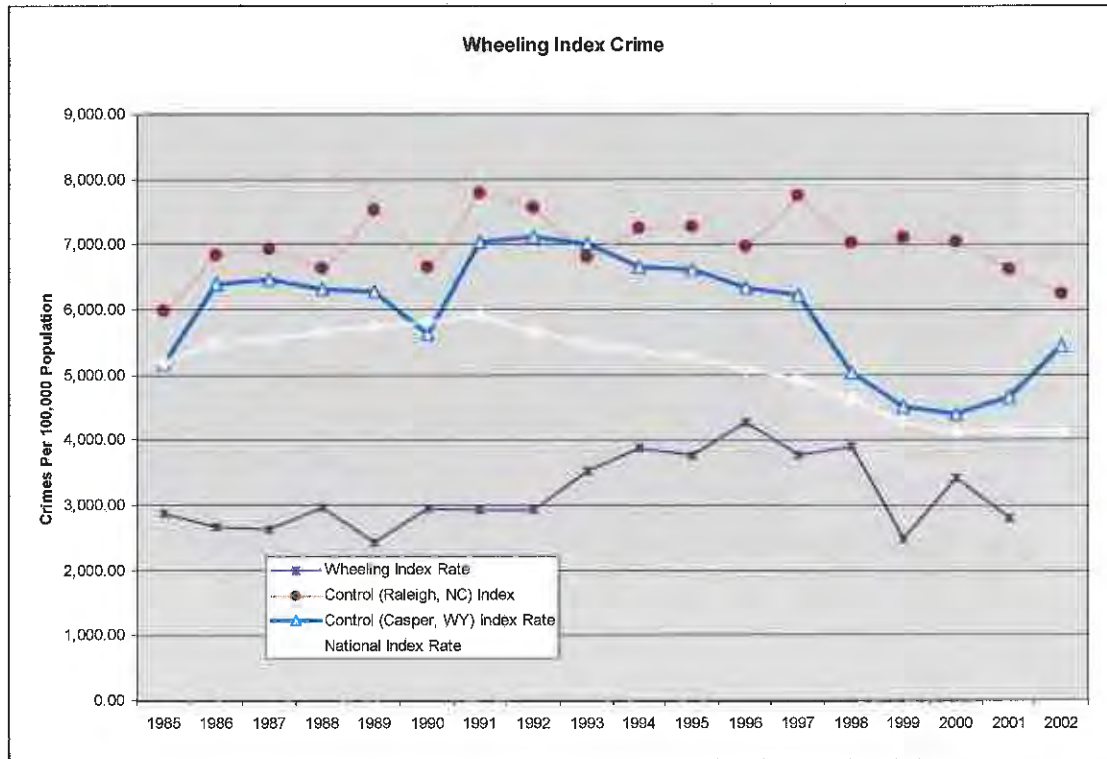


### Wheeling, West Virginia

Wheeling Island is a slot racino located within a residential neighborhood. To access the facility requires driving approximately one mile through a traditional residential neighborhood, and there is housing directly across the street from the parking lot of the facility. The racino opened in September 1994 with 400 video lottery terminals, with 200 additional devices added in late 1995. Reel slot machines were approved in 1999, and by 2000 Wheeling had just over 1,000 machines.

Undiluted crime statistics for the city of Wheeling shows slight increases in 1996 and 2000. The first slight increase could show support for Grinols' time lag theory, or it could be the result of increased activity at the facility as a result of the expansion in late 1995. The second slight increase would appear to be related to the expansion of the facility for reel slot machines and the dramatic increase in patronage. Wheeling Island receives the vast majority (upwards of 90 percent) of its patrons from out of state, including Pittsburgh and Columbus, Ohio, and thus the daily population is far larger than the permanent resident population of approximately 34,000. West Virginia does not track casino admissions; however, in 2000, based on our knowledge of the market and a calculation of reported gaming revenues divided by a win per admission, we would conservatively estimate that casino patrons increased the daily population by 19 percent over the resident population of 31,419. This would bring the 2000 crime index

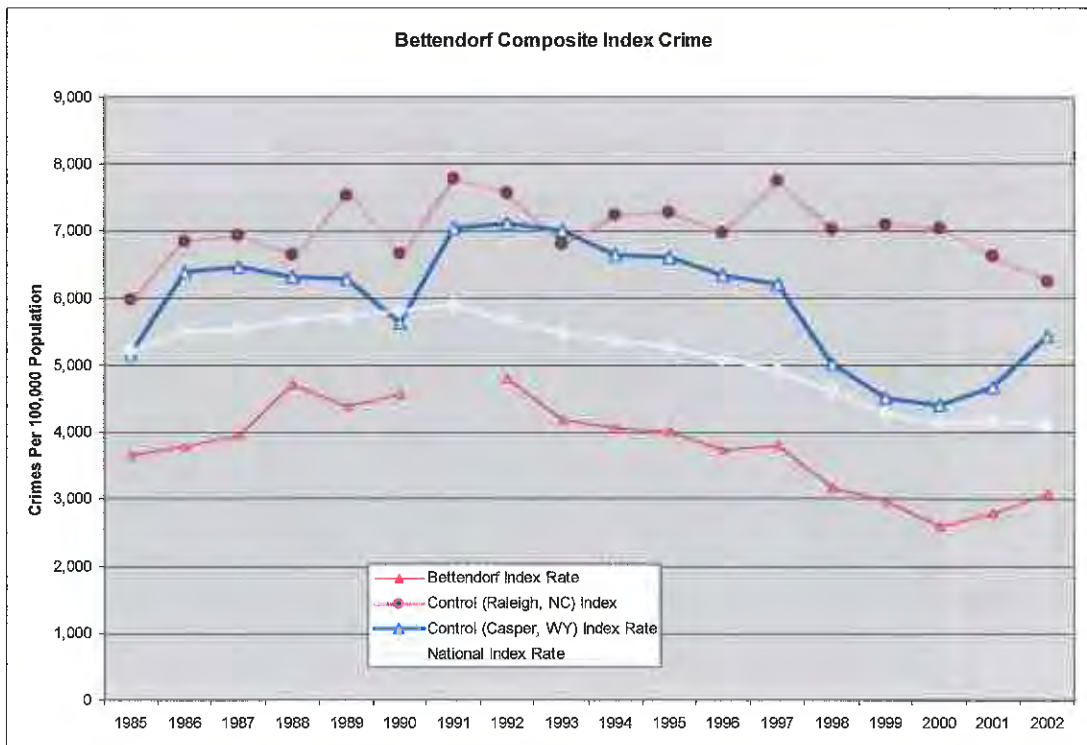
down to 2,765, below the pre-racino level of over 2,900 (1990-1992) and well below the 1993 slight increase of 3,529.



Since these data do not distinguish between on-site and off-site crimes, we contacted the local sheriff's department to find out whether the surrounding neighborhood had been affected by the racino. *The chief deputy of the Ohio County Sheriffs Department said that as far as he was aware, there had been no increase in crime in the community or increased burden to local law enforcement.*

### Bettendorf, Iowa

Bettendorf is host to the Isle of Capri Casino, which opened in April 1995. There is no apparent impact on crime, either an immediate bump from an increased daily population or a delayed slight increase based on a Grinols' time lag. Crime declined in 1995 and 1996; although there was a slight increase in 1997, the rate was still below the 1995 level. In 1998, 1999, and 2000, when a Grinols' time lag increase should be appearing, instead saw further declines. It is also interesting to note that two other casinos opened in the area in mid-2001 and a third in mid-2002, but their impact is also not apparent, with a downward trend beginning in 1993 (unfortunately, data for 1991 was unavailable).



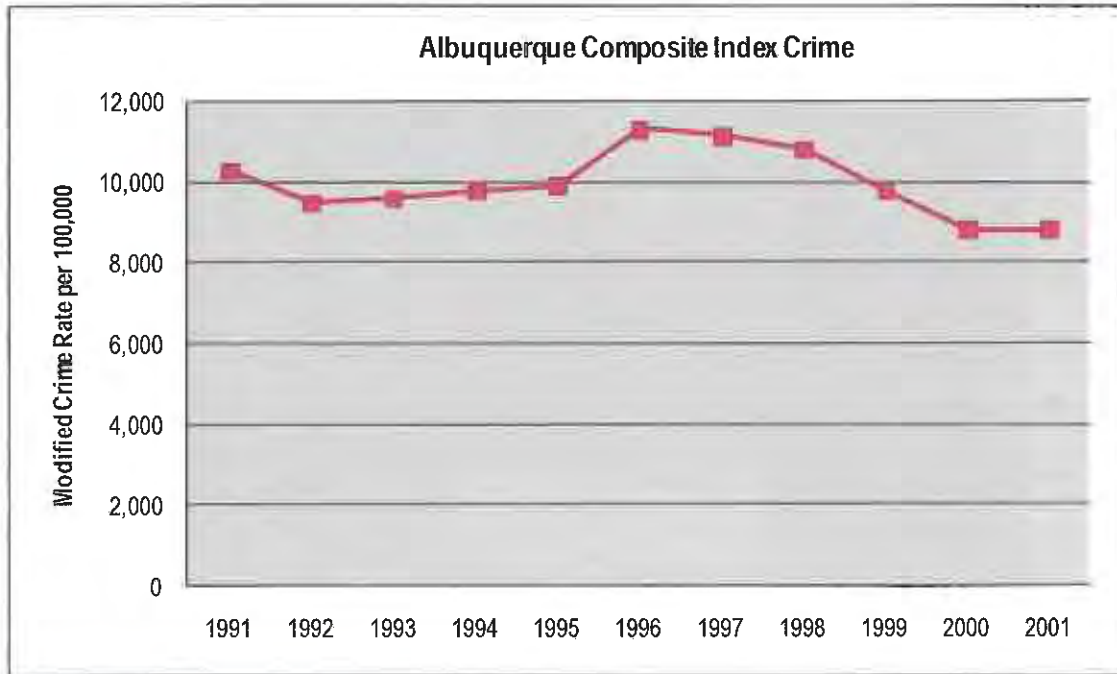
### Albuquerque, New Mexico

The Downs at Albuquerque opened in late 1999 with 300 machines. The Albuquerque Police Department compiles crime statistics that are available beginning in 2000. Given the availability of the data, it is impossible to do a before-and-after analysis. However, for 2001 through 2003, crime has declined in the police beat (333) which contains the Downs. This is especially notable compared to Albuquerque as a whole, which showed an increase in 2001 and smaller declines in 2002 and 2003. Traffic crimes have been excluded.

<b>Albuquerque Non-Traffic Crime</b>				
	2000	2001	2002	2003
<b>Beat 333</b>	3,560	2,974	2,609	2,390
<b>Change</b>		-16.5%	-12.3%	-8.4%
<b>Albuquerque</b>	130,872	133,520	128,608	119,752
<b>Change</b>		2.0%	-3.7%	-6.9%

Earlier crime data is available for the city as a whole based on federal Bureau of Justice Statistics, as shown in the following chart. Crime in Albuquerque peaked in 1996, and

declined steadily through 2000, thus there is no evident impact from the Downs in the rate for 2000.



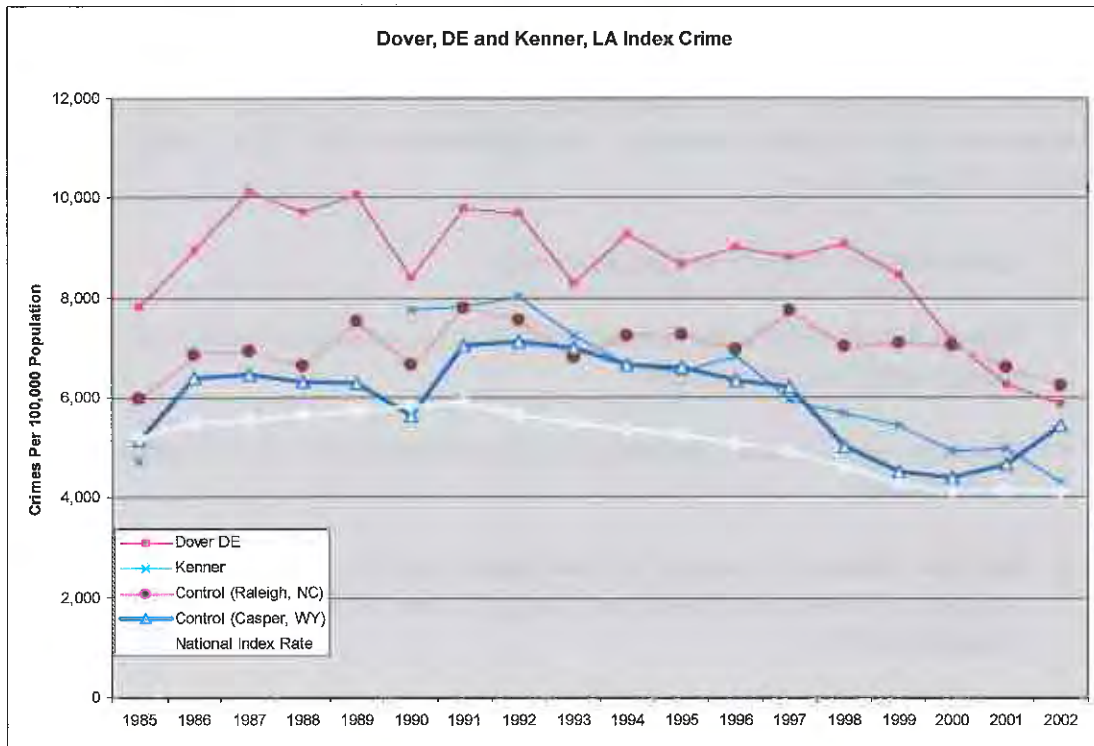
### Other Host Communities

Two other casino communities were analyzed for federal Bureau of Justice Statistics:

Dover Downs opened in December of 1995 with 620 slot machines, growing to 1,000 machines in 1997 and 2,000 machines in 2000. The crime rate for the city of Dover was relatively steady for 1996 through 1998, but then began a steep decline in 1999 that lasted through 2002.

Treasure Chest in Kenner opened in September of 1994, and except for a slight increase in 1996, the crime rate in Kenner has declined at a faster rate than the national average or the two controls.





## Summary

Based on the data, there is no evidence for large increases in major crimes within the adjacent casino neighborhoods. In an urban setting where sufficient on-site security is provided, and supplemental police patrols provided in the surrounding neighborhoods, major criminal activity can be minimized and increases in crime can be effectively eliminated.

Other activity related to public disorder, traffic violations, DUI, etc. may increase but no more so than any other entertainment venue which attracts large numbers of visitors. Cheating in the casinos, passing bad checks are two other unique areas where arrests are likely to occur. For the most part these impact only the casino, and are largely dealt with through casino security, surveillance and credit departments, with local or police only called in to make the arrests when appropriate.

## Public Safety and Crime Prevention Initiative

There are some proactive steps a community in concert with a casino developer can take that will help minimize crimes in the neighborhood of a casino. Some of these initiatives are listed below.

- **Collect data** to measure mitigation effects.
- **Include benchmarking** the number of crimes in selected categories to measure changes after operations begin.
- **Assemble and maintain** an accurate data collection from comparable gaming jurisdictions.
- **Monitor changes in crimes by sub-region** and continue to monitor crime statistics on a long-term basis to measure success of the gaming-related crime mitigation efforts;
- **Increase law enforcement presence** in the casino areas.
- **Encourage a close working relationship between security personnel at the casino properties and the city's law enforcement personnel.**
- **Monitor increases in emergency services** related to gambling. Emergency services include a wide array of significant incidences at casinos such as panic attacks by gamblers, medical emergencies due to gamblers failing to take their meds, cardiac episodes brought upon by increased stress and other similar significant incidences.
- **Provide accurate data information** in fact sheets on gambling and crime.
- **Maintain** accurate gambling-related crime information on City's Web page.
- **Study government services** to determine costs for additional personnel and other issues needed to implement this initiative.
- **Build community collaborations** by enlisting the media in conveying an accurate message about crime and gambling.
- **Maintain a crime prevention page** on issues related to gambling on the City's Web site.

- **Develop a speakers' bureau to discuss gambling-related crimes and/or relationship of crime and the new casinos.**
- **Review some of the more innovative initiatives in varying jurisdictions in addressing problematic gambling behavior and crime.** Specifically, it is suggested that the model of gambling therapeutic treatment courts in Amherst, New York should be considered if the government wants to discourage reoccurrences of crimes by problematic gamblers or the diversion system developed by the Attorney General of Louisiana to redirecting problematic gambling criminals from the criminal justice system into the state's treatment program. Minnesota state laws for example mandates that problem gambling assessments be conducted for certain categories of crime also should be studied to see if such would be of benefit in Boston.
- **Work with government officials** to effect changes in the law to adopt innovations on problematic gambling behavior or responsible gaming practices throughout the state.

## Baseline Crime around Suffolk Downs

To provide a baseline for future analysis the table below presents the baseline crimes for Boston Police District A-7 East Boston which incorporates Suffolk Downs for the first six months of 2007 versus the same period in 2008. This data shows that for the area around Suffolk Downs reported crimes fell between 2007 and 2008 by 24 percent.

Baseline Crimes around Suffolk Downs		
Crime	Year	Crimes
Homicide	07	1
	08	0
Rape and Attempted	07	8
	08	6
Robbery and Attempted	07	59
	08	57
Aggravated Assault	07	151
	08	119
Burglary and attempted	07	103
	08	75
Larceny and Attempted	07	388
	08	311
Vehicle theft and attempted	07	118
	08	62
Total	07	828
	08	630
Change 2007-2008		-198
% Change 2007-2008		-23.91%

Source: City of Boston Police Department, Office of Strategic Planning and Research

Notes:

January 1st - July 20th, 2007 data are tabulated according to the reporting criteria established by the FBI's Uniform Crime Reporting program.

January 1st - July 20th, 2008 data are preliminary and therefore have not been verified by the Boston Police Department.

## Recommendations and Conclusions

This analysis has addressed the research-based claims for the impact of casino development on crime. It is our conclusion that:

1. There is no evidence for city wide increases in major crimes either property or violent. It is likely that these are affected by larger economic and societal variables
2. When there is an adequate level of police presence and casino security there is no evidence of an increase in major crimes, whether violent or property related, in the immediate neighborhood of the casino. It is in the casinos interest to provide added levels of security given the importance this plays in the consumers' choice of casinos to visit.
3. Past research has been flawed in that it has failed to account for the differences between casinos located in low population, low crime rate rural areas and those in high population high crime rate urban areas. Past research has also failed to account for the influx of visitors in developing and applying crime rates. Some studies have failed to consider trends over a long enough periods and have failed to identify larger more important causal factors at work in the economic and social realms. These flaws have tended to exaggerate the impact of casinos on crime in major urban areas.
4. The fact that a significant proportion of patrons in the general market area of Suffolk Downs already visit casinos (i.e. in Connecticut and Rhode Island) on an annual basis suggests that any increase in level of crime associated with problem gambling, or major crimes, will be incremental, and relatively small in comparison to an immature market with no prior access to gaming.
5. The major increase in crime is likely to be related to public disorder, drunkenness, and traffic violations but no more so than any other major entertainment venue of this size and attraction. These occur predominantly on-site or in the parking lot and furthermore can be effectively mitigated.

Based on the available research, actions that will help prevent crime:

1. Ensure a prominent level of security off the premises provided for by casino sponsored additional police patrols in the local neighborhoods
2. Ensure that the casino has more than adequate on-site security in the building and especially within the parking lots or garages.
3. Pro-active monitoring of problem gambling at the facility through self-exclusion programs
4. Develop an information package to address citizens concerns regarding the true facts in relation to casinos and crime.
5. Recommend that the current crime reporting system be reviewed such to ensure that it will adequately capture and identify casino related crimes.

## Problem Gambling and Bankruptcy

As discussed previously, Grinols claims that by year three or four, the impact of problem gambling begins to take effect, and that crime begins to rise as problem gamblers run out of assets or credit and turn to stealing to support their addiction. But there is little evidence outside of his studies to support such a theory.

An early study in Biloxi would tend to corroborate the first part of Grinols' theory. Chang (1996) found a decrease in crime the first full year of casino development, while the second year saw crime rates return to pre-casino levels.<sup>20</sup> However, a 2000 study on bankruptcy found that bankruptcy rates actually decreased in Biloxi with the advent of casino development. The study attributed the cause to the destination nature of Biloxi and the infusion of visitor spending to the Biloxi economy.<sup>21</sup>

A U. S. Department of Treasury report found that "no connection between state bankruptcy rates and either the extent of or introduction of casino gambling." In preparing its analysis, the Treasury Department examined existing literature on gambling and bankruptcy and conducted new research. According to the study, much of the earlier increase in the national bankruptcy rate has been attributed to the changes in the bankruptcy law of 1978 ... and higher levels of debt relative to income, increasing availability of credit through general purpose credit cards and the reduced social stigma of declaring bankruptcy.<sup>22</sup>

This issue was also examined by the National Opinion Research Center (NORC) in their report to the National Gambling Impact Study Commission in 1999. They noted:

Pathological gamblers have clearly elevated rates of indebtedness, both in an absolute sense and relative to their income. Indebtedness per person is 25-percent greater than that of low-risk gamblers and about 120-percent greater than that of non-gamblers. However, the disparity is even greater when debt is compared to income: pathological gamblers owe \$1.20 for every dollar of annual income, while low-risk and non-gamblers only owe \$0.80 and \$0.60, respectively. In accord with their higher debt, pathological gamblers have significantly elevated rates of having ever declared bankruptcy: 19.2 percent, versus 5.5 percent and 4.2 percent for low-risk and non-gamblers. Again, for problem gamblers the story is not as clear. Their average level of indebtedness is actually the lowest of any type of gambler; however, they still have an elevated rate of bankruptcy (10.3 percent), but this is only marginally statistically significant when compared to the rate among non-gamblers. On average, excess lifetime losses involved with bankruptcy are about \$3,300 for pathological gamblers and \$1,600 for problem gamblers.

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<sup>20</sup> Chang, S. (1996). "Impact of casinos on crime: The case of Biloxi, Mississippi." *Journal of Criminal Justice*, 24 (5), 431-436.

<sup>21</sup> Nichols, Mark W., B. Grant Stittb and David Giacompassic, "Casino gambling and bankruptcy in new United States casino jurisdictions," *Journal of Socio-Economics*, May 1, 2000.

<sup>22</sup> Department of the Treasury, A Study of the Interaction of Gambling and Bankruptcy, July 1999 as posted on the American Gaming Association web page, [www.americangaming.org](http://www.americangaming.org).