

**Thurlow, Mary (MGC)**

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**From:** Jennifer Rossi <jennifer.m.rossi@gmail.com>  
**Sent:** Monday, September 15, 2014 9:47 AM  
**To:** Ziemba, John S (MGC); Blue, Catherine (MGC); McHugh, James (MGC); Cameron, Gayle (MGC); Stebbins, Bruce (MGC); Zuniga, Enrique (MGC)  
**Subject:** Letter from Charlestown  
**Attachments:** Charlestown\_9\_15\_2014.pdf

Good Morning Gaming Commissioners and Staff,  
Attached please find a letter regarding the proposed Wynn Casino signed by a group of concerned residents.  
Best regards,  
Jennifer Rossi  
617.448.9086

September 13, 2014

Commissioner Gayle Cameron  
Commission James McHugh  
Commissioner Bruce Stebbins  
Commissioner Enrique Zuniga  
Massachusetts Gaming Commission  
84 State Street  
7th Floor  
Boston, MA 02109

Dear Commissioners Cameron, McHugh, Stebbins & Zuniga:

We write as a group of extremely concerned citizens of Charlestown who are fearful of the devastating impact that the Wynn casino project will have on our neighborhood once two-thirds of the thousands of casino-bound cars begin travelling through Sullivan Square each day. The residents of Charlestown have worked for years with the City of Boston and others on a plan to reduce, not increase, traffic in Sullivan Square. Any possible traffic plan Wynn could develop will fly in the face of our concerns and the long-held plans so long as it involves significant additional traffic coming through Sullivan Square.

We were pleased to see that the Massachusetts Gaming Commission has recognized that the traffic mitigation proposal put forward by the Wynn MA applicant fails to actually mitigate the project's traffic impacts in Charlestown, in particular in Sullivan Square. Specifically, on Monday, the Commission received the report of Commissioner McHugh's review team, which stated that

"current mitigation plans do not include any discussion of a collaborative process between the Applicant, the City of Boston, and various other parties that would need to occur in order to move the process forward in determining a preferred long term solution, and design and construction of that preferred solution. The Applicant has not committed to be engaged in that process, nor has the Applicant committed any funds for a portion of further planning, design, or construction of any long term solution at Sullivan Square...Furthermore, the Applicant has also not identified any possible short term improvements that could be implemented at the Sullivan Square rotary intersections with Rutherford Ave., Main Street, or Alford Street."

In so finding, the Commission has reached the same conclusion as the Secretary of the Executive Office of Energy and Environmental Affairs, who rejected Wynn's FEIR filing based at least in part on the same failure. Both conclusions were required by the respective controlling statutes,

the Gaming Act and MEPA. Perhaps Wynn's failure to propose any meaningful mitigation is itself a recognition that the conditions require a more dramatic solution that it has failed to develop and which it is unwilling to pay for.

We observed with interest last week as the Commission has stretched to fashion a work-around for Wynn's intractable traffic problem through the conditions it has proposed for a prospective Wynn gaming license. Of course, the Commission must do so within the bounds of the Gaming Act. Under that statute, the Commission's conclusions presented on Monday and Tuesday about the Wynn project's impact on Sullivan Square (and related intersections such as Rutherford Avenue and Main Street) necessarily require a precondition that the Wynn applicant must mitigate its traffic impact in those road systems to be allowed to open a casino. The mitigation must meet the impact. Proceeding with an unworkable plan, or allowing the casino open before full mitigation is achieved, violates the Commission's own statute, which requires that "*total infrastructure improvements onsite and around the vicinity of the gaming establishment, including projects to account for traffic mitigation as determined by the commission, shall be completed before the gaming establishment shall be approved for opening by the commission.*" M.G.L. c. 23K, § 10(c). This provision of the law was clearly drafted to provide protection for affected communities – exactly the situation before the Commission today. It cannot avoid this statutory requirement by fiat.

On Tuesday, Commissioner Cameron recommended conditions to address that inadequacy. On Wednesday, the Commission adopted the conditions and sent them to Wynn for its consideration. However, for the following reasons, it is apparent to us that even if Wynn acquiesces to the proposed conditions, they will not adequately mitigate the impacts.

To address the additional traffic imposed on Sullivan Square by Wynn's development, those conditions contemplate what has been named a short term solution, comprised of whatever mitigation is required as a result of the MEPA process and/or by the City of Boston to address casino traffic, to be followed by a long term solution developed by appropriate political and permitting authorities. The conditions also require Wynn pay for some, but only some, of the costs of those solutions.

The Commission's construct, however, will almost certainly fail because, first, whether any alterations are made to Sullivan Square is up to the City of Boston, not Wynn or even the Commission, and second, changes to Sullivan Square to accommodate the significant additional traffic fly in the face of the City's plans for the area. As to the first point, and as the Commission is aware, Sullivan Square and Rutherford Avenue are comprised of City streets, owned and operated by the City of Boston. For this reason, it is beside the point whether Wynn has had productive discussions with MassDOT following submission of the MEPA FEIR, as Wynn represented in a letter to the Commission on September 10th.

As to the second point, the City, in cooperation with the MAPC and the Charlestown community, has spent the last several years reaching consensus on a long-term and workable plan to reduce traffic in the Sullivan Square area. That plan anticipated a more walkable

neighborhood of City streets, not a regional facility designed to facilitate regional traffic such as might be the case with a state highway. Thus, while a solution to Sullivan Square and Rutherford Avenue has been in the works by the City of Boston for many years, the current preferred solution is one designed to accommodate less, not more, traffic. The Gaming Commission cannot and should not assume that there will be any change in the City's policy preference in this regard. And there is no conceivable mitigation solution to accommodate thousands of additional daily vehicle trips that is consistent with the City's plan other than to find alternative access and egress to the site.

The Commission's conditions also contemplate that parties other than Wynn (presumably the City of Boston) will pay for the road improvements required by Wynn's additional traffic. It is our understanding that the Gaming Act intends for gaming companies themselves to pay for traffic and other mitigation (Chapter 23K, Section 49) and we do not believe the Commission can or should compel the City to spend money to make traffic improvements, let alone improvements necessitated by a private development.

Because the City's current traffic calming plans do not accommodate that traffic, and because – as the Commission notes – the applicant has no other plan to address its inevitable Sullivan Square traffic, it is self-evident that no casino can be permitted in Everett under present circumstances. There is nothing in the existing public and private plans for Sullivan Square and its environs that provides any basis for a rational conclusion that there exists a reasonable plan to undertake improvements to mitigate Wynn's traffic.

Accordingly, and in summary, the Commission's recommended conditions fail for three primary reasons:

a. First, the Commission somehow concludes that there is a viable short-term solution, presumably less comprehensive than the long-term solution, that mitigates the Wynn traffic impacts on Sullivan Square. That is not true, especially considering that there is no difference in the "short term" versus "long term" traffic impacts. The Commission has confirmed that Sullivan Square already suffers from traffic issues for large parts of the day. The Commission has also confirmed that more than 70 percent of the traffic exiting, and more than 60% of the traffic entering, the casino is projected to use the Square. Importantly, Wynn has no phased development to support a suggestion that a less comprehensive, short term plan would meet the statutory mandate for total infrastructure mitigation before opening. Even if one gives Wynn the benefit of the substantial doubt about the possibility that it may be able to reduce its projected traffic (which the Commission has recognized is essential to Sullivan Square but is also exceedingly unlikely given Wynn's target luxury patron market) – the full amount of the traffic generated by the resort will begin when the resort is opened.

b. Second, the existing "long-term" plan for Sullivan Square -- on which the Commission bases its licensing conditions -- does not allow for an increase in traffic volume in Sullivan Square, especially of the magnitude associated with the Wynn project. As noted, that

plan is aimed at reducing traffic in the Square not increasing capacity. There is, therefore, no long-term plan in existence that could satisfy the Commission's requirement to mitigate.

c. Third, the proposed conditions only work by imposing a certain outcome on the City of Boston and the residents of Charlestown for Sullivan Square (the accommodation of significantly increased traffic volumes rather than the long sought reduction) and by requiring the City of Boston to spend money for improvements to accommodate Wynn – two effects that go far beyond the Commission's authority. While the Commission certainly has the authority to impose conditions on any applicant, the conditions related to mitigation of Sullivan Square purport to impose conditions on a third party, in this case the City of Boston. No law permits the Commission to mandate that the City of Boston do anything with an asset it owns, let alone pay for an outcome (more traffic) on terms (cost and schedule) it has not sought. The Commission appears to concede this lack of authority over the infrastructure improvements in Boston, but does not appear to appreciate the fatal implications for the prospect of Wynn meeting the proposed licensing conditions.

To conclude, the Commission cannot issue Wynn a gaming license without conditions requiring mitigation of its traffic impacts on Sullivan Square. However, for all the reasons stated above, we do not foresee any circumstances under which Wynn could develop either a short-term or long-term traffic mitigation solution consistent with long-held plans for Sullivan Square, unless the solution somehow does not involve adding any significant traffic to Sullivan Square. We believe these points must be factored in to your final deliberations on the license, and appreciate your consideration of them.

Sincerely,

Shauna Peltor  
22 Essex St  
David Kelly  
Essex St  
Joe Kelly  
Essex St  
Lina Hamilton  
Shirley Ruff  
230A Main St  
B Gfl  
443 Main St #1

N Mil  
200 Ark St  
Lauren Hickley  
48 Music #12  
JR  
56 Green St  
James J. Lawrence  
410 Cedar Street  
Chuckmaster  
443 Main St #1  
Sanna Sutton  
5 Russell St.

## Thurlow, Mary (MGC)

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**From:** MGC Website <website@massgaming.com>  
**Sent:** Monday, September 15, 2014 8:01 AM  
**To:** MGCcomments (MGC)  
**Subject:** Contact the Commissioner Form Submission

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

### Name

Robert McKenzie

### Email

[mckenziebob1@yahoo.com](mailto:mckenziebob1@yahoo.com)

### Phone

(617)501-4812

### Subject

Everett Bid

### Questions or Comments

I want to go on the record on 2 things prior to my comments: 1. I am a resident of Revere. 2. I have always been pro-casino.

Now, my comments: In the event that you are still seriously considering Everett's bid, I'd ask you if anyone on the commission has actually driven on the roads that would be impacted? Try to exit route 93 north on the upper deck towards Sullivan Square anytime from mid-afternoon on. Try to drive from Everett Square to Sullivan Square. Try to drive from Community College down Rutherford Ave towards Somerville. Now, add a casino with NO TRAFFIC MITIGATION plans.

I've been very disappointed with what has seemed to be an anti-Suffolk Downs tone from the commission since day one; however, as you come towards a vote, I'd ask you to view this from the perspective of the impacted commuter: Suffolk/Mohegan has a plan in place to fix road problems in the area that the state will never do (regardless of a casino being in place); Wynn has no such plan nor any intent.

Please put aside your relationships with the involved bidders and do the right thing.

-----Original Message-----

From: Bob Upton [<mailto:bobupton19@gmail.com>]

Sent: Sunday, September 14, 2014 9:00 AM

To: MGCcomments (MGC)

Subject: Region A- Revere Chamber of Commerce message to Chairman McHugh

Good Morning,

Attached here please see letter attached addressed to Chairman McHugh and the the Massachusetts Gaming Commission. I have prepared the letter with the hope that it will be read prior to the anticipated decision and selection of the winning Applicant of the Region A Massachusetts Gaming License.

Thanks for the opportunity to share my letter with Chairman McHugh and Commission Members as we at the Revere Chamber of Commerce look forward to following the proceedings during the next few days with great anticipation and hope.

Bob Upton  
President  
Revere Chamber of Commerce

September 14, 2014

Dear Chairman McHugh,

I wish to take this opportunity to share with you and the members of the Massachusetts Gaming Commission my thoughts, reflections and assessments in these final hours before a decision is made on the potential naming of the winning applicant for the Region A Massachusetts Gaming License.

As President of the Revere Chamber of Commerce I have participated in and observed many MGC hearings, public hearings, community meetings, vendor fairs, employment forums and business forums all in an effort to learn about and to become intimately familiar with the issues surrounding the selection process and eventual selection of the winning applicant.

I could not be more proud of our community of Revere and especially the Mayor of Revere Dan Rizzo who has shown incredible unshakeable leadership throughout this entire process from the very beginning. This process has brought a wide spectrum of community and business groups together unlike almost any other issue the city has faced before except possibly the recent tornado that Revere has suffered. The Revere community, its city leaders, its non profit groups and its educational system through the Revere School Superintendents office all have worked together very hard in support of Mohegan Sun and Suffolk Downs as the applicant for Region A.

Mohegan Sun and Suffolk Downs, Mayor Rizzo and his Economic Development Team have worked diligently and collaboratively with us at the Revere Chamber of Commerce to educate our membership answer our questions and to address any concerns we may have had at any time.

At the outset of this process the business community was told that the MGC would be evaluating each applicants proposal not only for the merits of each of the categories to be considered but also for the vision and scope of the benefits of citing the Resort Style Casino within Region A.

The citing of a resort style casino in Revere would accomplish a broad range of economic benefits and stimulus not the least, of which would be the revitalization of Revere Beach. Our business community is hopeful that the agreements as outlined in the mitigation agreements will be realized by the MGC decision to select Revere for this resort style casino for the Region A license.

Throughout this process the Revere Chamber of Commerce has developed stronger ties with our North Shore neighbors to include the North of Boston CVB, North



Shore Chamber of Commerce and many other travel and tourism boards in the hope that the citing of a Mohegan Sun resort style casino at Suffolk Downs would stimulate growth for our regional partners. Additionally, we sincerely hope that the existing jobs will remain in place for those employees of Suffolk Downs and its vendors and suppliers.

It is my hope that the decision made by the MGC will favor the community of Revere and Mohegan Sun at Suffolk Downs.

Realizing that the process of making a decision in choosing between these two urban communities may be very difficult and complex. I believe that the choice here is really one where the distinction is clear.

It is apparent to me and I hope to the MGC that the selection of Mohegan Sun at Suffolk Downs for the Region A License is the choice that offers the greatest vision and a broad range of benefits as clearly articulated by the applicant in its application and supporting documentation and presentations.

I sincerely appreciate the opportunity to submit this letter and the ability to share my observations and opinions. I look forward to the decision by the MGC with great anticipation and hope for a favorable decision for Revere, Mohegan Sun and Suffolk Downs.

Thanks for your efforts, diligence and honest evaluations and consideration of our community for the Region A Massachusetts Gaming License.

Sincerely,

Bob Upton  
President  
Revere Chamber of Commerce

## Thurlow, Mary (MGC)

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**From:** Machado, Elizabeth <EMachado@pldw.com>  
**Sent:** Monday, September 15, 2014 10:09 AM  
**To:** Ziemba, John S (MGC)  
**Subject:** Letter to Massachusetts Gaming Commission dated 9-15-2014  
**Attachments:** Letter to Massachusetts Gaming Commission dated 9-15-2014.pdf

Good morning Mr. Ziemba,

On behalf of Attorney Bruce Tobey, attached please find correspondence from James McKenna dated today, September 15, 2014. Should you have any questions or require further assistance, please do not hesitate to contact me. Thank you.



**ELIZABETH MACHADO**, Administrative Assistant  
**PANNONE LOPES DEVEREAUX & WEST LLC**  
317 Iron Horse Way, Suite 301 | Providence, RI 02908  
Phone: 401-824-5189 | Fax: 401-824-5123  
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# TOWN OF WINTHROP

Town Hall, 1 Metcalf Square, Winthrop, MA 02152 Telephone: 617-846-1705 Fax: 617-846-5458

**Town Manager**  
**James McKenna**

September 15, 2014

Massachusetts Gaming Commission  
84 State Street, 10th Floor  
Boston, MA 02109  
Attention: Commissioner

Re: Town of Winthrop, Massachusetts – Dispute over Non-Payment of Reasonable Costs Incurred in Negotiation of Surrounding Community Agreement


Dear Commissioner:

On May 23, 2014, the Town of Winthrop, Massachusetts (the Town) and Mohegan Sun Massachusetts, LLC (MSM) entered into a Surrounding Community Agreement (SCA) pursuant to M.G.L. chapter 23K, Section 15(9). Section 2.F. of the SCA states that MSM “shall reimburse the Town for the reasonable costs incurred by the Town in negotiation this Agreement.” After several requests for reimbursement of these costs, the Town still has not any payment from MSM. Thus, on August 18, 2014, the Town invoked the dispute resolution provisions contained in the SCA, which required a meeting within ten days of receipt of the Dispute Notice by MSM to discuss in good faith in order to resolve the dispute.

MSM’s attorney responded with a contentious letter denouncing the Town’s Dispute Notice and offering an inadequate settlement amount. In response, the Town informed MSM that its offer was insufficient and repeated the Town’s desire to meet to discuss a good faith resolution to the dispute. MSM’s attorney replied saying that MSM stood ready to meet; however, I have now made many attempts to set a date for such a meeting, over the course of several weeks, and MSM has refused to respond to these requests.

Given MSM’s blatant breach of the SCA, I request that the Massachusetts Gaming Commission defer making any final decision on the award of the Region A, Resort-Casino License until this dispute is resolved. The Town has held up its end of the bargain by supporting MSM as the preferred applicant for the license, because of the promises made by MSM in the SCA; however, MSM has failed to fulfill its obligation to reimburse the Town of the costs to negotiate the SCA, as required by the terms of that agreement. For this reason, I sincerely hope that you will postpone any final decision on the award of the gaming license until MSM comes to the table to discuss this dispute, so that the parties can come to a resolution to this matter in good faith.

Sincerely,

  
James M. McKenna  
Town Manager, Town of Winthrop, MA

cc: John Ziembra, Ombudsman, MGC  
Mitchell Etess, MSM  
J. Gary Luderitz, MSM  
General Counsel, MSM  
John A. Stefanini, Esq., DLA Piper, LLP  
Bruce Barnett, Esq., DLA Piper, LLP

## Thurlow, Mary (MGC)

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**From:** Soutter, Lynne <Lynne.Soutter@ropesgray.com>  
**Sent:** Monday, September 15, 2014 12:17 PM  
**To:** MGCcomments (MGC)  
**Cc:** lynn@soutter@yahoo.com  
**Subject:** Charlestown - No Wynn

Dear Commissioners,

Charlestown has had no meaningful voice in this process. Host community? No. Surrounding community? No. How is that possible when we are yards away from the proposed Wynn Resort, and 60% of the traffic will flow through our streets? In the future, the Commission should consider creating a community representative to liaise with affected neighborhoods. This could have helped immensely for communities, like Charlestown, who have no independent voice in government. Our state rep – also reps Chelsea. Our state senator – also reps Everett. Our city councilor – also reps East Boston. Our mayor – has not involved Charlestown in his plans or negotiations.

A license to Wynn would be grossly unfair: the benefits will run to Everett and the state, while most of the harm will run to Charlestown and the City of Boston. If Wynn wins a casino license under the proposed plan, then the process has failed.

Any fair result, would ensure that traffic is rerouted through the neighborhood that stands to gain from this casino: Everett. Wynn and state DOT should have been working on a new ramp off 93 into Everett to ensure most traffic will run through the community that wants it. They have not. I attended multiple presentations by Wynn and by the Commission, and all said the same thing: traffic will flow through Charlestown and there is no proposal to change that. My neighbors and I worked hard to come to a plan with the City of Boston for Rutherford Ave. The planned “surface option” will reconnect Charlestown to other neighborhoods, bring us back into the fold of Boston and Cambridge, and enable families to live and work in Charlestown. Create places where people want to live and stay and then they will invest their time and resources. THAT is what brings jobs, innovators, and resources to the state.

I also have not heard how Wynn proposes to mitigate construction pollution and impacts on Charlestown. We have high asthma rates. We don't need (and will not stand) construction vehicles rumbling down our streets for years carrying loads of construction materials to Everett. All of the construction traffic should be rerouted through Everett also.

Thank you for considering my concerns, and good luck with what is, no doubt, a difficult decision for the Commission.

Best,

Lynne Soutter  
Charlestown Resident of 10 years and mother of two school-age children

**Lynne C. Soutter**  
Conflicts Attorney  
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**Thurlow, Mary (MGC)**

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**From:** Anthony DeMarco <demarco380@gmail.com>  
**Sent:** Monday, September 15, 2014 6:11 PM  
**To:** MGCcomments (MGC)  
**Subject:** Revere Casino

Dear Gaming commission, please make the right decision as I'm am a life long resident of revere. This is not for Revere, especially In the area they want to put it. Very congested and right on top of residential areas. Two school zones are right around that area as well.

The race track has been declining for many years and something should have been done with that many years ago.

This is a prime location to build a nice shopping area with nice restaurants. Something like what they built in Lynnfield. Mohegan has been on the down side for many years now and are using borrowed money to fund this, so if it doesn't get off the ground how are they going to pay for the loan.

On the other had Wynn is using his own money and is very profitable and know how to make things happen. Its being built away from everything and will have their own direct roads to get into the casino, not to mention the boats in the summer you can take to and from Boston to the casino. This will attract a lot of outside people from out of town.

Thank you for listening.

Anthony DeMarco

life long home owner, family man and resident of Revere for over 56 years.

## Thurlow, Mary (MGC)

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**From:** Bresilla, Colette (MGC) on behalf of MGCcomments (MGC)  
**Sent:** Monday, September 15, 2014 4:40 PM  
**To:** Driscoll, Elaine (MGC)  
**Cc:** Ziemba, John S (MGC); Thurlow, Mary (MGC)  
**Subject:** FW: Final Casino Decision Comments  
**Attachments:** MGC Comments-Mohegan Sun.pdf; Winthrop Council Letter-Mohegan Sun Casino.pdf; Globe & BBJ Investigative Series-Wynn Casino.pdf

Good afternoon Elaine,

FYI.

Thank you,

**Colette Bresilla**  
*Receptionist*

Massachusetts Gaming Commission  
84 State Street 10th Floor  
Boston, MA 02109  
TEL 617-979-8493 | FAX 617-725-0258

[www.massgaming.com](http://www.massgaming.com)

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**From:** John Vitagliano [<mailto:seagullconsult@msn.com>]  
**Sent:** Monday, September 15, 2014 4:27 PM  
**To:** MGCcomments (MGC)  
**Subject:** Final Casino Decision Comments

Dear Members of the Massachusetts Gaming Commission:

I would like to submit these final comments to you concerning your deliberations in regards to the site for a resort casino in Region A.

I am deeply concerned about the apparent failure of the Wynn Resorts proposal for Everett to meet the applicant eligibility standards as defined in MGL Chap. 23K, The Massachusetts Gaming Commission, specifically Sections: 12, 13 and 16, in particular the specific references in these eligibility criteria to the necessity of "...anyone with a financial interest in a gaming establishment, or with a financial interest in the business of the gaming licensee or applicant for a gaming license...be qualified for licensure by meeting the criteria in sections 12 and 16."

Surely one such individual is Mr. Dustin DeNunzio, a principal owner of the essential parcel of land that the Wynn Resorts plan requires for its proposal to proceed. As can be seen by the attached extensive investigative series by the Boston Globe and Boston Business Journal, Mr. DeNunzio is a confessed liar who has admitted to forging documents related to this key parcel in order to cover up the ownership interest in said parcel by a felon, Mr. Charles Lightbody, whose involvement in the Everett land parcel is

well described in the investigative articles. Furthermore the articles describe the ownership role of Mr. Gary DeCicco in the land, another felon.

Also described in the articles is the status of a federal grand jury investigating the land ownership matter.

All of these issues are hardly consistent with the enabling legislation of the Massachusetts Gaming Commission, MGL Chapter 23K, whose preamble in Section 1 states: "Ensuring public confidence in the integrity of the gaming licensing process and in the strict oversight of all gaming establishments through a rigorous regulatory scheme is the paramount policy objective of this chapter."

Nor are the issues consistent with statements from an Investigative Report of the Massachusetts Gaming Commission itself:

1. "All applicants for a Phase I suitability determination must establish their qualifications by clear and convincing evidence...Clear and convincing proof involves a degree of belief greater than the usually imposed burden of proof by a fair preponderance of the evidence...It has been said that the proof must be 'strong, positive and free from doubt', and 'full, clear and decisive.'"

2. "This approach does not fall within the arena of that which is to expected in an industry in which regulatory compliance is paramount."

In stark contrast to these questionable aspects of the Wynn resorts casino proposal is the absolute certainty, integrity and multiple regional benefits associated with the Mohegan Sun Massachusetts resort casino plan for Revere which I have described in the attached memos to the Gaming Commission and to my hometown of Winthrop.

Thank you for your consideration,  
John Vitagliano



**Seagull Consulting**  
19 Seymour Street  
Winthrop, MA 02152  
(617) 846-1105  
seagullconsult@msn.com

January 15, 2014

The Winthrop Town Council  
Town Hall  
Winthrop, MA 02152

Subject: Proposed Mohegan Sun/Suffolk Downs Resort Casino at Revere

Dear Members of the Winthrop Town Council,

I should like to address the issue of the proposed Revere Mohegan Sun resort casino from two perspectives, that of a transportation consultant to Mohegan Sun and also as a Winthrop native and long time resident, living in this wonderful town for six decades.

With respect to projected traffic impacts associated with the Mohegan Sun proposal it is important to note that the Revere-only resort casino design is fifteen to twenty percent smaller than the original casino plan which would have been developed in both East Boston and Revere. This nearly twenty percent reduction in the new casino's size would mean a corresponding reduction in associated traffic levels.

Another traffic consideration to bear in mind is that the existing 162 acre Suffolk Downs race track has substantial potential for alternative development concepts in place of the track. These development concepts would generate significantly higher traffic volumes than those associated with the Mohegan Sun resort casino plan. In compliance with environmental requirements alternative development scenarios for the Suffolk Downs site were prepared utilizing standard real estate development methodology. These alternative development scenarios for Suffolk Downs would generate, on average, 40 percent higher weekend traffic and 100 percent higher weekday traffic levels than the Mohegan Sun proposal.

In the current economic circumstances the Suffolk Downs racetrack cannot be described as a "going concern", i.e. the traditional accounting definition of a company that will continue to operate in the foreseeable future. Since 2007 Suffolk Downs has experienced accumulated operating losses of over \$50 million, a situation that is untenably sustainable and requires economic remediation in order for the track to continue as an operating entity. Failure to do so would likely lead to an alternative development scenario with its greater traffic levels described herein. A principal beneficial consequence of the Mohegan Sun resort casino proposal is that it would serve as that economic remediation and enable the Suffolk Downs track to continue operating well into the future, fifteen years and beyond. In fact Suffolk Downs has publicly



committed, in the form of a letter to the Massachusetts Gaming Commission, to not only maintaining the track but investing substantially in its improvement with the revenues it would receive from the Mohegan Sun resort casino as a tenant. While the complete letter, and a Boston Globe article, is included with this document these excerpts might be informative here:

“While maintaining that commitment to racing, we have said repeatedly over the last several years that the future of racing at Suffolk Downs is in doubt absent gaming development on the property. That remains true with the new circumstances of Suffolk Downs no longer being an applicant for a gaming license and with our tenant, Mohegan Sun Massachusetts, as an applicant on its own dedicated portion of the property.”

“Should Mohegan Sun Massachusetts earn a Category 1 gaming license, develop and open a gaming facility on our property in Revere and provided that the current revenue formulas for the Racehorse Development Fund under Chapter 23K remain unchanged, Suffolk Downs is committed to continuing racing for at least the initial 15-year duration of Mohegan Sun Massachusetts’s gaming license and, we hope, well beyond.”

Another consideration concerning any casino prospect is that of employee wages and benefits. An objective report on this important issue was produced by UMass Boston, which I have also appended to this document. This is a quote from the executive summary:

“Our examination of the U.S. gaming industry shows that, among workers without a college education, gaming workers in casino hotels enjoy higher pay and more generous job benefits than workers in non-gaming jobs. Gaming workers in casino hotels are more likely to receive employer-provided health insurance than non-gaming workers, especially health insurance plans in which employers pay for part or the entire health care premium. They are also more likely to be included in an employer’s pension or retirement plan. Poverty among gaming casino hotel workers and their families is practically non-existent as none of these workers or their families live below, and very few live near, the poverty line.”

Certainly the most important aspect of any new facility, including resort casinos, is that of quality-of-life. For myself I am absolutely convinced that the proposed Mohegan Sun resort casino for Revere would be beneficial to Winthrop’s quality-of-life for many reasons, among them its potential economic opportunities in the form of excellent job opportunities for our neighbors and the increased opportunities for local businesses to provide services to the resort casino whose patrons would patronize local establishments and resources.

An excellent example of how a resort casino can be a very positive contributor to a community’s quality-of-life is that of the bucolic town of Saratoga Springs, NY, which for over a decade has long enjoyed a reputation as a family oriented vacation destination and was recently named by Money Magazine as “...one of the best small towns in America”, all the while coexisting peacefully with the adjacent Saratoga Springs Raceway and Casino, a full featured resort casino paired with its harness track. I’ve included information from the town boasting of its many attractions including the resort casino.

In summary I believe that the proposed Mohegan Sun resort casino in Revere would be substantially beneficial to Winthrop because it would be the most viable antidote to the conversion of the Suffolk Downs track into a high density real estate development with traffic volumes far exceeding those of the casino, the economic opportunities for our residents and businesses and the demonstrated compatibility of properly designed resort casinos with traditional small town America.

Thank you,

*John Vitagliano*



January 6, 2014

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

Dear Chairman Crosby and Members of the Commission,

On July 10, 2010, we celebrated Suffolk Downs' 75<sup>th</sup> anniversary. An enthusiastic crowd of 10,310 was on hand for the festivities and an entertaining program of quality racing. We hope to celebrate the tradition of Thoroughbred racing at Suffolk Downs for many years into the future and seek to work with you to continue our racing operation.

Suffolk Downs is committed to preserving the jobs of our current workforce, the preservation and enhancement of the livelihoods of the hundreds of people whose small businesses depend on our racing operation and the unique agribusiness that supports thousands of acres of working open space and family farms in the Commonwealth. Independent of their investment in gaming development, our owners have invested over \$50 million on racing operations since 2007 to preserve these jobs and to continue racing here.

While maintaining that commitment to racing, we have said repeatedly over the last several years that the future of racing at Suffolk Downs is in doubt absent gaming development on the property. That remains true with the new circumstances of Suffolk Downs no longer being an applicant for a gaming license and with our tenant, Mohegan Sun Massachusetts, as an applicant on its own dedicated portion of the property.

While the racing and gaming operations will be separate and distinct, the revenue that we receive as a result of our lease with Mohegan Sun Massachusetts will allow us, in turn, to make the substantial investment required to fulfill our longstanding commitment and give racing its best chance to succeed in the Commonwealth. In addition, a successful gaming operation on the property adjacent to the racing facility provides the opportunity to market racing to millions of new visitors to the region.

Should Mohegan Sun Massachusetts earn a Category 1 gaming license, develop and open a gaming facility on our property in Revere and provided that the current revenue formulas for the Racehorse Development Fund under Chapter 23K remain unchanged, Suffolk Downs is committed to continuing racing for at least the initial 15-year duration of Mohegan Sun Massachusetts's gaming license and, we hope, well beyond.

This letter and the exhibits outline the basis for the continuation of thoroughbred racing at Suffolk Downs and in the Commonwealth generally.

## History/Background

Founded in 1935 when pari-mutuel wagering was legalized in Massachusetts, Suffolk Downs has been a premier gaming and entertainment venue in the Commonwealth. It is the only remaining active Thoroughbred racetrack in New England, which was once the home of more than a dozen racetracks. Due to the nature of thoroughbred racing we must dedicate a one-mile circumference oval to our operations - a tremendous land use commitment.

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, Aerosmith and Cirque du Soleil.

Recently, Suffolk Downs has been active year-round as a simulcast venue, for eight months of the year for training and stabling and for six months of the year for live racing. At the height of the racing season, approximately 1,000 people work on the property. There are approximately 325 people employed by Suffolk Downs and its four primary on-site vendors (security, cleaning and maintenance, concessions and television production) and hundreds more licensed by the Commonwealth to work at the facility as owners, trainers, jockeys, exercise riders, grooms, veterinarians, blacksmiths and suppliers of the racing operation.

Thoroughbred racing, breeding and related business in Massachusetts currently support 1,486 jobs, utilize 6,650 acres of farmland, and have a total annual economic impact of \$116.3 million according to an October report authored by Christiansen Capital Advisors (CCA) that includes data gathered by Salem State University's Center for Economic Development and Sustainability and that was commissioned by Suffolk Downs in cooperation with the New England HBPA and the Massachusetts Thoroughbred Breeders Association. (A copy of the report is attached for reference.)

This economic impact can grow with a healthier Thoroughbred racing and breeding industry in the Commonwealth. The CCA report takes a detailed look at three jurisdictions, Delaware, New York and Pennsylvania, where the effects of purse supplements have had a positive impact on the state's racing and breeding industries.

The growth of the breeding industries in these states is of particular note. Thoroughbred breeding in Massachusetts can be a substantial growth area that benefits all geographic sectors of the Commonwealth and that contributes to the preservation of working open space and family farms. According to the report, the continuation of racing at Suffolk Downs along with funding from the Racehorse Development Fund could result in as many as 7,825 additional acres of agricultural land in the Commonwealth, more than double the current amount.

A healthier future of racing at Suffolk Downs must acknowledge the competitive realities of the marketplace that have developed over the last 20 years – specifically that Massachusetts is one of only a handful of racing states in the US where the track operator does not have the benefit of revenue from expanded gaming to supplement purse levels, track operations or both, thereby limiting our ability to invest in the racing facilities and to attract both customers – on-site and via simulcasting -- and quality stables. This competitive disadvantage, combined with industry-wide declines in wagering and the population of horses available for racing, perpetuates a cycle that has contributed to substantial operating losses at Suffolk Downs over the last seven years.

## Support For Racing

Since 2007, Suffolk Downs' ownership has made a significant investment in the preservation of jobs and racing. In the face of deteriorating business conditions and separate from its investment in the pursuit of gaming development, the ownership has absorbed losses from track operations during the period from 2007-2013 of over \$50 million, including costs associated with EPA compliance in the stable area.

### RACING PROFIT/LOSS MARGIN, 2007-PRESENT

YEAR	TOTAL REVENUE	EXPENSES	EBITDA
2007	\$17.9	\$21.6	(\$3.7)
2008	\$15.0	\$20.8	(\$5.8)
2009	\$13.4	\$17.2	(\$3.8)
2010	\$13.0	\$18.7	(\$5.7)
2011	\$10.3	\$17.5	(\$7.1)
2012	\$9.9	\$19.1	(\$9.2)
2013	\$8.0	\$19.6	(\$11.6)
<b>TOTAL</b>	<b>\$87.6</b>	<b>\$134.5</b>	<b>(\$46.9)</b>

*All figures in millions*

*Does not include gaming-related expenses; does not include \$5 million in EPA compliance costs.*

*2013: Projected*

During that time frame, Suffolk Downs has paid \$68.7 million in purses to the owners of the horses that run here. Of that, there were \$13.96 million in purse payments **above** the levels required by statute. In addition, during that period the track made more than \$5 million in improvements to the barn area.

### PURSES PAID ABOVE STATUTORY LEVELS 2007-13

YEAR	PAID	STATUTORY LEVEL	OVERPAID
2007	\$11.4	\$9.9	\$1.5
2008	\$11.3	\$8.6	\$2.7
2009	\$9.7	\$7.5	\$2.2
2010	\$8.6	\$7.0	\$1.6
2011	\$9.0	\$7.6	\$1.4
2012	\$9.3	\$7.5	\$1.7
2013	\$9.3	\$6.5	\$2.8
<b>TOTAL</b>	<b>\$68.7</b>	<b>\$54.7</b>	<b>\$13.9</b>

*All figures in millions*

Over the same period of time, Suffolk Downs has become a racing industry leader in the areas of safety, integrity and the humane aftercare of our retired equine athletes. We were the first track to institute a strict anti-slaughter policy and that policy along with aftercare programs with the Thoroughbred Retirement Foundation and CANTER New England are models for other jurisdictions.

We were one of the first tracks in the US to achieve full accreditation from the National Thoroughbred Racing Association Safety and Integrity Alliance with recognition for best practices in aftercare and retirement programs. Working with the Racing Division of the MGC, we have further enhanced our pre-race veterinary programs and the incidences of serious injury here continue to be well below the national averages.

Under your direction, Massachusetts has gone from being one of the most permissive jurisdictions in the country to adopting reforms and model rules that put the Commonwealth and its regulatory practices in a national leadership position. We look forward to working with you in the future to enhance this leadership position and to continue to create best practices in the areas of safety and integrity.

### **Purses, Wagering and Revenue, Racing Schedules**

Like many consumers, horseplayers gravitate to quality. With few exceptions, the top racing circuits in the US in terms of purses paid have the highest wagering handle. Higher purses attract higher quality stables that bettors prefer. Suffolk Downs currently ranks near the bottom for purse distribution of east coast racing venues.

### **AVG. DAILY PURSES, EAST COAST TRACKS 2012**

Saratoga	\$920,900
Belmont	\$660,000
Aqueduct	\$461,000
Gulfstream Park	\$455,900
Monmouth Park	\$358,600
Pimlico	\$332,600
Parx (Philadelphia)	\$294,900
Laurel	\$242,600
Calder	\$216,300
Presque Isle Downs	\$215,200
Penn National	\$195,900
Delaware	\$195,300
Colonial Downs	\$181,300
Tampa Bay Downs	\$172,700
Charles Town	\$167,000
Finger Lakes	\$115,600
Mountaineer	\$115,500
<b>SUFFOLK DOWNS</b>	<b>\$106,250</b>

*All are supported by gaming revenue with the exception of Colonial Downs and Suffolk Downs*

*Sources: The Jockey Club, Thoroughbred Owners & Breeders Assoc.*

The lack of a competitive purse structure has exacerbated wagering trends in recent years, contributing to the declines in revenue.

## NET PARI-MUTUEL REVENUE

YEAR	ON-SITE HANDLE	TRANSMITTED HANDLE	REVENUE (millions)
2007	\$116.7	\$78.1	\$16.4
2008	\$100.2	\$90.4	\$13.1
2009	\$84.7	\$99.7	\$12.6
2010	\$77.0	\$98.4	\$12.3
2011	\$71.4	\$64.2	\$9.4
2012	\$67.0	\$68.9	\$9.0
2013	\$58.8	\$59.9	\$7.1
<b>TOTAL</b>	<b>\$575.7</b>	<b>\$559.7</b>	<b>\$79.9</b>

The creation of the Racehorse Development Fund as part of the Gaming Act recognizes the need for additional funding for purses and provides the mechanism to do so. Both the CCA study released in October and Suffolk Downs' projections indicate that purses could grow from their current levels of approximately \$9 million annually to about \$26 million over the next five to six years.

## PURSE PROJECTIONS – SUFFOLK DOWNS

	2014	2015	2016	2017	2018	2019
From Racing	\$6.5	\$6.8	\$7.0	\$7.0	\$7.0	\$7.0
Racehorse Development Fund	\$2.9	\$10.8	\$13.7	\$17.0	\$18.3	\$20.1
<b>TOTAL</b>	<b>\$9.4</b>	<b>\$17.6</b>	<b>\$20.7</b>	<b>\$24.0</b>	<b>\$25.3</b>	<b>\$27.1</b>

*All figures in millions*

To be conservative, we have estimated revenue to purses from racing proceeds as flat from 2016-2019, however there is a reasonable expectation that it will grow based on the overall improvement in the quality of racing. Tracks such as Charles Town Races in West Virginia, for example, have experienced gains in wagering handle in recent years due to both enhanced attractiveness of the racing product for the simulcast market and marketing for major events. Wagering on the Charles Town races increased for three straight years from 2010-2012 before leveling off this year (1% decline).

**However, it is important to note that no direct revenue from Racehorse Development Fund goes to track owners or operators, nor are there any provisions for capital investment in racing facilities that are not part of gaming establishments.**

We had planned an investment of \$40 million to upgrade and renovate the racing facility and to create a better customer experience when Suffolk Downs was an applicant for a gaming license and our racing and gaming facilities were to be integrated, drawing much of that investment from the mandatory capital expenditure program for gaming establishments. Instead Suffolk Downs directly and through subsidiary companies will convert to a landlord entity and a racetrack operating entity. Under this scenario, we will not have access to those funds and we have the additional burden of replacing the barn area.



Even so, we plan, over time, to make improvements to the facility to improve the guest experience such as the plan for the renovation of the second level of the Clubhouse, shown here.

## **SECOND FLOOR OF CLUBHOUSE**



In addition, when revenue from gaming proceeds is flowing to the Racehorse Development fund, we are committed to working with you, the NEHBPA and the MTBA on ensuring a minimum number of racing days and racing performances to support local owners, trainers and breeders while balancing their goals with the realities of the market and the interests of bettors.

We are also mindful of how the national decline in foal population may affect the availability of racing stock over the next several years. According to the Jockey Club, the breed registry for Thoroughbreds in the US and Canada, the annual foal crop has declined by 39% from 2005 to 2013 (from 35,046 to 21,275.)

We have committed to the NEHBPA that we will negotiate an annual purse agreement that includes a minimum number of racing performances. We would support a concept that links the minimum number of racing performances with the available purse money and the available horse population to ensure that we can remain competitive with other racing venues and to ensure that we do not mandate a schedule for which there is not an adequate horse population to ensure a safe and competitive racing environment.

To help market racing and promote Suffolk Downs locally and nationally, we are also committed to creating special events and re-establishing a stakes program that includes the Massachusetts Handicap, Suffolk Downs' flagship event for many years.

Growth in purses combined with marketing programs that attract more customers, create a better customer experience, increase wagering and take advantage of the proximity to the adjacent Mohegan Sun Massachusetts resort casino facility can stabilize racing operations but we would still project operational losses for the foreseeable future.

## **2014-15, Relocation of the Barn Area**

We intend to conduct a racing meeting in 2014. The lack of certainty as to the future of the track absent the award of a gaming license to our tenant, the impending expiration of the enabling legislation for racing and simulcasting and other market factors continue to present significant challenges.



Consistent with our discussions during the second half of 2013, racing operations will also face challenges in 2014 and 2015 if there is gaming development on the property due to construction, infrastructure and related issues.

Mohegan Sun Massachusetts under the terms of our binding agreement can begin the demolition of our current barn area to prepare the site for construction of a gaming facility. Mohegan Sun Massachusetts has indicated it will work with us to accommodate a racing season in 2014 before beginning construction. Given the intent of the gaming law in regard to the generation of revenue for the Commonwealth, we cannot foresee delaying construction of a gaming facility to accommodate racing operations. As a result, our challenge for 2015 will be to provide adequate stabling and training facilities in order to conduct racing.

In the event Mohegan Sun Massachusetts earns a gaming license, Suffolk Downs has committed to the NEHBPA and MTBA that we will use our best efforts to relocate the barn area and backstretch facilities to the Boston side of the property, which will require the cooperation and necessary permitting from the City of Boston, and, if we are not successful in obtaining permits to allow the relocation in Boston, that we will provide off-site stabling and training facilities within a reasonable distance of Suffolk Downs.

We have done a preliminary analysis of both options and that analysis indicates they will require similar initial capital investments of \$30-35 million. This includes adequate stabling, EPA-compliant drainage systems and related “backstretch” facilities. Off-site stabling and training is a customary practice in other jurisdictions.

For on-site options, our racing architects and construction professionals are reviewing the renovation of the first floor and mezzanine (second floor) levels of the Suffolk Downs grandstand to accommodate stabling for up to 750 horses. This has several advantages, including utilizing the decommissioned portion of the existing building and minimal impact for our neighbors in East Boston with an estimated construction cycle of 12-15 months.

For off-site, we have begun looking at several options and have had preliminary conversation with the owners/operators of active and inactive local racing venues to assess the feasibility of converting those facilities to stabling and training centers both short- and long-term. Given the confidential nature of these conversations, we will supply you with the details on those potential sites, upon your request, in a method that preserves those confidential and proprietary business discussions.

We will keep you informed as we make additional progress on these options. We are committed to working with our horsemen and employees on creative solutions during this time and, as we have noted in the past, it is important the MGC maintain a maximum level of flexibility on racing schedules in 2014 and 2015 to accommodate these extraordinary circumstances.

## Conclusion

We take very seriously our role as the stewards of a 78-year tradition in the Commonwealth and our responsibility to our workforce. We have worked hard and invested much over the last several years to ensure the legacy of New England's last active Thoroughbred racing venue, and to protect the livelihoods of our employees and horsemen.

The CCA report was conducted with the assumption that Suffolk Downs was an applicant for a gaming license. It concluded that with the development of a resort casino on the property, more than 2,000 new Thoroughbred equine industry jobs would be generated in Massachusetts and the net positive impact of the Thoroughbred industry in the state will increase from \$116.3 million annually to \$183 million – a 57 percent climb.

### Exhibit ES.2: Summary of Findings

	Current Values	Future Values	% Change
Total economic impact	\$ 116.3	\$ 183.0	57.4%
Economic impact from breeding activities	\$ 22.9	\$ 51.8	126.5%
State and local taxes	\$ 8.5	\$ 12.0	42.0%
Purses	\$ 9.4	\$ 26.9	186.2%
Jobs	1,486	3,631	144.3%
Acres	6,650	14,475	117.7%

Source: Christiansen Capital Advisors, LLC.

The number of jobs supported by the Thoroughbred industry in Massachusetts is expected to grow from 1,486 to 3,631 as a result the projected expansion of the Massachusetts breeding industry. The expansion of existing breeding farms and the establishment of new breeding farms due to the significant purse incentives for horses bred in Massachusetts could result in as many as 7,825 additional acres of agricultural land in the Commonwealth, a 118 percent increase from the current 6,650 acres of farmland.

Although Suffolk Downs is not an applicant for a gaming license, we are still regulated by (and partnered with) you as a racing meeting licensee, gaming development at our property will give us the resources to work with you to create jobs and additional economic benefits for the Commonwealth while preserving and enhancing our historic facility.

As always, we look forward to answering any questions you may have. Thank you for your time and consideration.

Sincerely,



William J. Mulrow  
Chairman, Suffolk Sterling Racecourse

Enclosure: The Economic Impact of the Massachusetts Thoroughbred Equine Industry, CCA  
Cc: Rick Day, Executive Director, MGC  
Jennifer Durenberger, Director of Racing, MGC  
Janice Reilly, Chief of Staff, MGC  
Chip Tuttle, COO, Suffolk Downs  
Charles A. Baker III, Secretary, Suffolk Downs

# The Boston Globe

## Suffolk vows to stay for casino

By **Mark Arsenault**

January 09, 2014

Suffolk Downs, the struggling East Boston racetrack, has committed in writing to continue horse racing for at least 15 years if Mohegan Sun opens a casino on track property in Revere, but suggests that racing will end if the Greater Boston resort casino license goes to a rival applicant.

The track's commitment, offered in a letter this week to the state gambling commission, is an attempt to address lingering concerns that the Mohegan Sun casino proposal at Suffolk Downs does not legally require racing to continue at the last thoroughbred track in New England, which lost an estimated \$11.6 million on racing operations last year and about \$47 million since 2007, according to figures in the letter.

"The revenue that we receive as a result of our lease with Mohegan Sun Massachusetts will allow us, in turn, to make the substantial investment required to fulfill our longstanding commitment and give racing its best chance to succeed in the Commonwealth," the track's chairman, William J. Mulrow, wrote in a Jan. 6 letter obtained by the Globe.

An earlier casino plan at the 163-acre racetrack property on the East Boston-Revere city line would have legally obligated Suffolk Downs to continue horse racing under a clause in the state casino law.

East Boston voters rejected the earlier casino proposal in a stunning vote in November, and Suffolk Downs quickly struck a deal to lease about 42 acres in Revere to Mohegan Sun for a gambling resort.

Under the new arrangement, Suffolk Downs would be the casino's landlord, not the license holder, meaning the track would not be obligated to continue racing if a casino is developed on its property.

The preservation of racing and the jobs the industry provides have been major selling points in the track's pursuit of a casino, and any doubts about the future of the 78-year-old racetrack could become a political liability. The Mohegan Sun project faces a life-or-death referendum in Revere next month.

Chip Tuttle, the track's chief operating officer, said Suffolk Downs' owners recognized that the lease deal with Mohegan Sun "raised some questions about the future of racing."

"We wanted to unequivocally answer those questions and offer our commitment," Tuttle said in an interview. Carl Jenkins, managing director at the financial firm Duff & Phelps who has studied the state's gambling market, said the track's commitment to racing

carries less weight than a legal requirement, but should help in the referendum campaign.

“It would be well worth taking the continued loss [on racing] if they think it will help them get a casino on the property,” said Jenkins.

If Revere voters endorse the casino plan in February, Mohegan Sun will compete with a proposal by Wynn Resorts, planned for the Mystic River waterfront in Everett. The commission is expected to choose the winner in May.

Mulrow’s letter is clear about the consequences if Mohegan Sun fails to win: “We have said repeatedly over the last several years that the future of racing at Suffolk Downs is in doubt absent gaming development on the property.”

The letter lays out recent losses suffered by Suffolk Downs ownership, dating to 2007. In that year, the track’s revenue was \$17.9 million and expenses were \$21.6 million, a \$3.7 million loss. Revenue declined steadily, and though the track has cut expenses, losses increased to \$7.1 million in 2011 and \$9.2 million in 2012, the document said.

The land Mohegan Sun intends to lease contains about 24 acres of horse barns, which would be relocated if Mohegan Sun wins the license.

In its letter to the commission, Suffolk Downs raises the possibility of relocating the horse stables to the East Boston side of the racetrack property, possibly within the existing grandstands. The track’s architects are reviewing ways to renovate the first floor and mezzanine within the grandstands to hold as many as 750 horses.

“This has several advantages,” says the track’s letter to the commission, “including utilizing the decommissioned portion of the existing building and minimal impact for our neighbors in East Boston.”

Remaking the grandstands into stables would take 12 to 15 months. The track is also investigating options to develop barns off the track’s property but “within a reasonable distance of Suffolk Downs.”

Suffolk Downs will hold races in 2014, regardless of the outcome of the battle for the casino license, Tuttle said.



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## The Economic Impact of the Massachusetts Thoroughbred Equine Industry

Prepared by: Christiansen Capital Advisors, LLC

Prepared for: Sterling Suffolk Racecourse, LLC

Tuesday, October 22, 2013

# Executive Summary

## Scope of Work

Christiansen Capital Advisors, LLC ("CCA") has been asked to prepare a study of the economic impact of the Massachusetts Thoroughbred equine industry. Specifically, CCA has been asked to estimate the economic impacts associated with racing and wagering at Suffolk Downs and the Thoroughbred agricultural economy in Massachusetts which Suffolk Downs supports. An itemized list of the tasks CCA was asked to complete in conducting this study is presented in Appendix I.

To measure the economic impacts of the Massachusetts Thoroughbred equine industry on the Commonwealth of Massachusetts, CCA constructed an input-output (I-O) model, using proprietary modeling techniques it has developed over decades of professional work in assessing the economic impacts associated with various industries and IMPLAN economic models and data. The direct, indirect, and induced impacts of the Massachusetts Thoroughbred equine industry have been estimated on the basis of reported expenditures by stakeholders (where available) and estimates for direct inputs (where hard data was unavailable). The methodology used to arrive at our results is described in detail in the body of this report.

## Current Economics

The Massachusetts Thoroughbred equine industry comprises approximately 62 Thoroughbred breeding farms, which breed Thoroughbred horses that race at Suffolk Downs (and to a limited extent at racetracks in other States); an additional 71 farms that are affiliated with Thoroughbreds, which collectively account for more than 6,650 acres of open space in the Commonwealth; investors, who provide the capital for breeding farms and racetracks; one racetrack (Suffolk Downs, the last remaining active Thoroughbred racetrack in New England) which conducts Thoroughbred racing; bettors, who form the consumer base for pari-mutuel horse racing; owners, who purchase Thoroughbreds produced by breeders for the purpose of racing them; trainers, who train Thoroughbreds for racing; jockeys; veterinarians; various suppliers of equine goods and services (feed, farriers, and so forth); and the Commonwealth of Massachusetts, which through its Gaming Commission licenses and regulates pari-mutuel racing and the individuals involved in the conduct of pari-mutuel racing and derives direct revenue from it in the form of license fees and taxes levied on pari-mutuel betting. Indirectly, the Commonwealth benefits from the contribution made by all of the components of its Thoroughbred equine industry to its economy.

The current direct, indirect and induced employment generated by the Massachusetts Thoroughbred equine industry totals 1,486 persons, with associated annual labor income totaling \$61.6 million. Total value added is \$72.3 million.<sup>1</sup> Total annual output of the Massachusetts Thoroughbred equine industry is \$107.8 million. Adding the total taxes and fees (\$8.45 million) paid by the various industries and

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<sup>1</sup> *Total value added* is defined by IMPLAN as the difference between an industry's total output and the cost of its intermediate inputs. It equals gross output (sales or receipts and other operating income, plus inventory change) minus intermediate inputs (consumption of goods and services purchased from other industries or imported). Value added consists of compensation of employees, taxes on production and imports less subsidies (formerly indirect business taxes and nontax payments), and gross operating surplus (formerly "other value added").

stakeholders that support Thoroughbred racing in Massachusetts, the net positive economic impact of the Massachusetts Thoroughbred equine industry is \$116.25 million.

Purses are the essential driver of the Thoroughbred race horse economy. They constitute revenue for horsemen, which is the incentive to enter horses in races at Suffolk Downs. Bettors wager on races at Suffolk Downs and on Suffolk Downs races at other locations in Massachusetts and at out-of-State locations, generating revenue for Suffolk Downs, horse owners in Massachusetts, and Massachusetts's Thoroughbred breeding farms. Currently, purses awarded at Suffolk Downs are funded almost wholly with revenue generated by pari-mutuel betting. As purses increase, the number of foals, yearlings, and associated blood stock likewise increases. Ultimately, increased purses should attract new capital investment in breeding farms, thereby preserving green space in the Commonwealth.

## **Projected Growth**

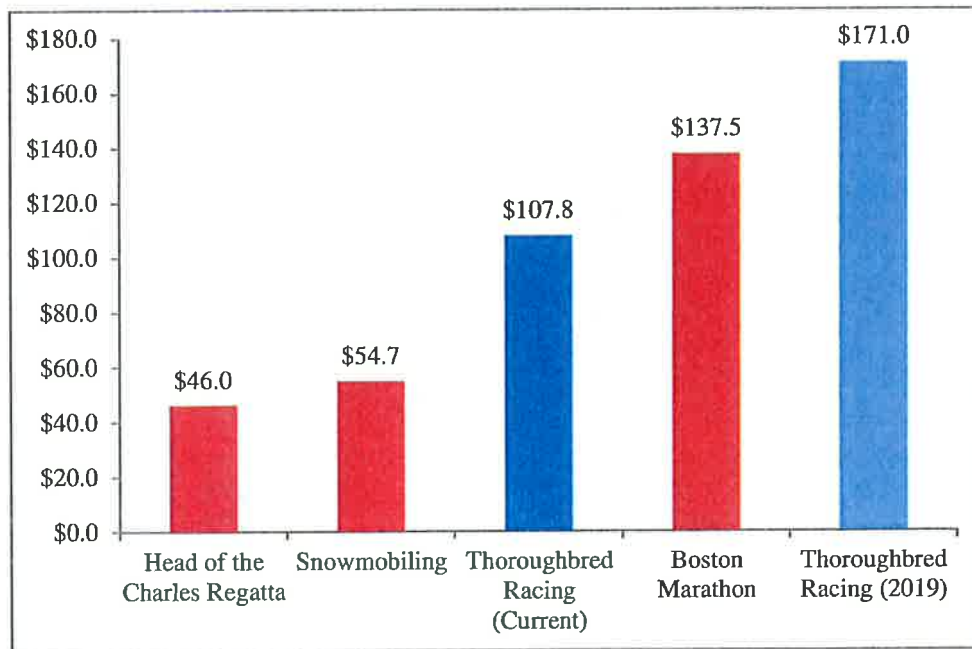
An increasing number of States that license pari-mutuel horseracing as well as casino gaming at racetracks supplement purses with revenue generated from casino gaming. According to Thoroughbred Racing Associations (TRA), a trade association of Thoroughbred racetracks, 14 States supplemented purses with revenue generated from casino gaming in 2009, the most recent year for which TRA provides these data.<sup>2</sup>

Massachusetts will soon become the 15<sup>th</sup> State to supplement Thoroughbred purses with gaming revenue. For the purposes of the report we have assumed that Suffolk Downs is successful in efforts to obtain the Region A gaming license. We estimate that these supplements will increase available Thoroughbred purse awards by more than 180%, from \$9.4 million to \$26.9 million, the end result being a larger breeding industry in the Commonwealth; more horsemen entering their horses in Massachusetts races and training in the Commonwealth; and increased pari-mutuel revenues at Sterling Suffolk Racecourse. We estimate that by 2019 direct, indirect and induced employment generated by the Massachusetts Thoroughbred equine industry will grow to 3,631 persons, with associated annual labor income totaling \$93.5 million. Total value added will increase to \$111.8 million. The estimated total annual output of the Massachusetts Thoroughbred equine industry in 2019 will increase to \$171 million. Adding the total taxes and fees (\$12 million) paid by the various industries and stakeholders that support Thoroughbred racing in Massachusetts, the net positive economic impact of the Massachusetts Thoroughbred equine industry will increase to \$183 million. In Exhibit ES.1 we compare these results with published statistics regarding the annual economic impact of other Massachusetts industries.

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<sup>2</sup> The 14 States that supplemented purses with revenue generated from casino gaming in 2009 are Arkansas, Delaware, Florida, Iowa, Indiana, Louisiana, Maryland, Minnesota, New Jersey, New Mexico, New York, Oklahoma, Pennsylvania, and West Virginia. Thoroughbred Racing Associations, *Non-Pari-mutuel Revenues to US Thoroughbred Purses*, 2009.

### Exhibit ES.1: Thoroughbred Racing Compared to Other Massachusetts Activities (\$s in millions)



Sources: Boston Business Journal, Boston Athletic Association, Snowmobile Association of Massachusetts, and Christiansen Capital Advisors, LLC.

In addition to the positive impacts described above, the purse supplements—both restricted and unrestricted—stipulated in the Massachusetts Expanded Gaming Act are likely to have non-quantifiable (in dollar terms) positive impacts on the Commonwealth, including maintaining existing farms, preserving existing green space and devoting additional acreage to Thoroughbred breeding. The Massachusetts Expanded Gaming Act provides that supplemented purses totaling an estimated \$4.7 million will be allocated to purses restricted to Massachusetts-bred horses (i.e., purses only horses bred in Massachusetts are eligible to win). Extrapolating this \$4.7 million in restricted purses to current ratios of horse farm acreage to horse farms (approximately 50 acres per farm), and all things being equal, this \$4.7 million in supplemented restricted purses could result in an increase of 3,325 acres in green space devoted to breeding Thoroughbred horses in the Commonwealth, either by an expansion of existing farms and/or the establishment of new breeding farms in Massachusetts.

An unknowable percentage of the total (i.e., unrestricted as well as restricted) supplemented purses awarded at Suffolk Downs will be won by horses owned or bred outside Massachusetts.<sup>3</sup> If we assume that half of the estimated total purse funds (\$12.8 million) are won by Massachusetts-bred horses, this improvement in the earnings prospects for Thoroughbred racehorses bred in the Commonwealth could result in an additional 4,500 acres being devoted to Thoroughbred breeding in Massachusetts.

<sup>3</sup> For this reason, increased purse awards in the Commonwealth could lead to an expansion of Thoroughbred breeding in nearby States such as Maine, New Hampshire, and Vermont.



In the aggregate, therefore, the implementation of casino gaming in the Commonwealth and the large increase in purse funds that the Massachusetts Expanded Gaming Act ensures could lead to a doubling of the green space provided by breeding Thoroughbred horses in the Commonwealth over the long term.

Exhibit ES.2 presents a summary of our findings.

#### Exhibit ES.2: Summary of Findings

	Current Values	Future Values	% Change
Total economic impact	\$ 116.3	\$ 183.0	57.4%
Economic impact from breeding activities	\$ 22.9	\$ 51.8	126.5%
State and local taxes	\$ 8.5	\$ 12.0	42.0%
Purses	\$ 9.4	\$ 26.9	186.2%
Jobs	1,486	3,631	144.3%
Acres	6,650	14,475	117.7%

Source: Christiansen Capital Advisors, LLC.



# **Gaming in Massachusetts: Can Casinos Bring “Good Jobs” to the Commonwealth?**

by

**Marlene Kim, PhD  
Susan Moir, ScD  
Anneta Argyres, MPH**

Labor Resource Center  
University of Massachusetts Boston

**The Future of Work Paper Series**

**Paper No. 4  
January 2009**



# **LRC**

THE COLLEGE OF PUBLIC & COMMUNITY SERVICE

**Labor Resource Center**

The *Future of Work in Massachusetts* is a joint research project of the Labor Centers at the University of Massachusetts Amherst, Boston, Dartmouth, and Lowell, funded by the University of Massachusetts' President's Office.

The Labor Resource Center of the College of Public and Community Service, UMass Boston provides links between the University and the Massachusetts Labor Movement. Programs include the Labor Studies Program, educating future labor leaders through courses, certificates and a bachelor's degree centered on today's workplace concerns from contingent work to globalization; Labor Extension, providing participatory training and education for union members and workers; and research initiatives focused on the Future of Work in Massachusetts.

Photographs on the cover are by Paul Shoul.

# **Gaming in Massachusetts: Can Casinos Bring “Good Jobs” to the Commonwealth?**

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## **Acknowledgements**

Thanks to Jim Shabi, Economist at Nevada's Department of Employment, Training and Rehabilitation; C. Jeffrey Waddoups, Associate Professor of Economics at the University of Nevada; and the Culinary Local 226 for helpful information.

The results and analysis in this report and any remaining errors remain with the authors.

This research was supported by funds from The Construction Institute and from the *Future of Work in Massachusetts* project, funded by the University of Massachusetts' President's Office.

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# **Gaming in Massachusetts: Can Casinos Bring “Good Jobs” to the Commonwealth?**

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## Executive Summary

In this report we examine the quality of the jobs in the United States gaming industry in order to assess the potential impact of establishing up to three destination casinos in the Commonwealth of Massachusetts. We focus our analysis on workers without a college education since nearly ninety percent of gaming workers have less than a college degree. In addition, we analyze enabling legislation in five states that have legalized gaming and compare them to the legislation proposed in Massachusetts in 2007.

Our examination of the U.S. gaming industry shows that, among workers without a college education, gaming workers in casino hotels enjoy higher pay and more generous job benefits than workers in non-gaming jobs. Gaming workers in casino hotels are more likely to receive employer-provided health insurance than non-gaming workers, especially health insurance plans in which employers pay for part or all of the health care premium. They are also more likely to be included in an employer's pension or retirement plan. Poverty among gaming casino hotel workers and their families is practically non-existent as none of these workers or their families live below, and very few live near, the poverty line.

Additionally we find that unionization contributes significantly to the high job quality in the gaming industry. In unionized casino hotels, higher pay and job benefits extend beyond gaming workers to workers such as housekeepers, dishwashers and cooks who work in the casinos' hotels and restaurants. In cities where unions represent workers at casino hotels, wages are high enough to support families, and workers enjoy employer-provided benefits such as health insurance, pensions, and career ladders. Consequently, these workers can live middle class lifestyles, owning their own homes, sending their children to college and enjoying secure retirements.

In comparing existing legislation from states with legalized gaming to enabling legislation proposed in 2007 in Massachusetts, we find significant differences in the extent to which the provisions address wages, benefits and other measures of job quality. This review shows that other states have largely ignored job quality and other workforce development issues in gaming.



In contrast, the 2007 Massachusetts proposal addressed wages, benefits, training, mentoring, childcare and a number of other areas of worker protection. The 2007 proposal was unique in its groundbreaking provisions that, if enforced, could ensure that gaming jobs would be good quality jobs for Massachusetts' workers.

Workforce development efforts in Massachusetts must include strategies to address improving the quality of entry-level jobs. Such strategies are needed since two-thirds of Massachusetts workers have a high school diploma or less. In Massachusetts, as in the United States in general, workers without college degrees often earn wages that are too low to support a family and have substantially lower rates of employer-provided health insurance and retirement benefits. Our findings show that the casino industry—particularly the unionized sector of the casino hotel industry—can provide good jobs with good wages and benefits for the parts of the workforce that are often neglected, namely those without college degrees, women, and people of color. Provisions in the proposed enabling legislation in Massachusetts that encourage unionization as well as family sustaining wages and benefits should be protected and enhanced so that more workers in the Commonwealth can provide for their families, advance in their careers, and access the child care, health care and retirement benefits that so many currently lack.

## Introduction

In his 2007 announcement of the proposed legislation to authorize up to three destination casinos in the Commonwealth of Massachusetts, Governor Deval Patrick stated that his plan “will help generate good jobs at good wages” (“Governor Patrick Files Casino Legislation,” 2007). The phrase “good jobs” is widely used in the public discourse on workforce and economic development. However, it is rarely defined. We offer the following definition from the American Federation of Labor-Council of Industrial Organizations (AFL-CIO) because it captures the breadth of workers’ needs:

*Good jobs support families and communities, pay decent wages and provide good health care and retirement benefits, ...enable employees to freely exercise their freedom to form unions and bargain collectively, ...ensure fair and non-discriminatory treatment, are safe and healthy, give workers the flexibility and resources they need to nurture their families and provide them with skills and opportunities for advancement.* (Working Families Vote 2008)

While public discussions of the 2007 proposal largely focused on the narrow issue of the number of construction jobs that would result from the legislation, in this report we seek to examine the Governor’s claim that good jobs, as defined above, will be created if this initiative is adopted.

The first part of our investigation consists of an analysis of the economic outcomes for casino workers in five states that currently allow legalized gaming: Connecticut, Louisiana, Nevada, New Jersey and New York. In this analysis we compare typical wages, benefits and poverty levels for workers in casino hotels—including gaming workers (such as dealers), and food service and hotel workers—with those of typical workers in the same state and nationally. In the second part of our investigation, we review the proposed legislation itself and compare it to enabling legislation in the five other states that currently allow legalized gaming. Finally, we describe the types of workers who will work in these jobs and the expected impacts on the Massachusetts workforce.

## **Wages and Benefits of Workers in U.S. Gaming Occupations**

The gaming industry in the United States is a very diverse industry, ranging from bingo halls to racetracks to hotel casinos. Similarly, the occupations within the industry vary from housecleaners and waiters, to sports book attendants and gaming dealers, to managers. However, according to the Bureau of Labor Statistics, most U.S. gaming workers work in casinos (Occupational Outlook Handbook, 2008-09).

In order to analyze the jobs that currently exist at U.S. casino hotels and that would be created in the types of destination casinos that were proposed in the 2007 Massachusetts legislation, we focused our analysis for this report on gaming service workers who work in the hotel industry. This group of workers—which we refer to as “hotel casino workers”—includes workers in jobs tied to casino-based games of chance (e.g. card roulette, wheel of fortune, and craps dealers), while excluding workers in other non-casino based gaming occupations (e.g. race book writers and attendants, sports book writers and attendants, and bingo attendants), hotel service workers, and first line supervisors and managers. Data on workers’ wages and benefits were extracted from the 1997-2007 U.S. Census’s March Annual Demographic Current Population Surveys (see the Technical Appendix). Through this annual survey, data regarding earnings, employment, hours worked and jobs worked during the previous year are collected from approximately 50,000 U.S. households.

Throughout this section of the report we compared the earnings and benefits of U.S. hotel casino workers to those of all gaming workers. At times, due to small sample sizes, we were unable to examine data for hotel casino workers alone, and had to rely instead on the data for all gaming workers. In addition, we compared data about these two groups of gaming workers with the data about all other workers, or “non-gaming workers.” Since gaming workers comprise a small proportion of all workers in the U.S., the data on non-gaming workers and all U.S. workers is substantially the same. When these numbers differed at all, it was only by one one-hundredth of one percent. For this reason, we use the data for non-gaming workers to compare gaming workers’ wages and benefits to those of the average U.S. worker.

In the United States, the demographics of gaming workers are distinct from workers in general,

as can be seen by the portrait of gaming workers in Table 1. Workers in gaming occupations are more likely to be female than workers in general. While white workers are still the majority of workers in the gaming occupations, they form a smaller majority than in the workforce in general; instead, a larger proportion of U.S. gaming jobs are held by Asians and Native Americans. In addition, gaming workers are more likely to be single (either never married,

**Table 1. Who are Gaming Workers in the U.S.?**

<b>Worker Demographics</b>	<b>Casino Hotel Workers</b>	<b>All Gaming Workers</b>	<b>Non-gaming Workers</b>
<b>Gender</b>			
Female	55.86%	50.56%	48.34%
<b>Race and Ethnicity</b>			
White	66.26%	65.51%	82.19%
Black	4.68%	10.11%	12.03%
Asian	27.02%	19.03%	4.38%
Native American	1.85%	3.52%	0.81%
Hispanic	6.97%	11.62%	11.93%
Mixed race	0.19%	1.83%	0.59%
<b>Education Level</b>			
Less than high school	4.21%	7.42%	10.17%
High school diploma	51.80%	48.05%	31.11%
Some college	32.12%	33.18%	27.95%
College degree	11.40%	10.09%	20.53%
Graduate or professional degree	0.48%	1.25%	10.23%
<b>Marital Status</b>			
Married	39.74%	50.95%	63.87%
Never married	26.39%	25.02%	19.16%
Separated/divorced/widowed	33.86%	24.03%	16.97%
<b>Average Age</b>	43 years	39.41 years	41.73 years
<b>Average Family Size</b>	2.3	2.8	2.96
<b>Source:</b> Authors' calculations from Current Population Survey, Annual Demographic March Files, 1997-2007, IPUMS. Workers who were between the ages of 25-64 and were wage and salary workers were included. Because gaming workers are a small percentage of all US workers, the results in the last column for non-gaming workers are similar to those for all US workers (gaming plus non-gaming workers). See Technical Appendix for details.			

separated, divorced or widowed) than workers in general, although their average age and family size do not differ greatly from the average U.S. worker.

Perhaps the most notable difference between gaming workers and non-gaming workers in the U.S. is their levels of formal education. The typical education level of a worker in the gaming industry is lower than that of the average worker: while over 58 percent of all U.S. workers have at least some college education, the majority of gaming workers (over 55 percent) have only a high school diploma or less. This is significant because, in the U.S., workers who do not possess college degrees often find it difficult to work in jobs that offer benefits and wages that can support families.

Taking this difference into account, we further focused our analysis of hotel casino workers' jobs on those workers whose highest educational attainment was a high school degree or lower by excluding from the analysis workers with college degrees or those who enrolled in some college courses. We chose to limit our analysis by education level in order to better compare typical casino hotel workers' wages and benefits to the wages and benefits of other jobs available to workers with similar educational levels. Thus, for the rest of the analyses within this section of the report, we compared the wages and benefits of workers with at most a high school diploma in casino hotels, in all gaming jobs, and in non-gaming jobs using the 1997-2007 U.S. Census's March Annual Demographic Current Population Surveys.

This comparison shows that among workers without any college education, gaming workers in casino hotels enjoy higher pay and more generous job benefits than other workers in the U.S. (Table 2). Not only is the median hourly wage higher for gaming workers in casino hotels, but these workers are also much less likely to be living in poverty. Indeed, poverty among casino hotel workers and their families appears to be non-existent and very few live in near-poverty, defined as those living below 125 percent or 150 percent of the poverty level. Furthermore, gaming workers in casino hotels are more likely to receive employer-provided health insurance than non-gaming workers, especially health insurance plans in which employers pay for part of the health care premium. They are also more likely to be included in an employer's pension or retirement plan.

A comparison with all gaming jobs indicates that, with higher wages and benefits, gaming jobs in hotel casinos appear to be the superior jobs for workers without any college education in the gaming industry. Even so, all gaming jobs (not just those in casino hotels) are more likely to offer benefits than the average job for workers who lack a college education. The data in Table 2 show that all gaming workers are more likely to be policy-holders of health insurance provided by their employer, and are less likely to live in poverty or in near-poverty than are non-gaming workers in the U.S.

**Table 2. Wages and Benefits of Non-College Educated Gaming Workers in the U.S.**

<b>Wages &amp; Benefits</b>	<b>Casino Hotel Workers</b>	<b>All Gaming Workers</b>	<b>Non-Gaming Workers</b>
<b>Median hourly wages</b>	<b>\$16.89</b>	<b>\$15.45</b>	<b>\$13.51</b>
<b>Poverty Rates</b>			
Under poverty level	0%	1.21%	6.94%
Under 125% of poverty level	0%	4.12%	10.60%
Under 150% of poverty level	5.32%	9.76%	14.89%
<b>Health Insurance</b>			
Employer-provided health insurance plan in which:			
* worker is policy-holder	78.35%	66.15%	55.57%
* employer pays part or all of premiums	75.42%	64.55%	54.88%
* employer pays all of premium	10.42%	9.86%	13.56%
<b>Pension Plan</b>			
No pension plan at work	23.09%	40.33%	43.48%
Pension plan at work but not included	18.27%	14.99%	11.08%
Included in pension plan at work	58.63%	44.68%	45.44%
<b>Note:</b> Average hourly wages show similar patterns. Data other than wages indicate the percentage of workers who meet the definition in the category.			
<b>Source:</b> Authors' calculations from Current Population Survey, Annual Demographic March Files, 1997-2007, IPUMS. Wage and salary workers between the ages of 25-64 whose highest educational attainment was a high school degree or lower were included. Because gaming workers are a small percentage of all US workers, the results in the last column for non-gaming workers are similar to those for all US workers (gaming plus non-gaming workers) See Technical Appendix for details.			

Since the casino industry is highly localized geographically, we further examined the wages and benefits of casino workers without any college education by conducting state specific analyses for states with large casino industries: Nevada, New Jersey, Connecticut, New York and Louisiana. Nevada was the only state for which we could examine the wages and benefits of gaming workers in casino hotels. No other state had sufficient data to look at this specific population separately from all gaming workers in the state.

As the data in Table 3 show, consistent with the national findings, non-college educated gaming workers in Nevada's hotel casinos enjoy higher wages compared to non-gaming workers and are more likely to receive employer-provided benefits: 90 percent are policy-holders of employer-

**Table 3. Wages and Benefits of Gaming Workers in Nevada**

Wages & Benefits	Nevada			U.S.
	Casino Hotel Workers	All Gaming Workers	Non-Gaming Workers	Non-Gaming Workers
<b>Median hourly wages</b>	\$17.86	\$15.83	\$14.00	\$13.51
<b>Poverty Rates</b>				
Under poverty level	0%	0.47%	5.42%	6.94%
Under 125% of poverty level	0%	1.40%	8.87%	10.60%
Under 150% of poverty level	1.52%	4.61%	13.16%	14.89%
<b>Health Insurance</b>				
Employer-provided health insurance plan in which:				
* worker is a policy-holder	89.91%	76.76%	62.65%	55.57%
* employer pays part or all of premiums	89.91%	76.76%	61.52%	54.88%
* employer pays all of premium	10.30%	14.11%	18.33%	13.56%
<b>Pension Plan</b>				
No pension plan at work	17.70%	30.74%	44.80%	43.48%
Pension plan at work but not included	15.12%	13.56%	12.80%	11.08%
Included in pension plan at work	67.18%	55.69%	42.40%	45.44%
<b>Note:</b> Median wages include tips. The pattern for average wages is similar to that of median wages, with average wages generally higher than the median. Data other than wages indicate the percentages of workers who meet the definition in the category for gaming service workers and those in other occupations.				
<b>Source:</b> Authors' calculations from Current Population Survey, Annual Demographic March Files, 1997-2007, IPUMS. Wage and salary workers between the ages of 25 and 64 who do not have college degrees are included in the sample. See Technical Appendix for details.				



provided health insurance and two-thirds are included in their employers' pension or retirement plans. In comparison, less than two-thirds of non-gaming workers in Nevada have employer-provided health insurance, and less than half are covered by their employers' pension or retirement plans. Poverty and near-poverty wages have been all but eliminated for these workers, with less than 2 percent of Nevada's casino hotel workers living below or near the poverty level, compared to more than 27 percent of Nevada's non-gaming workers. Another pattern consistent with the national data is that gaming workers in Nevada's hotel casinos have higher wages and are more likely to receive benefits than all gaming workers in Nevada.

In Nevada, all gaming workers (not just those in hotel casinos) fare better than non-gaming workers regarding employer benefits. This is also consistent with the patterns we saw in the national data. Compared to non-gaming workers, gaming workers in Nevada are more likely to receive health care and pension benefits. Poverty has been greatly reduced for these workers. A comparison with the U.S.-wide data shows that gaming workers in Nevada earn higher wages than the national average, and they are covered by health insurance and pension benefits at a higher rate than the national average as well.

Due to sample size limitations, we could not examine wages and benefits of gaming workers in hotel casinos separately from all gaming workers in the remaining four states we analyzed. Indeed, the small sample sizes for all gaming workers without any college education in New Jersey, Connecticut, New York and Louisiana means that the data from the 1997-2007 U.S. Census's March Annual Demographic Current Population Surveys from these states should be interpreted with caution. Nonetheless, the pattern of wages and benefits for gaming and non-gaming workers in these four states were generally consistent with the national patterns described above.

In New Jersey, non-college educated gaming workers enjoy higher wages, are more likely to receive employer-provided health care insurance, and are more likely to be included in employer pension plans than similar non-gaming workers. In addition, poverty and near-poverty wages for these New Jersey gaming workers has been eliminated. When compared to national averages for non-college educated workers, New Jersey's gaming workers' wages and benefits are also better:



their wages are higher, and coverage of employer-provided health insurance is also higher. Finally, non-college educated gaming workers in New Jersey have much lower poverty and near-poverty rates than the U.S. average for non-college educated workers.

The results for Connecticut, New York, and Louisiana are also generally consistent with the national patterns. Compared to non-gaming workers and to U.S. workers without any college education, gaming workers in these states are more likely to participate in employer-provided health insurance plans. In addition, compared to non-gaming workers and to U.S. workers without any college education, gaming workers in Louisiana are more likely to be included in employer's pension plans. Gaming workers in Connecticut and New York, who work in casinos governed by compacts with different Indian nations, however, are included in employer pensions plans at the same or lower rates, respectively, than non-gaming workers in those states. Workers in the gaming industry in all of these states reduced their poverty rates well below the U.S. average poverty rates for both gaming and non-gaming workers, even though their wages did not always exceed those of non-gaming workers or of U.S. workers.

In summary, after examining the wages and benefits of gaming workers in five states, we find that the national patterns hold: non-college educated gaming workers are more likely to receive employer-provided job benefits and are more likely to have incomes above the poverty-level than non-gaming workers. Furthermore, non-college educated gaming workers in casino hotels, in particular, enjoy wages and benefits that exceed the average wages and benefits of non-college educated workers in the gaming industry in general, as well as in non-gaming industries.

## Hotel Workers in Las Vegas and Reno: A Tale of Two Cities

*Las Vegas is a place where cocktail waitresses can own their own homes and housekeepers can send their children to college. It is perhaps the last place in America that can make such a claim. (Benz, 2004, p. 1)*

In addition to providing family sustaining wages and benefits, we have defined “good jobs” as those that allow workers to freely unionize. Because unionization is an important variable in determining wages and benefits in nearly all industries<sup>1</sup>, we examined the impact of unionization on the wages and benefits of casino workers for this report. Unionization of casino workers varies widely across the states included in this study—from Nevada and New Jersey where significant parts of the gaming industry are unionized, to New York and Louisiana where no casino workers are organized in unions. In order to assess the impacts of unionization in the gaming industry, we compared the wages and benefits of workers in two Nevada cities with very different unionization rates: Las Vegas and Reno.

Much has been written about casino hotel workers in Las Vegas, in both scholarly and popular articles (Waddoups, 1999; Waddoups, 2000; Benz, 2004; Greenhouse, 2003; Meyerson, 2008). This body of literature centers on the impacts of Culinary Local 226 of the international union UNITE HERE. Culinary Local 226<sup>2</sup> represents casino hotel service workers in Las Vegas, including dishwashers, housekeepers, cocktail servers, valet parkers, porters, bellhops, door persons, cooks, bakers, waiters, and other relatively unskilled workers; the union does not represent workers in gaming occupations analyzed in the first section of this report. As the city’s largest union, with 48,000 members, it represents more than 90 percent of hotel workers on the Las Vegas Strip. In 1998, the union reported that union density in Clark County, which includes Las Vegas, was 58 percent (Alexander, 1998). An estimate of unionization in the accommodation and food services industry in 2004 reported a 27 percent unionization rate in Las

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<sup>1</sup> A 2003 study by the U. S. Bureau of Labor Statistics analyzed wages in 142 blue collar occupations and found that average hourly earnings were 30 percent higher for union workers (\$19.95 versus \$15.07). The average hourly earnings of union workers in the service sector, where most permanent jobs in the gaming industry would be located, were almost double those of non-union service workers (\$13.44 versus \$7.81) (Foster, 2003).

<sup>2</sup> This descriptive account of Culinary Local 226/UNITE HERE and casino hotel workers in Las Vegas is a summary of Meyerson, 2008 and Greenhouse, 2004.

Vegas, compared to unionization rates of 15 percent across Nevada and of 16 percent in Reno, where casino hotel workers in all but two hotel casinos (Circus Circus and Grand Sierra) are not unionized (Prokos, n.d.).

Las Vegas' casino hotel workers represented by Culinary Local 226 are diverse. Most of Culinary Local 226's members are women and people of color: 70 percent are female and 65 percent are non-white (Greenhouse, 2003). In most of the U.S., workers in these service sector occupations struggle with low pay and live near the poverty line (Kim, 2000a; Kim, 2000b; Kim, 2007). But in Las Vegas, casino hotel service workers have among the highest hourly wages in these job categories in the nation. The data in Table 4 show that unionized wages for these casino hotel service workers exceed the national average in the hotel industry by at least 50 percent, and for some jobs the unionized wages are twice as much as the national average. Specifically, when comparing Local 226's 2006 pay scales to the average hourly wages in the hotel industry in 2006 (the latest available in the U.S.), cooks' hourly wages are 57 percent higher than the national average, food preparation workers' hourly wages are 63 percent higher, dishwashers' hourly wages are 78 percent higher, host/hostesses' hourly wages are 97 percent higher, and housekeepers' hourly wages are 57 percent higher than the national average. Because tips are not included in the Local 226 wage scales but are included in the national data, a comparison of hourly wages of waiters/waitresses and baggage porters/bellhops is more difficult. According to Local 226, the lowest-tipped waiters and waitresses receive at least \$10 per hour in tips, so that tips usually double the workers' salary. In the higher-priced restaurants, tips can triple or quadruple a worker's salary (personal communication, March 2008). Thus when adding tip income to the Local 226 pay scales, Las Vegas casino hotel workers' wages are likely to be higher than the national averages.

Not only are the wages for workers represented by Local 226 higher than the national average, but wages for the entire casino and hotel industry in Las Vegas are notably high. Using data collected by the State of Nevada's Department of Employment, Training and Rehabilitation we examined wages in the hotel industry in Las Vegas and in Reno. This department collects wage data by surveying approximately 3,400 establishments each year. According to state officials in this office, all casino hotel workers are included in the "traveler accommodation industry" and

comprise over 90 percent of the industry.

Table 4 shows the average hourly wages for casino hotel workers in the traveler accommodation industry (e.g. casinos and other hotels) in Las Vegas (highly unionized) and in Reno (not highly unionized). The results are notable: average hourly wages for cooks in Las Vegas are 25 percent higher than in Reno; for maids/housekeepers, wages are 34 percent higher in Las Vegas; for waiters and dishwashers, wages are 45 percent higher; for porters and bell-hops, wages are 53 percent higher; and for host/hostesses, wages are 69 percent higher. Average hourly wages for all of these Las Vegas jobs also exceed the state and national averages. In contrast, the average hourly wages of casino and other hotel workers in Reno are consistently below the state-wide averages in Nevada, and are often below the U.S. average wages as well.

It is conceivable that the differences in wages for casino and other hotel-based occupations that we have described above are simply due to a difference in these two cities' economies—wages in Las Vegas in general could just be higher than those in Reno. To examine this possible explanation of the wage differences, we analyzed the State of Nevada's Department of Employment, Training and Rehabilitation's data on average hourly wages for the same service occupations in the full service restaurant industries in Las Vegas and Reno. Although this industry may include some workers covered by union contracts (for example, those working in independent restaurants in casino hotels), most of the workers in this industry are employed in non-union restaurants outside of casinos (J. Shabi, State of Nevada, Department of Employment, Training and Rehabilitation, personal communication, March 2008). As the data in Table 4 indicate, the largely non-union restaurant workers in Las Vegas tend to earn the same or less—not more—than similar workers in Reno and in the U.S. in general.<sup>3</sup> This finding supports the conclusion that the better wages received by Las Vegas casino and hotel workers are due to the industry's high unionization rate in Las Vegas.

Unfortunately, the state of Nevada does not collect information on benefits for workers. In order to compare workers' benefits in Las Vegas and Reno, we used the U.S. Census's Current

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<sup>3</sup> Separate tabulations were performed on the food service and drinking places industry, which would include bars not attached to restaurants. The wage differences between Las Vegas and Reno were similar when examining this industry.

Table 4: Culinary Local 226 Pay Scales and Average Hourly Wages of Service Workers in the Hotel and Restaurant Industries in Las Vegas, Reno, Nevada, and the U.S.

Job Titles/Occupations	Las Vegas			Reno		Nevada		U.S. (2006)		
	Local 226 Pay Scales (2006)	Casino & other Hotels	Restaurants	Casino & other Hotels	Restaurants	Casino & other Hotels	Restaurants	Hotels	Restaurants	All industries
<b>Cooks</b>	\$16.20	\$14.86	\$11.32	\$11.87	\$11.48	\$14.20	\$11.12	\$10.31	\$8.15	\$8.56
<b>Food preparation workers</b>	\$15.09 - \$15.44	\$13.10	\$9.42	\$9.40	\$8.65	\$12.57	\$9.27	\$9.27	\$10.24	\$10.18
<b>Waiters/Waitresses</b>	\$11.26*	\$9.75	\$8.18	\$6.73	\$8.56	\$9.29	\$8.17	\$14.77	\$9.62	\$9.85
<b>Dishwashers</b>	\$13.19 - \$14.01	\$12.30	\$7.84	\$8.49	\$7.69	\$11.66	\$7.80	\$7.42	\$8.44	\$8.34
<b>Pot washers</b>	\$13.31	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)
<b>Head dishwashers</b>	\$13.29	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)
<b>Host/Hostesses</b>	\$14.74	\$12.51	\$8.46	\$8.61	\$8.89	\$11.69	\$8.47	\$7.50	\$9.83	\$11.65
<b>Maids/Housekeepers</b>	\$13.07	\$12.17	n/a	\$9.09	n/a	\$11.66	n/a	\$8.31	n/a	\$9.08
<b>Baggage porters</b>	\$13.34*	\$10.69	n/a	\$7.00	n/a	\$6.87	n/a	\$15.57	n/a	\$13.77
<b>Bellhops</b>	\$11.22*	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)

\* Excludes tips. The Local 226 data excludes tips. Because the U.S. data includes tips, comparisons for the tipped occupations of waiters/waitresses, baggage porters and bellhops must be made carefully (see text).

Note: The jobs of pot washer and head dishwasher are included in "dishwashers" for all data except for the Local 226 pay scale. The job of bellhop is included with "baggage porters" for all data except for the Local 226 pay scale.

Sources: Culinary Workers Union Local 226: "Exhibit 1 Wage Scales 2002-2006;" Nevada Department of Employment, Training and Rehabilitation ([www.nevadaworkforce.com/cgi/databrowsing/PPAGE\\_ID=4&SUBID=117](http://www.nevadaworkforce.com/cgi/databrowsing/PPAGE_ID=4&SUBID=117)); US Census's March Annual Demographic Current Population Survey, 2007 (see Technical Appendix).

Population Survey, March Annual Demographic Survey (see the Technical Appendix for more information). We compared workers in the hotel and motel industry who lived in the Las Vegas and Reno metropolitan areas. Because of small sample sizes, we could not examine the data by occupation; therefore, higher-paid hotel workers, such as those in management positions, are included in the sample. Despite this limitation, the data in Table 5 indicate that workers in the hotel and motel industry in Las Vegas are more likely to receive employer-provided benefits than those in Reno. Specifically, a substantially higher percentage of hotel workers residing in Las Vegas (83 percent) are policy-holders of employer-provided health insurance coverage than either hotel workers in Reno (61 percent) or in the U.S. (49 percent). Similar patterns can be seen among workers who hold employer-provided health care insurance in which employers pay for all or part of the cost of health care coverage: more than twice the proportion of workers in Las Vegas enjoy employer-funded health insurance coverage compared to workers in Reno and

**Table 5: Employment Benefits for Hotels and Motel Workers in Las Vegas and Reno**

<b>Benefits</b>	<b>Las Vegas</b>	<b>Reno</b>	<b>U.S.</b>
<b>Health Insurance</b>			
Employer-provided health insurance plan in which:			
* worker is policy-holder	83.36%	60.87%	49.03%
* employer pays part or all of premiums	82.44%	60.13%	48.01%
* employer pays all of premium	25.80%	10.40%	10.64%
<b>Pension Plan</b>			
No pension plan at work	28.20%	26.80%	51.82%
Pension plan at work but not included	14.95%	32.78%	16.45%
Included in pension plan at work	56.84%	40.41%	31.72%
<b>Poverty Rates</b>			
Under poverty level	4%	6.07%	14.01%
Under 125% of poverty level	6%	13.26%	20.27%
Under 150% of poverty level	11.34%	17.33%	26.61%
<b>Note:</b> Data indicate the percentages of workers who work in the hotel and motel industry that meet the definition for each category.			
<b>Source:</b> Authors' calculations from Current Population Survey, Annual Demographic March Files, 1997-2007, IPUMS. See Technical Appendix for details.			

elsewhere in the U.S. Similarly, 57 percent of hotel workers in Las Vegas are included in employer-provided pension plans. In contrast, 40 percent of hotel workers in Reno, and less than one-third in the U.S., are included in employer pension or retirement plans.

The U.S. Census data also provides insight into the impacts of the higher wages enjoyed by the workers in Las Vegas, which appear to result in lower rates of poverty for these workers' families. Very few hotel workers in Las Vegas are poor (4 percent), compared to 6 percent of hotel workers in Reno and 14 percent on average in the U.S. Relatively fewer workers in Las Vegas are also "near-poor"—those whose families live under 125 percent or 150 percent of the poverty level. Thus the jobs in Las Vegas appear to be providing family sustaining wages so that workers and their families are able to live above the poverty rate. Indeed, many workers in Las Vegas casino hotels are able to enjoy middle class lifestyles: waitresses and housekeepers can own their own homes, put their children through college, and retire securely (Greenhouse, 2003; Benz, 2004; Meyerson, 2008). Additionally, because of uniform wage scales, wage disparities between white and Hispanic workers are narrower in Las Vegas than in other parts of the U.S., and disparities in health insurance coverage between white and Hispanic workers are lower than the national average (Meyerson, 2008).

An additional characteristic of "good jobs" that is not captured in any statewide or national data set is the opportunity for career advancement, or access to "career ladders." The workers in Las Vegas' unionized casino hotels have extensive opportunities for career advancement through the Culinary Training Academy, a joint labor-management job training school that teaches workers the skills they need to work in the hospitality industry. The Academy is funded entirely by employers, through a three cent per hour worked contribution to a joint labor-management training fund, and is hailed as one of the industry's finest job training schools. Currently the school enrolls about 2,500 students per year. About 18,000 workers have graduated from the academy in the last nine years; three-fourths of whom are still employed by the hotels. The Academy provides free courses to both inexperienced workers new to the industry, as well as experienced workers who want to improve their skills. In addition, the Academy provides vocational English courses for non-English speaking workers. In this way workers can advance to better paying and more satisfying occupations in the industry, while meeting employers'

needs. According to the executive director of the Academy, hotels often hire the entire graduating class on graduation day (Meyerson, 2008).

There are clear differences for casino hotel service workers in the cities of Las Vegas and Reno. Compared to Reno, casino hotel service workers in Las Vegas enjoy higher wages, are more likely to receive health insurance paid for by their employer, are more likely to be covered under their employer's pension plans, are less likely to live in poverty, and have access to opportunities for advancement in the casino industry. Our analysis shows that the strong union presence in Las Vegas' casino hotels, and the relative absence of unions in Reno's, is a key factor in determining these differences. This analysis is consistent with previous research that found that workers in Las Vegas earn much higher wages in the gaming and hotel industries compared to workers in Reno, and which attributed these wage differences to the effects of unionization in Las Vegas (Waddoups, 1999 and 2000).



## Legislation Enabling Gaming: A Six State Comparison

In this section, we examine existing statutes that authorize gaming in the states of Connecticut, Louisiana, Nevada, New Jersey and New York, as well as the legislation proposed in Massachusetts in 2007 (H.B. No. 4307, “An Act Establishing and Regulating Resort Casinos in Massachusetts”), to determine which policies have addressed job quality and workforce development in the gaming industry.<sup>4</sup>

The five existing state statutes have very few references to worker provisions, protections or workforce development, and none have wage, benefit or training requirements for gaming workers. Nevada’s enabling legislation, the “Gaming Control Act and Ancillary Statutes,” provides no protections or provisions that address the quality of jobs in the industry. However, a section of the Nevada law that is intended to prevent corruption in the gaming industry explicitly protects the “rights of gaming casino employees to bargain collectively or otherwise to engage in concerted activity for their mutual aid and protection through representatives of their own choosing.” In this regard, Nevada’s legislation is unique among the five existing statutes examined.

The Louisiana and New Jersey laws allude to aspects of job quality without specific statutory protections. Louisiana’s “Title 42: Louisiana Gaming” has provisions for training, but only for security personnel and employees involved in “maintenance or computerized functions,” including the operation of slot machines. Louisiana’s “Title 42” also has provisions for disclosure of wages paid to management partners, but no comparable provision for disclosure of wages paid to employees. References to workers are limited to volunteers and workers involved in charitable bingo and casino night activities. New Jersey’s statute (“New Jersey Casino Control Act,” P.L. 2007, ch. 203) has an extensive introduction that addresses the public policy implications of gaming on “the general welfare, health and prosperity of the State and its inhabitants.” The law requires prevailing wages to be paid to workers “employed in the construction or rehabilitation of facilities undertaken” through public financing. The statute,

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<sup>4</sup> The statutes for each state were searched for worker provisions through keyword searches for “worker” and “employee,” “wages,” “benefits,” “training,” “unions,” “labor” and “collective bargaining.”

however, does not address the quality of jobs for those working in the industry.

Casino gaming in Connecticut and New York is governed by compacts between the states and Indian tribes that fall under the provisions of the federal Indian Gaming Regulatory Act (IGRA). Two tribes operate one casino each in Connecticut and three tribes operate seven casinos in New York. In pursuit of sovereignty, the tribes have opposed any efforts to regulate working conditions within their gaming operations. The Indian Gaming lobby has vigorously opposed all efforts to enforce even the most minimal worker provisions, such as worker health and safety protections. For example, tribal leaders have characterized efforts to prohibit workplace smoking at the Connecticut casinos as a threat to sovereignty (New York Daily News, 2008). In February 2007, the United States Court of Appeals for the District of Columbia Circuit ruled that workers in casinos regulated by the IGRA retain their collective bargaining rights under the National Labor Relations Act. Shortly thereafter, in November 2007, the gaming workers at Foxwoods Resort Casino in Connecticut voted to unionize. The tribes are appealing the Court's decision, and the outcome of the appeal could have a significant impact on gaming workers' rights.

In contrast to the state statutes reviewed above, the legislation proposed in Massachusetts in 2007 cast the introduction of gaming into the state both as a revenue source for the state budget and as a workforce development strategy providing entry-level jobs with career ladders, family-supporting wages and benefits designed to directly improve the economies of local communities. The legislation did this in two ways: through governmental oversight and through criteria for bidders. First, the proposed legislation included the establishment of the Massachusetts Gaming Control Authority which would be empowered to set minimum wages, standards and training requirements for employees of casino licensees, and would require that all casino employees be properly trained in their respective professions. To ensure continued attention to worker issues in the industry, the legislation included a provision to ensure that a labor representative would sit on the Massachusetts Gaming Control Authority's Advisory Board.

Second, the legislation set criteria for evaluating bids for Massachusetts' casino licenses. Among these criteria were extensive provisions to ensure a skilled, diverse and appropriately compensated workforce in the gaming industry. The proposed legislation required that applicants

disclose whether they would “establish, fund, and maintain internal human resource hiring and training practices that promote the development of a skilled and diverse workforce with access to promotion opportunities.” The specific criteria by which license applicants would be evaluated included:

- a commitment to provide at least 5,000 permanent jobs within five years
- disclosure of the number of employees to be employed, including detailed information on pay rates and benefits for employees and contractors
- a mentoring program for entry level workers
- development of transparent career paths leading to increased responsibility and higher pay
- employee access to on-site child care
- employee access to additional professional development resources, such as tuition reimbursement or stipend policies to continue their education and training, and
- disclosure of the bidders’ existing labor contracts and/or their support from labor organizations.

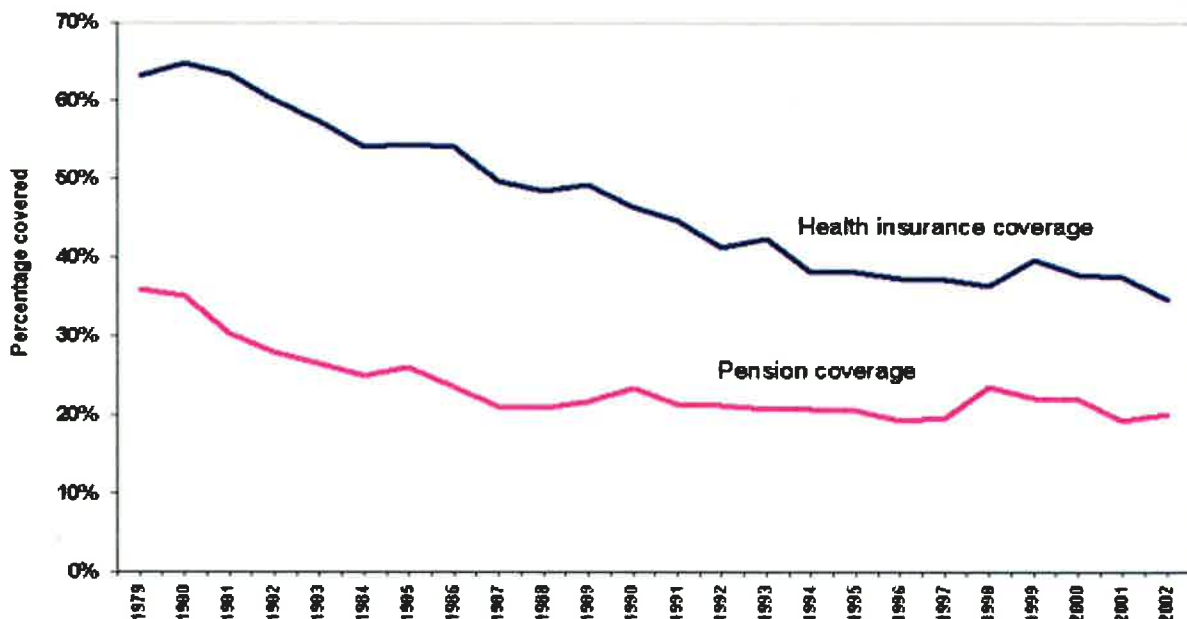
Finally, the legislation proactively addressed the potential conflict between state regulations and Indian sovereignty by requiring any tribes submitting bids to waive their rights under the IGRA and be subject to the Commonwealth’s laws that protect workers and their rights to join a union.

Gaming statutes can only provide a snapshot of the political will in each state at the time of enactment. Even so, if enacted, the legislation proposed in Massachusetts in 2007 would provide groundbreaking protections for workers that would go far toward ensuring that gaming jobs are good jobs.

## Conclusions and Implications for Massachusetts

Massachusetts is facing a problem of rising inequality in worker earnings and family income, which has been well documented in previous research (Albelda & Friedman, 2001; Sum, 2002; Brenner, 2005; Community Labor United, 2007). One important marker of this divide is whether or not a worker has a college education. Based on 2000 U.S. Census data, two-thirds of adults in the Commonwealth have less than a Bachelor's degree and 20 percent have less than a high school diploma (Bauman & Graf, 2003). An analysis of patterns of adult employment rates by educational attainment in Massachusetts in 2005 showed that rates of employment for those with a high school diploma were 11 percent lower than for those with a college degree, and that mean annual earnings for a worker with a college degree were nearly double those for a high school graduate (Sum et al., 2007). The same study found that lifetime earnings of male workers in Massachusetts with a high school education declined 16 percent between 1979 and 2005. Figure 1 shows the steady decline in two additional critical indicators of economic and social health, the loss of health insurance and pension benefits over the past 25 years for those who can least afford to lose them (Economic Policy Institute, 2004). High school graduates are clearly losing ground in the Massachusetts economy.

**Figure 1: Erosion of employer-provided health and pension coverage for recent high school graduates, 1979-2002**



The 2007 proposed legislation to enable gaming in Massachusetts directly addressed the issues facing high school graduates. As described above, the legislation established important criteria and enforcement mechanisms to ensure that casino jobs created in Massachusetts would be “good jobs” that provide family sustaining wages and benefits, as well as clear opportunities for workers to advance their careers. Unlike the types of jobs likely to be created through the other economic development initiatives being undertaken by the Commonwealth, namely the investment in the high tech and biosciences industries, casino industry jobs would be accessible to workers who do not have any college education or hold advanced degrees. Furthermore, the 2007 proposal included many elements that would foster the conditions that support the development of good jobs. The provisions for worker supports, including child care, mentoring, and training programs are positive policy steps that promote an approach to workforce development that balances an agenda of business for a surplus of trained and ready workers with an agenda for an engaged citizenry working in jobs that support healthy communities. These provisions of the 2007 proposed legislation should be protected and even enhanced in order for the introduction of gaming to improve the lives of all our citizens and benefit those without advanced education.

While the 2007 proposed legislation clearly embodied the goal of creating good jobs for low skilled workers, we recognize that it did not and cannot guarantee that the goal will be reached. However, our examination of the casino hotel industry shows that jobs in the gaming industry currently do provide good wages, benefits and opportunities for advancement for high school graduates and others. Unionization, in particular, appears to be essential for the creation of good gaming industry jobs that support families and communities. If the introduction of gaming simply expands the pool of low-wage and unprotected service work, the results will not be a benefit to the Commonwealth as a whole and will instead further exacerbate the growing income inequality that has occurred over the past quarter century. But if workers in this industry are not inhibited from unionizing, a casino industry in Massachusetts could offer workers who lack college degrees jobs that will enable them to fully participate in the Commonwealth’s economy, earning wages that can support their families, following career paths that will allow them to advance in their professions, and ensuring that they can provide health insurance for their families and retire securely.

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## Technical Appendix

### US Census Data: Tables 1-3, 5

Data for Tables 1-3 and 5 are from the US Census, March Annual Demographic Current Population Survey, provided by IPUMS. Approximately 50,000 households are surveyed in the US in March of each year regarding their earnings, employment, hours worked, and jobs worked during the previous year. Data from 1997-2007 are combined to obtain an adequate sample size. Workers who are between the ages of 25 and 64 and who are wage earners (not self-employed) are included in the sample. Except for in Table 1, college graduates and workers who took any courses in college are excluded. Thus for all tables except Table 1, the highest educational attainment is a high school degree or lower. Hourly wages are calculated as the annual earnings (including tips) from the previous year divided by the number of weeks worked times the number of hours usually worked per week. Wages are adjusted for inflation, 2007=100, using the CPI-U as the deflator. The industry used is the industry of the job held for the longest duration (if there was more than one job) during the previous year. All data are weighted using the sample weights.

Median wages are shown in Tables 2 and 3, since a few high paid workers skewed the results for the average upwards, but the patterns using average wages are similar (and are available upon request). Average wages are shown in Table 4, since these are higher than median wages, reducing the wage disparities discussed and shown. Tabulations (such as median or average wages) not shown in the text are available from the first author upon request.

When US averages are shown, unless otherwise specified, these are for the industry studied. For hotel workers, the hotel and motel industry is examined. For gaming service workers, the occupation “gaming service workers” is examined, which includes table card dealers, gaming dealers, and other workers in games of chance (Keno runners, craps dealers, roulette and wheel of fortune dealers). First line supervisors and managers of gaming service workers are in a separate occupation and are thus not included. The occupation of gaming service workers also includes race board writers, race board attendants, bingo attendants, sports book attendants and writers, and gamblers. According to the Bureau of Labor Statistics, most gaming service workers work in casinos, so that these latter occupations are a minority. Limiting the sample to those in the hotel industry excludes these latter workers and would include only gaming service workers in hotel casinos. Thus the results for gaming service workers in the hotel industry are a more accurate depiction of casino hotel workers. Because we limit the sample to wage and salary workers, we are excluding professional gamblers in our sample. Because gaming service workers are such a small part of the US economy, the findings in Table 2 for non-gaming workers are substantially the same as the findings for all US workers.

Pensions included employer-provided pensions and retirement plans. Health care questions were asked about whether or not one was a policy holder of an employer-provided health care plan.

Poverty rates are calculated by comparing the official poverty threshold to family income and family size. In 2006, a family of three is in poverty if family income is below \$16,079; a family of four is in poverty if it has less than \$20,614 in income. The definition of poverty and the official poverty thresholds are uniform across states.



Nevada Wage Data: Table 4

Wage data shown in Table 4 are based on 2007 data from Nevada's Department of Employment, Training and Rehabilitation. Approximately 3400 employers are surveyed every year, and data are available by occupation, industry and location at [www.nevadaworkforce.com/cgi/databrowsing/?PAGE ID=4&SUBID=117](http://www.nevadaworkforce.com/cgi/databrowsing/?PAGE ID=4&SUBID=117).

The category of "casinos and other hotels" includes data from the traveler accommodation industry, which includes hotels and casino hotels. Casino hotels dominate the traveler accommodations industry in Las Vegas. The category of "restaurants" includes data from the full service restaurant industry, which includes workers in independent restaurants in casino hotels and also in restaurants not associated with casinos. State averages are shown for the relevant industry examined.

Wages do not include tips. Although annual income is supposed to include tips, experts at Nevada's Department of Employment, Training and Rehabilitation believe that most tip income is excluded from these data.

Median wages show similar results and thus were not shown but are available upon request.

Las Vegas includes the Las Vegas-Paradise Metropolitan Statistical Area. Reno includes workers in the Reno-Sparks metropolitan area.



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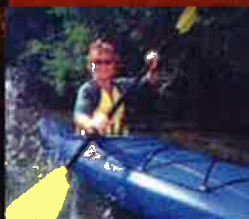
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- **Information Booth**  
*(July and August)*  
Broadway at Congress Park  
(518) 584-4471



- **Saratoga National Historical Park**  
Rt. 4 and 32, Stillwater,  
(518) 664-9821

- **Schuyler's Canal Park Fort Hardy**  
Schuylerville, (518) 695-4159



- **Stillwater Blockhouse**  
*(Seasonal)*  
Rt. 4, Stillwater  
(518) 664-1847 ext. 39

- **Saratoga Springs Visitors Center**  
297 Broadway  
Saratoga Springs  
(518) 587-3241



- **Waterford Harbor Visitor Center**  
Tugboat Alley, Waterford  
(518) 233-9123

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Welcome to the Official Saratoga County Online Guide



## Saratoga Casino and Raceway

### About Saratoga Casino and Raceway

Saratoga Casino and Raceway, also called the Saratoga Racino and formerly known as Saratoga Gaming and Raceway, is a sure bet for fun and excitement while visiting Saratoga Springs. With over 1,700 video gaming machines, live harness racing, a night club, dining options and more, it's one of the most popular attractions in Saratoga.

### What You Need To Know

*Gaming:* Saratoga Casino and Raceway offers over 1,700 slot machines from top manufacturers, including 200 of the hottest games titles and over 300 of the most exciting themes. Denominations range from \$0.01 to \$25. For more information visit [www.saratogacasino.com/gaming.aspx](http://www.saratogacasino.com/gaming.aspx).

*Racing:* Saratoga Casino and Raceway runs live harness racing from March through December. The schedule varies throughout the season so be sure to [check their schedule for](#) more information. Simulcast wagering across the country is available also year round.

*Dining:* Saratoga Casino and Raceway offers a wide variety of dining from casual to fine dining. For more information about their restaurants visit <http://www.saratogacasino.com/Dining.aspx>.

*Vapor Night Club:* Vapor Night Club located inside Saratoga Casino and Raceway offers live music every Friday and Saturday night. For a list of bands and events visit <http://www.vapornightclub.com/>.

You must 18 years of age or older to play video gaming machines or wager on horses. 21 to enter Vapor.

## Insider Tips

Join the Player Extras Club to start earning valuable reward based on your play.

You can pay to have a race named for you or your guests - an awesome way to enjoy the action!

## Directions

Take Exit 13N or 14 off I-87. Saratoga Casino and Raceway is located at 342 Jefferson Street in Saratoga Springs.

## The Harness Track

### **Sulky racing waxed and waned - and was revived by a casino.**

Harness racing developed in the early 19th century from spontaneous matches between the drivers of wagons. It was widely popular. In fact, Saratoga Springs' first organized race featured "The Old Grey Mare" - Lady Suffolk - the greatest trotter of her era, on August 14, 1847. But after 1863, when Saratoga's world-class race meeting for Thoroughbreds was launched, harness racing was eclipsed. Its popularity continued to grow at county fairs and at the New York State Fair, where farmers and other horse owners competed with Standardbreds, the breed best suited to the trotting gait: a shorter, thicker horse with stamina and endurance.

A 1939 state constitutional amendment permitted pari-mutuel racing in New York, and the following year legislation was passed to regulate a pari-mutuel system. It applied to both flat and harness racing and promised a dependable income stream from the bettors to fund purses and generate profits for the track owners.

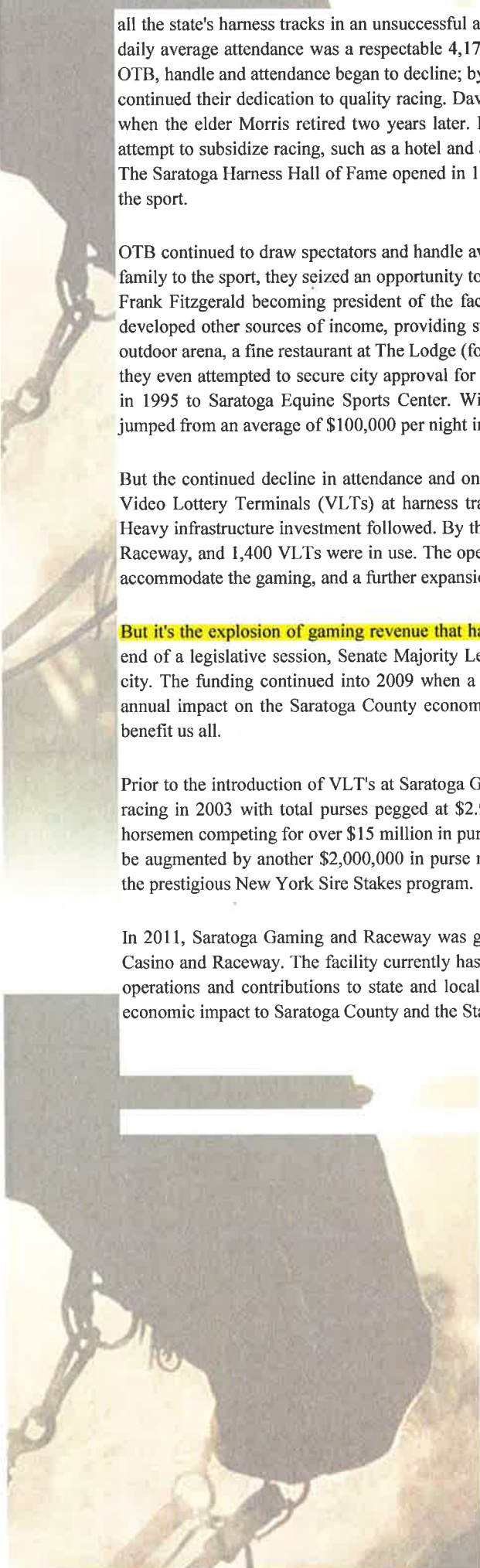
W. Ellis Gilmour anticipated the potential in harness racing in 1937, when he bought part of the old W.C. Whitney farm on Nelson Avenue from the Grande family. With the pari-mutuel law on the books, Gilmour organized the Saratoga Harness Racing Association and, in early May 1941, began building a beautiful half-mile track. Construction costs were estimated at \$260,000 (equivalent to \$4,000,000 today), \$15,000 of which was for a modern lighting system for night racing. Gilmour and his fellow founders regarded Saratoga as an ideal location, because it was separated from large cities whose poorer residents might be tempted to gamble away their paychecks. The first races of a 27-night season were run June 26, 1941, before a crowd of 4,550. Harness racing was billed as "the sport of the average man," and the opening-night reports said that "shirt sleeves were in evidence throughout the packed grandstand," in contrast to the flat track where coats and ties were obligatory.

In these early days of harness racing as "big sport," prominent personalities were influential. Gilmour had been a classmate of E. Roland Harriman, one of the patrician leaders of the sport, and Harriman joined the Saratoga endeavor. So did Dunbar Bostwick and Elbridge T. Gerry. Frank L. Wiswall, a Loudonville resident and a state senator, was also among the founders. Between wealth and political influence, harness racing's supporters were positioned to develop a successful sports operation. In the second year of racing they scored a coup: they brought to the Saratoga facility a stop on Grand Circuit Racing, a nine-month-long competition matching the top two- and three-year-old Standardbreds.

Wiswall quickly became the force behind Saratoga harness racing. He took over from Gilmour in 1945, and recruited Albany attorney Ernest B. Morris to buy out Gilmour's ownership. But Harriman, Bostwick, and Gerry remained important shareholders, and director's meetings were held in New York at Brown Brothers Harriman, the private bank controlled by Harriman and Gerry families.

Wiswall's timing was perfect. Immediately after the end of the World War II, harness racing began a decade of rapid growth. In 1946, Wiswall upgraded the facilities; he built a new clubhouse, covered and enlarged the grandstand, created a training track along with additional stables, and initiated radio broadcasts of the races. After the mid-1950s, growth slowed, but harness racing held its own through the 1960s.

The tradition of local ownership and management continued under Ernest Morris, who gave up his successful law practice to take over operations in 1963 and brought his son, David, in as general counsel. Ownership was shared with the Harriman and Bostwick families until about 1980. In a \$3 million crash remodeling program in 1964-65, Morris created what many regarded as the finest harness racing facility anywhere in the country. A few years later more renown came when, on September 6, 1969, the half-mile world record was broken at Saratoga by Nevele Pride with a time of 1:56.4. The Morrises were champions of the small bettor, believing that a win by a favorite was best for the track because it spread the money into many hands, creating an incentive to return. They were also protective. Ernie Morris didn't want exotic betting, believing it led to corruption. And he was known to have tossed out more than one patron he felt was not handling money wisely. David Morris represented Saratoga and



all the state's harness tracks in an unsuccessful attempt to stop the introduction of Off-Track Betting (OTB) in 1971. In that year, daily average attendance was a respectable 4,175 (with an all-time top annual handle of \$46.4 million), but in competition with OTB, handle and attendance began to decline; by 1974 attendance was exactly half what it had been. The Morris family doggedly continued their dedication to quality racing. David Morris became full-time track administrator in 1973 and succeeded his father when the elder Morris retired two years later. He introduced winter racing in 1978, and he proposed auxiliary facilities in an attempt to subsidize racing, such as a hotel and a golf course. He even suggested using the property as a site for the City Center. The Saratoga Harness Hall of Fame opened in 1983 on the grounds of the harness track, honoring the great horses and drivers of the sport.

OTB continued to draw spectators and handle away from the tracks and into the betting parlors. Despite the dedication of Morris family to the sport, they seized an opportunity to sell out to an Albany-based syndicate of investors in March of 1987, resulting in Frank Fitzgerald becoming president of the facility. The new owners brought a willingness to cooperate with OTB, and they developed other sources of income, providing stabling for Thoroughbreds from the flat track and adding two polo fields and an outdoor arena, a fine restaurant at The Lodge (formerly the harness track's executive offices), and special events such as concerts; they even attempted to secure city approval for a water park. To demonstrate a broader mission, they changed the facility's name in 1995 to Saratoga Equine Sports Center. With later additions including a sports bar and grandstand workstations, receipts jumped from an average of \$100,000 per night in 1999 to nearly \$250,000 per night in 2000.

But the continued decline in attendance and on-track handle was finally addressed in legislation, passed late in 2001, allowing Video Lottery Terminals (VLTs) at harness tracks in New York state, an innovation approved by Saratoga County in 2002. Heavy infrastructure investment followed. By the end of the following year, the facility had been renamed Saratoga Gaming and Raceway, and 1,400 VLTs were in use. The operation took off. In 2004, new buildings added 100,000 square feet to the plant to accommodate the gaming, and a further expansion in 2007 added 400 new machines.

**But it's the explosion of gaming revenue that has made Saratoga Gaming and Raceway into a 21st century phenomenon.** At the end of a legislative session, Senate Majority Leader Joseph Bruno was able to secure over \$3 million in VLT revenues for the city. The funding continued into 2009 when a new state administration abolished the mandate. Despite that loss, the facility's annual impact on the Saratoga County economy in 2007 was estimated at \$115.8 million and such high numbers continue to benefit us all.

Prior to the introduction of VLT's at Saratoga Gaming and Raceway in January of 2004, there were just 129 days of live harness racing in 2003 with total purses pegged at \$2.9 million. In 2012, there will be 170 days of live harness racing with the local horsemen competing for over \$15 million in purse money. Purses will average about \$88,000 per program for the season and will be augmented by another \$2,000,000 in purse money dedicated to New York bred pacers and trotters competing at Saratoga in the prestigious New York Sire Stakes program.

In 2011, Saratoga Gaming and Raceway was given permission by the New York State Lottery to change its name to Saratoga Casino and Raceway. The facility currently has 622 employees and a payroll of over \$16 million. Taking into account its direct operations and contributions to state and local government, Saratoga Casino and Raceway accounts for over \$150 million in economic impact to Saratoga County and the State of New York through operations.



# The Boston Globe

## Metro

### As casino decision looms, new questions arise

Revelation in controversy over Everett land ownership poses challenge for commission

By **Andrea Estes**

| GLOBE STAFF | SEPTEMBER 15, 2014



Charles Lightbody boasted he had found a way to profit from the casino sale.

During last week's casino hearings, the chief investigator for the state gambling commission revealed that a longtime business partner of the felon Charles Lightbody stands to make more than \$1 million from the sale of land in Everett to Steve Wynn for a casino.

On Sept. 8, investigator Karen Wells said Jamie Russo would receive 3 percent of the land proceeds for work as a "consultant slash lobbyist." A commission attorney also said that one of the three owners of the land, Anthony Gattineri, who had initially borrowed money from Lightbody, had paid him back with interest in June.

The gambling commission, which will begin final deliberations Monday on competing applications from Wynn in Everett and Mohegan Sun in Revere, subsequently reaffirmed that Wynn was a suitable applicant. But at least one longtime commission critic says that Russo's emergence suggests that Lightbody, who has a long history of assault charges and a fraud conviction, could still be involved in the land deal despite extensive efforts to drive him out.

"These are profoundly serious problems for the gaming commission," said Greg Sullivan, the former state inspector general and now policy director for Pioneer Institute, a think tank.

"The attorney general's office should be investigating. The whole process is mired in controversy and the whole process should be suspended until this can be fully investigated," he said.

Russo has a long history of close cooperation with Lightbody, once cashing in chips at Foxwoods casino when Lightbody won more than \$100,000 in what casino regulators said was a bid to evade

**federal treasury authorities, and possibly taxes.** This year, Russo moved to buy a strip club near the casino site after Lightbody boasted in a taped conversation with a prison inmate that he had acquired the place.

A spokeswoman for Boston Mayor Martin J. Walsh, who last week accused the gaming commission of ignoring the Everett land ownership controversy, repeated Walsh's call to delay this week's vote on whether Everett or Revere should host the Boston area's only casino.

In an e-mailed statement, gambling commission spokeswoman Elaine Driscoll said the commission conducted a "thorough" investigation and "reaffirmed" Wynn is "suitable in all respects." In addition, the panel found the owners of the land will have no involvement in casino operations if Wynn receives the license.

Driscoll noted that "suitability is always open for reexamination."

The commission previously has taken pains to ensure that Lightbody and another onetime partner in the land deal don't profit from Wynn's proposed \$1.6 billion casino, even requiring the three principal land owners to sign a declaration that no one else will benefit from the \$35 million land sale.

Wells last week said that Russo refused to speak to investigators, but two of the land owners, Dustin DeNunzio and Paul Lohnes, told investigators Russo didn't have a contract. **DeNunzio couldn't say whether Russo would receive 3 percent of the profit or the gross proceeds of the land sale.**

Russo's lawyer, Martin Weinberg, said his client is "a legitimate entrepreneur and businessman. He's been listed by the owners as a consultant."

Russo, he said, declined to speak to commission investigators on his advice.

"Mr. Russo is neither an owner of the land or an applicant for a casino license and had no obligation to assist in a gaming commission investigation," Weinberg said.

Timothy Flaherty, Lightbody's lawyer, said Russo's involvement in the land deal has nothing to do with Lightbody.

"Charles Lightbody and James Russo are business associates who have been involved in various deals for the past several years; in every instance, their transactions have been conducted within the spirit and letter of the law," said Flaherty, insisting that Lightbody transferred his interest in the land before Wynn offered to buy it in December of 2012.

The third owner, Gattineri, who borrowed \$1.7 million from Lightbody to purchase his interest in 2012, repaid the debt with interest in June — two days before he filed his statement swearing that no secret owners would benefit from the land sale, according to gaming commission general counsel Catherine Blue.

For more than a year, state and federal investigators have been looking at whether one or more criminals have hidden interests in the 30-acre parcel along the Mystic River where Wynn wants to build his casino.

Last year, the gaming commission and the Globe disclosed that Lightbody, a Revere businessman with a four-page Massachusetts criminal record, owned a piece of the land and although he claimed to have sold his interest before Wynn optioned the property in 2012, investigators were skeptical.

**On March 23, 2001, Lightbody drew the attention of investigators when he won \$101,500 playing craps and then gave chips to Russo and two other friends to cash in.**

"During this visit Lightbody won \$101,500 but was observed using [Russo and the two other men] to cash out his chips in order to avoid CTR (cash transaction) requirements," according to casino records obtained by the Globe.

Weinberg would not explain why Russo cashed in Lightbody's chips except to say "Mr. Russo has never engaged in any scheme with anybody to evade taxes."

But nine years earlier, Russo was banned from Foxwoods after he was arrested with four other men and charged with larceny, forgery, and criminal impersonation in connection with a credit card fraud ring at the casino, court records said.

In November 1993, Russo pleaded guilty to a reduced charge of larceny in the fourth degree, according to court records, which included a sentencing note that read, "Stay out of Foxwood [sic] Casino." Lightbody was banned from Foxwoods in 2004 and Mohegan Sun in 2013, according to casino documents obtained by the Globe. The bans are still in effect.

Last year, Russo signed papers to buy the notorious King Arthur's strip club in Chelsea, located close to the casino site.

When Lightbody's role as an owner of the potential casino land was exposed, he told a friend in a taped prison conversation that he had found a side avenue to profit from the casino anyway — a secret ownership of King's Arthur's.

Russo and DeNunzio were listed on records as buying the club, though their efforts have been thwarted by Chelsea city officials. Concerned that criminals might be taking over the club, they revoked the club's liquor, nude entertainment, and innholder licenses in late July.

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# The Boston Globe

## Mayor's ties to shady pair cloud casino plan

An ownership tangle, with two felons perhaps in the mix, for Everett site where Vegas mogul hopes to build

By Sean P. Murphy, Andrea Estes and Scott Allen  
| GLOBE STAFF JUNE 22, 2014



**Mayor DeMaria (left) did not disclose his friendship with Charles Lightbody.**

EVERETT — Residents of Waters Avenue had been fighting a proposed 200-unit apartment building for five years, warning city officials that it was just too big, with too little parking for a short street already choked with cars.

But developer Gary P. DeCicco — a felon with a history of fires of suspicious origin on his properties and nasty disputes with the government over his unpaid taxes — found a new ally when Mayor Carlo DeMaria took office in 2008.

DeMaria stood virtually alone in support of DeCicco's project at a key 2010 hearing, admitting that even his staff opposed the plan, meeting minutes show. But with the mayor's blessing, DeCicco won the approvals he needed, setting up DeCicco and his partners to make millions when they sold the land to another developer as soon as they secured their permits.

The mayor's relationship with DeCicco and another felon, their mutual friend Charles Lightbody, sheds new light on the controversy over Steve Wynn's proposal to build a \$1.6 billion casino in Everett along the Mystic River. DeCicco and Lightbody were among the investors who bought the land in 2009, but their names disappeared from official documents by the time Wynn arrived in 2012.

When the Globe reported late last year that the two felons might be among the owners, the news threatened to derail the casino proposal, and spurred a federal and state investigation into potential secret owners and whether anyone gave false statements to government officials.

Through it all, DeMaria has been Everett's biggest casino booster as the city voted overwhelmingly in favor of Wynn's plan. He even offered to have Everett acquire the proposed casino site by eminent domain to make sure any questionable characters were bought out before the casino was approved.

**But one thing DeMaria did not do is disclose his relationship with DeCicco and Lightbody or their involvement in the casino project, which would have been a serious black mark against Wynn's effort to obtain a state casino license.**

It is illegal in Massachusetts for felons to have a financial stake in a casino, which regulators have interpreted to include an indirect stake such as owning a casino site.

DeMaria also filed no ethics disclosure showing that he had what state gambling regulators call a "longterm personal friendship" with Lightbody, and that Lightbody was his main contact among the owners of the proposed casino site. Before his participation in the project became public, Lightbody stood to make millions from the casino that DeMaria was promoting.

State ethics law calls for disclosure of any relationship that could create the impression that a public official is biased, including "close friendship."

DeMaria said in a written statement that he saw no reason to disclose his relationship with Lightbody or DeCicco, a political supporter who the mayor acknowledges has twice had him as a guest on his private yacht. DeMaria said neither relationship created a conflict of interest in his pursuit of a casino for his hard-luck city.

DeMaria also said he sees no problem associating with DeCicco and Lightbody.

"As mayor of the city, you associate on a daily basis with people from all walks of life," he said in his statement to the Globe.

DeMaria had no interest in discussing the casino controversy further, canceling four scheduled meetings with the Globe before finally admitting he does not want to be interviewed.

"I've done nothing against the law," he said.

## **The mayor's friends**

Everett, one of the poorest cities in the state, has a history of rough-and-tumble politics, producing a respected House speaker on the one hand, and a disgraced state representative who went to prison for voter fraud last year on the other. DeMaria grew up in the thick of it, winning election to the city's Common Council before he had graduated from Northeastern University.

Now 41, DeMaria is the picture of a successful politician, a garrulous personality with a photogenic family and a silver Mercedes that he parks in the mayor's space at City Hall. He has done well financially, too, as the owner of four Honey Dew Donut shops and two houses in Everett, including a two-family.

Beneath the polish, however, critics say DeMaria plays hardball, using the power of his office to benefit himself. A scrap dealer filed a federal lawsuit in 2011 charging that DeMaria singled him out for inspections and penalties because he did not give regularly to the mayor's campaign. He said DeMaria told him, "Your problem is you should get on board [and] attend my fund-raising events."

DeMaria and other officials denied all the allegations, but agreed to find the dealer in compliance with city rules and stop enforcement actions against him, after a federal judge found "evidence of personal malice and bad faith negotiations" on their part. The dealer, in turn, dropped the suit.

And some question DeMaria's choice of personal associates, among them numerous convicted criminals. The mayor, a regular gambler who plays cards at various social clubs, counts among his campaign donors at least six convicted bookmakers, including one, Scott Martinelli, who was identified by prosecutors as a leader of a massive sports gambling and narcotics ring in 2004. He was convicted on gambling offenses.



Despite Martinelli's criminal record, the city hired Martinelli to work in the public works department and Martinelli's wife to work in DeMaria's office, city records show. The Martinellis then gave \$1,250 to DeMaria's campaign.

Lightbody, a wealthy businessman who owns 12 properties in Revere alone, has a four-page Massachusetts criminal record that includes 10 assault charges, three counts of illegal weapons possession, and two counts of witness intimidation. He has been convicted at least eight times.

Despite that raft of charges, Lightbody has served only two short prison terms of a couple of months apiece, according to his criminal record. When he admitted to his role in a massive identity theft ring that targeted immigrants — police seized vast amounts of merchandise from his home that was allegedly purchased through credit card fraud — Lightbody was sentenced to probation.

Approached by a Globe reporter this month during a court hearing on his alleged 2013 assault against a supporter of the casino proposed for Revere, Lightbody politely declined to answer questions about his record or his relationship with the mayor of Everett.

"You guys have already bashed me pretty good," he said, referring to previous news coverage. "I don't have anything to say."

DeMaria, who refers to Lightbody as Charlie, said in his statement that the men became friends 15 or 16 years ago when Lightbody came into the Revere Honey Dew Donuts while DeMaria was behind the counter. The mayor said that the two have gone to restaurants together, but DeMaria stressed that the friendship is limited.

"We have not been to each other's homes, do not socialize together with our wives, do not vacation together and do not go to clubs together," according to his statement.

Lightbody has been a political supporter of the mayor. He has given DeMaria \$3,500 in political contributions since 2002 and his business partners have given at least as much, according to state records.

After DeMaria's election, the city of Everett hired Lightbody's partner Jamie Russo, who was arrested in the early 1990s as part of a ring using forged or stolen credit cards to get cash at Foxwoods Casino in Connecticut.

DeMaria did not know Gary DeCicco well when he took office in 2008, but the two had a powerful reason to connect when DeCicco emerged as one of Everett's leading businessmen, an owner of two of the city's most important development sites. One was the long-stalled Waters Avenue apartment project; the other was the abandoned and highly contaminated Monsanto Chemical Co. site.

DeCicco took it upon himself to build a relationship with DeMaria, testifying in a civil lawsuit that he personally informed DeMaria about his purchase of the Monsanto land that would become Wynn's proposed casino site. He also met with the mayor more than once to discuss his proposed apartment project.

DeMaria insists that DeCicco is not his friend, just a local businessman he knows.

"He was interested in developing property in Everett. He took me to see a marina he had developed in Winthrop," DeMaria said in his statement.



WENDY MAEDA/ GLOBE STAFF

**Mayor Carlo DeMaria of Everett said his 2010 intervention on behalf of developer Gary P. DeCicco's controversial apartment project at Waters Avenue was not a personal favor, but part of his plan to boost property values in the city. DeCicco is a felon with a history of suspicious fires on his properties.**

By the time DeMaria took office in 2008, DeCicco was already a felon who had been investigated for arson fires and who the federal government said owed more than \$1 million in back taxes. His own lawyers said during his insurance fraud trial that the federal government regarded DeCicco as "a tax cheat of major proportions."

Fire officials say that there have been at least eight suspicious fires on property owned by him, his family, or his longtime girlfriend, including a 1995 warehouse fire in Chelsea that displaced nearby residents and resulted in firefighter injuries. Federal prosecutors said that fire, the third at the same address, was part of a scheme to collect insurance and DeCicco was convicted of fraud — though he was acquitted of arson.

"This guy was a suspect in setting several arson fires," said Joseph M. Siewko, the retired fire chief in Chelsea, who worked with a federal and state task force investigating DeCicco in the 2000s. "We considered him to be a dangerous guy . . . He was involved in a lot of stuff and nothing stuck. He skated on a lot of stuff, I don't know how, but he did."

DeCicco's lawyer said his client is a "legitimate businessman" who never committed arson, noting that some of the burned buildings did not even have insurance on them.

"Gary DeCicco is a guy who resolves disputes gruffly and he's made a lot of enemies over the years," his lawyer, Joseph Oteri, said. "There may be someone out there trying to set him up on these fires."

DeCicco continues to careen from one battle to another: a restaurant in Saugus, the Atlantic Lobster Co., owned by his longtime girlfriend, caught fire several times during a long fight with town officials about DeCicco's plans to develop the property. Then, in 2011, DeCicco and his girlfriend, Pamela Avedisian, were fined \$100,000 for destroying wetlands as they cleaned up the rubble.

**Currently, DeCicco faces mounting anger from Winthrop officials about allegedly illegal sewage discharges into the harbor at his Atlantis Marina development.**

**In the middle of the dispute, a condo resident who had objected to the pollution charged that DeCicco threatened to kill him.**

**According to a police report, Michael Segal said that he had made an offhand remark about DeCicco — "Quite the guy, that client of yours." — in an e-mail to DeCicco's attorney.**

Segal told police in the Dec. 18, 2013, report that DeCicco called almost immediately and unleashed a stream of profanities, saying he would “teach you what a baby you are . . . I’ll be downstairs tomorrow at 9 waiting for you. You’re making the biggest mistake of your life. That’s the end of you.”

DeCicco, through his lawyer, denied threatening Segal.

DeMaria insists that his 2010 intervention on behalf of DeCicco’s controversial apartment project at Waters Avenue was not a personal favor, but part of his plan to boost property values in the city.

“It was part of my vision for that area, to get young professionals into the city,” he explained during a brief City Hall exchange in late May.

DeCicco never built the apartments, selling the property for nearly quadruple the \$1 million purchase price one month after securing the final required permit. Another company is now building the apartments.

And DeCicco showed his appreciation, along with his business partner, donating \$1,500 to DeMaria’s campaign after DeMaria threw his support behind the Waters Avenue project.

DeCicco also invited DeMaria aboard his yacht twice, the mayor confirms, at least once going out for a ride on Boston Harbor.

DeMaria does not deny the boat ride, but stressed that the trip was not a political fund-raiser. “I have nothing to hide,” he insisted.

## The casino



BIZUAYEHU TESFAYE/AP

DeMaria and his wife, Stacey (left), arrived at City Hall in Everett with casino mogul Steve Wynn and his wife, Andrea Hissom, in 2012. The names of DeMaria’s friends had disappeared on paperwork by the time Wynn arrived.

By the time Steve Wynn and his entourage toured the old Monsanto Chemical site with DeMaria in November 2012, DeCicco and Lightbody were no longer listed as owners. Though the two had been part of the group of four who bought the property in 2009 for \$8 million, each said he withdrew from the deal prior to Wynn’s arrival.



Instead, three men, who called their company FBT Everett Realty, presented themselves as the owners and these three — Paul Lohnes, Anthony Gattineri, and Dustin DeNunzio — negotiated the deal under which Wynn Resorts would pay them \$75 million if the company won approval for a resort casino on the land, according to gambling commission documents.

Gambling commission investigators later concluded that the official owners said nothing to Wynn representatives about the involvement of the felons in the original purchase of the land and, as a result, Wynn did not know that DeCicco had been involved as an investor until a Boston Business Journal article in December 2012.

And Wynn officials say they didn't discover Lightbody's involvement until July 2013, when one of the partners, DeNunzio, admitted backdating documents to make it look like Lightbody had been bought out before Wynn arrived.

But DeMaria — the official who Wynn Resorts executives say attracted them to Everett in the first place — apparently knew that Lightbody was involved from the beginning. He told investigators for the gambling commission that he was aware that Lightbody was a co-owner of the land, saying “my only contact for FBT would have been Charlie.”

For months after Wynn's arrival in Everett, Lightbody seemed to have inside knowledge of the casino project's progress, based on tape-recorded conversations from August 2012 to June 2013 with a state prison inmate, an organized crime figure named Daren Bufalino.

For instance, Lightbody talked hopefully to Bufalino about the planned first meeting between Wynn and DeMaria at the mayor's office, listed on DeMaria's calendar for Nov. 14, 2012.

“Steve Wynn is supposed to be coming down tomorrow at 10:30 to talk to the mayor,” Lightbody told Bufalino on Nov. 13, 2012, the day before the planned meeting, according to a transcript of the conversation from the gambling commission. “You'll probably see this on the news.”

The prison tapes make clear that Lightbody understood the need to avoid having his name connected to the 30-acre proposed casino site.

“I'll take my name off. I have no problem and now actually it works out 'cause with these casinos, they see my name in there, they ain't gonna like it,” Lightbody told Bufalino on August 16, 2012. “So I will never show up on it, which is a good thing . . . I'm kind of excited about it.”

DeMaria has not answered questions about what information, if any, he passed along to Lightbody.

However, DeMaria told gambling commission investigators that he believed Lightbody was still financially involved after the June 2013 vote in Everett to support Wynn's proposal, in part because Lightbody seemed excited by the vote.

That would be almost 10 months after Lightbody supposedly withdrew from the real estate deal, based on documents provided to the gambling commission by FBT Everett Realty.

DeCicco's continuing role in the land deal, if any, is more ambiguous. DeCicco didn't pay his share of the 2009 purchase price, recruiting Lightbody to invest \$1 million in hopes of shoring up the financing of the deal. However, DeCicco still didn't have money to pay his share, eventually angering Lightbody and the other partners.

DeCicco “robbed everybody . . . He's a [expletive] bad dude, man, bad to the bone,” Lightbody told Bufalino in December 2012. In the taped conversation, he said that DeCicco was no longer part of the deal.

But gambling commission investigators could not determine whether DeCicco was really out, in large measure because the documentation related to ownership of the site was rife with inconsistencies.

Investigators found a January 2012 document that showed DeCicco was no longer an owner, but also another document dated three months later showed that DeCicco was only then transferring his ownership to Lightbody.

As a result, the gambling commission in late 2013 required Wynn to renegotiate the land deal in hopes of squeezing out any secret owners.

Wynn slashed the purchase price from \$75 million to \$35 million, and regulators required the three official owners to sign pledges that no one else would receive the money.

Last week, Gattineri finally signed the pledge. Gaming commission investigators, saying they remain concerned about the “cast of characters” in the deal, turned their information over to state and federal investigators who are now calling witnesses before a grand jury.

# The Boston Globe

## Casino site's owner to sign pledge

Gattineri says he has no secret partners for property in Everett

By **Andrea Estes**

| GLOBE STAFF JUNE 13, 2014



**Anthony Gattineri owns 46.7 percent of the land.**

The co-owner of the Everett property where Steve Wynn wants to build a casino has changed his mind and says he is willing to sign a pledge that he has no secret partners, people briefed on the issue said, potentially removing a major roadblock to the \$1.6 billion project.

Anthony Gattineri, who officially owns 46.7 percent of the proposed casino site, has refused for months state regulators' demand that he sign an ownership statement amid investigators' persistent questions about whether one or more criminals have hidden interests in the 30-acre parcel.

Now, people briefed on the situation say Gattineri is expected to sign the pledge after all, as long as the state gambling commission approves a plan for him to pay off a debt of more than \$1 million to Charles Lightbody, a felon and a former owner of the land. Lightbody claims he sold his interest two years ago, though state investigators are skeptical.

Wynn Resorts, the gambling commission, and the landowners all declined to comment on Gattineri's change of heart. But a person directly involved in the casino project said Wynn has made it clear that he is prepared to pull out altogether if Gattineri does not sign, potentially costing Gattineri and his partners millions.

Critics of the Everett proposal said Gattineri's pledge will not end the controversy about ownership of the land, a former industrial site along the Mystic River. They note that one of Gattineri's partners, **Dustin DeNunzio, has already admitted deliberately back-dating documents to make it appear that Lightbody sold his interest in the land before Wynn proposed a casino.**

"The signing of the document at this late date, after months of refusing to do so and refusing to explain why, only raises more questions about who has benefited from this land deal," said Dan Rizzo, mayor of Revere, where Mohegan Sun has a rival casino proposal. "This just plain stinks and should be investigated further."

An aide to Boston Mayor Martin J. Walsh, who has raised doubts about the Everett casino in part because of questions about who owns the land, said the continuing controversy is pushing the city closer to filing a lawsuit to give the city more say over casino proposals in Everett and Revere.

Questions about the ownership of Wynn's proposed casino site have consumed enormous amounts of the gambling commission's attention since state law forbids felons from profiting from a casino. A felon named Gary DeCicco, who has been convicted of insurance fraud, was a partner before Wynn settled on the site in late 2012 but said he gave up his interest years ago because he could not pay his share of the \$8 million purchase price.

Likewise, Lightbody, who has a four-page rap sheet and has served prison time for assault, said he sold his interest in the land-holding company, called FBT Everett Realty, in 2012.

But gambling commission investigators suspected that Lightbody and perhaps DeCicco were still involved in 2013, and commissioners required Wynn Resorts to renegotiate the land deal. Last fall, Wynn dropped the price from \$75 million to \$35 million to make the deal less profitable for secret owners. Meanwhile, the gambling commission required the official owners to sign statements saying that only they would collect proceeds from the sale.

Gattineri's partners, Paul Lohnes and DeNunzio, signed the pledge last Dec. 23. But Gattineri refused to sign because his criminal attorney Brad Bailey had advised against it on the grounds that there is an ongoing federal and state investigation into the ownership of the land. Gattineri also declined to testify under oath to gambling commission investigators.

Mayor Carlo DeMaria of Everett, one of the leading boosters of Wynn's casino plan, had been pushing a backup plan that might have eliminated the need for Gattineri's signature. Under DeMaria's proposal, the city of Everett would take over the land from FBT Everett Realty by eminent domain and immediately resell it to Wynn.

But that plan was fraught with potential legal and logistical problems, including a state review process that could last months or longer. Under gambling commission rules, a successful applicant must control the land for the casino within 60 days after being awarded a license. The gambling commission is expected to decide whether Everett or Revere will get the Eastern Massachusetts casino by late August or early September.

Someone involved in the project said that Wynn wanted Gattineri to sign the pledge quickly, and he was not prepared to wait for the eminent domain plan to be approved.

"Wynn doesn't want to do eminent domain," the person involved in the project said. "Either [Gattineri] signs or not."

Gattineri finally relented and said he would be willing to sign, the person involved in the project said, preserving the possibility that he would be paid more than \$16 million if Wynn gets his casino.

It is unclear how much Gattineri owes Lightbody. Gattineri's partner DeNunzio produced documents showing that Gattineri purchased Lightbody's stake in the land for \$1.7 million; with interest, the amount could top \$2 million. But Gattineri, whose lawyers would not comment, told investigators he owed Lightbody only \$1 million.

Lightbody, a major source of money FBT used to buy the casino site, might now be squeezed out of the deal altogether. Last year, when Lightbody's role as a land owner was exposed, he told a friend in a taped prison conversation that he had found a side avenue to profit from the casino anyway: a secret ownership of a nearby strip club called King Arthur's in Chelsea.

But Chelsea city officials, concerned about the possibility that criminals might be taking over the notorious club, have moved to take back the liquor license by June 16 and are also foreclosing on the property because of about \$300,000 in unpaid taxes. Jamie Russo and DeNunzio, the

Lightbody associates officially buying the club, have filed suit against the owners of King Arthur's to prevent them from transferring the liquor license to anyone else.

However, a judge earlier this week rejected a request by Russo and DeNunzio to block Chelsea from revoking King Arthur's liquor license, saying it is up to the city to decide "the needs of the public and the public safety."

*Sean P. Murphy of the Globe Staff contributed to this report. Andrea Estes can be reached at [andrea.estes@globe.com](mailto:andrea.estes@globe.com).*



# The Boston Globe

Metro

## Gambling panel OK's revised Everett land deal

By Mark Arsenault, Scott Allen and John R. Ellement

December 13, 2013



In a key vote that keeps Wynn Resorts in the hunt for the state's most lucrative casino license, the Massachusetts Gaming Commission today voted 4-0 to approve a revised land deal between Wynn and property owners in Everett.

The vote includes the requirement that the partners who control the land through FBT Everett Realty LLC sign notarized statements that they alone are the beneficiaries of the \$35 million deal with Wynn, a demand added by the commission after its investigators learned of an alleged hidden interest in the property for convicted felon Charles A. Lightbody.

"It's intolerable for people to tell us things that are not true," Commissioner James McHugh said before the vote, referring to Lightbody's hidden role.

Lightbody repeatedly discussed his plans to conceal his role in the Everett property with Darin Bufalino, a long-time organized crime figure now serving a state prison sentence, according to state records.

The connection between Lightbody and Bufalino is included in a sheaf of documents released today by the commission before its vote on what a commission staffer described as "one of the most complex and convoluted fact patterns to put on paper."

While raising questions about the true ownership of the Everett property, the commissioners also said that there was "no evidence whatsoever" that Wynn Resorts officials knew about hidden ownership in the Everett property.

According to documents released by the commission today, investigators recorded a series of phone conversations in late 2012 between Lightbody and Bufalino, the enforcer for a crime family, in which the men discuss Wynn's planned purchase of an option to buy the land in Everett.

Though Lightbody was not a listed partner with the land owner, FBT Everett Realty, documents provided to gaming commission investigators showed Lightbody was an undisclosed partner in the 29-acre property.

On Dec. 5, 2012, as Wynn is negotiating the deal, Lightbody assures Bufalino that "we've got Steve Wynn in our corner ... We took on Wynn, now Wynn is supposed to start paying up \$100,000 a month December 14."

A week later, Lightbody tells Bufalino he's waiting for Friday because "Friday is the day that they sign or they don't sign," referring to the land deal between FBT and Wynn.

Lightbody, who has a lengthy criminal record, tells Bufalino that Wynn can't sell the land to a felon, "but the only good thing is, nobody knows who's involved which makes it good because now I can just move on, you know what I mean? So basically they're going to buy me out."

In its report, commission investigators said they believe that Lightbody had a 12.5 percent ownership stake at the time of the deal with Wynn. Paul Lohnes, a former business partner of Commission Chairman Stephen Crosby, had a 50 percent stake followed by Anthony Gattineri (15 percent); Gary DeCicco (19.5 percent) and Dustin DeNunzio (3 percent).

The surviving partners of FBT Everett Realty are Lohnes, Gattineri and DeNunzio, records show.

The commission said that Lohnes, Gattineri and DeNunzio do not have criminal histories. DeCicco was convicted of insurance fraud and forgery, but was acquitted of arson, according to the board.

Crosby has recused himself for having any role in the review of the Everett land deal, not the casino licensure.

Wynn chose the Everett site in late 2012, after local opposition in Foxborough persuaded him to give up plans to build a casino near Gillette Stadium. The developer said he liked the Everett parcel, a contaminated former Monsanto chemical site, for its proximity to the Mystic River and for the skyline views of Boston.

Wynn signed an option to buy the land a year ago, and last June Everett voters overwhelmingly endorsed Wynn's plans to develop a \$1.3 billion casino hotel at the site. Wynn had originally offered to pay about \$75 million for land that FBT Everett Realty LLC bought in 2009 for little more than \$8 million, according to people familiar with the deal.

But state casino investigators reviewing Wynn's option deal as part of the company's mandatory background check raised concerns that undisclosed partners may have a stake in the land. The Globe reported last month that a federal grand jury and other agencies are investigating whether Lightbody, a Revere businessman with a long

criminal record, had a role as a secret investor who stood to collect a windfall if Wynn bought the parcel.

To address the concerns of investigators, Wynn Resorts rewrote the sales agreement for the former industrial land, slashing the price the company will pay if the casino is built to minimize the possibility that any undisclosed partners could benefit from a gambling business.

Kim Sinatra, general counsel for Wynn, told the commission today that the new price has been cut to \$35 million, with \$10 million of that to be used to cover the costs of environmental clean-up.

On Wednesday, another gambling company, Caesars Entertainment, filed a federal lawsuit against Crosby, accusing him of discriminating against the company because he was predisposed to favor the Everett project that would benefit Lohnes.

Caesars was dropped from a rival project at Suffolk Downs in October, after commission investigators issued an unflattering background report on the company.

Crosby and the commission say the lawsuit is “without merit.”

Wynn Resorts is expected back before the commission on Monday, to review the results of the full background check on the international company.

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# BOSTON BUSINESS JOURNAL

BOSTONBUSINESSJOURNAL.COM

VOL. 32 NO. 47 DECEMBER 14-20, 2012 \$4.00

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## THE COMING FISCAL STORM

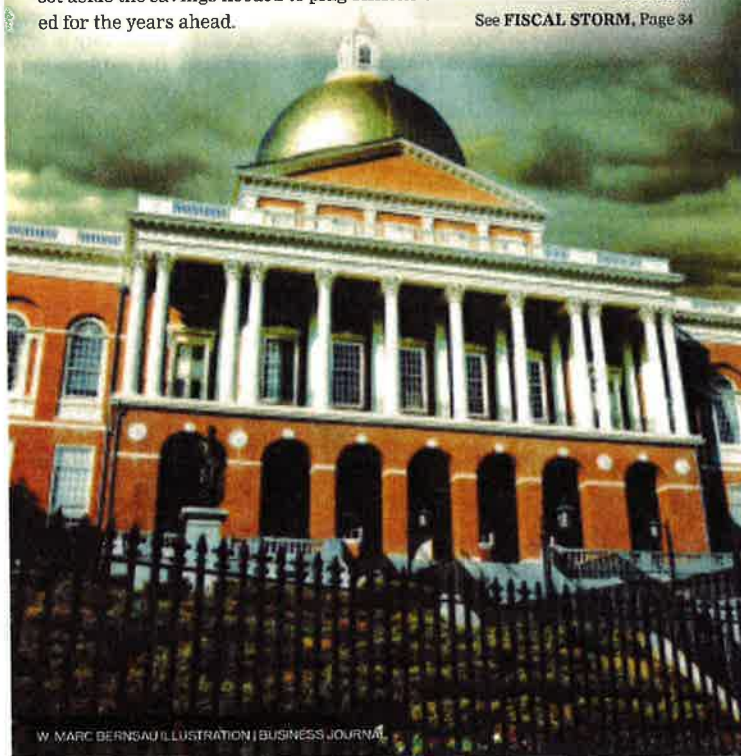
Unfunded retiree obligations promise to swamp the budgets of cities and towns

By Craig M. Douglas | cdouglas@bizjournals.com

Cities and towns in Massachusetts have reached a tipping point, one in which the cost to provide basic services and benefits to public retirees has far outstripped the local revenue collected to fund those obligations.

Budget and policy experts agree that radical action is needed to stop the trend, which already is crowding out funding for core areas such as schools and public safety. The fiscal hole will only deepen as long as communities fail to implement sound budget practices and set aside the savings needed to plug billions of dollars in shortfalls forecasted for the years ahead.

See FISCAL STORM, Page 34



W. MARC BERNBAUM ILLUSTRATION | BUSINESS JOURNAL

## Everett casino site could be a gamble for Wynn

By Galen Moore

gmoore@bizjournals.com

A sliver of Boston extends across the Mystic River to the Everett side, stretching over the Alford Street bridge along Route 99 toward the foot of Broadway. The city's border runs down the middle of Chemical Lane, the only existing road into a former industrial site on which Everett Mayor Carlo DeMaria has fixed his hopes for a casino.

The list of potential problems facing a proposed casino on that site begins with Boston's encroachment: The nearly 35-acre property straddles the city line, raising the possibility that formal host-community approvals could be needed in both Boston and Everett.

The complications don't end there. The soil at the site, once used by Monsanto for a chemical plant, is laced with poisons. A former litigant still holds an easement to the property. And a business associate who only recently relinquished his role in the property's ownership was convicted of insurance fraud after his derelict warehouse was gutted by arson in the 1990s. Any one of these facts might trip up a would-be casino developer like Wynn Resorts CEO Steve Wynn, who flew in to tour the site two weeks ago. Hard Rock Cafe International Inc. and



### EVERETT CASINO SITE

This map shows Chemical Lane — where the Boston city limit extends across the Mystic River along the Alford Street Bridge, encompassing a sliver of land on the Everett side between Route 99 and a potential casino site.

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BUSINESS JOURNAL on WBZ

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# EVERETT: Host of site issues could threaten Wynn casino plan

FROM PAGE 1

**Rush Street Gaming LLC** — two other casino developers reportedly approached by DeMaria — have remained on the sidelines.

A spokeswoman for Las Vegas-based Wynn said the casino developer has examined all those issues and remains interested in the Everett site. DeMaria's office did not return calls seeking comment.

A 2012 report by **GEI Consultants**, paid for by FBT and filed with the state **Department of Environmental Protection**, referenced earlier studies going back to 1995 that found arsenic and lead in the soil at concentrations too high to allow use for "retail or landscaped areas," according to DEP standards. Monsanto, which owned the site for decades, filled in land with arsenic-laced materials used in the manufacture of sulfuric acid, according to the studies.

Wynn acknowledged the need for the cleanup in a news conference last month, saying the property's current owner, a trust called **FBT Everett LLC**, will pay for the remediation — a cost that will surely come up in any negotiations with FBT's manager, **The DeNunzio Group LLC** of Cambridge.

Everett officials have so far been solicitous of a casino. But Boston may play a role. A 5.4-acre portion of FBT's Chemical Lane property lies within Boston city limits. Wynn spokeswoman Nancy Sterling, of Boston public relations and lobbying firm **ML Strategies**, said the developer is interested in buying only land in Everett. But Wynn reportedly wants 37 acres. Records from the

Everett assessor's office and the Middlesex Registry of Deeds show that the Everett portion of FBT's Chemical Lane property measures 29.9 acres. The location of the other seven acres is unclear.

Access to the property could also be an issue: Chemical Lane is half in Boston, where Mayor Thomas Menino has thrown tacit support behind a competing casino bid at Suffolk Downs. Another access point from Route 99 crosses an easement owned by William Thibeault, an Everett real estate developer and owner of **Wood Waste of Boston Inc.**, who battled FBT in Suffolk Superior Court over ownership of the land and lost. A third way into the former Monsanto site could be built over the MBTA commuter railroad right-of-way behind the Everett **Costco**, which could present its own challenges. Sterling said Wynn has not yet developed a plan for building access to the property.

FBT principal Dustin DeNunzio said his firm has a suitable way into the site that could be used by a casino development, although he declined to provide details.

If Wynn's Everett casino proposal gets past Monsanto, Menino and Thibeault, it may still face a final obstacle in Gary P. DeCicco.

DeCicco, who developed the Atlantis Marina in Winthrop with DeNunzio, is on early incorporation documents for FBT. Co-owners DeNunzio, Paul Lohnes and Anthony Gattineri removed him in January 2012 — two months after Gov. Deval Patrick signed the law allowing three resort casinos and one slot machine parlor to be built in the state — and DeNunzio said DeCicco is no longer an owner of the property.

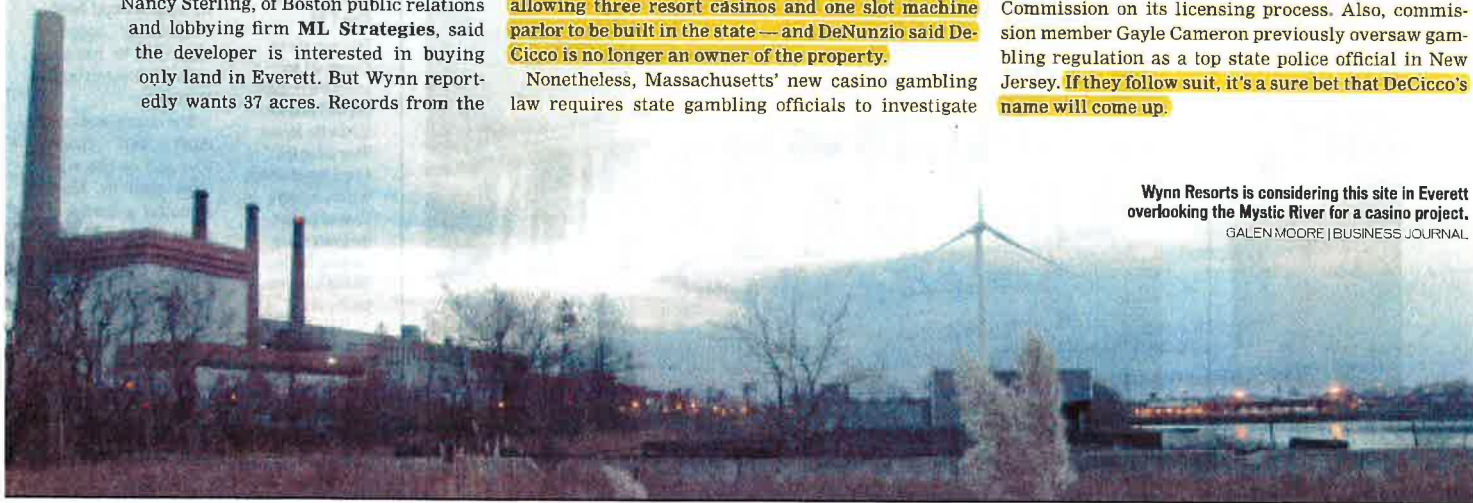
Nonetheless, Massachusetts' new casino gambling law requires state gambling officials to investigate

"the suitability of all parties in interest to the gaming license." DeNunzio declined to discuss the terms of DeCicco's separation. But if the remaining partners bought him out at a casino-related premium, DeCicco's background could play into a decision by the **Massachusetts Gaming Commission** about FBT's suitability.

DeCicco in 2004 was sentenced to two years of probation after being convicted of insurance fraud related to a 1995 fire that destroyed a building he owned in Chelsea. The fire was the third incident of arson at 17 Rear Heard St. A jury acquitted DeCicco of setting the fire, deciding that youths who illegally used the derelict warehouse as a hangout may have done it. But DeCicco, who couldn't be reached for comment for this story, was convicted of defrauding his insurance company in the \$119,000 insurance settlement by lying about demolition costs and the building's contents, and forging the endorsements of his bank and the city of Chelsea on the insurance company's check.

DeCicco's case isn't necessarily on the same scale as others where "unsuitability" has derailed would-be casino operators. MGM, for instance, backed out of Atlantic City in 2010 after New Jersey gambling authorities put pressure on the casino operator over its ties to the family of Stanley Ho, a controversial gambling tycoon in Macau. A pair of New Jersey-based gambling consultants are advising the Massachusetts Gaming Commission on its licensing process. Also, commission member Gayle Cameron previously oversaw gambling regulation as a top state police official in New Jersey. If they follow suit, it's a sure bet that DeCicco's name will come up.

Wynn Resorts is considering this site in Everett overlooking the Mystic River for a casino project.  
GALEN MOORE | BUSINESS JOURNAL





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March 25, 2014

To: Massachusetts Gaming Commission

Subject: Mohegan Sun/Revere Resort Casino Proposal

Dear Members of the Massachusetts Gaming Commission,

Thank you for the opportunity to present these comments pertaining to the Mohegan Sun/Revere resort casino proposal. I have been a Winthrop resident for nearly all of my life, except for a twelve year period when I resided in the beautiful Orient Heights neighborhood of East Boston overlooking the Suffolk Downs racetrack, East Boston's largest open green space, enjoying its sights, sounds and bucolic atmosphere.

I have accumulated over half a century of driving experience on the roads, streets and highways in the vicinity and region of the proposed Mohegan Sun/Revere resort casino site during which I have developed a detailed knowledge base of every conceivable traffic movement in the area. I have also served as Transportation Commissioner for the City of Boston, Superintendent of Tunnels for Masspike and fourteen years as a Massport board member. This public sector transportation policy background, and personal driving experience, have convinced me that the Mohegan Sun/Revere resort casino plan is not only fully compatible with the region's and local area's roadway networks but also with the transportation facilities associated with Logan Airport and the three cross harbor tunnels.

I submit these comments both as a Winthrop resident and as a transportation consultant to Mohegan Sun/Revere.

The Mohegan Sun comprehensive transportation plan is in harmony with MassDOT and Revere's plans and would be entirely privately funded.

Mohegan Sun will contribute \$45 million dollars for transportation improvements, including enhanced access to the MBTA and improvements to current traffic conditions.

Mohegan Sun's plan is designed to capitalize on its unique access to a major public transportation resource, the MBTA Blue Line, and to mitigate traffic at a dozen different surrounding locations, including resort traffic and pre-existing longstanding traffic problems such as the ramps at Route 1 and Route 16 which provide Logan Airport access from the north. If Mohegan Sun/Revere is awarded a casino license its plan will become the largest transit oriented development (TOD) in Massachusetts.

Mohegan Sun has already committed to providing airport shuttle buses to transport patrons directly from Logan Airport to the resort in approximately six minutes.

Mohegan Sun has committed to working with Revere and other local municipalities on regional road and infrastructure improvements to provide funding for optimizing key regional intersections.

Mohegan Sun has designed a proposal to improve the pedestrian conditions and upgrade the signal operations at the Bennington Street/Saratoga Street intersection that would improve the safety and traffic flow for Revere, East Boston and Winthrop residents.

Mohegan Sun has developed a proposal, in response to a request by city officials and residents, that would realign Route 1A southbound. The realignment would significantly improve the existing condition by creating a new exit from Route 1A southbound to the Curtis Street area to replace the current wide pavement area.

Mohegan Sun's improvements to Route 1/Route 16 are intended to add new critical traffic movements in order to create an important regional highway access point. Among the many updates proposed, the existing ramp configuration to and from Route 1 southbound would become a four lane off ramp connected to Route 16, east and west, with a median break and a new traffic signal. The new ramp will provide an opportunity to substantially reduce left lane and left/U-turn congestion at the Route 16/Webster Street intersection.

Thank you.

*John Vitagliano*

## Thurlow, Mary (MGC)

---

**From:** MGC Website <website@massgaming.com>  
**Sent:** Tuesday, September 16, 2014 7:34 AM  
**To:** MGCcomments (MGC)  
**Subject:** Contact the Commissioner Form Submission

### Name

Neal O'Brien

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(617)821-1737

### Subject

Traffic at Charlestown Circle

### Questions or Comments

Neal O'Brien  
82 Stowecroft Rd  
Arlington, MA 02474

Massachusetts Gaming Commission  
84 State St  
Boston, MA 02109

September 16, 2014

RE: Charlestown Circle Traffic

Dear Commissioners,  
Hopefully you are unaware of the traffic conditions at the Charlestown Circle and you're lucky enough to avoid this area each day. Gridlock is the word. My office is located two blocks from the circle and it's almost impossible to conduct business when a huge component of each day is time calculations for incoming and outgoing business appointments. There have been three or more deaths at this location this year. Without total reconstruction of this area, death, dismemberment and road rage will continue to grow to epidemic proportions. If a large gambling facility is added to this location attracting people from all over the New England and the US, the effects will be felt beyond Route 93 on the Boston side and Malden, Medford, Arlington to the North. Understanding the Commissions intent is to stimulate commerce and create jobs – placement of a facility at the Everett site would turn out to be a traumatic decision of the ages similar to judge Garrity's bussing decisions in the 1970's. I applaud you for your hard work ethic and for making courageous decisions. I respectfully ask that you demonstrate vision and look deep into the future considering the impact of this project on our homes, lives and families. Your decision on this portion of Massachusetts will have effect for decades.

Yours truly,  
Neal O'Brien