



CITY OF BOSTON
Office of the Mayor
Thomas M. Menino

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City of Boston Host Community Advisory Committee Recommends Agreement with Suffolk Downs

Mayor Menino Signs Host Community Agreement

*Historic Agreement Will Bring Projected \$52M in Annual Revenue to
City, \$50M in Annual Local Spending, and Guarantee 4,000
Permanent Jobs*

*East Boston to Receive Upfront Payment of \$33.4M to Fund
Community Improvement Projects and Community Impact Revenue of
up to \$20M Annually*

The City of Boston's Host Community Advisory Committee today recommended an agreement for the development of a \$1 billion resort-style destination gaming establishment at Suffolk Downs. Under the agreement, the City of Boston is projected to receive \$52 million in annual revenue, with an Upfront Community Payment of \$33.4 million going directly to the community of East Boston for community benefits.

"I have said from the start of this process that I wanted three things: A first-class, resort destination casino, an agreement that would benefit the people of East Boston, and a proposal that will be selected by the State Gaming Commission. We are well on our way to that and more," Mayor Menino said at a press conference held following his signing of the agreement. "The agreement I have just signed has more revenue, more guaranteed jobs, and more protections than any other agreement in the region, and the Commonwealth."

The project will attain a LEED Gold standard, create an additional 16 acres of open space and reduce the 12 acres of pavement that currently exist. This development will connect neighborhoods and

visitors to the area through a network of pedestrian walkways, bikeways, parks and open spaces, accessible 24 hours a day.

To ensure the project is completed in a reasonable amount of time that gives maximum benefit to East Boston and the entire Boston community, with the least amount of inconvenience for residents, the agreement commits to an early opening 14 months from start of construction, with a full opening after an additional 12 months.

Jobs

4,000 Permanent jobs at project completion and for remainder of the license term
2,500 Construction jobs during project build
2,225 Early opening jobs
800 Permanent jobs one year PRIOR to early opening

The agreement also commits to continued operation of the race track at Suffolk Downs, a commitment to the Boston Residents Jobs Policy, and 50% hiring for Boston residents.

Financial Terms

The City is projected to receive **\$52 million annually**, after stabilization based on projected Gross Gaming Revenue (GGR). Regardless of revenue, the City will never receive less than \$32 million annually.

EXAMPLE of upside component dependent upon Gross Gaming Revenue:

When the establishment reaches its projected GGR of \$1 billion, payment to the City would be \$52 million. If the establishment reaches \$1.2 billion of GGR, payment to the City would be \$80 million, etc. The City will never receive less than \$32Million/year

\$33.4 million Upfront Community Fee will be used to fund several projects in the East Boston community, including: improvements to the Umana School; the formation of an East Boston Neighborhood Business Program; construction of a state-of-the-art youth and senior citizen community center; and improvements to Noyes Park and LoPresti Park.

To continue this work and provide for more resources for the mitigation of impacts to the community, the City of Boston will establish a **Community Trust** guaranteed to receive **\$20 million annually** to mitigate impacts to the host community.

The developer has committed to spend **\$50 million annually** on goods and services in the City of Boston, and shall spend **\$5 million annually** in goods and services *specifically* in East Boston.

A **\$45 million minimum** spend on infrastructure improvements will include:

- Flyover on Route 1A
- **\$9.32 million** on City of Boston/East Boston intersections and roadways
- MBTA Suffolk Downs station improvements
- Additional bike lanes and Hubway stations
- Subsidized water ferry transit connecting East Boston to other Boston locations, and operation of a shuttle bus service from Maverick in connection with subsidized water ferry transit

Compulsive Gaming

Suffolk Downs will be responsible for full mitigation of compulsive gaming, including through an education program, employee training, public awareness and a commitment to the Boston Public Health Commission and the Board of Health.

Project Description

Under the Host Community Agreement, the developer will invest \$1 billion to construct a resort-style destination gaming establishment consisting of:

- Two distinct gaming areas providing between 150,000 and 250,000 square feet of gaming space with between 4,000 to 6,600 gaming positions (consisting of an evolving combination of slot machines and table games);
- A World Series of Poker™ room or rooms;
- Two luxury hotels providing a total of 450 rooms;
- Between 24,000 and 46,000 square feet of meeting and entertainment space;
- restaurants, including fine dining concepts, casual dining and a local marketplace, collectively containing between 1,700 and 2,600 seats;
- Up to 30,000 square feet of retail space, including a spa, thoroughbred horse racing and simulcast wagering; and
- A seven-story parking garage with up to 2,600 spaces, valet parking for up to 460 additional vehicles, and up to approximately 2,100 surface parking spaces.

Security of Payments

The agreement also includes several penalties for non-compliance to ensure security of payments:

- Penalty on construction schedule:\$55,000/day,
- Penalty on payments schedule:\$88,000/day
- Penalty on all other non-monetary requirements: up to \$25,000/day

The City of Boston will require Letters of Credit in the amount of \$20 Million for the entire term. Payments will be paid to the City on a monthly basis.

Next Steps, as Outlined by State Law

- Proponent sends request to City of Boston for vote to be set
- A vote on the signed agreement takes place in the community 60-90 days after agreement has been signed
- Proponent sends completed application to Gaming Commission by December 31, 2013

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