



nerej

MGM Springfield wins first casino license in Massachusetts

June 26, 2014 - Retail

MGM Resorts International received a unanimous vote from the Massachusetts Gaming Commission (MGC) approving an agreement to award MGM Springfield a license to operate a resort casino in downtown. This is the first approval of a casino license in the Commonwealth. The commission's decision comes after an extensive two-year process of hearings and background investigations culminating in a final week of hearings and deliberations.

MGM formally announced its interest in a resort casino in Springfield in August 2012. The MGM Springfield site is located on 14.5 acres between Union and State Sts., and Columbus Ave. and Main St.

Jim Murren, chairman and CEO of MGM Resorts, said, "This is a great day for Springfield, the Commonwealth of Massachusetts and MGM. We're proud of what our talented team and our many dedicated city and community partners have accomplished together. We thank the MGC for its thorough vetting process and look forward to continuing our work with Springfield mayor Domenic Sarno and other Springfield and Western Massachusetts elected officials and governmental leaders, along with residents and businesses of Springfield and the region, as we move this project forward." Murren was joined by MGM Resorts president Bill Hornbuckle and MGM Springfield president Michael Mathis for today's decision at the MassMutual Center. The crowd gathered included elected officials; civic, business and community leaders; and MGM Springfield supporters.

MGM Springfield, an \$800 million investment, is designed to ignite an urban revival. MGM and its professional partners worked painstakingly to put together a design that celebrates the history of Springfield while moving the Gateway City into a new era of commerce and economic opportunity. The integrated resort casino is designed to enhance the entire urban center of Springfield. The mixed-used development project calls for a 25-story 250-room hotel with world-class amenities including a spa, pool and roof deck; 125,000 s/f of gaming space with 3,000 slot machines, 75 gaming tables, a poker room and high limit VIP gambling area; about 55,000 s/f of retail and restaurant space that will accommodate 15 shops and restaurants; and a multi-level parking garage.

Plans also envision a high-energy dining, retail and entertainment district with an eight-screen cinema, bowling alley and an outdoor stage. This will be developed by Davenport Properties of Boston, MA, in partnership with MGM on land now occupied by the tornado-ravaged South End Community Center and Howard Street School.

Michael Mathis, MGM Springfield president, said, "MGM is very grateful to the MGC and most importantly to our supporters. Today's decision says yes to jobs, yes to downtown revitalization, and yes to opportunity and hope. We have been, and will continue to be, a committed partner to the city and the Commonwealth. We have worked hard to develop the strong relationships necessary to

create a world-class urban casino resort proposal that will anchor a renaissance for an important Gateway City and the region around it. We now look forward to that becoming a reality."

MGM Springfield will bring 3,000 permanent jobs and 2,000 construction jobs to Downtown Springfield. MGM has established a hiring goal of 35% of the workforce from the City of Springfield and 90% from a combination of Springfield and the region. Additionally, MGM Springfield has entered into surrounding community agreements with neighboring communities providing for tens of millions of dollars.

Mathis added, "The City of Springfield deserves a brighter economic future. Its residents spoke loudly when they voted yes for MGM Springfield in a July 2013 referendum. A successful repeal would mean the loss of good jobs, new economic development and a needed revenue stream. It would also eliminate the opportunity to recapture billions of dollars currently lost to neighboring states. MGM is ready to help the Commonwealth achieve these worthy goals."

All casino projects in the Commonwealth still face the threat of a ballot repeal of the casino law. Attorney General Martha Coakley ruled last year that the repeal question was unconstitutional. Following an appeal by advocates of the repeal effort, the Supreme Judicial Court is expected to decide by July if the question may appear on the November ballot.

Because the repeal effort hangs in the balance, the MGC and MGM entered into an agreement to award the single Category 1 (resort-casino) license available for Region B (Western Massachusetts) contingent on the outcome of the repeal matter. The future date allows the postponement of the licensing and related fees until the repeal question is resolved.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540