



Massachusetts casinos proposed for Palmer, Milford appear headed for showdown

By Dan Ring, The Republican

April 26, 2010, 1:00AM



Associated Press

Patrons try their luck on the slot machines at the Mohegan Sun Pocono Downs facility in Plains Township, Pa.

BOSTON – The Mohegan Sun’s proposed Palmer **casino** could face strong competition for a state license from a proposed gambling resort in central Massachusetts, largely because state legislators may allow only one casino outside of Boston.

Mohegan Sun is moving to demonstrate that the proposed \$600 million casino in Palmer – instead of one proposed for Milford in central Massachusetts – would generate the most sales from slot machines and other games for the state as a whole, a finding disputed by the developer of the proposed Milford resort.

Paul I. Brody, vice president of corporate development for the owner of Mohegan Sun, said the company commissioned a study that shows a Palmer casino would be a better complement to a casino in Boston and two race track casinos (racinos) in the eastern part of the state.

“This demonstrates that a Palmer site is not only a boon locally, it’s a benefit to the state,” Brody said. “It demonstrates the state is best served ... with a facility in the western part of the state.”

According to the study by Morowitz Gaming Advisors in New Jersey, a Palmer casino resort, together with a casino at Suffolk Downs in Boston and two racinos, would produce \$1.168 billion in sales each year that could be taxed by the state. That’s \$43.8 million more in yearly revenues than would be generated by a Milford casino, along with the Boston casino and two racinos.

The study, commissioned in February and released in part by Mohegan Sun, said a Palmer casino would draw many more gamblers from New York and Vermont than a Milford casino. A Palmer casino would receive \$29.6 million annually from New York gamblers while a Milford casino would only attract \$1.3 million from New York, the study said.

The study looked at two scenarios, one with a Palmer casino, a Boston casino at Suffolk Downs and two racinos, and a second scenario with a Milford casino, a Boston casino and two racinos.

The study found that a casino in Milford would cannibalize eastern Massachusetts gaming centers, reducing total casino revenues in Massachusetts, total gaming tax and local job creation.

David H. Nunes, developer of the proposed resort casino near the intersection of Interstate 495 and the Massachusetts Turnpike, said his group spent more than two years researching the best location for a casino in the state. The intersection generates 177,000 motor vehicles a day, the second highest in the state, he said.

The **Milford site** is best situated to capture gambling dollars from people who currently travel from Maine, New Hampshire, Vermont and the Boston area to place bets at casinos in Connecticut or Rhode Island, Nunes said.

"No doubt about it," said Nunes, who is based near Aspen, Colo., and is a former project manager for the Wampanoag Tribe of Martha's Vineyard in its bid to establish a casino. "Hands down, we repatriate more dollars than any other location in the state – by a far margin, too."

Nunes said Mohegan is "taking a page out of my playbook" by saying its casino site is best located to raise more revenues for the state as a whole.

Nunes has an option to purchase between 200 and 300 acres of vacant land adjacent to Interstate 495.

The state House of Representatives on April 14 voted to approve a casino bill that calls for two resort casinos and 750 slot machines at each of the state's two horse tracks and two former dog tracks. At least one of those tracks – Suffolk Downs – is also planning to compete for a license for a casino resort.

The bill, approved by 120-37 in the House, was sent to the state Senate, which is planning to craft its own bill for debate, possibly in June. Senate President Therese Murray supports casinos but is skeptical about slots at the tracks.

There is also a possibility the Senate could approve three casino resorts.

The House bill establishes a five-member gaming commission that would award licenses for two casinos. The bill does not establish locations for casinos, leaving that up to commission members, who would be appointed by majority vote of the governor, attorney general and treasurer.

Most experts assume that Boston would win one casino license, leaving the other one up for grabs.

Nunes said that he expects at least two other gambling companies to propose casinos near Springfield. He said the companies are "real players" but he would not identify them.

Nunes and Mohegan Sun officials said they like the idea of a commission deciding the best location for casinos based on market factors.

Nunes said Mohegan Sun is attempting to shield its casino in Connecticut by proposing a Palmer casino. The Uncasville casino resort has some of the highest sales of any casino in the world.

"They have an awful big investment," said Nunes. "Mohegan is trying to protect their own backyard."

Brody disagreed.

Brody said the Mohegan Sun understands that new casinos in Massachusetts would have an impact on sales at its Connecticut casino, whether or not the company has a casino in Palmer.

"That is going to happen regardless of whether we have a facility in the state," Brody said.

But Brody said a casino in Palmer would not compete with its current customer base in Connecticut.

If the company's Palmer casino is approved, Brody said, the company would be increasing customers by attracting people from the Albany and Troy region of New York, in addition to parts of Vermont and New Hampshire.

Brody said he expects "a robust and healthy competition" for casino licenses in Massachusetts.

The House bill is aimed at creating thousands of jobs and capturing at least half of the estimated \$1.1 billion that Massachusetts gamblers currently spend annually at casinos in Connecticut and racinos in Rhode Island.

Mohegan Sun's proposed Palmer casino, planned for land across from Exit 8 of the Massachusetts Turnpike, would create up to 1,200 jobs during construction and as many as 3,000 permanent jobs. It would include 600-room hotel and 3,000 to 4,000 slot machines.

The proposed Milford casino could eventually support 5,000 slot machines, 2,000 hotel rooms, restaurants and a convention center, Nunes said.