

Foxwoods-backed Milford casino plan passes state background check - Metro

Written by Administrator
Saturday, 16 November 2013 08:03 -

A Foxwoods-backed partnership proposing a casino in Milford has passed its mandatory state background check, clearing a key regulatory hurdle days before the \$1 billion gambling resort project goes before the voters Tuesday in a life-or-death referendum.

The five-member state gambling commission ruled unanimously Friday that the Milford partnership is suitable to submit a bid, but with several conditions, including that the group fill a hole in its financing with a new partner who can also pass the state background investigation.

To address its financing shortfall, the partnership announced a deal Friday with Gaming and Leisure Properties Inc., a new real estate investment trust recently spun off from the gambling firm Penn National Gaming.

“We’re pleased GLPI is interested in financing our project as we work to bring the best possible resort casino to Milford and the Commonwealth,” Scott Butera, Foxwoods president and chief executive, said in a statement. “We’re confident that GLPI’s financial support will help us bring our project to fruition, providing great financial stability in addition to social and economic benefits to the local community.”

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Butera said Foxwoods is committed to building “a world-class resort casino bringing jobs, revenue, property tax abatement and infrastructure improvements in the best possible location in the state of Massachusetts.”

Gaming and Leisure Properties, now a separate company from Penn, was incorporated last February. It is “primarily engaged in the property business, which will consist of owning, acquiring, developing, expanding, managing and leasing gaming and related facilities,” said the statement from the Milford partnership.

With a lack of available public polling, the casino project’s prospects in the referendum are

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unclear, though the intensity of the debate suggests voter turnout will be high. Well-organized opponents in this community of about 27,000 have warned about increased traffic and crime; proponents note that the project would bring thousands of jobs and millions of dollars for public projects and tax relief.

Officials representing the Milford project faced hard questions Wednesday from the state gambling commission over the hole in its financing plans, and Butera promised at the time that a financing deal would be completed in days.

In signing a deal to address doubts about its financing before the vote, the Milford partnership hopes to avoid the fate of a rival bidder, Suffolk Downs, which had proposed a casino on the East Boston-Revere city line. Suffolk Downs dropped its casino partner, Caesars Entertainment, shortly before its Nov. 5 referendum and went into its election with hanging doubts over who would manage the property. East Boston voted down the project, and Suffolk Downs is scrambling to salvage plans years in the making by shifting the project entirely in Revere, where voters endorsed the project.

The Milford group, known as Crossroads Massachusetts, is seeking the sole Greater Boston casino license, expected to be the most lucrative gambling license in the state. The other competitors are Wynn Resorts, which is proposing a resort hotel casino on the Mystic River waterfront in Everett, and possibly the revised Suffolk Downs proposal in Revere.

The Milford vote will be the final referendum stemming from the 11 original applications for a Massachusetts resort casino or slot machine parlor license. The application deadline was January.

The gambling commission has yet to rule on the suitability of Wynn Resorts and of MGM, which is proposing a resort casino in Springfield. Wynn and MGM have won their local referendums.

In passing the intensive state background check, the Milford group avoided pitfalls that have tripped up other applicants.

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Suffolk Downs dropped Caesars in October over concerns that the industry giant would fail the background vetting, after investigators recommended to the commission that the company be disqualified from the license competition. Investigators had raised several red flags, including a Caesars branding deal with a hotel company owned in part by a businessman alleged to have ties to Russian gangsters.

Background checks knocked out another company: Ourway Realty, which had proposed a slot parlor at Plainridge Racecourse, was disqualified after state investigators discovered that a key figure in the bid had taken more than \$1 million from the track's money room.

Penn National, which passed background checks, is now proposing a slot parlor at Plainridge.

In assessing the Crossroads partnership's suitability to hold a casino license and to run a gambling business, the commission seemed particularly impressed with Butera, who has a reputation in the gambling industry as a "turnaround artist" for financially troubled companies, after stints working for Trump and for Tropicana Entertainment.

"The commission finds that Mr. Butera's involvement in the process is a tremendous asset to the applicant," the panel wrote in a 10-page ruling issued Friday afternoon.

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