

The City of Revere Massachusetts



City Hall

281 Broadway
Revere, MA 02151
(781) 286-8110
(781) 286-8199 Fax

Daniel Rizzo
Mayor

Office of the Mayor

May 1, 2014

VIA Email to mgccomments@state.ma.us and john.s.ziembra@state.ma.us

Chairman Stephen Crosby
Massachusetts Gaming Commission
84 State Street, Suite 720
Boston, MA 02109

Dear Chairman Crosby:

I write to express concern regarding Topic 3.b on your May 2, 2014 meeting agenda, entitled "Wynn Land Interest Update." I respectfully request that, as part of the Gaming Commission's deliberations on May 2, 2014, the Commission address the many unanswered questions surrounding the ownership of the Wynn land.

Since the release of the Investigation and Enforcement Bureau's suitability report on Wynn MA, LLC and its qualifiers, and the Commission's December 13, 2013 meeting regarding the Wynn land ownership issues, I have been troubled by the obvious questions concerning the owner of the Wynn land, FBT Everett Realty, LLC – questions that, as far as I and the rest of the public can tell, have gone unexamined by the Commission. My concerns have mounted with recent press reports that certain owners of the Wynn land are unable to sign the sworn affidavit that the Commission requires to ensure there is no hidden ownership. At the same time, according to press reports, the City of Everett has put in motion plans to take the Wynn land by eminent domain in an effort to cleanse the transaction of ties to unsuitable figures. Moreover, I am concerned by previous reports that an affiliate of Wynn MA, LLC holds an option to purchase land owned by FBT located within the City of Boston adjacent to the Wynn land in Everett.

The December IEB report on Wynn MA, LLC identified but left unanswered many questions about the ownership of the Wynn land. The Commission has held no public proceedings to get to the bottom of these questions. As a result, the only available information on this subject is from the unredacted portions of the IEB report and media accounts. Based on the IEB report, the only reasonable conclusion is that at least one unsuitable person maintained an interest in the Wynn land – even if "double or triple blind[ed]" – until at least mid-2013, after the Everett host community referendum and six months after the Wynn option agreements were signed. According to the prison phone recordings detailed in the IEB report, Wynn MA, LLC was to be paying \$100,000 per month to at least one unsuitable person during that time. The recent reports about the refusal of one land

owner to sign the sworn affidavit required by the Commission suggests that unsuitable persons are still involved with the Wynn land. The City of Everett's recent eminent domain proceedings amplify that suggestion.

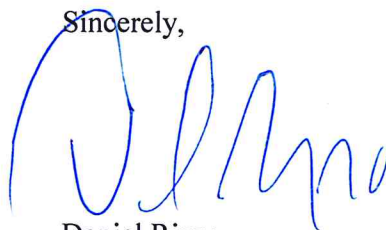
Thus far, the Commission has held only one public meeting on this topic. At that December meeting, the Commission did nothing to resolve the important questions. Instead, the Commission concluded that it would be sufficient if the purchase price of the land in Everett was reduced from \$75 million to \$35 million and the "three members of FBT, LLC, who are nominally going to receive the proceeds be required to sign a document saying that they are the exclusive recipients of the proceeds." (Gaming Commission, December 13, 2013 Meeting Transcript, Part Two, at page 95). In doing so, the Commission relied on an appraisal commissioned and paid for by Wynn MA, LLC, rather than obtaining an independent opinion of the value without a gaming use. While Everett is not Revere, I know the region well enough to be highly skeptical that the value of the contaminated Monsanto site increased over 400% since FBT purchased it in 2009.

The Commission appears ready to rely on the signatures of individuals who the IEB found unreliable, in lieu of conducting its own public fact finding to answer important questions that go to the integrity of the introduction of expanded gaming in Massachusetts. I note also that the Commission has not released the form of the document it is requiring the nominal FBT owners to sign under oath. Nor has it released information about whether those who have signed the document were able to make changes to the wording that the Commission asked for. Additionally, the Commission should require those individuals to appear in public and actually allow the public to understand in a transparent way what is going on. Given the web of transactions and entities involved in the FBT ownership and the willingness to hide interests and avoid giving straight answers, the words used in the affidavit matter and should be made public.

In sum, even if the appraised price of the Wynn land is an accurate value, there is no reason for the public to have any confidence that millions of dollars will not be going to unsuitable persons. In stark contrast, the owner of Mohegan Sun's leased parcel, Sterling Suffolk Racecourse, LLC, has been found suitable by the Commission. From my vantage point, it certainly appears as though Wynn MA, LLC has been given a free pass on the many unanswered questions surrounding the Wynn land.

To ensure that these issues are given a proper public airing, I ask that you address these and other questions concerning the Wynn land under Topic 3.b at your meeting May 2, 2014. If the Commission does not take up these questions on May 2, I will ask representatives of Revere to address the Commission on this subject at the Commission's hearing scheduled for May 8, 2014.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Rizzo". The signature is fluid and cursive, with a large initial "D" and a long, sweeping underline.

Daniel Rizzo,
Mayor