



KOPELMAN AND PAIGE, P.C.
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November 21, 2014

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BY ELECTRONIC MAIL
AND BY FIRST CLASS MAIL

Douglas M. McGarrah, Esq.
Foley Hoag LLP
155 Seaport Boulevard
Boston, MA 02210-2600

Re: City of New Bedford and KG Urban Enterprises

Dear Mr. McGarrah:

Thank you for your letter of November 12, 2014. In your letter you make the reckless and wholly false accusation that the City has not acted in good faith, simply because it has insisted on what every other potential host community in the Commonwealth has required of proponents of Category 1 gaming facilities—funding for consultants to help analyze impacts and evaluate the pros and cons of the proposed project.

It is your client's refusal to provide consultant funding to assess the suitability of the location and not the City's reasonable insistence upon the same that demonstrates a lack of good faith.

While your letter blithely asserts your client's subjective "belief" that its project will "benefit the residents, businesses, finances and redevelopment of New Bedford," the City is not inclined to accept this self-serving claim without conducting reasonable due diligence and seeking out the impartial advice of qualified professionals. Your repeated dismissive references to the City's desire to evaluate the proposal's impacts in terms of economic redevelopment, urban planning, and other factors, fail to acknowledge the magnitude of these considerations.

The reasonableness of the City's request is further demonstrated by the fact that its planning and design consultant Sasaki has conducted exactly this type of evaluation for two other potential host communities to Category 1 gaming facilities, including the Wynn/Everett facility, which as you may know was awarded the license for Region A.

The notion that the City should state unequivocal support for a project of this magnitude without first understanding the positive and negative implications for the City is patently unrealistic and betrays a fundamental misunderstanding on your client's part as to how the process has been designed to work in Massachusetts *and how it has worked in every other potential host community*.

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For instance, in Springfield, potential operators were required to fund substantial consultant fees before Springfield ultimately selected the MGM proposal and stated its support for that proposal. Your client's refusal to provide a small fraction of what Springfield required in order to allow the City to evaluate and give due consideration to the KG proposal demonstrates that it does not view the City as a potential partner to deal with in good faith but rather as a subordinate, to whom it may dictate terms. Suffice it to say that the City disagrees with this view.

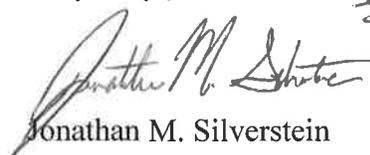
Furthermore, your client's inability or unwillingness to identify a gaming operator greatly inhibits the City's continued consideration of the proposal. Again, insisting that the City endorse a casino project without even identifying what company will be operating the project is simply unreasonable. Though your client will have made its money and moved on to another development project, the City will be subject to a long-term relationship with the facility's operator, and the City cannot possibly be expected to support a project without this critical information.

Equally unreasonable is KG's refusal even to consider alternative development sites, notwithstanding the City's oft-stated concerns regarding displacement of other economic development opportunities and impacts on the City's downtown. The City has identified two alternative sites that do not present the types of concerns that the Canon Street site presents, yet KG has stubbornly refused to entertain any discussion of KG developing one of these alternative sites.

KG's obstinacy is not only perplexing and unprecedented, it is also self-defeating. It is difficult to see how meaningful discussions can progress in light of your client's consistent refusal for over seven months to fund the City's retention of necessary consultants—a step that every single other gaming applicant in the Commonwealth has taken in working with potential host communities—or to identify its operating partner.

Thank you for your attention to these concerns.

Very truly yours,

 JSM
Jonathan M. Silverstein

JMS/jam

cc: Mayor Jon Mitchell
Kevin Conroy, Esq.

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