

RELEASE IN  
PART B6

**From:** H <hrod17@clintonemail.com>  
**Sent:** Tuesday, September 15, 2009 6:20 AM  
**To:** 'JilotyLC@state.gov'  
**Subject:** Fw: Fwd: Left at the Gate - blog  
**Attachments:** image001.jpg

Pls call and ask what he wants and put on my call list.

----- Original Message -----

**From:** [Redacted]  
**To:** H  
**Sent:** Mon Sep 14 15:08:50 2009  
**Subject:** Fwd: Left at the Gate - blog

B6

Hi Mrs. Secretary,

I am chairman of AEG. I need your advice on a few matters. Is there a time that would be convenient for me to call or visit you? I shall be in DC Thursday evening through Monday. Please let me know if anything works. Thanks.

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Sent: 9/14/2009 10:57:14 A.M. Central Daylight Time  
Subj: Left at the Gate - blog

Monday, September 14, 2009

Odds On the Big A <<http://leftatthegate.blogspot.com/2009/09/odds-on-big.html>>

Even as Governor Paterson reportedly has his recommendation on the Aqueduct racino in hand (this reader says that he actually has two to consider <<http://leftatthegate.blogspot.com/2009/09/sunday-morning-notes-and-nuts.html#comment-1156672372250588546>> ), at least one of the bidders is still taking its case to the local community around the track. The Queens Chronicle reported last week <[http://www.zwire.com/site/news.cfm?newsid=20368289&BRD=2731&PAG=461&dept\\_id=574908&rfi=6](http://www.zwire.com/site/news.cfm?newsid=20368289&BRD=2731&PAG=461&dept_id=574908&rfi=6)> that SL Green/Hard Rock made a presentation on Thursday.

"Hard Rock is the right balance," [Pres/CEO Marc] Holliday said. "Its recognized brand and quality entertainment will attract younger and older players across the stratum. People flying in from JFK will say, 'I hear there's a Hard Rock, I want to see it.'"

One of this group's big pitches is that they'll be the first to generate a revenue stream ("shovel-ready, in the ground, the day after the award.")

And thanks to the reader who alerted us to this article in Crain's <<http://www.craigslist.com/article/20090913/FREE/309139964>> which, more importantly than comprising yet another virtual press release for Steve Wynn, contains, towards the bottom, a handy pocket guide to the six bidders, the financial portion of their bids (or at least what is known about them), and the ups and downs of their proposals.

This is a tough call; handicapping without the Form as I said before. I can't say I have a favorite; neither a particular personal preference, nor a clue as to the most likely winner. But I'll give it a shot and take the Crain's piece one step further by coming up with a morning line.

<[http://1.bp.blogspot.com/\\_YiJ1ri4LCfk/Sq2\\_nTNU\\_jI/AAAAAAAAABHM/UuclTWnkiIM/s1600-h/dont\\_bother.jpg](http://1.bp.blogspot.com/_YiJ1ri4LCfk/Sq2_nTNU_jI/AAAAAAAAABHM/UuclTWnkiIM/s1600-h/dont_bother.jpg)> Aqueduct Entertainment Group <<http://www.aqueductentertainment.com/>> (3-1): Competitive bid of \$251 million (contingent on 7,650 machines; \$301 million with 10,000), a plethora of local connections on the real estate/construction side, and approval by local unions could compensate for the lack of brand name recognition of gaming partner The Navegante Group. Presence of Senator Malcolm Smith's longtime confidante Rev. Floyd Flake doesn't hurt either.

SL Green/Hard Rock (4-1) - Boosted its bid to \$275 million, and has the Hard Rock brand name as mentioned above. Manhattan-based realtor SL Green has been endorsed by several local unions <[http://findarticles.com/p/articles/mi\\_m3601/is\\_43\\_54/ai\\_n27894917/](http://findarticles.com/p/articles/mi_m3601/is_43_54/ai_n27894917/)> . But, as mentioned by Crain's, they were passed over in favor of Delaware North the first time around.

Aqueduct Gaming (6-1), Buffalo-based Delaware North's group, has rallied late with a stepped-up publicity effort and a major community initiative <<http://leftatthegate.blogspot.com/2009/08/back-in-game.html>> after appearing indifferent early on (though it's original \$100 million upfront offer remains intact with an additional \$200 million to follow). The addition of Harrah's <<http://www.marketwire.com/press-release/Aqueduct-Gaming-Llc-1034906.html>> adds an experienced operator and an interesting cross-marketing twist which is probably not allowed under the now-disappeared MOU. And, like the two bidders above, Aqueduct Gaming has been reported to have reached accommodations with the unions. So I listed them as the third choice on these merits. However, a part of me wants to list them as the rank outsider - I'd be pretty damn shocked if the state goes back to the company which dropped out after failing to raise the money last time. And, as I've mentioned several times, given the reports of an investigation <[http://www.nydailynews.com/news/2009/05/01/2009-05-01\\_attorney\\_general\\_andrew\\_cuomo\\_subpoenas\\_contracts\\_won\\_by\\_clients\\_of\\_firm\\_tied\\_to.html](http://www.nydailynews.com/news/2009/05/01/2009-05-01_attorney_general_andrew_cuomo_subpoenas_contracts_won_by_clients_of_firm_tied_to.html)> by Attorney General Andrew Cuomo into lobbyist Patricia Lynch's dealings with the Assembly Speaker, I don't know if her involvement here is going to help or hurt.

Steve Wynn (8-1) has offered \$300 million, but he was the only bidder of the six contenders to receive a bad grade from the hotel unions <<http://www.timesunion.com/AspStories/story.asp?storyID=838256&category=STATE>> as

reported by Jim Odat in the Times Union last week. Whatsmore, the scale of his building proposal <<http://www.queenstribune.com/news/1250798405.html>> is laughably ridiculous, and it wouldn't be ready until 2011. He'd be the favorite if the decision is based on the number of newspaper and online articles <<http://leftatthegate.blogspot.com/2009/08/all-wynn-all-of-time.html>> each bidder has been featured in. But, quite simply, he sometimes comes off as a nut <[http://www.nypost.com/p/pagesix/cindy\\_adams/wynn\\_hopes\\_to\\_win\\_race\\_for\\_race\\_hzqJ384wLxUSxFKsUWiSyM](http://www.nypost.com/p/pagesix/cindy_adams/wynn_hopes_to_win_race_for_race_hzqJ384wLxUSxFKsUWiSyM)> .

Penn National (12-1) might be worth a ducat at long odds. No local connection here makes them a dark horse. But a \$250 million bid (as reported elsewhere <<http://blog.timesunion.com/capitol/archives/17717/penn-national-lobbies-up/>> though not in the Crain's piece) puts them in the ballgame, and the company is an experienced gaming operator with a solid balance sheet <[http://www.businessweek.com/investor/content/aug2009/pi20090814\\_742719.htm](http://www.businessweek.com/investor/content/aug2009/pi20090814_742719.htm)> which would probably do as competent a job as anyone else.

R. Donahue Peebles/MGM Mirage (20-1) didn't increase its \$150 million bid, and doesn't have a lobbyist; good luck with that. Whatsmore, no local flavor and MGM Mirage has had some well-publicized financial woes (though things have been looking up of late <<http://online.wsj.com/article/SB125212120561188377.html>> ). Would be a major surprise.

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