

Government announces preferred proponent in destination casino project

Fredericton (CNB) – The province announced today that as a result of the request for proposals (RFP) issued on Nov. 8, 2007, a preferred proponent has been selected to construct, equip and operate a destination casino in New Brunswick.

The preferred proponent, Sonco Gaming New Brunswick Ltd., proposes to design, build and own a destination casino in the Moncton region, which will create 400 full-time equivalent jobs and cost about CAD 90 million. There will be 770 full-time job equivalents created during construction.

The entire project will be funded by the private sector, and there will be no government funds involved in the design, construction, equipping or operation of the facility.

Four proposals were submitted in response to the RFP. Evaluation of the proposals was carried out by five evaluation teams, comprised of process and financial consultants from KPMG LLP, industry experts HLT Advisory Inc., and select government officials.

KPMG LLP is also acting as the fairness monitor throughout the entire process.

The preferred proponent was selected through a rigorous evaluation process. Evaluations considered completeness of the bids, the proponent's experience and technical expertise, its financial capacity, the business case presented in its submission, and the merits of the economic benefits generated by the casino complex, including the ancillary facilities.

The selection of the preferred proponent was presented to

government, and the identity of the preferred proponent was not known by government until after the recommendation was approved.

„We are very pleased that four proposals were received, and with the quality of the preferred proponent’s proposal,“ said Finance Minister Victor Boudreau. „The preferred proponent has put forth an exciting project which will be a great attraction for the Moncton region and for New Brunswick as a whole. We also look forward to the economic benefits that this will bring to the province, which will continue to make our province the place to be in offering both tourists and residents of New Brunswick a range of diverse activities and attractions to enjoy.“

The proponent’s team members are Sonco Gaming New Brunswick Ltd., Navegante Group Inc., Clairvest Group Inc., and 2050631 Ontario Inc.

Sonco is a Maritime-based real estate and casino development company; Clairvest is a publicly traded merchant bank/private equity investment fund with holdings in a number of casino facilities; Navegante Group is a U.S.-based casino operator with a great deal of experience in its field; and 2050631 is an Ontario company comprised of investment companies and shareholders.

The project will include a resort hotel with 128 rooms, as well as a multi-purpose entertainment/conference and convention centre facility with theatre seating for 1,500 and a banquet-style capacity for 1,400. The facility is expected to open no later than Dec. 31, 2010.

In the weeks ahead, the provincial government will finalize a service provider agreement with the proponent. Additional details of the proposal will be made public upon signing of the agreement. Protocols established under the RFP require all proponents to respect the confidentiality provisions of the

RFP until an agreement is finalized. All proponents, therefore, have been asked not to discuss any of the details of their proposals.

The RFP for a destination casino, and the ancillary services attached to it, was released as part of a responsible gaming policy announced by the province on Nov. 8, 2007.

Four pillars of the policy are video lottery terminal (VLT) reform; enhancement of responsible gaming initiatives; strengthening charitable gaming policies; and the RFP for a destination casino to help boost tourism and offer new entertainment choices for New Brunswickers.

VLT sites in the province will be cut by more than 50 per cent, from 625 to 300, while the number of machines will be cut by nearly 25 per cent, from 2,650 to 2,000. The transformation of the VLT program will begin in October 2008 when the removal of VLTs from dining establishments will begin. The reform of the VLT program is expected to be complete by April 2010.

Funding for responsible gaming initiatives and research programs was doubled to CAD 1.5 million annually.

Charitable gaming programs are being enhanced, including allowing Texas Hold ,Em tournaments by charities, after rules and regulations were developed.

Lastly, the RFP was issued for the construction, equipping and operation of a destination casino by a private third party.