

MEETING MINUTES OF THE
PALMER CITIZEN CASINO IMPACT STUDY COMMITTEE
GENERAL GROUP MEETING 13
PALMER TOWN BUILDING, MEETING ROOM 1
AUGUST 6, 2008 – 6:30 PM

Meeting opened at 6:35 pm by Gerald Chudy, Chair.

ATTENDANCE

PRESENT Rocqueline Blazejowski, Gerald Chudy, Anthony Dimitropolis, Mickey Ghosh, Joseph Mastalerz, George Roy, Stephen Sears, Michael Swiatlowski, Paul Wisnewski

ABSENT Charlotte Burns, CathyAnn Gehlhausen, Albin Les, Gene Olearczyk, Mark Shea, Carol Sugrue

OTHERS PRESENT Paul Brody (Mohegan Sun), Kristen Windsor (Mohegan Sun), John Thomas (Beals and Thomas, Inc), James Murphy (JCJ Architecture)

MINUTES APPROVAL

Review of minutes for Meeting 12 will be postponed until Meeting 14.

PRESENTATION AND DISCUSSION WITH MOHEGAN SUN

Paul Brody, VP of Development at Mohegan Sun, discusses his outline for the evening. The meeting tonight will get into some of the specifics of the casino plan to date and answer questions. This is an interim report.

S. Sears asks to clarify that this is a different meeting than what was previously shown. P. Brody says diagram has changed since last January and assures the committee there is new information.

John Thomas of Beals & Thomas out of Southborough, MA takes the committee through the redesigned campus of the casino plan. He speaks to the new placement of the casino which has moved down the site toward Thorndike St. This movement is due to wetlands located on the property which are represented accurately on the map. There is a 200 foot grade change from Thorndike St to the crest of the hill. Access from Thorndike St would be from across from Shearer St and a planned fly-over from the MassPike is explained. The existing toll plaza would remain at its' current location. The details regarding the MassPike will need to be worked out with the state officials, which are in process, but not discussed. The parking areas are identified and it is noted that all employee parking is represented on this site map. There is a 50 ft no disturbance zone from all wetlands. The building is described as fitting into the landscape. Basins will be added to mitigate the stormwater and runoff due to impermeable surfaces. The access road off of Breckenridge St is to be gated and used only for emergency purposes. Wastewater is estimated at 500,000 gallons a day which falls into current adequate capacity. They are also exploring the possibility of wastewater recycling.

Q – Verify an entrance/exit off of Thorndike St and it's location would be near Big Y?
A – Yes.

Q – Mr. Dragone has addressed the group at an earlier meeting and was asked if other site had been explored and it has been discussed that there may be multiple satellite locations for parking, etc. Are you looking for additional sites?

A – Everything is on the main campus. The entire site is self sufficient.

Mr. Dragone states that comment is separate from Mohegan Sun interests and involved a site Paul Picknelly had been looking at. It is land adjacent to exit of the MassPike.

Q – At the previous meeting, we had asked about budgeting, could you give us an example of communities where budgeting includes capital improvements to infrastructure that has been paid for by the developer? Schools, emergency services, etc?

A – An example would be Lucky Eagle Resort in Washington where the Tribe funded the new fire station. That is a typical community public service need that is reached in an agreement between the developer and the community. There are other communities such as Biloxi, MI, Henderson, NV, Indiana, Missouri, where there are commercial casinos where the developers have reached an accord to fund infrastructure improvements. I will provide you with examples. I do not know about examples of providing money for annual budgets.

Q – Will all of the construction be worked through the one entrance near Shearer St?

A – I am not sure, this will need to be worked out by the construction team. There may be a number of temporary construction roads installed. We will work with the planning board to decide upon a plan.

Q – Thorndike St is not a very wide street, is there any thought to widening the street?

A – We have been in communication with a transportation engineering company and they have shared a lot of data that has been collected at that intersection. I can not answer exactly what that intersection will look like. Input will not come just from us, but from your town resources as well.

Q – Are the wetlands affected by season?

A – Not every summer will show the same exact size of wetland, but seasonal effects do not change wetland size drastically.

Q – With the fly-over, will there be a separate toll booth?

A – We have concept that shows a second toll booth but these are very preliminary and will need to be worked with state plans.

Q – Before making a decision on whether or not to accept your casino plans, the town will sit down and negotiate with you prior to a referendum. Is this the way it will work?

A – The legislature should require a local referendum. The previous bill included this and I would assume the next bill will as well. People in town are going to want to know what the deal is before making a decision. Yes, I believe this is how it will work.

Q – How close is your property to the Middle School on Converse St? Is there concern that children may find their way up to the casino site?

A – By a measure of the maps, an estimated distance is 1600 feet. This is a steep slope and we will provide any safety measure that is deemed necessary.

Q – Have you looked into future expansion in case everything goes right? Have you looked into what would happen if everything goes wrong?

A – We anticipate that this site is very sufficient. We do not think that another casino would fit on the property, the site remains open but is fully used. We'll build every-

thing once and then it would be done. If it fails, I don't know. If the NFL went out of business, what would you do with the stadiums? I don't have a good answer for this, the market is strong.

Q – In the retail world, companies will put out products so that their competitors won't take up that same space on the shelf. Are you looking purchase a gaming license in this area to protect your Connecticut facility?

A – We've studied the effect of casinos in Massachusetts on the Connecticut casinos. In 2003 Mohegan Sun chose to diversify its gaming. My job at Mohegan Sun is to develop other sites with the Mohegan Sun company. We have opened in PA and are a finalist in Kansas City. We prefer to stay along the east coast and have brand recognition. It's very attractive to us to be in Massachusetts. We have no market share in tri-city area near New York, most of our business comes from southwest CT.

Q – I want make certain to that Palmer is not signing up for the ugly stepchild satellite casino. That's a real concern.

A – We encourage you to visit our site in Wilkes-Barre, PA. We are very proud of that development.

Q – But your crown jewel is still the Connecticut experience?

A – Our flagship is Mohegan Sun. It will always be the flagship. Our other development opportunities will be derived from that quality.

Q – You have projected that 75% of the traffic will come from the MassPike. The flea-market in Brimfield brings the road to a standstill. Have you spoken to the MassPike about being able to handle this type of traffic?

A – We have spoken to the MassPike and the developer will be responsible for not only the construction of a fly-over but also improvements to the general highway to help with this issue.

Q – Will you be reusing the wastewater?

A – Yes, we will try to.

Q – Will there be shuttle buses in the parking lot?

A – Buses will have areas to pick up and drop off near the facility, but everything will be located on the property. There will be shuttle services for people who have parked farther away from the casino entrance.

Q – How will this project affect small mom & pop shops?

A – At the beginning of Connecticut casinos, many people drove in and drove out of the casino. In about 5 years after opening, we began to see more development in the area such as smaller hotels, a Home Depot, Chilis, etc. I do not think this will affect mom & pop shops.

Q – Will you be giving the new construction jobs to local people?

A – I was asked where people would live who worked on the construction of the casino and my answer was "at home". People will be living here or within 20 or 30 miles.

Q – Will this be as grand as Mohegan Sun?

A – This is a perfect segue to introduce Jim Murphy of JCJ Architecture of Hartford, CT.

Jim describes a very preliminary drawing of the buildings on the site plan. The conceptual plan is broken up into three zones: the hotel, casino/retail, and the 4,500 per-

son event center. The casino is a two story space with the casino on the first floor and retail on the second. The plan is very conceptual. A question is asked about where a central power plant would be located and what size it might be. It is estimated that the electrical demand would be 26,000 kbl. The power plant would be below ground with the parking lot in the center of the site.

Q – Have you considered building a soccer field, baseball field, or a skating rink (for the town)?

A – Take a look at the answers in your packet and you will see the charitable contributions Mohegan Sun has made.

Q – How will you work with gambling addiction?

A – In the packet of information, you will see the details of how we contribute and help programs that deal with these issues. We contribute to organizations like Massachusetts Council on Compulsive Gambling. We take measures at the casino site such as signage and warnings, but we also contribute to organizations.

Q – Do you plan to draw as far away as Schenectady, NY or is that closer to Turning Stone?

A – Yes. We will compete for the business in the tri-city area.

Q – There have been a number of studies on the economic impact of casinos... The pie is only so big. How much will this facility be able to compete for this limited market?

A – The question always is: will this casino add to the market or just divide the share of the market? The growth of the CT casinos has proven that the market has grown. We are looking at what's here today and what we can plan for tomorrow. We are not looking to be in the southeastern MA market where we already draw strongly. We have almost no business from the market in Western Mass to the border of NY. We could bring certain amenities to Palmer that we couldn't bring to CT. We can bring entertainment to both Palmer and CT. There will be some synergy. We wouldn't spend 1.1 billion dollars to steal our own business.

Q – According to 2000 census, the per capita income is in the mid to high 30,000 dollar range. It doesn't look like your hourly wage will come close to what the income already is in Palmer.

A – I can provide a more detailed schedule of wages and perhaps that can be discussed further in our next visit. Some wage earners will earn more, some will earn less.

Q – Could you add any specifics to what you may need for firefighters, EMTs, etc?

A – As for fire protection, as engineers we are confident that we can build and operate a fully independent fire protection site. On site, one of three things will happen. We could have a fully staffed on site, we could use town personnel, or we could use a mixture of both. We will need to sit with your public safety officers to decide the best situation. It works better if are able to add mutual aid for the town. We will have surveillance and security but we will integrate with local and state police. Safety is extremely important. We pay for our security and we will work out how this shared resource is paid for through the town.

Q – How much money do you plan to take in on this site?

A – It will be profitable, and I do not know yet what the gaming tax will be?

Q – What is the height of the hotel and other buildings on the site?

A – It is undetermined at this point. Your zoning rules will dictate this (It is stated that the height restriction for highway business in Palmer is 50 ft). There may be a special permit application to alter this restriction.

Q – There was a survey in the town completed recently. Was that a Northeast Reality provided survey? Will you be able to supply the raw data to us from that survey?

A – Leon Dragone of Northeast Reality responds that the survey was completed by UMass Dartmouth and they will supply the raw data.

Q – In the last few weeks, the newspapers have reported a drop in casino revenue. Are you still committed to Palmer?

A – We have no other interest in this area other than this site. Mohegan Sun's revenue is 64 million dollars less this year than it was last year. We are not recession-proof. Our competition is way off. We believe the economy will get better.

Q – Going back to the statements about applying for special permits, do you have any examples of any cases where you have applied for a special permit and have been denied? Do you always get special permits approved?

A – We have not experienced that. We have not had any permits denied.

Q – (from Mike Magiera, Town Council) Are you not opposed to having a special annex on for facility for town/state police offices?

A – We are open to providing space for police. It would need to be worked out, but yes.

Q – (from Jim St. Amand, Northeast Reality) There has been talk about utilizing the rail road in town for a connection between the flagship in CT to this location?

A – We will look at it, we are still examining this site.

Q – Can we assume that the traffic studies would include information about how the downtown would be impacted due to trains bringing gamblers to the casino?

A – This is actually the first time we've heard this suggestion. The question was posed that we would look at this and we will. The train will not bring in a major source of patronage. It may be an amenity to the experience.

Q – Are you familiar with the Tunica resorts in MI? Are you familiar with why they have closed casinos?

A – There has been so much consolidation in the industry, I'm not certain of the details to that. I don't know.

Q – Where will the employees be housed? How many? What are your recruiting practices?

A – What we've given you is a projection of how many employees and a breakdown of what has been done in CT. We expect the employees to come from a range of 30 to 40 miles. I would be happy to make Don Trella available, a director of Human Resources, to help answer that question.

Q – Could we approximate that we would have 50% of the scale of Mohegan Sun?

A – The site is smaller here but our parking projection is 8,500 spaces which is more than half of what is in CT. I can give a comparison in more detail and provide you with this information.

Q – What type of acts do you anticipate coming through this area in your events center?

A – A lot of country & western, classic rock, comedy. National names.

Q – Are you going to finance the changes to our schools and hospital?

A – We are a commercial operator in your community, like other commercial operators. We will pay property taxes and gaming taxes. I'm sure there will be a provision in the state law that mandates a payment directly to Palmer.

Q – Would most of the employees live in this town?

A – We will employ 4,000 people. I don't know if you could absorb 4,000 more jobs with your population. I would guess that the population would go beyond Palmer. One of the biggest problems we have in this industry is finding employees. We look for somebody that can bring a smile to peoples faces on the floor. Don Trella is not here today because he is in South America recruiting employees for Mohegan Sun. We employee people from all over the world. We wish we could find more people from southeastern CT, but we have to recruit from all over. We pay well above minimum wage.

Q – How many skilled tradesmen do you employ?

A – We will get a headcount for each department and provide that to you.

Q – How will you remove solid waste from the site? Will you use local trash companies?

A – We use local vendors. We will be competitive with it. It's good business.

Q – For the parking garages, how much land will you be removing from the hill?

A – We are following the slope of the land so the grade provides most of that space.

Q – According to your paperwork, most of your employees make around \$13 to \$14 and hour.

A – That's a straight wage, without benefits. All of our employees get the same benefits package. The better the package the better employees you can recruit. Everyone that is hired is paid through orientation and a uniform.

Q – Unions played a part in our first meeting, though both casinos in CT have stayed away from a unions? Are you planning to have a non-union workforce here?

A – Nearly all of the construction in CT was done by union labor and no union has made an effort to organize our employees at Mohegan. At Wilkes-Barre, union labor constructed the site, but I'm unsure if the employees have been approached by unions.

Q – Do you have any idea why Foxwoods has been fighting the unionization.

A – The largest group of employees at casinos are the table game dealers. Those 3,000 people at Foxwoods have voted to join the UAW. I can only speculate what is going on at Foxwoods. In some fashion they must not be happy with their work conditions. They are paid the same as Mohegan Sun.

Q – Why do you go to South America to recruit?

A – Because we cannot attract enough employees here. We cannot find enough table game dealers, our highest paid group of employees. We recruit and hire employees out of South America, eastern Europe, etc. Europe has a very successful hospitality training system. We also have a good relationship from our Asian clientele.

Q – (Question from the floor) What is the benefits package worth for employees?

A – Approximately \$13 an hour. The hourly average for all employees is \$18 an hour. In CT we have 8,500 full time employees, 1,500 part time employees and we have 32 executive employees. We all have the same benefits package. The average wage of \$18 includes tips.

G. Chudy thanks the Mohegan Sun representatives for joining us and will be in contact in the future for further meetings. Paul Brody extends an invitation to come down to CT or Wilkes-Barre for a visit and conversation.

UPCOMING MEETINGS

Wednesday, September 3 – all sub-committee reports DUE to the general committee
Wednesday, September 17 – review of sub-committee reports

ADJOURNMENT

The meeting was adjourned by G. Chudy at 8:30 pm.

MINUTES SUBMITTED BY MICHAEL SWIATLOWSKI.

APPROVED – DRAFT