

MEETING MINUTES OF THE
PALMER CITIZEN CASINO IMPACT STUDY COMMITTEE
GENERAL GROUP MEETING I8
PALMER TOWN BUILDING, MEETING ROOM I
OCTOBER 29, 2008 – 6:30 PM

Meeting opened at 6:40 pm by Gerald Chudy, Chair.

ATTENDANCE

PRESENT Rocqueline Blazejowski, Charlotte Burns, Gerald Chudy, Anthony Dimitropolis, CathyAnn Gehlhausen, Mickey Ghosh, Joseph Mastalerz, George Roy, Stephen Sears, Carol Sugrue, Michael Swiatlowski, Paul Wisnewski

OTHERS PRESENT Senator Stephen Brewer, Representative Todd Smola

MINUTES APPROVAL

A motion is made by A. Dimitropolis to suspend the reading of the minutes until our next meeting. R. Blazejowski seconded. The vote passes (12-0).

DISCUSSION WITH SEN. BREWER AND REP. SMOLA

G. Chudy welcomes and introduces committee to Sen. Brewer and Rep. Smola.

Q – When do you anticipate a casino bill to come up again?

A – Rep. Smola states that casino bills come up like clockwork in Massachusetts. The reason that this recent bill had so much steam was that the Governor was behind the bill. It is unknown whether or not the Governor will file a bill for this again. A casino bill will come up but we are not sure from whom. Sen. Brewer adds that a bill like this has a long challenging road. He reads from a report and analyzes this debate is far from over. He commends the committee for its due diligence. He states that a casino would be the largest commercial event that has ever been proposed in Palmer's history. The largeness of this endeavor requires a large regional plan.

Q – Can there be an amendment to whatever bill moves forward to include that someone from the host community be on the state gambling board and that the town receive X amount of dollars per year for being the host community?

A – Sen. Brewer states that a percentage rather than a set amount should be asked for. We will look for consensus from the community.

Q – Can the casino set up some type of disaster plan in case of any type of town-wide emergency?

A – Rep. Smola states that should be a part of the town legislation rather than mandated by the state. As legislators, we need to think about all nearby towns and their needs. It is something that we can certainly look at.

Q – What is your stance on establishing casinos in the State of Massachusetts?

A – Rep. Smola states that the question is not that simple. We need to vote on the plan in front of us. I voted against the prior bill because it was a bad bill and I have been vocal about this. Do I think there are pluses and minuses? Yes I do. If every question that I have on casino gambling can be answered then, yes I would support it, but my job as a legislator is to be reserved until those questions are answered. Sen. Brewer states that he has no moral objections to gaming. I have a passion and a love for this community and a duty to serve all of the surrounding communities.

Q – Do you see the recent budget cuts as part of the plan to introduce casino gambling to the State again? Mr. Dragone was here 2 weeks ago and led us to believe this.

A – Rep Smola answers that he met with Gov. Patrick and this is a difficult fiscal time. He has rolled out a proposal of stiff cuts. Even if casino gambling is legalized right now, the process will take years and years before anyone will see a dollar. Palmer does not have a monopoly on casino gambling. If the Governor's bill passed, you would see a number of competitors come up. If the political players on Beacon Hill don't change, you're not likely to see casino gaming ever to come to Massachusetts. Sen. Brewer states that the Governor has taken a proactive approach to these fiscal times. This economic problem is larger than the state and even the country. Economists have estimated that this downturn will continue through 2009.

Q – 1. Please consider having a representative from the host community on the State Gambling Board. 2. We need to know the specific steps to follow to impose local taxes. 3. We need information on an ordinance to ban the practice of hot bedding. 4. Are there funds available to help set up a master plan for future expansion? 5. We have 3 separate fire and 4 separate water districts, we need information on how we can legally consolidate these districts.

A – Rep. Brewer states regarding consolidation of districts, this is something that needs to happen at a local level, not a state level. There are issues within the town that need to be worked through and that is a long initiative that comes from all parties involved. Regarding the set up of a master plan, communicating with the Central Mass or Pioneer Valley Planning Commissions would be a great place to go. We can check on the resources available. It is a good idea to have a master plan put together. Regarding the specific steps, you don't know which community will get a casino at this point. Regarding the hotbedding issue, we are very familiar with this and the problems that it causes. Another real issue is workers using highways to walk to work. I suspect that you can deal with these with your local planning department. The workers for a casino are not the same people from your existing community. The 3,000 proposed jobs are not going to come just from Palmer, Warren and Ware. Be prepared for issues like hotbedding to be very real. It is very real in Connecticut. Regarding imposing local taxes on hotels and meals, if you look at communities like Sturbridge which has many hotels and a number of restaurants, this tax is seen as a great benefit. While in other communities like Wales or Holland, which doesn't have as much, the tax isn't seen as beneficial. We need to consider how it's going to affect the surrounding communities.

Q – Is there a regional grant writer available to us?

A – Sen. Brewer states that he will submit these questions to Central Mass and Pioneer Valley Planning Commissions. An issue like this has such an overlap that 2 regional planning committees are involved. Regarding these taxes, we have to consider all communities involved. Regarding hotbunking, there is no benefit for the town so look at that issue with great cause. Regarding mitigation, a lot of communities will make great argument for receiving mitigation. Take for instance all of the traffic coming down Rt 181 from the 5 colleges. Regarding grants, Sen Brewer gives example of M.O.R.E. grants from the state to help Athol develop an industrial park. When the clarity of this situation becomes more real, these can be available. Regarding the consolidation, you will need to solve that within the community and we can facilitate the steps.

Q – How does the Lt Governor feel about casino gambling? This is asked in connec-

tion with the rumors that our current Governor may be head to Washington to join a new administration.

A – Sen. Brewer states that Gov. Patrick has said he will stay in the State but that is a decision up to him. Lt. Gov. Tim Murray would support the Governor on this issue. When he was Mayor of Worcester he entertained an idea of gaming. Rep. Smola adds that the real battle is in the State Legislature for this issue.

Q – Do you think the downturn in casino profits would have an affect in upcoming casino legislation? Would it not be brought up with the current problems?

A – Rep. Smola answers that the casino business, like any other business has ups and downs. Casinos will come up in the legislation; somebody will file a bill on casino gaming. Whether or not the Governor will support it will be the larger factor. Sen. Brewer adds that the casino debate is fluid, Deleo is a likely candidate to step in if DiMasi should step down, which would change the dynamic.

Q – Why aren't other communities vocal about their interest in a casino? Todd, you touched upon this earlier, yet I don't read about other towns putting in as much interest as ours.

A – This community was very early in it's interest with it's non-binding vote in 1997. Our district is very volatile with this issue. Palmer and Warren have passed non-binding initiatives while Sturbridge has actually appropriated money at a town meeting to fight casinos from coming in. We have a larger impact to look at. Mohegan Sun and Northeast Realty have obviously staked an early claim. We are glad that you have the committee formed already. This due diligence is important. When you submit this report, please pass on to the Town Council that is an ongoing debate. He cites example of the Spectrum Report financed by the Governor that showed numbers in conflict to his early estimations. Everything changes. You may want to come back together if a new bill is proposed. It is a work in progress. Sen. Brewer adds that Middleborough had 3 weeks to set up their proposal and many of their selectmen were recalled because of the lack of proper planning.

Q – What are the questions that you have never had answered on casinos?

A – Rep. Smola answers that he never understood how the licensing structure and the board that would be set up only by the Governor. Any commission should show a broader base of backgrounds. We asked questions such as where did some of the numbers for employment come from? The Spectrum Report was night and day from the Governor's estimates. Any report can say just about anything you want it to say, but what was interesting about the Spectrum Report was that it was funded by the same administration. We need to decide which study is right. There were a lot of legislators that support casino gambling that did not vote for the Governor's bill because of the number questions unanswered. Sen. Brewer adds his questions: What is the definition of an abutting community? Where will the water come from? What is the night lighting look like? We spend a lot of money on open space preservation in this area. How will that be affected? Fenway Park holds 81 home games a year and hold 37,000 people. Mohegan Sun has said 50,000 people will visit a day for every-day of the year. What will the traffic and what will this area look like? We drive over 900 million dollars from the state lottery, what is the impact on that system? This goes back to the first question of do you support this or not? It's not an easy question.

Q – This is a question that I have asked the developers: Are you aware of any towns in this country where a mitigation agreement has been put together between a

developer and a host community such that the mitigation is the sole responsibility of the developer and that mitigation payments are made directly from the developer and not filtered through the county or the state? The developers have responded with examples that we don't believe fulfill what we are talking about. The closest example we have found is in Tunica, MS where the community has benefitted from a casino, but other communities are fighting to get their piece of the pie. If there are examples that you know of, we would like to be aware of them. This includes a one time mitigation and on-going mitigation. The second question is this: Do you think that as members of the State Legislature, you would look more favorable upon a community that already has a host agreement in place that addressed the mitigation, than say a community that has a lot of open-ended scenarios? The third question is this: As legislatures, are you going to look at this not as an economic cycle but as market saturation, as in there may be a high concentration of casinos?

A – Sen. Brewer states the committee should have all voices on the casino debate in for discussion. Rep. Smola adds that Connecticut gets only 20% of the slot revenue, not money from the card or dice games, or the meals or the shows. A lot of legislators are kicking themselves for not having a better agreement in place. The issue of market saturation is real. There are only some many dollars to be spread around. How this host agreement plays out will be very big issue. As far developers who pay out directly to communities, Rep. Smola cannot think of any and states that he has read a number of studies over the year. It doesn't mean it doesn't exist, but he has not come across it. Sen. Brewer does not think that other communities would allow such an agreement that they do not get what they would consider their fair share of the deal. Sen. Brewer won't support a bill that doesn't help abutting communities. He cannot predict this but no law would allow a direct payment. He does not see a non-regulated agreement between the entity and the community without it filtering through a myriad of regulatory aspects.

Q – The question is, what would you be more in favor of? A community that has a solid economic plan or one that only has a few years before its in trouble?

A – Sen. Brewer states that the question answers itself. An example of road construction in Royalston is given. But, be mindful that the host community can be lined up but the abutting communities may disagree completely.

Q – Where have you seen the problems of hotbedding to be more of an issue: biotech company areas or industrial communities or agricultural communities or casino communities?

A – Sen. Brewer states that he had never heard the term before learning about entities that have 1200 room hotels and are large resort complexes such as the gaming industry. Rep. Smola adds that hotbedding skews all of the numbers a community uses to finance their roads and schools and safety initiatives. It's not something any of us want to see.

Q – I understand that we have the most successful lottery in the country, how would a casino plan affect this? The second question is there any truth to the rumor that DiMasi will retire and do legislators vote with their conscience or only with the leaders?

A – Rep. Smola states that Dan Bosely will never change his anti-casino stance, but he cannot speculate on the future of DiMasi. As far as the lottery, we do have one of the most successful. It's one of the reasons the casino industry came up in 1997 to Massachusetts and looked in this area. Of all the cities and towns in the state Palmer

was near the top of the list for lottery sales per capita. The lottery is a priority for legislators and the towns because it's the backbone of state aid.

Q – Does a bill like this pit towns against each other in the sense that if it doesn't come to this town and it goes to a nearby town won't we still be stuck with a lot of the same problems? Also, one of the people from Mohegan Sun didn't come to our meeting because they were recruiting in South America for dealers, how do these jobs stay available to people in this area? On the environment, Governor Patrick has 10 principles for environmental development and it seems that casinos fly in the face of it. Are people thinking regionally? Is Patrick thinking regionally? Is the night sky going to be ruined? Why are these destination casinos proposed in places that people have to drive to?

A – Sen. Brewer responds that these are observations and not really questions. As far as pitting towns against towns, we cannot do that. Regionalism issues need to be addressed. Eco-tourism is the third largest money maker in Massachusetts right now. People come in, lay their money down and then leave. They come here because we don't look like New Jersey.

Q – If it's not a casino that is going to stimulate the economy, what will?

A – Rep. Smola suggests that local municipalities need to better market themselves. Some communities are very selective of what businesses they market towards and it's been very successful. As far as a casino being a viable economic engine, there's no doubt that Mohegan Sun is a great player. There are certainly benefits but the negatives need to be addressed. The one-stop-shop should not desecrate the local business and close the local restaurants. Sen. Brewer adds that the biotech companies are going to be looking for cheaper area to develop in. He ties in relationship of the 5 colleges to the open space in this area with the accessibility of the Turnpike.

Q – Can you give a sense of the chronological order of events a casino proposal would take? If the town of Palmer has a moratorium on multi-family housing, do you play a role in that at all or can it just be decided at a local level?

A – Rep. Smola the chronology of events is this: The legislation is filed and is assigned to a committee and given a public hearing. The legislation has to come out of the committee with a recommendation. Depending on what the recommendation is, it may come up for a vote and it needs a positive vote. Then it has to walk over from the House to the Senate and be approved again. Then the Governor has to sign it into law. If all of this happens, an organization would need to be able to put the capital in place to apply for a license. The area of where the town comes into play needs to be written into the legislation. We can't guarantee that it will be a part of it, but that is what we are strongly fighting for. It may not even be a simple majority vote, it may be a super-majority vote which could be a two-thirds vote. There is uncertainty when a the municipality vote comes into the process. Regarding the multi-family housing, that is a legal question and it cannot be answered right now.

Q – What preventions are in place for problem gambling?

A – Rep. Smola states that there are huge socioeconomic issues at stake here. Unknowns are not necessarily factored into the casino plans. The unknowns could be how much did Massachusetts spend on food stamps before and after a casino opens. Electrical assistance? Oil assistance? When people fall on hard times, they call us to get on public assistance. This impacts our bottom line. There's no easy answer to deal with this, but it must be considered. Sen. Brewer gives examples of city of

Weston and Cheslea for economic comparison. It's interesting that the new mayor of Springfield is very much in favor of a casino, in Palmer.

Q – How do you hope to encourage these jobs at the casino to go to local people?

A – Rep. Smola states that we will be very hard pressed to guaranteed where this work force will come from. As a business they need to cater to their customers and they will be looking for people with multi-lingual skill sets. As long as they meet the legal obligations for their employees, they can hire who they see fit. As a side, Rep. Smola speaks to the fact that Massachusetts has a smoking ban in place which will play a role on the bottom line of a casino.

Q – (David Whitney, Town Council) What will the impact of a repeal of the state income tax have on the Town of Palmer?

A – Sen. Brewer and Rep. Smola make plea against repeal of income tax.

Q – If Mohegan Sun builds a 1.1 billion dollar casino in Palmer, what will that do to our property tax rate?

A – Sen. Brewer comments that it is an enormously complicated formula. If you wanted us to run some scenarios, we could do that, but it would be unreliable because the formulas change from year to year. A speculation cannot be given. The net value would be increased, so state funding would likely decrease.

G. Chudy thanks Senator Brewer and Representative Smola for their time.

ADJOURNMENT

The meeting was adjourned at 9:20 pm.

MINUTES SUBMITTED BY MICHAEL SWIATLOWSKI.

APPROVED – APRIL 8, 2009