

EXECUTIVE SESSION

FEB. 4, 2014

7:20 P.M.

FOR THE PURPOSE OF DISCUSSION NEGOTIATIONS FOR SURROUNDING COMMUNITY AGREEMENT WITH MOHEGAN SUN

PRESENT: ALL CITY COUNCILLORS EXCEPT NESTOR, RON HOGAN, KEVIN DUFFY

Councillor Anderson acknowledged Councillor D'Arcangelo.

Mr. Hogan distributed copies of a surrounding communities agreement and preliminary proposal from Mohegan Sun.

Councillor D'Arcangelo said that this was an extension of the work that had been done with the Wynn Group in Everett. He said that he wanted to make clear that what had appeared in the media was not a done deal. He said that the issue had been discussed at the Gaming Commission, whose meetings were public and the media had picked up on it. He said that, tonight, they were hopefully of getting authorization to continue to negotiate and bring back a final agreement for Council approval. He said that the terms of this agreement were not quite as good as those achieved with Wynn and said that Mr. Hogan could explain how we had gotten to where we were.

Mr. Hogan said that the process had been more collaborative with Wynn. He said that Mohegan Sun had not viewed Malden as a surrounding community from the outset but had finally begun to bend. He said that Councillors Nestor and D'Arcangelo had been kept in the loop during these discussions. He said that they had finally said that the city should give them an idea of what they wanted or they were going to the gaming commission to contest our status as a surrounding community. He said that they had explained to Mohegan Sun that the agreement needed City Council authorization but the advantage to signing the letter was that they would not fight the city's designation as a surrounding community based on this letter. He said that they still thought that they could make a better deal and this was a preliminary proposal.

Councillor D'Arcangelo said that it was unfortunate how it had gone down in the media but that our negotiating team could not be held responsible for that. He said that they still believed that the license would be awarded to Wynn, so this was just a fall back position.

Mr. Hogan said that the only community that got more from them was Chelsea. He said that, if Malden had not agreed to this proposal, Mohegan Sun would have fought our designation and it would be based almost entirely on traffic.

Councillor Murphy said that she thought that they had taken the right path and she would like to see them continue along that same path and get a final agreement.

Councillor Spadafora said that he would second Councillor Murphy's comments. He said that this was just a hedge against the possibility that Wynn would not be designated.

Councillor Matheson said that he understood why we were number 2 to Chelsea with this group. But, he asked, why was the offer 50% lower than that made by Everett.

Mr. Hogan said that the two biggest factors were our proximity to Everett and being the first to sign an agreement. He said that being first to sign definitely had a premium attached to it. He said that they are not convinced that we will have impacts but want to curry favor with interested parties. He said that their initial approach was to get six communities in the room and offer \$50,000 each. He said that Malden had led the way in saying no to that offer. He said that, in their minds, Boston, Chelsea and Revere were the

impacted communities. But, he said, they identified Cambridge, Medford, Melrose and Malden as sort of second tier communities. He said that Cambridge and Melrose had agreed to \$50,000 and Mohegan Sun can now say they have the cooperation of those communities. He said that they had wanted Malden to do a press release naming them as our preferred developer and we said no - we were not cheerleading for them, we only wanted to protect the city.

Councillor Matheson pointed to specific language in the letter and asked if other conditions could reduce the amount the city received.

Mr. Hogan said that it could not - payments would be tied to the license. He said that, based on the preliminary agreement, they did not dispute our status as a surrounding community. He said that, if we could not reach an agreement, we would have to go before an arbitrator and name a figure. He said that could be risky but, if they were awarded the license, we would receive money as a surrounding community.

Councillor D'Arcangelo said that a lot of credit for this agreement went to the earlier negotiation, in which the city signed the first ever surrounding community agreement with Wynn, which set the stage for what an agreement should look like. And, he said, he thought that Mohegan Sun had gone higher with their offer because they were desperate and trying to build momentum for their application.

Councillor Matheson noted that Mohegan Sun had 7 surrounding community agreements, as compared to Wynn's two. He asked if that would have an impact on the outcome.

Mr. Hogan said that it was hard to say, as this has never been done before. He said that Mohegan Sun is trying to say that everyone loves them, whereas Wynn is trying to say that they are staying true to the law and mitigating impacts. He said it was difficult to say which approach was more valuable.

Councillor Matheson said that the important thing was that the city would be covered either way.

Councillor DeMaria asked how Wynn felt about the city signing with Mohegan Sun.

Mr. Hogan said that they understood; he said that they knew that we needed to protect the city's interest.

Councillor D'Arcangelo said that it was important to remember that they knew that the city had refused to buy into the preferred developer clause proposed by Mohegan Sun.

Councillor Kinnon said that he thought that it was a good thing for the city to hedge its bets. He said that he thought that something wasn't quite right about how this application was being handled.

Mr. Hogan said that Mohegan Sun believes that the gaming commission was attempting to avoid a lawsuit. But, he said, he would agree that there were political forces in play.

Councillor Matheson said that he would like to see some modification to the local employment section, so that there was specific reference to Malden.

Mr. Hogan said that he agreed. He said that he would also like to address the issue of growth over the years. He said that he would like to meet with them to see what else the city could get.

ON COUNCILLOR MURPHY'S MOTION TO AUTHORIZE CONTINUED NEGOTIATIONS WITH
MOHEGAN SUN ON SURROUNDING COMMUNITY AGREEMENT FOR APPROVAL BY THE
COUNCIL

(10Y-0N) (SEE ROLL CALL)

ON COUNCILLOR MURPHY'S MOTION TO ADJOURN

(10Y-0N) (SEE ROLL CALL)

MEETING ADJOURNED

7:43 P.M.



David A. Rome, Esq.
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January 23, 2013

By Hand

The Honorable Gary Christenson
City of Malden
Malden City Hall
200 Pleasant Street
Malden, MA 02155

Re: Surrounding Community Proposal and Preliminary Agreement

Dear Mayor Christenson:

This letter is sent on behalf of Mohegan Sun Massachusetts, LLC ("Mohegan Sun"), an applicant for a Category 1 gaming license from the Massachusetts Gaming Commission ("MGC"). As you know, Mohegan Sun and its representatives have met with your staff and have held several follow-up conversations regarding Mohegan Sun's plans to develop a destination resort casino in Revere (the "Project") that is well-integrated with its surrounding region and is an engine for regional economic growth and tourism. Please accept this letter as Mohegan Sun's designation of the City of Malden as a "Surrounding Community" and its proposal regarding the terms of a proposed "Surrounding Community Agreement" for the purposes of Mass. Gen. L. c. 23K and 205 CMR 125.00 (collectively, the "Expanded Gaming Law").

As we have discussed with your representatives, both Mohegan Sun and Malden believe that Malden will be impacted by the Project. Of course, the communities share a border and Mohegan is well aware that the regional highway network can be constrained at various times of the day. As you know, Mohegan Sun is taking steps to lower the total number of vehicle trips to the Project through a focus on transit and other travel demand measures and to keep vehicle trips on the regional roadway system as much as possible. Nevertheless, while Project traffic is projected to peak at off-peak times, the possibility exists that current levels of service at

Wellington Circle and on Route 1 may be affected by the Project and, as a result, local streets may be impacted from additional traffic.

In consideration for the proposed impacts to Malden on account of the Project and recognizing the importance of working with local municipalities as expressed in the Expanded Gaming Law, Mohegan Sun proposes the following, all subject to the award of the gaming license to Mohegan Sun and other conditions imposed by the MGC:

- a \$600,000 annual impact payment (the "Annual Impact Payment") beginning on the later of July 15, 2017 or ninety (90) days after the opening of licensed gaming at the Project to be increased based on gross gaming revenue ("GGR") from the Project in any one year as follows:

- GGR between \$850,000,001 and \$925,000,000, the Annual Impact Payment increases to \$625,000;
- GGR between \$925,000,001 and \$975,000,000 the Annual Impact Payment increases to \$650,000;
- GGR between \$975,000,001 and \$1,000,000,000, the Annual Impact Payment increases to \$675,000; and
- GGR above \$1,000,000,001, the Annual Impact Payment increases to \$700,000

- access for local businesses to Mohegan Sun's points loyalty and redemption program, with a commitment to feature and market participating businesses in its promotional materials and programs and to partner with local hotels, restaurants, arts and entertainment institutions, museums and other businesses in Cambridge through the program;

- access to its compulsive gambling counseling services;

- support for the City's requests (along with other communities) to the MGC or other state agencies for grants from the Community Mitigation Fund established under the Expanded Gaming Law and such other funds now or later established for the use of gaming revenue taxes paid by Mohegan Sun to the Commonwealth of Massachusetts;

- benefits from Mohegan Sun's pledge to support the regional economy through reasonable efforts to: (a) purchase \$50 million annually from businesses with a principal place of business within 15 miles of Revere City Hall; and (b) hire 75 percent of its permanent workforce within that same area;

- cooperation regarding the expansion of access to employment opportunities for minorities, women and veterans and other disadvantaged groups and to generally expand local employment opportunities; and

The Honorable Gary Christenson
January 23, 2014
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- an agreement that Mohegan Sun will spend approximately \$450,000 to study traffic mitigation solutions at Wellington Circle according to a scope of work established in cooperation with the City, the Department of Conservation and Recreation and others.
- a provision permitting the parties to re-evaluate the terms of the agreement in the event the impacts are significantly different than estimated.

In return, Mohegan Sun requests mutual cooperation from the City regarding both the license application process before the MGC and with respect to the planning and operation of the Project.

Lastly, Mohegan Sun recognizes that under the Malden City Charter, this Surrounding Community Agreement requires the approval of both the Mayor and the Malden City Council. By signing below, the Mayor agrees to advocate for a Surrounding Community Agreement consistent with this letter before the City Council.

Two original copies of this letter are provided. If the City of Malden finds these terms to be acceptable, we ask that you execute one original copy where I have indicated below and return it to me. Upon our receipt, we intend to file this letter with the MGC and to immediately begin work on a Surrounding Community Agreement that will confirm the City's agreement with Mohegan Sun.

Thank you.

Sincerely,

David Rome

**ACCEPTED ON BEHALF OF THE
CITY OF MALDEN**



The Honorable Gary Christenson, Mayor
January 23, 2014

cc: John Ziemba, Esquire
Mr. L. Gary Luderitz
John Stefanini, Esquire
Mr. Chip Tuttle

308-24

Order: That the City Council will vote to go into Executive Session with legal counsel for the City, in accordance with Exemption Seven Massachusetts General Laws Chapter 30A Section 21(a)(7), to comply with, or act under the authority of, any general or special law or federal grant-in-aid requirements, in order to act on the periodic review of those executive session minutes listed herein; council vote is required prior to release of the executive session minutes of the following dates:

September 3, 2013

October 17, 2013

October 22, 2013

February 4, 2014

In so convening in Executive Session, the City Council will act under the Open Meeting Law MGL c. 30A, Sec. 22(g)(2), to determine whether the Executive Session minutes referenced above warrant continued non-disclosure.

And if so allowed by the Body, to admit Maria Luise, Special Assistant to the Mayor.

(Roll Call Required)

Sponsors: Stephen Winslow

During the Executive Session on July 24, 2024, a motion was made by Councillor Sica, seconded by Councillor O'Malley to release minutes from Executive Sessions as stated in Paper 308-24, as it was determined the executive session purpose no longer warrants confidentiality and that one or more of the exemptions under the Public Records Law no longer apply to the minutes.

The motion carried by the following vote:

Yea: Colon Hayes, Condon, Crowe, Linehan, O'Malley, Sica, Taylor, Winslow

Nea: none

Absent: McDonald, Simonelli, Spadafora

The released minutes are now attached to the history of Paper 308-24.

A motion was made by Councillor Sica, seconded by Councillor Crowe, that the Order be adopted. The motion carried by the following vote:

Yea: 9 - Colon Hayes, Condon, Crowe, Linehan, O'Malley, Sica, Spadafora, Taylor and Winslow

6. ADJOURNMENT

Council President Winslow announced that the Council will not reconvene after deliberation on Paper 308-24 and instead will directly recess to the call of the President from Executive Session, which concluded at 6:56 PM.

CAROL ANN DESIDERIO, CITY CLERK