

EXECUTIVE SESSION

OCTOBER 17, 2013

6:10 P.M.

RE: NEGOTIATIONS FOR STATUS AS SURROUNDING COMMUNITY TO POTENTIAL
CASINO DEVELOPMENT AND STATUS OF MAYOR'S LABOR NEGOTIATIONS

PRESENT: Councillors Anderson, Bucci, D'Arcangelo, Kinnon, Lucey, Murphy, Nestor, and

Spadafora. (Also present were the Mayor, Kevin Duffy, Maria Luise and Ron Hogan)

Councillor Anderson called the meeting to order and gave the floor to Mayor Christenson.

The Mayor thanked the Council for being here this evening. He said that it was a great day for the city - they had led off with a ground breaking on the renovations of South Broadway Park and were ending with the possibility of signing the proposed agreement, which would net \$13 million for the city. He said that he was asking them for authority to sign this agreement with the Wynn Casino group. He said he wanted to acknowledge Ron Hogan, Kevin Duffy, Maria Luise and Councillors D'Arcangelo and Nestor for the work they had done on this. He said that he would like them to describe the terms and answer questions.

Councillor D'Arcangelo said that it had been a long process involving 10 to 12 meetings in total, 8 or 9 of which were face to face with the Wynn people. He said that there had been a evolution to the process. He said that their first effort was to try to understand the law. He said that the city had initially proposed \$1.5 up front and \$1.7 annually. Wynn came back much lower - in the area of \$200,000 annually. He said that it was clear that the Gaming Commission would only grant surrounding community status based on proven impacts. He said that the negotiating team had thought that the impacts would be great. But, he said, the Wynn people had shown them the traffic data and impacts were significantly less than they had thought. He said that, once the Wynn license was approved, the city would have 10 days to apply and prove impact. He said that would be at the city's own time and expense. And, he said, there was no guarantee that what the city got would be as advantageous as this proposal. He said that this proposal represented a lot of hard work. He said that Councillor Nestor had been particularly big on mitigation and the agreement contained provisions for hiring local residents and purchasing from local vendors, as well as \$1 million up front and annual payments that would escalate.

Councillor Nestor said that the city had no say as to whether or not the casino would come to Everett. He said that, if it came, there would be impacts and it was important for the city to see what they could get. He said that all payments must be tied back to something in the community. He said that, if Everett got the casino and we had not agreement, it would be left to the state to determine what the impacts were and what was suitable mitigation. He said that they would not be voting in favor of the casino - the Council had no control over that. He said that local residents would be second in preference for hiring, both during the construction phase and once the casino was in operation. He said that he realized that people thought that \$10 million spent with vendors might be pie in the sky but, if it didn't happen, the Wynn group could be called back to the table. And, he said, it might be an incentive for smart businesses to locate in the community. He said that, in formulating the agreement, they had tried to take everyone's concerns into account.

Councillor D'Arcangelo said that it was important to remember that Wynn did not need the city - he said that they wanted us but did not need us. He said that the vote in Boston was scheduled for November 5. He said that, if Suffolk Downs were taken out of the loop, the city's value to Wynn went way down.

Ron Hogan said that the city was the 1st to the table on this kind of agreement. He said that they were trying to quantify the impacts. He said that their approach had been to try to get more than the city would get if they went to the Gaming Commission. He said, though, that was hard to

assess and that is why the contract contained a re-opening provision. He said that they believed that, if the city did not enter this agreement voluntarily, it would be a 50-50 proposition on being named a surrounding community anyhow and that it would be necessary for the city to quantify the money needed to mitigate impacts. So, he said, the strategy had been to negotiate and try to build a relationship with these people. He said that he thought that the result represented a fair deal for the city.

Kevin Duffy said that there were a lot of provisions in the contract that would benefit the city and there were no drawbacks. He reemphasized that the city had no control over where the casino is sited.

Mr. Hogan said that if there were impacts the city had not anticipated, they could go back to the table. He said that the state would be created three trust funds - one for public safety, one for transportation and one for community - to help deal with issues that arose. So, he said, there were a couple of other cracks to get things that they city hadn't anticipated.

Councillor D'Arcangelo said that the key to the whole thing was getting designated as a surrounding community.

The Mayor said that a number of Council members had just come from the MRA where they were reviewing proposals for the property where city hall was now located. He said that this money was one way of addressing that move.

Councillor Murphy said that she wanted to commend the negotiating team. She said that she thought it was a great deal for the city. But, she said, Councillor Crowe was unable to be here this evening and she is one of the direct abutters to Everett. She said that, at Councillor Murphy's request, she was asking that it be tabled until Tuesday when Councillor Crowe could be here.

Councillor Anderson asked if she would hold that motion to allow discussion in the issue.

Councillor Murphy said that she would.

Councillor Lucey asked how tabling would impact the agreement.

The Mayor said that it was a risk. He said that the Wynn people were anxious to hear the results and the additional time might cause them to re-think the agreement.

Councillor Lucey said that he was fine with what was in the contract documents, although he had been initially reluctant to negotiate. He said that he thought that the negotiating team had done a phenomenal job.

Councillor Spadafora said that he was flabbergasted that this discussion was even taking place. He said that the two councillors whose wards abutted Everett weren't here. He said that, with all due respect to the negotiating committee, he was not ready to vote. He asked what this area would be like in 10 years, with this building coming down, the ball field being built and the T station being used as a transportation hub for the casino. He said that our parking spaces had been sold 17 times over - how much more could the garages withstand? He said that the \$15

million for vendors would not happen. He said that he would like to see mitigation guaranteed to wards 1 and 2. He said that he had a number of questions and had not had sufficient time to fully review the proposal, as he had gotten it only 12 hours ago. He said that, out of respect to those who weren't present, he thought that it should be tabled.

Councillor Bucci said that she considered Ward 8 an abutting ward. She said that she thought that the councillors who were not here should be given consideration. She said that she believed that Councillor Ultrino would get here. She asked why it couldn't be done Monday, as that would only be a matter of a few days. She said that she thought it was one of the more significant things that the Council would do this year. She said that they also needed to remember that, in some respects, this was a wish list - it was not yet clear that the casino would come to Everett. She asked again if this could be done Monday.

The Mayor said that it could but that he thought that the point was for Councillors D'Arcangelo and Nestor to do the work for the Council and they had done that. He said that this was a fluid situation and the agreement would be good for the city. He said that, if the casino came, the money was real. He said that they were looking at \$1 million a year over 10 years with an escalator clause. He said that, although it could happen Monday or Tuesday, they needed to get it in hand before they could consider mitigation.

Councillor Bucci said that debating over the value was one thing but that this was about the respect due to fellow Councillors. She said that she thought this was a very good piece and well done but that they needed to show respect to their colleagues.

The Mayor said that the risk was that something might change in the interim.

Councillor Nestor said, with respect to the vendor provision, \$10 million seemed like a lot but they would be spending money anyway to stock the casino and restaurants. He said that he thought that the city should get as much of that as possible.

Councillor Spadafora said that the contract said "best efforts". He said that the money at the top of the sheet was real but "best efforts" meant nothing.

Councillor Nestor said, again, they would be spending money somewhere and Malden businessmen should grab what they could.

Councillor Spadafora said that the casino people needed us - they had not other communities that were willing to talk with them. He said that residents have not heard this yet. He said that he hadn't said that he was against it but he did not believe that it needed to be done today. He said that he had spoken with Steve Tocco who was representing Wynn and he had said that they did not want the information to get out. He said that they had gone to both Medford and Somerville and neither community was interested in dealing with them. He said that he was asking two things: that it be held off until the entire Council was available and that they be given 24 hours to digest the terms. He said that the Mayor had been Ward One Councillor and when he was, he would have wanted the opportunity to go through the agreement.

The Mayor said that he was asking for the Council's trust. He said that it was a fluid situation and that the negotiating group had worked hard. He said that they had gotten the city in the best

situation possible and that was the most the city would get.

Councillor Bucci said that if they voted tonight, this would no longer be negotiable. She asked why Wellington Circle was specifically referenced.

Mr. Hogan said that intersection had been identified in their traffic studies. He said that they would look at others if the city asked.

Councillor Nestor said that the mitigation must be tied back to an impact. He said that the streets that lead to Everett have to show an impact to warrant mitigation and that there had never been a meeting with the public to hear their specific concerns. He said that would come later.

Councillor Bucci asked if he was saying that other key access streets would be part of this mitigation package.

Councillor Nestor said that was correct.

Councillor D'Arcangelo said that they had identified 28 streets that run between Malden and Everett. He said that he would send the list to Councillors.

Mr. Duffy said that they would be looking at all the streets that run from Everett into Malden.

Councillor D'Arcangelo said that he understood the frustration. He said that he had not realized that two of the Councillor would be unable to make this meeting. But, he said, they had gotten to the point where their position began to degrade. He said who knew what could happen - maybe they would go to Medford? He said that Suffolk University, who was noted to the accuracy of their polls, had the Boston vote at 50-50 and the vote was scheduled to Nov. 5th. He said that they were here tonight because the timing was important.

Councillor Spadafora said that no one was suggesting that it be put off until after the 5th.

Councillor Anderson asked why that was critical.

The Mayor said that the agreement was tenuous. He said that it was the first one ever done and if something changes, the offer might be withdrawn. He said he was asking for the Council's trust.

Councillor Spadafora said that they had more than 30 meetings on this and the Council had 12 hours. He said that he was not saying that he would vote against it - only that he would like 24 hours to look at it.

Councillor Lucey said that if the goal was to have the entire Council present, they should wait until Tuesday. He said that they didn't have luck getting together on off nights and that could be frustrating business. He said that they had appointed negotiators and that there was nothing outrageous here. He said that he believed that they had done what they could and that they had done a good job. He said that we had told them to get it done and they did.

Mr. Hogan said that he did not think that they would re-negotiate. He said that one of the first

questions when they came to the table was whether or not they were the people with the authority to negotiate. He said that the team had assured them that they were. He said that if the Council needed time to understand the terms and discuss them, that was fine. But, he said, they would not tweak the contract.

Councillor Anderson said that he had thought that Tuesday was better but there seemed to be some urgency to this. He said that the Mayor was saying that it was a coin toss if they waited.

Councillor Nestor said that these were the top numbers - the city would not get more.

Councillor Bucci said that she did not want to seem disrespectful of the negotiators but she did need to respect her colleagues.

Councillor Murphy said that she wanted to allay their fears: she had no intention of asking to renegotiation - she was impressed with what they had achieved but had made the motion in deference to her colleague.

Councillor Kinnon said that he thought that the team had done a good job - he said that he wouldn't say great, but good, because they did not yet know what others would get. He said that he did not think that this was enough to mitigate the public safety concerns that would arise. He said that the money equated to 3 police officers - 1 per shift. He said that he believed that all kinds of situations would arise and we would need, probably, 10 more police per shift. But, he said, if we were out up to bat, we wouldn't get anything. He said November 5 was the deadline. He said that, if the casino were to go to Everett, there would be a significant impact for many years. He said that he did not believe the \$10 million piece of the agreement. He said that we had sent our best people to negotiate but that the language says nothing - it says only that they would negotiate in good faith. He said that might mean something if the two parties were financial equals but, in this situation, they could drag something out forever legally. He said that, although it did allow us leeway if someone negotiated a better deal, the threshold was 10% better. He said that we should get the most because we took the risks.

Councillor Anderson asked him to clarify his comments.

Councillor Kinnon said that nothing would stop them from offering Medford or Somerville 9% more tomorrow and we couldn't do anything about it. He said that he thought that the Council needed time to think and to process things before a decision was made. He said that he respected the wishes of Councillors Ultrino and Crowe for time to participate. He said that he agreed that Tuesday would be time enough to consider this. He said that he had some concerns and hadn't had time to think it through.

Councillor D'Arcangelo said that it was important to remember the difference between what they needed and what they wanted. He said that Wynn did not want Somerville or Medford. He said that the Mayor of Somerville was leading the charge to repeal casino laws and Medford was throwing around crazy numbers. He said that we had succeeded in quantifying the numbers but to get the money, the Wynn group needed to get the license.

The Mayor said that is why we were here. He said that Wynn needed to beef up their host agreement with a surrounding community agreement. He said that this was key in the city's

hunt for new revenue. He said that the alternative was to wait for the Gaming Commission to make a decision and see if we were designated a surrounding community. But, he said, he did not think that the money would be as good, even if we were designated.

Councillor D'Arcangelo said that Maldne has unique things that other communities could not offer to Wynn.

Councillor Spadafora said that if this happened, he thought that the impact on the city would be detrimental.

The Mayor noted that the city would not control that - it would happen regardless of what we did.

Councillor Spadafora said that this was a public relations move for Wynn. He said, again, that he wanted the opportunity to review it more thoroughly.

The Mayor said that the important part were the figures at the top of the sheet. He said that they were giving the city \$1 million per year.

Councillor Lucey said that no one could anticipate the real impact. He said that the biggest thing going for Wynn right now was the 87% vote in Everett - it was almost impossible to get 87% of the people to agree on anything. He said that he did not think that Boston would get that kind of vote.

Councillor Spadafora asked if the money had to go into specific accounts based on the agreement.

Mr. Hogan said that the agreement was developed by putting a dollar value on a perceived impact - he said that the agreement had to look like a genuine effort had been made to assess impacts. But, he said, no one would audit how the money was spent - the city could do whatever they wanted with it.

Councillor Spadafora asked who would determine that.

The Mayor said that the city would.

Mr. Hogan said that was correct but that there was some semblance of reality in the numbers.

Councillor D'Arcangelo said that there was also the philanthropy piece - that Wynn was willing to look at art centers, scholarships, educational programs, etc.

ON COUNCILLOR MURPHY'S MOTION TO TABLE UNTIL TUESDAY (5Y-2N, SEE ROLL CALL)

Mr. Hogan asked the Council to let them know if they needed anything else before Tuesday.

Councillor Anderson noted that the Mayor had also intended to brief the Council on the status of union negotiations.

The Mayor said that, if they didn't mind, he'd rather wait until Tuesday, when all members were present. He said that he was sure that the absent members would want to hear that as well.

ON COUNCILLOR MURPHY'S MOTION TO ADJOURN (7Y-0N, SEE ROLL CALL)

MEETING ADJOURNED 7:20 P.M.

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