

**ECONOMIC DEVELOPMENT**  
  
**HIGHER EDUCATION**  
  
**and**  
  
**ENERGY COMMITTEE**  
  
**of the**  
  
**SUFFOLK COUNTY LEGISLATURE**  
  
**Minutes**

A regular meeting of the Economic Development, Higher Education & Energy Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, Veterans Memorial Highway, Smithtown, New York, on Wednesday, May 7, 2008.

**MEMBERS PRESENT:**

Legislator Wayne Horsley - Chairman  
Legislator Steve Stern - Vice-Chair  
Legislator Cameron Alden  
Legislator Lou D'Amaro  
Legislator John Kennedy

**ALSO IN ATTENDANCE:**

George Nolan - Counsel to the Legislature  
Joe Schroeder - Budget Review Office  
Joe Muncey - Budget Review Office  
Barbara LoMoriello - Deputy Clerk of the Legislature  
Ben Zwirn - Deputy County Executive  
Carolyn Fahey - Economic Development  
Charles Stein - Suffolk Community College  
George Gatta - Suffolk Community College  
Debra Alloncius - AME  
All other interested parties

**MINUTES TAKEN BY:**

Donna Catalano - Court Stenographer

(\*THE MEETING WAS CALLED TO ORDER AT 2:08 P.M.\*)

**CHAIRMAN HORSLEY:**

Good afternoon, everybody, and welcome to the Economic Development and Higher Education, Energy Committee Meeting of May 7th, 2008. And may we just please stand, as I see you are already, you guys are conditioned, stand for the Pledge of Allegiance.

**SALUTATION**

**CHAIRMAN HORSLEY:**

May we also stand for a moment of silence for those that protect us across the seas and at home and let them be blessed with security and future peace.

**MOMENT OF SILENCE**

Thank you very much, Legislator Alden. May we also give a moment of silence for Jerry D'Amaro, father of Lou D'Amaro, who passed over the last week.

**MOMENT OF SILENCE**

**CHAIRMAN HORSLEY:**

Thank you very much. Please be seated. Good afternoon, everybody. And, again, welcome to Economic Development, Energy and Higher Education. What I'd like to do to accommodate one of our colleagues in government who would like us to do the resolutions first, if I may do that. And I would be silly not to comply with that, because he is a heck of a guy. We're going to move to the agenda, and then what we'll do is we have an exciting presentation this afternoon entitled, "The Economic Impact of the Shinnecock Indian Nation," and to discuss gaming establishments on Long Island and the possibility of. So -- but we'll move to the agenda first. Tabled Prime.

The first one we have is 1094, adopting a Local Law -- let me just -- Mr. Swanson, I only have one card. Are you -- did you want to speak on any of the items that are before us today.

**MR. SWANSON:**

No.

**CHAIRMAN HORSLEY:**

All right. Then I'll have you after we handle the agenda. Thank you.

**1094. A Local Law amending the Suffolk County Empire Zone Boundaries to include Bactolac Pharmaceuticals, Inc.**

And I'd like to ask Carolyn Fahey that if she would come up front and discuss this issue with us. And I understand that you have someone from Bactolac itself.

**MS. FAHEY:**

Joining me is Ms. Renee Reynolds, who is the Chief Financial Officer for Bactolac.

**CHAIRMAN HORSLEY:**

I'm sorry, your name again?

**MS. REYNOLDS:**

Renee Reynolds.

**CHAIRMAN HORSLEY:**

Renee. Welcome, Renee.

**MS. FAHEY:**

At your last meeting this, last resolution was once again tabled asking for a little bit more time for communications to transpire with regards to the construction of the new facility. Those communications to some extent have happened. I have asking Ms. Reynolds to come and explain to you what has transpired and what the results of those communications have been.

**MS. REYNOLDS:**

Thus far, I have had the opportunity to meet with a couple of the representatives from the local unions. I have had several meetings with the Local Laborers International, the Empire State Regional Council of Carpenters and the UA Plumbers Local Union Number 200 and a meeting pending with the International Union of Operating Engineers. You know, we're very open to entertaining bids from both union and nonunion laborers. Our only requirement is that the contractor be skilled in the job that they're doing and they meet, you know, within our budgetary guidelines for constructing the project.

**CHAIRMAN HORSLEY:**

And could you report to us if it's -- if you'd like -- on how those meetings went, what exactly happened, transpired, was there anything resolved or?

**MS. REYNOLDS:**

Pretty much they were a very open cordial dialog. I agreed that we -- that I would instruct my construction manager who's overseeing the project to entertain bids from both union and nonunion contractors. In the end, because it's a construction management arrangement, the company Bactolac, myself and the CEO, we make the ultimate decision as to who gets awarded the contracts for the project. So we pretty much have agreement on that, and that's what we're willing to do.

**CHAIRMAN HORSLEY:**

All right. Thank you very much, Ms. Reynolds. What I'd like to do is I have since, which I didn't have when I started the hearing, I have received four cards relating to the Bactolac 1094. And so what I'd like to do, Carolyn -- Ms. Fahey, are you completed? Is there anything else that you'd --

**MS. FAHEY:**

On this resolution, we're fine. We're done.

**CHAIRMAN HORSLEY:**

Okay. I'm going ask to take those cards that relate to the Bactolac, because I think that should be heard before we vote on this particular issue. If I may, I'd like to call up Mr. John Guadagno from Local 25, IBEW.

**MR. GUADAGNO:**

Good afternoon. I'm John Guadagno. I'm a 40 year resident of Smithtown, St. James to be exact. I'm also representing 2500 union electricians, IBEW Local 25. We're a strong believer in having IDA money, any incentives we can have through the County, State, Federal Government to encourage companies to stay on Long Island, and I'm biased towards Smithtown, it's even a better place to work and to have a business and to have your family here.

I heard Ms. Reynolds speak in her opening remarks. Local 25 Electrical Union has never been contacted by her group in any way. We still stand today willing to have open dialog with them and to have a fair opportunity to put a -- an opportunity to bid this project. So, again, I would strongly encourage the committee -- she is here saying she is willing to listen to all nonunion and union bids, but that is not the case as of today. Thank you.

**LEG. KENNEDY:**

Mr. Chair.

**CHAIRMAN HORSLEY:**

Yes. Mr. Kennedy.

**LEG. KENNEDY:**

John, can you hold on a second, please. If you will, Mr. Chair. I had an opportunity to have a conversation with Ms. Reynolds earlier today, John. And as a matter of fact, we spoke about a couple of the meetings that she's planned, and also, I spoke about the testimony that Kevin gave at our last meeting. And she did indicate a willingness to go ahead and have some conversation, have some dialog and go ahead and formulate a meeting as well. She is here. I don't want to presume to go ahead and broker her time, but I'm sure she'd be willing to go ahead and have a conversation with yourself or anybody else to go about possibly arranging meetings.

You know, meetings are one thing. Ultimately, what comes out of it, though, is what really counts. And I have to believe that what she has said to me so far is that there is a earnestness and a willingness on her part to entertain submissions. And as you and I had spoken about, I think much of what labor is saying at this point is just give us an opportunity to be at the table.

**MR. GUADAGNO:**

Absolutely.

**LEG. KENNEDY:**

Nobody is looking to orchestrate an outcome here. And I think that's important to us here as a body. We, as a committee, are not trying to direct ultimately what Bactolac winds up doing. But I think I can say, and I believe my colleague Legislators believe, that there should be a willingness on the part of any business entity that is seeking to benefit from substantial tax relief that they approach the project with an open ear. And I think that's the message that we've tried to convey now for going on probably the last two to three months.

So, again, what I'm going to say to you is having had the benefit of having had that conversation with Ms. Reynolds earlier today and speaking specifically about the IBEW, I have to believe she said that she would be more than happy to entertain this conversation with yourself.

We also spoke -- I know there was a short timeframe with the operating engineers -- I believe she'd be willing to go ahead and reschedule there as well. I don't want to speak on the behalf of any party here, but I think it's important that everybody be aware of some of what that interim conversation was.

**CHAIRMAN HORSLEY:**

Mr. Kennedy, do you have a timeframe on this, because this is time sensitive? Do you know when these meetings will be taking place if they are?

**LEG. KENNEDY:**

Well, I have yet to be retained to book Renee Reynolds' schedule, but I'm sure that she is making every effort to go ahead and make these things as available. Let me also say for the record, Mr. Chair --

**CHAIRMAN HORSLEY:**

Please.

**LEG. KENNEDY:**

I am also a strong supporter of construction within my township, Smithtown, a large share of the 12th Legislative District and the expansion of the tax base. And what Bactolac brings to the table at this or has brought to the table is significant as a business entity. So I'm hopeful that what we can do is facilitate something where in whatever form Ms. Reynolds choose to go ahead engage, have conversations with each and every one of the trades with an opportunity to go ahead and speak.

The only thing I'd say is it's unfortunate that we've gotten to the point now where there's already been a substantial amount of site clearing work done, but we are where we are. We take the cards and we play them as we have them dealt. And so, again, I'm going to speak on her behalf, I'm going to say to labor at this point, we should hear from you.

Now, beyond that, I don't know what the outcome of these meetings may be. I know that there have been some members that have met already. I'm not going to presume to speak on their behalf. They were the ones who sat at the table. They know what the outcome is.

**CHAIRMAN HORSLEY:**

Thank you very much, Mr. Kennedy. Speaking about the cards that are being dealt. May I call up Mr. Kevin Harvey, Local 25 IBEW.

**MR. HARVEY:**

Good afternoon, Legislators. I guess what I'm about to say is a little bit redundant to what my brother John Guadagno said. I attended the meeting at Gabreski Airport with my business manager Don Fiore. And we told you of our plight, our -- what we consider to be total disregard by the construction manager that he did not return our phone calls. Now, it's highly unusual in our business that we deal directly with the owner. I just want to make that perfectly clear. Now, as a general rule of thumb, in our business they would hire a construction manager to take care of construction. And after our meeting at Gabreski, we continued with phone calls, and as of yesterday -- I have not been back in my office -- but as of yesterday, we had still not gotten any return phone calls from LMJ, who is the construction manager for the site.

I do tell you I welcome conversation with Ms. Reynolds. It's open dialog like you said John, and what we want to be able to do is we want to be able to sit down and negotiate and at least have the ability to bid the job. This was my argument out at Gabreski. It hasn't changed. The most difficult part in our business is not being invited to the table so that you can talk. I mentioned out there, communication is the key. I think we all realize that. But when you're not even invited to sit down and talk, then what happens is the warning signs start of go up.

So I would just like to reiterate again that I'd be more than happy to sit down with Ms. Reynolds have some open dialog, in addition to the construction manager. Now, they are the owners, the construction manager that oversees the project. And hopefully that will occur. Like I said, as of yesterday afternoon -- I have not been back to my office today -- but as of yesterday afternoon, I have had not any dialog.

And also what we did was, I mentioned this at Gabreski, what we also did was we reached out again to our contractors. So it just wasn't, you know, a union issue, it was actually our contract, it was a business-to-business to issue. And I'm if I'm not mistaken, I don't think any of them have received return phone calls either.

**CHAIRMAN HORSLEY:**

Thank you very much. Dennis Scott Adrian, Local 138.

**MR. ADRIAN:**

How are you?

**CHAIRMAN HORSLEY:**

We're just fine. Thank you.

**MR. ADRIAN:**

Good. I'd like it see if we can get this tabled until we all have a chance to meet with Ms. Reynolds, not just the operating engineers, not just the trades that are sitting in here, but all the building trades. I would like to see if that would be possible. She did reach out for me late Monday afternoon, but I could not get an appointment with my attorney to bring to her meeting, so that's

why I didn't go to her meeting. But I also reached out to her weeks ago. I went to her office. She never returned my phone calls. I finally got a phone call from her attorney, Peter Curry, that he told me the job was going to be open shop. No kidding. I've been in the business 20 something years, I can see who is there, I could see who is working. I know it's open shop. So I'd like to see if I can get this tabled until we all can sit with Ms. Reynolds and get this hashed had out.

**CHAIRMAN HORSLEY:**

Okay. Thank you very much, Mr. Adrian. Mr. John Shepard, DC 9.

**MR. SHEPARD:**

Good afternoon, Legislators. I'm here to say the thing, ditto. I don't want to bore you with your time.

**CHAIRMAN HORSLEY:**

You're never boring John.

**MR. SHEPARD:**

Thank you, Wayne. Our economic development begins when the shovel goes in the ground. And to give away whatever -- you know, I know it's million of dollars that they are asking for, my membership and the rest of the building trades, we've received nothing from this. And, you know, we'll be footing bill. So, again, we just want a seat at the table. Thank you.

**CHAIRMAN HORSLEY:**

Thank you. Would anyone else like to be heard on this? Please.

**MR. NITTO:**

Members of the Suffolk County Legislature, my name Frank Nitto. I reside at 318 Tree Road in Centereach. I'm a business agent for the Sheet Metal Workers' Union. We represent Nassau and Suffolk Counties, all of the Five Burroughs. And I'm going to echo pretty much what my other colleagues told you. The building trade is definitely in favor of any kind of thing that will help bring business into Suffolk County.

We're making an investment. All the people in my local that pay taxes make an investment, and they feel that they want to get return on their investment. This building that's being built is being built with contractors that don't pay area standards, which means they are not paying the same amount of taxes as if it was done by a union contractor.

I just want to echo the same thing. I've met with JLM -- I didn't meet with JLM, I went to his office twice, I called them on the phone, I dropped a card. Never got any phone calls back to me on that. And I really don't think it's fair that we're being pushed out of the marketplace. If you could table this, it would be a great help for the rest of the building trades to have some kind of conversation with Bactolac Pharmaceuticals.

**CHAIRMAN HORSLEY:**

Thank you very much, Mr. Nitto. Anyone else? Great. Okay. I wanted to do first before we discussed this issue with the -- with my colleagues about how we're going to vote, is a letter that I have drafted and we have, as a group, as a committee, have shown concern for the laws involving the regionally significant projects for the Empire Zones, that I have drafted a letter that I'm going to be asking my colleagues to sign onto and/or not. And I would like to read that into the record.

We will also supply you with a copy so that you can -- don't have to kill yourself there. This is to Chairman Foy of the Empire State Development Corporation. "The Suffolk County Legislature is required by State Law to pass a Local Law which amends the Empire Zone Boundaries for each regionally significant project, RSP application. The Local Law is vetted through the Legislature's Economic Development, Higher Education and Energy Committee prior to consideration by the full Legislature."

"In reviewing the latest RSP Local Law boundary amendment, it has come to our attention that there exist no prevailing wage requirement under the qualifications for designation as an Empire State Development Zone for associated construction projects. As you know, State Prevailing Wage Legislation is meant to ensure that all employees on public works projects and building service employees are protected and receive prevailing wage rates."

"Since Empire Zone development projects are not public works, they are not subject to the prevailing wage requirement. Nevertheless, Empire Zone projects receive tax benefits and are placed at the competitive advance over their competitors. As such, it appear disingenuous that while receiving tax breaks on the back of the taxpayer that a company may be able to skirt the spirit of the Prevailing Wage Law."

"The Economic Development, Higher Education and Energy Committee requests that you address this perceived disparity upon your earliest convenience. Please feel free to contact me if we've provide with you any additional information on this topic and thanking you for your attention on this matter of mutual concern."

And that will be for the signators of this committee. It's heartfelt that we all -- we are all in agreement that prevailing wage should be apportioned to the this type of legislation. This assistance, this public assistance to corporations, and as much as we're an economic development group, we're concerned about -- that economic development is fair for all people, not only for the corporations, but also for labor as well. That is true economic development, when everyone is satisfied, when everyone get to be -- to have a piece of the American Dream.

So that is what I am proposing for this committee to ask the State for that change in the legislation. That being the case, now we're hearing -- Ms. Reynolds, could I ask you come on back here for just a second? We're hearing comments from labor that you have been less than anxious to meet. And you said you have had a meeting, and I believe you have, and I believe you gave your best efforts and the like. But how do we, as a body, knowing how we feel, at least how I feel personally, about the prevailing wage issue, how do we -- how do we take this next step? They should be heard, and they should have an opportunity to talk with you. Is that a possibility? Where do you stand on meeting with this group that's talked us to today?

**MS. REYNOLDS:**

I have no issue with meeting with anyone from the group. As I mentioned, I met with several of the union representatives previously. I did have a meeting Scott Adrian scheduled for Tuesday. And I guess he was unable to attend it. I don't really know what happened. But I'm open to meeting with the other gentlemen that have come forth today to have an open dialog and see what they have to offer as well.

**CHAIRMAN HORSLEY:**

That's encouraging news. That's good to hear. Let me -- and let me ask you, is it possible that you could -- the Legislature's next meeting is on Tuesday. Is it possible to have this meeting prior to Tuesday in your mind?

**MS. REYNOLDS:**

That's with how many individual am I looking at?

**CHAIRMAN HORSLEY:**

At least -- I don't know how people are going --

**MS. REYNOLDS:**

I don't see that being issue.

**CHAIRMAN HORSLEY:**

You do not see that being an issue?

**MS. REYNOLDS:**

According to my schedule.

**CHAIRMAN HORSLEY:**

So you could meet prior to Tuesday. The Legislature meets the 13th. That is not a problem. Can I ask one of the -- one of the representatives from labor, you want to chose, whoever wants to come up and me -- just so I can speak to them at the microphone.

**MR. NITTO:**

My name is Frank Nitto, Suffolk County resident.

**CHAIRMAN HORSLEY:**

Of course. And thank you. Is it possible that this meeting could be set up with labor prior to next Tuesday?

**MR. NITTO:**

I believe so, yes.

**CHAIRMAN HORSLEY:**

Do all of you agree with that?

**MR. NITTO:**

We'll maybe meet at the Building Trades. We'll set up a place to meet, a mutual place.

**MS. REYNOLDS:**

That would be fine.

**CHAIRMAN HORSLEY:**

You guys -- a mutual meeting place? Okay. That's sounds good. That's sounds like good news. Okay. You guys are all right with that, mutual meeting place? Excellent. Thank you, Mr. Nitto, I appreciate it. Does anyone else like to be heard on this before before I make a motion?

**LEG. KENNEDY:**

Mr. Chair.

**CHAIRMAN HORSLEY:**

Yeah.

**LEG. KENNEDY:**

Well, I'll yield -- I just have a couple of other question for Carolyn and for Ms. Reynolds. Just to refresh my recollection, what we're talking about with the Empire Zone designation is about \$6 million worth of tax relief. How does that manifest itself, Carolyn?

**MS. FAHEY:**

The State created a calculator that our Zone Coordinator uses based upon data that the company supplies. We don't have insight into the calculations. What we do is the Zone Coordinator pumps in certain information based upon the companies job projections, investment projections, property tax projections and so on, and out-pumps this scaled of maximum benefits. What the calculator does not -- I'm sorry, let's back up -- so that calculation came out to about \$6 million in overall tax benefits, maximum throughout the years. What it doesn't --

**LEG. KENNEDY:**

Stop there for a second. Let me interrupt. Six million per year?

**MS. FAHEY:**

No. Total.

**LEG. KENNEDY:**

Six million for the duration of the time that there would be financing or they would occupy this building?

**MS. FAHEY:**

Six million over the term for the five years.

**LEG. KENNEDY:**

Okay. Fine. Thank you.

**MS. FAHEY:**

But the caveat is the calculation that the State created does not allow us to take into consideration if the company is utilizing an IDA. So the property tax credit that they -- you see on that chart, we can't negate that, because they are going to be getting that through the IDA. So the actual benefits being received as an Empire Zone Company, are really not clear based on that calculation, because it doesn't allow you to take that piece of the calculation out. If that makes sense.

**LEG. KENNEDY:**

What's the duration of the straight lease through the IDA?

**MS. REYNOLDS:**

Ten years.

**LEG. KENNEDY:**

Ten years for straight lease through the IDA. So you wind up getting a favorable property tax benefit through that, and five years for the Empire Zone designations?

**MS. REYNOLDS:**

Correct.

**LEG. KENNEDY:**

What are you talking about as far as time frame goes? There's the issue before us as far as our desire to go ahead and promote some conversation, you've agreed that, you know, that conversation is going to go forward. We're all hopeful, and hopefully, things will go forward.

And the other thing that I'd say to you is that I appreciate the fact that you have indicated yourself and the CEO of Bactolac are ultimately the entities that will sign off. It is a free market out there, you can choose whoever you choose to guide you when it comes to construction techniques, standards and other items. But my advice to you is that LMJ, for whatever reason, continues to seem like it is an entity that comes up as somebody you're relying on guidance and somebody who is refusing to communicate with labor.

So, you've graciously said you'll deal directly with labor. If I was in business, I'd almost say, "Well, why do I have LMJ?" Either that or it would be incumbent on you to have some kind of forceful message with them that unfortunately they are not doing what you as the client are seeking. It appears that they are not having these conversations. That's the advise with LMJ for whatever it's worth from a two-bit politician.

**LEG. ALDEN:**

That's you? Two-bit?

**LEG. KENNEDY:**

How do you like two-bit? That's right.

**MS. REYNOLDS:**

If I'm receiving -- if I'm getting quotations from union contractors, there's got to be some sort of dialog. That's all that I can say, but I'll certainly, you know, speak to them if that's what these gentlemen are indicating.

**LEG. KENNEDY:**

Again, I would say that might be one of the other ways that may remedy some of what the perception back there as far as our conversation. The other element I'm going to ask you to talk to us about, as we struggle -- and Mr. Chair, I'm going to ask you for a five minute recess. I know you've indulged me on this before, I'm going to ask for it one more time, and it will be a true five minutes or less. Dependent upon if and when we make a final approval of the Legislature for inclusion in the Empire Zone, how much longer does it take before you begin to receive some of these tax benefits that would be available through Empire Zone designation?

**MS. REYNOLDS:**

Not exactly. If the designation takes effect April, then we begin to see those benefits next year, if it would go through the Legislature and get approved, I guess, on April 13th.

**MS. FAHEY:**

The Legislature's approval is not final approval. Once the Legislature approves, the County Executive needs to hold public his hearing, he needs to sign off on the resolution, then the final application for Empire Zone designation is submitted to New York State for their approval. New York State has not blessed this project in its entirety yet. They have looked --

**LEG. KENNEDY:**

Carolyn, New York State who?

**MS. FAHEY:**

New York State Empire Development Corp.

**LEG. KENNEDY:**

And who's heading that at this point? It's no longer Mr. {Foy}, right?

**MS. FAHEY:**

No, it's no longer -- Mr. {Foy} is no longer the Downstate Chairman. The name escapes me. It was the Upstate Chairman. There is a gentleman called {Abi Shank} who's the President of Empire Development Corporation that is the acting regional director. But it's Empire State Development that reviews, the actual Department of Empire State Development, that reviews the application for manufacturing, RSPs. So it's internal.

**LEG. KENNEDY:**

Are we the last and the only Legislative approval of this process, or does anybody else have to do --

**MS. FAHEY:**

You are the last. The Town of Smithtown was required to submit a concurring resolution.

**LEG. KENNEDY:**

Which they have done.

**MS. FAHEY:**

Which they've -- I believe they've, correct. Town of Smithtown's concurring resolution is done?

**AUDIENCE MEMBER:**

Yes.

**MS. FAHEY:**

Yes.

**LEG. KENNEDY:**

Okay. I'll yield, Mr. Chair.

**CHAIRMAN HORSLEY:**

Okay. Thank you very much, Mr. Kennedy. Yes. Mr. D'Amaro.

**LEG. D'AMARO:**

Ms. Reynolds, you're putting me in a very difficult situation, I feel, because we have discretionary authority over granting your company a public benefit at taxpayer expense, but what I've heard up until now is that we're still talking about scheduling meetings, and we haven't had any meetings.

Now, I understand that at a policy level, it is better for this type of requirement to come from the State of New York and impose it uniformly just as it's done with other -- with Labor Law and things like that. That's the best way it could be done. But without getting too long-winded, you know, when we talk about economic development, we're talking about paying fair wages, giving the cost of living here on Long Island, supporting people who contribute to our communities, we're talking about people who work within the communities that children go to school here, they pay taxes here, okay, and they deserve to be considered.

Okay. And my question to you is why -- you have a quote in the Long Island Business News as saying -- and I have copy of it in front of me -- that our only requirement is that the contractor be competent. Well, why haven't all of these other contractors been considered up until this point?

**MS. REYNOLDS:**

Other contractors have been considered. First of all, thus far, we've only -- we're only up to the steel -- we've only awarded two contracts. We have been in a holding pattern for six weeks because we're updating our mechanicals on the project. So we haven't really bid out anything, so that's why there's not much dialog.

From an administrative standpoint, you know, the CFO of the company -- I run the finances, I've also been tasked to spearhead this project. So I don't have dialog every day.

**LEG. D'AMARO:**

Let me comment on that, because, you know, I also feel that given the magnitude of the benefit that we can grant, I just think it's unfair that someone who can answer for your company is not here today. I just think that's highly inappropriate.

**MS. REYNOLDS:**

I can answer for the company. I'm not sure I understand the basis from where you're coming.

**LEG. D'AMARO:**

You don't understand where I'm coming from?

**MS. REYNOLDS:**

No. If you could be specific in terms of --

**LEG. D'AMARO:**

Who's the president of your company?

**MS. REYNOLDS:**

Piela M. Retty, and I'm the CFO.

**LEG. D'AMARO:**

Okay. So why isn't -- I'm sorry, what was the name? I didn't get that.

**MS. REYNOLDS:**

Piela M. Retty. Dr. Retty.

**LEG. D'AMARO:**

Is that a man or a woman, I don't even know.

**MS. REYNOLDS:**

It's a man.

**LEG. D'AMARO:**

Okay. Why isn't that person here today.

**MS. REYNOLDS:**

Because I'm involved with the project. I have the authority to make these types of decisions, and I think I'm perfectly qualified to come before you and, you know, present this position. I'm not sure that, you know, he is necessarily needed here today. It's not that it's not important, it's very important --

**LEG. D'AMARO:**

But he wants the tax benefit for this company.

**MS. REYNOLDS:**

-- but I've been -- you know, this -- I have the authority to represent the company.

**LEG. D'AMARO:**

Right. I don't want to get into an adversarial dialogue with you. I just find it based on some testimony we heard at our last committee meeting, there was a certain level of disregard for returning phone calls, being in touch with people and having a dialog. And I see that as a continuation of what is happening here today. Maybe I'm wrong, that could be. But, you know, I have to tell you, I'm very disinclined to grant you this tax break and this tax relief right now, because I think -- I think you are dismissing out of hand what policy considerations we have. And you know what? If you want a tax benefit, then you have to listen to those policy considerations.

**MS. REYNOLDS:**

I have been listening. I don't know what else to say.

**LEG. D'AMARO:**

Well, if you listen to some of the folks who have testified two weeks in a row or two meetings in row, they are telling me that they don't each get return phone calls.

**MS. REYNOLDS:**

They do get return phone calls. I don't understand where they are coming from. I mean, is it fair, you know, to have a meeting scheduled with these folks and then, you know, the next day they don't even show up or call? I mean, how interested are they if they don't even have the courtesy to make a phone call to cancel a meeting? I mean, it works both ways.

**LEG. D'AMARO:**

All right. How long has the company --

**MS. REYNOLDS:**

I mentioned that before they we're receiving union bids. We are receiving union bids.

**LEG. D'AMARO:**

You are?

**MS. REYNOLDS:**

Yes.

**LEG. D'AMARO:**

Right. Is that a policy of your company, or is that something resulting from the fact that we feel that would be something appropriate for you to do?

**MS. REYNOLDS:**

No. We want to be open to everybody, because it's -- as long as they are qualified, that's the only requirement that we have. I mean, all this talk about not entertaining union bids, I mean, it certainly didn't come from our company. So I don't know what else to say about that.

**LEG. D'AMARO:**

Well, I guess maybe I'm confusing the concepts here. It probably be more to do with who you hire as entertaining the bids and that company's track record as opposed to yours. You know, the flip side of, I guess, my attitude, what I was just talking about is that, you know, we want to encourage your company to stay here, work, create jobs here and all of that, and we appreciate that as well. All right. But, you know, with the tax benefit comes a certain level of responsibility to your company; okay, to participate in these programs in a way that everyone can benefit and help us achieve the economic development that our Chairman was talking about before.

So I'm really struggling with this particular application, because -- you know, I live in a house here in Suffolk County, I pay the same taxes everyone else is paying. It is expensive out there. It's hard. There are regional cost differences for living on Long Island than probably anywhere else in New York State. And, you know, if we're going to just keep going down this road -- and this is not directed at you as a company, but I'm just talking policy -- if we're going to just keep going down a road of granting tax benefits to companies and not asking them to contribute back and help us and help the residents that are paying our taxes and have an invested interest in our communities, then we are shirking our responsibilities.

So there's a much bigger picture here than your company -- and I understand that you should be interested and you have a vested interest in your company, and you should. But I'm really struggling with this on a policy level. And I guess -- I guess the answer is that the State of New York needs to hear it, and they need to make the change. And I'm sure your company as all others will comply with that law. But right now, I just -- I struggle with the concept of not of -- of giving a public benefit to a company that up until now I got the impression is not willing to even participate in a dialog.

**MS. FAHEY:**

Mr. Chair, if I would. On the policy question, prevailing wage is a huge issue. It's an issue that has been around in the forefront for a couple of years. You know, maybe the letter that you wrote to the State might want to inquire if it was considered when they created the RSP project and the ability to qualify for an RSP. They did build into that -- into that program certain levels of wages that the company has to meet for its own employees in order to qualify for this program.

The new jobs that are being created have to meet a certain level for this company or any company to apply and to receive designation. So I think the big picture, and I think Legislator D'Amato hit it on the head, it's a policy issue with the State. We have talked about this before. Any requirements that this Legislature, through its due diligence, is going to require on these companies that come before you, will not be imposed on the companies that come before Islip and Brookhaven Town or the rest of the County or the Empire Zone Program in Nassau County.

The Towns of Huntington, Babylon and Smithtown will have different requirements on them. And if

that is your prerogative and that's what you decide, that's what you're being paid for. I'm not arguing one way or the other. I'm just saying, let's look at it from a bigger picture. This company was not required in the beginning to meet the standard. If companies moving forward are being required to meet that standard, then fine. I think it's a State issue. The State needs to address it, because what's going to end up happening is our Suffolk County Zone will be at a different playing field than the Zone in Nassau County. And the company that is coming in front you next is moving from Freeport to Smithtown, so they are leaving an Empire Zone Program that would not have had a prevailing wage issue. And again, I'm not taking a side on the issue, I'm just saying the bigger picture is we're going to be creating different playing fields.

**CHAIRMAN HORSLEY:**

We have picked a side. You know, we're we standing here. So in the future when you bring them before us, this should be well vetted prior to then even coming to this committee.

**MS. FAHEY:**

They already have been. So we've been down that road with these companies that are going to come before you. I just think Legislator D'Amaro hit it on the head. It's a State policy issue that the State might or might not have taken into consideration when they created the program. The letter might ask, "Was it a consideration?" And ask the State if they considered a prevailing wage component to this program when they amended it, and if not, why not. And then maybe ask them to consider it for an amendment.

**CHAIRMAN HORSLEY:**

Okay.

**LEG. KENNEDY:**

Mr. Chair, I just need a moment to go ahead and continue the dialog with Carolyn a little bit. It's a State benefit. Certainly, I don't want to be part of something that's going to compromise your ability to go ahead and retain business or promote business or solicit business. But for whatever reason, the State Legislature decided to create what to me appears to be a fairly lucrative incentive package and decided to give me or us the ability to say yes or no. We didn't construct any of the parameters for eligibility. We don't construct any of the durational requirements. We don't even control what are the jobs that ultimately may be created. And I see that we have 43 -- I'm sorry -- 53 positions that are going to be created; ten of them in the IT area, which will be on average 50 to \$75,000 a year, which somebody in the 12th Legislative District probably can go ahead and maintain a household on.

But 43 machine operators at 25 to 30 grand aren't living in my Legislature District with that one job. Maybe with four of them, but not with one job. So you're expanding employment, but you're expanding employment at a level -- now, that may be that prevailing wage associated with vitamin machine operators, I don't know. I'm left with trying to cipher lots of things here that I don't have a background or information in. So just as my colleagues, we're struggling here to get our arms around something that was given to us for approval or denial without any of the background or benefit at all. Not the best of positions to be in, but nevertheless, we're trying to do the right thing here.

**LEG. ALDEN:**

Very quickly, Smithtown might want to follow Islip's example and expand their Affordable Housing Program.

**LEG. KENNEDY:**

Absolutely.

**CHAIRMAN HORSLEY:**

Okay. I'll make a motion to recess for a period of two minutes. Recess. My apologies to the Shinnecock Nation. We will be with you in a minute. We're so anxious to hear from you. Okay.

Two minutes.

(\*A RECESS WAS HELD FROM 2:50 P.M. UNTIL 2:58 P.M.\*)

**CHAIRMAN HORSLEY:**

All right. This committee is back in session. And we're addressing **1094, Adopting a Local Law amending the Suffolk County Empire Zone Boundaries to include Bactolac Pharmaceutical, Inc (COUNTY EXEC).**

And we'll entertain a motion by Mr. Kennedy.

**LEG. KENNEDY:**

Mr. Chair, after a lot of deliberation and after our most recent conversations, I will make a motion to discharge without recommendation. If I get a second on the motion, I have a message.

**CHAIRMAN HORSLEY:**

I'll second that.

**LEG. KENNEDY:**

Okay. We will do a discharge without recommendation today. Just so that everybody understands what that means is that allows this resolution to move out to the floor for Tuesday, May 13th. None of the five of us who are sitting here are saying we favor this or we oppose it. We are saying that ministerially, we are allowing this motion to move to the next level.

I for one will not vote for this on Tuesday unless there has been some meaningful kind of dialog. And as a matter of fact, I'm going to step down from the podium after we take this vote with the Chair's permission and see if we can go ahead and facilitate some of the meeting that needs to occur at this point.

I think it's incumbent on Bactolac to hear that message, and I think it's incumbent on Economic Development hear that message as well. And as the Chair has stated about the letter that he intends for us to send, I certainly will sign it. I also will take it on myself to reach out our State Delegation that seek that uniformity amongst all of the Economic Development Departments and IDAs so that our County IDA is not prejudiced by a desire to embrace what we as a body seek to promote for the trades who are skilled craftsman and who contribute so much to our communities. I'll yield.

**CHAIRMAN HORSLEY:**

Thank you very much, Mr. Kennedy. Would anyone else like to be heard? Mr. D'Amaro.

**LEG. D'AMARO:**

Yeah. I'm going to support the motion to discharge without recommendation today. I appreciate and agree with what Legislator Kennedy is saying, that this is really not -- this is not an indication of my support for ultimately granting the Empire Zone to this particular applicant. But, you know, I don't want to belabor this or drag this on any more than we need to. I just don't see how in good conscience we can continue to grant public benefits to companies that are not willing to contribute back in some way in helping us with true economic development on Long Island.

And I think what I want to say to the folks that may be opposing this today is, one, I'm truly not decided in my own mind what I'm going to do on Tuesday, number one. Number two, we have -- we have achieved, I think, the larger objective here. Maybe Ms. Reynolds, in all due respect and fairness to you, you're kind of caught in the middle of a policy debate here. But I think at a minimum, we've sent a clear message at least to the administration on how feel. And maybe it's not going to happen or maybe it will on this project, hopefully it does, but going forward prospectively, when these applicants are vetted in the County, now at least you know where we stand and how we feel about this issue. I think that's a good way to come out of a gate. So I'm going to support the

motion to discharge without recommendation. I'm going to reserve judgement on what I'm going to do on Tuesday. And I would encourage you, please, to have that dialog. Thank you, Mr. Chairman.

**CHAIRMAN HORSLEY:**

Mr. Stern.

**LEG. STERN:**

Thank you, Mr. Chairman. As I had said at our last meeting at Gabreski, unfortunately, these are very real issues affecting very really people here in Suffolk County. But it's good to see that we are having this dialog and this policy debate, and I'm glad that we are having this discussion, because it does shine a very important spotlight on this issue, this issue that we all understand is a flaw in the State Law and one that we are hoping that our State Legislature takes up quickly and addresses in a responsible way.

And we know that the hardworking men and women of Suffolk County deserve a level playing field. To the extent that we have the ability to do that on this piece of legislation, we know is limited, because we know that the jurisdiction, particularly when it comes to prevailing wage in this law, does not lie with this body, it lies with the State. And so I cannot support our Chairman enough in his efforts to reach out to our State Representatives to encourage them to fix that fatal flaw in the State Law.

But I think all we are asking for on behalf of our constituents in Suffolk County is that level playing field and is that fair shot at an important project. I think they deserve it. And, of course, because we are talking about government benefits, at any level of government, it's certainly something that I believe is required.

I'm going to support the discharge without recommendation. I would like to see this move favorably, but I will certainly reserve judgement. And I think that in the comments that we had all made when we were out at Gabreski together at our last meeting, I think what we attempted to do was send a very clear and strong message as to what our expectations are. Whether that was heard or not, I hear conflicting reports so I'll try to make it even clearer today. I, for one, expect a meaningful dialog to take place prior to the next meeting when this comes back before us. I expect that dialog to happen in a meaningful way. I want to hear back from all parties involved on that day so that I can make an informed decision as to what to do when we meet back again next Tuesday. Thanks.

**CHAIRMAN HORSLEY:**

All right. Thank you very much, Legislator Stern. And I think that -- that will end this dialog at this point in time. But I wanted to just mention to Ms. Reynolds that we're watching. We're hopeful that we can resolve this by Tuesday. We've got a couple of days. We're not taking a position, we're just passing it out of this committee to the big floor. And if I feel that you have acted not in compliance with our wishes and our concerns and your commitment to dialog, a meaningful dialog with the unions, then I will campaign -- for one, I will be campaigning against this, to be tabled one more time out of the full Legislature. So with that, the motion is on the floor. All those in favor? Opposed? So moved. **DISCHARGED WITHOUT RECOMMENDATION (VOTE: 5-0-0-0).**

**INTRODUCTORY RESOLUTIONS**

**1402. Accepting and appropriating an amendment to the College Budget for a grant award from the Suffolk County Community College Foundation, Inc. for a Raytheon/General Motors Service Technical College Training Program 100% reimbursed by private funds at Suffolk County Community College (COUNTY EXEC).**

**LEG. D'AMARO:**

Motion.

**CHAIRMAN HORSLEY:**

Motion and also to put it on the Consent Calendar, seconded by Legislator Stern. All those in favor? Opposed? So moved. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 5-0-0-0)**.

**1411, Adopting a Local Law amending the Suffolk County Empire Zone Boundaries to include Mini Graphics, Inc. (COUNTY EXEC).**

This has to be tabled for a public hearing, I'll make that motion, seconded by Legislator Stern. All those in favor? Opposed? So moved. **TABLED (VOTE: 5-0-0-0)**.

**PM. 10, Procedural Resolution authorizing additional funding in connection with the opposition to a proposed liquid natural gas project in the Long Island Sound (HORSLEY).**

If you recall, this was for the full Legislature's conversation of granting \$100,000 with the understanding that will continue our advocacy against the Broadwater project. However, with the understanding the State will become the prime -- prime sponsor of the motions against the Broadwater project into the future. So I'll make a motion to approve. I'll make the motion to approve, seconded by Legislator Alden. All in favor? Opposed? So moved.

**APPROVED (VOTE: 5-0-0-0)**.

That's it, the last two are tabled subject to call. I also have a Mr. Harry Swanson, if he would like to come up from energy conservation, and then we're going to hear from the Shinnecock Nation. Hi, Harry.

**MR. SWANSON:**

Hi, my name is Harry Swanson. I think Brendan has a few pages, maybe he can hand them out for me, maybe not. Basically there was two things I wanted to present before you for consideration. I do a lot of energy work. I'm currently working for the County, so thank you very much. But on the side I do, for the last four years, energy conservation. One real crutch for people that should generate about a 10% reduction in their bills immediately is having something on the bill, for instance, if you used LIPA as an example, I believe the average uses about 9400 kilowatts. If you can break that or if they could break that down into two bedroom, three bedroom, four bedroom so that the person each time they get their monthly bill can look at that break down, look at where they compare to it, and maybe have something as a target; 10%, 20% below. It's a crutch.

They do this -- utilities are doing it in Massachusetts, Toronto has done it. Toronto claims the day that put that on the bills, that their usage went down on average about 8%, just because it's knowledge. You're telling people where they compare as a baseline to others in breaking it down by bedroom sizes is probably the best. Square footage, I think would confuse people. So that was -- that was one idea. And if that could be considered for the oil companies, KeySpan, LIPA.

At the bottom of the page, the other idea I was hoping that you might consider would be limiting retail, your big box stores on Sunday to perhaps four hours. A four hour reduction, giving them the peak selling four hours, which I believe is 10:30 to 2:30 would equate to about a 10% reduction in their heating, lighting, air conditioning year long. And it shouldn't have any impact on retail sales. People just are known to disperse, they'll shop in those four hours or they'll do it during the week. But there's 10% right there, you know, for the picking. And also, I think it would be extremely popular with people that have to work Sundays now knowing they only have to, you know, cover a four hour shift. So you pick it up on that side too. But those two are -- you know, as I'm out there talking with people, they just don't know where they -- if they're overspending on the utilities, if they're overusing. And giving them that information on a bill, I think, would be a big help.

**CHAIRMAN HORSLEY:**

Thank you very much.

**MR. SWANSON:**

Thank you.

**CHAIRMAN HORSLEY:**

All right. I'd like to welcome the members of the Shinnecock Indian Nation. Mr. George Stankevich, Esq., Dr. Fred Castensen, Connecticut Center for Economic Analysis, Dr. Jeff Blodgett, Connecticut Resource Center, Inc, Mr, Fred Bess, Travel Chairman, Shinnecock Indian Nation, Mr. Lance Gumbs, Trustee, Shinnecock Indian Nation, Various members of the Shinnecock Indian Nation Tribal Council.

**CHAIRMAN HORSLEY:**

I'm not sure how we're going to sit everybody.

**MR. STANKEVICH:**

My name is Mr. George Stankevich and I'd like to invite the Shinnecock Nation Trustees --

**CHAIRMAN HORSLEY:**

Please.

**MR. STANKEVICH:**

-- to sit at the --

**CHAIRMAN HORSLEY:**

Good afternoon.

**MR. STANKEVICH:**

Good afternoon. I'd like to congratulate Chairman Horsley, member Kennedy, Alden, Stern and D'Amaro for holding this historic meeting. It's historic for a number of reasons; one is that Shinnecock Indian Nation is the oldest self-governing tribe of Native Americans in New York State, if not the entire country.

Secondly, they have been dedicated to economic self-sufficiency and independence. This is part of the national policy of this country for five Presidents to do whatever is necessary to foster economic independence for tribes. The people that you have sitting in front of you, far to the right is Fred Bess, he is the Chairman of the Board of Trustees, Lance Gumbs who is a trustee, and Mr. Wright, who is a trustee.

Shinnecock's have a reputation and a great history of education. All of these officials are college educated, as has been many of their ancestors. It's interesting to remember that Dartmouth College was founded by a Shinnecock preacher, Samson Occom. And the Shinnecocks, part of the Algonquin Family, linguistically, Harvard College was founded to educate and support the education of Algonquins.

At great sacrifice, these officials have returned to live with their tribe and to work for economic self-sufficiency of the tribe for the betterment of all of them. I guess we're here also to congratulate Trustees Gumbs, his daughter graduated from Northwestern last weekend with a Bachelors and a Masters Degree in Romance Languages, and she will be going to Harvard to repeat the cycle of education among the Shinnecocks.

**CHAIRMAN HORSLEY:**

Congratulations.

**MR. GUMBS:**

Thank you.

**MR. STANKEVICH:**

The item that you have before you, the economic impact of a Shinnecock Indian Nation Casino is and has momentous benefits for the tribe and for all of Suffolk County. And we are very fortunate to have had on a parallel track to us in Connecticut this type of economic development take place. So much so, that it's been study by the economic think-tanks in Connecticut. Jeff Blodgett to my right is the Director of Research for one of these think-tanks and can speak and has a Power Point presentation for you that he gave to the Connecticut Chamber of Commerce last June, which is the latest update on the economic impact of the Connecticut casinos.

The numbers that are quoted in this presentation are rock solid. Why? Because in those casinos, there is daily oversight supervision from the Indian Gaming Commission, the National Indian Gaming Commission, from the FBI, Department of Treasury, Connecticut Taxation Department, State Police. It's highly regulated and controlled economic activity with a sound foundation of numbers in Connecticut now going back 20 almost years.

After the trustees speak, Karen Hunter is with us, she is in the audience, she can speak. She is the Chairman Indian Gaming Commission for the Nation. Mr. Blodgett will do his Power Point. I would like then to discuss some papers that I would like to place before you, research papers, on Indian gaming done by the Chamber of Commerce of the City of Boston, of the University of Connecticut; Mr. Blodgett's organization and others.

I would like to discuss with you where are the next steps, where are we in the step procedure that has to be accomplished, and then open the floor up for questions, because I'm sure there are many questions. And this is the first of many, many meetings regarding the valid questions to be raised. So, Fred, would you like to speak to the Legislative Committee.

**MR. BESS:**

Good afternoon. And like Mr. Stankevich said before, you have the leadership of the Shinnecock Nation. One of my goals here today is to open up the door to communications and develop a dialog with Suffolk County and reintroduce the Nation of Shinnecock to Suffolk County. And I use the word reintroduce, because I want to remind us all that we the original, we are the original caretakers of Long Island and have remained on our original territory since the Island has been here.

I think we have a unique situation here where we can work in partnership as the Shinnecock people have always been good neighbors those of us on Long Island and come up with some time economic development project that would benefit both you and the Nation. And to try to side-step some of the unfortunate issues that we ran into at home with the Southampton Town Board where they took a position that they assumed certain things without actually sitting down and talking to leadership of the tribe, and we got off to a bad start on that just because of rumors and innuendos and just not taking the time to sit down eye to eye and see how we can work out some of these situations to the mutual benefit to both groups.

Indian gaming is highly regulated through the Tribal Government, through State regulations and through Federal departments, including the Department of Interior, an organization called the National Indian Gaming Commission, the Department of Justice and the Department of Treasury. So when there are concerns about the law enforcement and meeting certain standards throughout the country, you know, these standards are very strict and have to be maintained. And we do see a unique opportunity here that we can partner with people here on Long Island and grow a real partnership, like I said before, that can be mutually beneficial.

So this is the first step to open the dialog. And I hope it's the first step in many steps. And I'm a little bit confused about, you know, how many people actually attend your meetings regularly. But hopefully, the next time we do sit down, there will be more people here so we can actually move forward on this issue. Just a reminder that, you know, we are in litigation right now, because the Shinnecock Indian are -- is a Federally recognized tribe. We do not appear on the Federal BIA list right now, and we have demanded that the BIA put us on that list, because we have proof that we were formally on it at one time. And trough some bureautic (sic) bureaucratic miscarriage, we are

not on that list right now. So that particular case is in litigation as we speak. But nevertheless, you know, we are fast-tracked -- on a fast track to getting this certification, and that should not be an issue to detour any type of negotiations that we may want to sit down and talk about to further this economic development project. And with that, I'll turn the mike over to my colleague.

**CHAIRMAN HORSLEY:**

Just on that point, I just wanted to, so I can understand this, I've heard this, and I've differing comments about the timeline that that process is on. Is this something maybe, Mr. Stankevich, as the attorney, do you feel that they're going to receive this status in the near future, or what are we talking about? I can see your point going, let's do a parallel, but is it real?

**MR. STANKEVICH:**

Well, when we started, I certainly was cautious, and now I am cautiously optimistic, and the basis for that is --

**CHAIRMAN HORSLEY:**

Is that lawyer speak (sic)?

**MR. STANKEVICH:**

No, it's realistic. We started in the Circuit Court of Appeals, got a letter basically saying we're going to get around to it when we get around to it, it could be 18 or 20 years. And the Circuit of Appeals in the Second Circuit said, "I'm sorry, that's not satisfactory," and they directed Judge Platt to determine the situation. November 7th, '05, Judge Platt determined under that Federal Law, the Shinnecocks are in fact a Federal Tribe. And we, through research, found that there is a Federal Act called the Federally Recognized List Act that says when a Federal Judge says what Judge Platt says, the BIA must put the tribe on the list making them eligible for benefits. And they have not done that, so the tribe brought a Mandamus action in Federal Court to require that.

So it's not going to be 18 years, it's not going to be 20 years, it's going to be soon, sooner than expected. And that opens up the door for the tribe to get the benefits they're entitled to; educational for benefits, benefits for medical care, benefits for housing. Right now, under State Law, the tribe has gotten millions of dollars of benefits for the Southampton School system by virtue of the fact that they are a Native American Tribe. So the benefits are large, and they will flow into the community with volume.

**CHAIRMAN HORSLEY:**

So would that be precedent that the Federal courts would use?

**MR. STANKEVICH:**

Well, the Federal courts have made their decision. They are the precedent now. They said that this is a tribe, and going -- it's entitled to be on the list.

**CHAIRMAN HORSLEY:**

Attorney Stern would like to ask a question.

**MR. STANKEVICH:**

It's not unusual to see that the Bureau of Indian Affairs drags their feet. Federal courts throughout the country have found them to be a rouge agency. They, for instance, are in charge of collecting mineral royalties for tribes. Many of the tribes out West have uranium, coal, whatever. And it's been determined that they have lost billions of dollars of those royalties, and they don't want to account for it. So they've been held in contempt. It's not an unusual process on the BIA to drag their feet.

**CHAIRMAN HORSLEY:**

The head of the BIA is appointed by the President; is that correct?

**MR. STANKEVICH:**

Correct. And he just resigned. So we're going through the process of waiting for new appointments.

**CHAIRMAN HORSLEY:**

Legislator Stern.

**LEG. STERN:**

Thank you, Mr. Chairman. The opportunity to pursue gaming, is that one of the specific benefits that's listed?

**MR. STANKEVICH:**

Not really. That comes from the United States Supreme Court in the Cabazon case and Bryan vs. Itasca, in those cases, the United States Supreme Court said the national policy is to encourage independent and self-sufficiency of tribes. And part of that is that tribes should be able to determine their own economic way of moving ahead; do they want a coal mine or an oil well. They are the ones that will pick the type of activities that they engage in, not local government telling them or Federal Government telling them that this is part of their sovereignty. So that's the source of the right to do gaming in any other business.

**LEG. STERN:**

So I understand that in order to receive other benefits then, the key really is being on -- is being on the BIA's list. But then it doesn't seem that -- if gaming is not one of those items on the list, that being on the BIA's list of recognition, it doesn't seem like a condition precedent to me.

**MR. STANKEVICH:**

Well, conundrum is that there has been passed something called the Indian Regulatory Gaming Act. And that is a regulatory act under which Congress says the Supreme Court says you can do it, this is the way it's going to be regulated. So to complete the loop, the bureaucrats have to do their job, and they will do their job. And the Shinnecocks are patient, persistent, and they are moving ahead on the fast track.

It's important, I believe, that you have these type of discussions because the economic issues involved are huge, and you don't want to be mouse-trapped without proper information long in advance of these decisions being made, because there are a lot of cooperative activities that can take place; where is the best location, what roads are necessary. You know, there's a plethora of important items that the trustees would normally want to discuss with localities.

**LEG. STERN:**

Mr. Bess, you had said that prior to a decision made by the town that there had been no dialog. I'm wondering if there's been any dialog about any of these issues since.

**MR. BESS:**

We recently had a meeting with the newly elected Supervisor Linda Kabot who seems to express -- I think we used the term this is a new day to sit down and talk to the Shinnecock people about this situation. And she has said that she is happy to do that, and she did. Unlike her predecessor, we really had not an opportunity. I do see some room here to negotiate things like, you know, location and stuff like that.

Like I said before, they misconstrued our whole meeting in the beginning, because they didn't talk to us, okay? And, you know, the place where -- in Hampton Bays, which really isn't suitable for that type of facility anyway was never our original intent, okay? But you have to do something, you have to make a statement, you have to put a shovel in the ground to make people aware of the issue so we can move forward, and that's where we are today.

Just to piggyback on this Federal recognition, you know, during our litigation, we did find information that back in 1914, I mean, we were treated and put on the same level as every other Federal tribe.

So that's why I said, you know, we are already federally recognized. And for some reason, back in the -- up until about 1950, '52, for some reason we were moved off that list, and there is no formal action of termination anywhere found in the Federal Government. And we are petitioning the BIA outside of our litigation in court just to do the right thing and put us back on the list. And, you know, the types of negotiations are being, you know, considered.

**CHAIRMAN HORSLEY:**

Is there an organized effort to fight you on this inclusion on this list? Is there anybody out there saying that you don't belong there?

**MR. BESS:**

Not yet, but, I mean, there's always people that are going to say, you know, that.

**CHAIRMAN HORSLEY:**

Okay. I just was curious. You know, I was trying to get the politics of this, if there is politics in this.

**MR. BESS:**

Well, there's politics -- there's a lot of politics in Indian country just like, you know anywhere else, this and that.

**CHAIRMAN HORSLEY:**

Hey, this is the land of politics.

**MR. BESS:**

And especially when you talk about the federal bureaucracy. You know we used to call it, you know the pie theory. Native Americans get so much out of the Federal Government, you know. And the more of our tribe you put in there, you know, the smaller piece of pie for all of us. So, you know, there's that way to look at it. And of course, with the potential competition in the gaming industry, I'm sure there's people from Nevada and right across here from New Jersey this and that that would not like to see this. But, you know, this is something that is our right, and we need to do that. So instead of, you know, watching all of the monies go to Connecticut and New Jersey, this and that, some of these issues of finances could be stayed right here in New York State where our people could benefit from that. You know, and that's specific to gaming.

**CHAIRMAN HORSLEY:**

Can I -- I know -- I realize you're looking to do your presentation today, but we're so curious on -- and I -- it was told to me, and I wanted to see if you could verify this first before you get into the conversations. My headset on this would be maybe different. We've been told that if you are -- if you do get on this list and you are allowed to set up a gaming operation, that no matter where you purchase land, that that will be part of the Indian Nation on Long Island; is that true? I was shocked by that, I've got to tell you. In other Hauppauge is okay or Bellport or wherever? And the word that got back to me was that one of you said that, you know, anywhere from Manhattan to Montauk, if you bought a piece of property, that property would be part of the Indian Nation.

**MR. GUMBS:**

That's basically correct. It doesn't as work --

**CHAIRMAN HORSLEY:**

Straighten me out here, because you've got me going.

**MR. BESS:**

Okay. It doesn't work as easy as that.

**MR. GUMBS:**

Good afternoon, Mr. Chairman and members of the Legislature, yes, Lance Gumbs. That's not entirely true. What happens is that the land is taken into trust by the Federal Government. If we

were to agree on a location that would be suitable for everyone in dealing with the NIMBY situation, Not In My Backyard. That piece of land would be held in trust by the Federal Government and then we would be able to do gaming on that facility. However, and most recently, the Department of Interior came out with new regulations that said which said that an Indian gaming facility had to be within a 75 mile radius of your community. So that would put us anywhere within 75 miles of Long Island. That's one of the reasons we're here to talk to you --

**CHAIRMAN HORSLEY:**

So you're around Brooklyn.

**MR. GUMBS:**

Yes. That's one of the reasons we applied for Aqueduct. One of the reasons we're here to talk about this is to -- you know, the cite location is going to be a key element in the hole equation. I don't know how familiar you are with what's been going on Upstate with Mohawks and Sullivan County Ulster County, but there was an agreement that the Mohawks which are up on the St. Lawrence River would move down to Sullivan County, and you know, do a gaming facility. And that was kind of put on hold because of the new regulations that you had to be within what they call a commutable distance from your territory.

Obviously, what we're trying to do, we would be looking to enhance our peoples in the community and to be able to create jobs for not only our people, but for whatever community we're in. And part of what Indian gaming does is just that. We've heard a lot of commentary that, "Oh, well, you know, it's just going to benefit the Indians and the Indians would be rich, and you know, it would be detrimental to the surrounding community." And that is the farthest thing from the truth.

I have been to over 150 of the over 300 Indian gaming facilities that there are now around the country. And in every one of those locations, you can see the benefits that have been derived from the gaming facilities for the local community, the jobs that it has created, not only for the tribe, but for surrounding community, the improvements that have been done to the infrastructure for the surrounding community, everything from revenue that's going into the local Police Departments, the fire departments, the amount of jobs that it's created for -- and, you know, it's very interesting, because we're just listening to whole issue about the unions -- the jobs that it's created for the unions.

And, you know, just in listening to the general conversation in this room today, it's clear that you gentlemen are looking for that type of situation; how can it benefit the entire community. And that is exactly what Indian gaming does. And, you know, it's been given a bad light. You know, people talk about, oh, it's increased prostitution and it's increased crime. Yeah, that maybe true in Atlantic City or Las Vegas, but it is not true to the over 300 Indian gaming facilities that are around the country. As a matter of fact, it has dramatically reduced crime around these facilities. It has -- we've never seen any prostitution. We don't even know where that came from. But that's part of the hysteria that people tried to create when they tried to down the concept or idea of gaming in a community.

We feel very strongly that -- and I own a business on the reservation. We are a tourist economy out here. And I understand that this group -- and I don't know whether it's the Legislative group or whether it's the entire body has, you know, made a tourism a priority here on Long Island. But these are all things that fit exactly in the mold if what we're trying to do.

And so we're here today to try to talk about -- and the presentation will show you the benefits of what it's done in Connecticut, but it's not just Connecticut, it's everywhere that Indian gaming has come into existence, it has been beneficial to everyone. And, you know, you go back to the adage, oh, well, you know, gaming, you have gambling and people get into, you know, the whole notion that it's bad because people are going to spend their entire life savings on, you know, gambling and things like that. And all of these things are absolutely not true. It's a form of entertainment just

like if you would go to the movies. There are studies that have been done that talk about how much the average person spends in a casino, and it's relatively the same as if you went out on -- for a movie, which darn near \$20 dollars now, almost \$25 to go a movie and to dinner. That's what the average amount is that an individual spends.

But the economic benefits that something like this would bring to Suffolk County would be phenomenal. We have had offers from various towns on Long Island that have -- we've sat down with who are very interested in it, because they know what the economic benefits are for not only the town but for the County. Obviously, Indian gaming, we do a compact with the State for a certain percentage of the revenues that come from the casino. But not only is that revenue based -- going to the State, but it also goes to the local county and the local town that's involved with it.

So, you know, it's our thinking that Shinnecock Indian Nation lives here in Suffolk County, why would we want to take it into Suffolk County -- or Nassau County? Or why would we want to do it in Queens County to have them derive the benefits of the income that would come out of this when we as the Shinnecock People live here in Suffolk County? So we feel very strongly about doing this facility somewhere in Suffolk County. We have had towns that have reached out to us; their leadership, their Supervisors have taken a look at the benefits of what it would do for their towns.

And we feel that the first place to start, as Chairman Bess said, is to open up the dialog, town which we did not have with the Town of Southampton in any cohesive manner where they could really understand what the benefits would be. So we're here now to talk about what the benefits could be, how Suffolk County could benefit from this, how the people of Suffolk County could benefit from this through reduced land taxes, reduced school taxes. All of the benefits that are available are absolutely phenomenal, and it's been proven all around the country.

**CHAIRMAN HORSLEY:**

Legislator Stern.

**LEG. STERN:**

Yeah. Thank you, Mr. Chairman. And it's really to follow up on your question, I'm not sure if there was a clear answer.

**CHAIRMAN HORSLEY:**

A clear answer. I'm not sure either.

**LEG. STERN:**

So I'll direct it to Mr. Gumbs or Mr. Stankevich, maybe you can answer it, regarding location as a threshold issue. I think Chairman Horsley asked about where it could possibly be placed and the Nation's ability to identify, you know, a particular location and have the freedom to go ahead and place it there at will. I didn't have an opportunity to shepardize the case, but the {City of Cheryl} Case seemed to say that you find the property as you find it, and that just becoming owned property by the Nation doesn't necessarily confer rights on the Nation to develop it for gaming purposes. I'm wondering if there's been any development in that area of the law, if you're familiar with that.

**MR. STANKEVICH:**

That's what Justice {Ginsberg} said, she said, "Look, there is a process by which this is done, and it's called putting the land into trust under Section 151 of Title 25 or under Section 20 of the Indian Gaming Regulatory Act." And that process is one whereby the property is acquired, it's then proposed to the Federal Government to put it into trust, then there is consultations with all the communities involved, environmental impact statements done, exhaustive studies, economic impact statement, and then the decision is made by the Federal Government as to cede to that request or not. So it's a process that Justice {Ginsberg} side that that is the path to do this so there is plenty of local input and consultation.

**CHAIRMAN HORSLEY:**

So it's a Federal approval, it's not a State approval.

**MR. GUMBS:**

It's a combination. Eventually the end result is a federal approval of the -- putting it into trust; what the consultation that George says happens with the counties, the towns. Now, however, that's if we want to go off reservation. We have the ability or would have the ability to do it right on resolution that's what I think we're looking Town of Southampton, you know, has had issue with that. So if there is another town that would be interested in it, we are open to discussing other locations which might be a little bit more feasible than our own piece of property. But I don't know if we're answering your questions. Specifically, we could do it on Shinnecock.

**CHAIRMAN HORSLEY:**

We're getting there.

**MR. GUMBS:**

Without the having to go through all of that. The only way -- you know, having to go through that would be if we wanted to an off -- it's called an off-reservation piece where we would then seek out a piece of land, whether it be County land, State land, Federal land. And the higher up the chain you go, you know, the less there would be regulatory authority over it. If we took a piece of Federal land, it would be a lot easier then say doing a piece of land that we just purchased in a town. You know, or a piece of County land would even be actually easier then, you know, just buying a piece in somebody's neighborhood, which we would not want to do and doing it, so.

**CHAIRMAN HORSLEY:**

That's true. So in other words, it would be a positive move if the County found a location for this, and that would make it -- the process quicker --

**MR. GUMBS:**

It would expedite the process. The higher up the chain you go, the more expedited the process becomes.

**MR. STANKEVICH:**

Well, the process is also -- has been put to me to say, "Well, we don't have years to patch the hundred million dollar leak in the Suffolk County budget, how do we get something done sooner?" And I guess part of that possibly could be to purchase a piece of surplus County property for tens of millions; 50, 100, whatever that size might be at a location on the Long Island Expressway or on Sunrise Highway, which would put --

**LEG. ALDEN:**

This place could be for sale with that kind of number. We'll sell you Legislative Building.

**LEG. D'AMARO:**

I was thinking the Dennison.

**LEG. ALDEN:**

Both maybe.

**MR. STANKEVICH:**

So there are also a lot of positive things to discuss.

**CHAIRMAN HORSLEY:**

Sure. They're biting at the bit.

**LEG. STERN:**

And the regulatory agency that if you decided to go off reservation and to go through that process, which regulatory agency would ultimately have the decision making authority to place it onto trust?

**MR. STANKEVICH:**

The Bureau of Indian Affairs.

**MR. GUMBS:**

The Department of Interior.

**MR. STANKEVICH:**

The Department of Interior.

**LEG. STERN:**

Well, which is it?

**MR. STANKEVICH:**

NIGC, Nation Indian Gaming Regulatory --

**LEG. STERN:**

They would all need to be involved in that decision?

**MR. STANKEVICH:**

Well, they work together on it, sure.

**LEG. STERN:**

But which agency ultimately has the authority?

**MR. STANKEVICH:**

Department of Interior.

**MR. GUMBS:**

Department of Interior. But what's happened in a number of Indian gaming facilities around the country is you do what's a global settlement where you acquire the land, all of that stuff goes into one settlement package. I'm not sure how -- where you are of our land claim that we have where we're claiming X amount of acres that was illegally taken from us back in 1859. That is still in the courts, and that is still a very viable land claim that is moving up the court ladder.

So those are the kinds of things that happen where we settle the land claim for a given piece of land in a given area with the ability to do gaming on it. So there are a number of avenues that we could take that would settle this globally in a short amount of time, much shorter than anybody is really anticipating. Because anybody who thinks that we're going to be out until two thousand, you know, fifteen, 2020 is just fooling themselves. I mean, that's just not reality. It's going to be much sooner than that. And you know, the ability for us to do this in a calculated way with the cooperation of the County and the town would be most beneficial to all of us.

**CHAIRMAN HORSLEY:**

Just to clarify, the Legislator to my left said, "You know, the town would kill you," and I said, "Yes, I know." We're just trying to get the idea of, you know, how does this process work. But you're right, we would have to have the town's approval on this.

**MR. GUMBS:**

Well, there's County lands that are available. I mean, we've done our research. There's County lands that are available, there's State lands that are available, there's Federal lands that are available. Obviously, this would be a joint partnership with the County, the State and the Federal Government.

**CHAIRMAN HORSLEY:**

A global agreement. I like the terminology. That sounds great. Legislator D'Amaro.

**LEG. D'AMARO:**

You know, at this point maybe just go ahead, you have a presentation you're going to be making for the economic impact for the -- but what is it the economic impact of, what are we talking about here today, of what?

**MR. STANKEVICH:**

Hundreds of -- hundreds of millions of dollars, billions of dollars.

**LEG. D'AMARO:**

No, I don't mean that way. I mean, we're talking about, you know, building a Las Vegas-style casino resort area, what are we talking about?

**MR. STANKEVICH:**

Well, the scaling of it, again, is to be negotiated with the interested parties; what would they like. We know that there are several different ways to scale projects like this. There are certain places in Suffolk County that would love to have a traffic jam. There are others that don't. Mr. Gordell Wright is one of our trustees, newly elected, and he'd like introduce himself to you.

**MR. WRIGHT:**

Hello. Good afternoon, Legislature. My name is Gordell Wright, one of the newly elected Shinnecock Trustees. I would like just to say that the benefits economically that would be provided through gaming would be two-fold; not only would it be a direct benefit within the community where the casino would be located, but it would also be a benefit because, as was mentioned before, the State will receive certain revenues from the casino itself, which it would funnel back into counties, local communities for various other programs. So not only would County receive direct benefits straight from the casino from where it's located, but also through government programs that it could, you know, funnel back into local communities, housing, all sorts of different programs that would be needed, you know, in all of the communities.

**MR. STANKEVICH:**

Karen Hunter, I think, would like to say hello. Karen is the Chairman of the Shinnecock Indian Nation Gaming Commission.

**MS. HUNTER:**

Good evening, gentlemen. I'd like to thank you for having us here this afternoon. In fact, I want to correct George very quickly. I am Chairman of the Shinnecock Nation Gaming Authority. Obviously, we put a commission in place once we started gaming. But I wanted to just add a little bit to the answer for your question. I think you are presenting a concern that the Shinnecock Nation might consider acquiring vast pieces of property, taking them off your tax rolls, reducing the --

**CHAIRMAN HORSLEY:**

No. We're just asking questions.

**MS. HUNTER:**

Yeah, I know. And I hope this is a first of a series of future conversations we can have. Obviously, there is not enough time to completely go over gamut. But just to let you know, the Gaming Authority is more in a research and development phase, and we are always open to having meaningful conversations about the whole process and the complexities involved. But we do want to go on with the presentation if we can.

**CHAIRMAN HORSLEY:**

Okay. Just one quick question. Mr. Wright brought up taxation, how is -- how is -- is there a taxation on the federal property that -- there's no sales tax, I would believe, would that be correct?

How does the community benefit from taxation?

**MR. WRIGHT:**

No. No. I don't mean taxation. As far as the revenues that -- once we enter into a compact with the State, the State derived revenue from that casino.

**CHAIRMAN HORSLEY:**

The State derives it, okay. Then the State gives the monies to the localities?

**MR. WRIGHT:**

Correct. And that's part of another -- that's part of another benefit, because we would also be helping the community directly through where the casino is located. But the revenue that, you know, goes back to the State will also be, you know, redispersed into various communities that, you know, need program -- money for programs.

**MR. STANKEVICH:**

Part of the Indian Gaming Regulatory Act is that there are provisions for the negotiation of pilot payments. And the importance of a local community, a county, getting involved in this early stage is that you would be in the middle of the process and will have a great deal to say about it. And that's why the discussion makes an awful lot of sense. The earlier and the more of it, so that you are in the middle of getting what you want for your County. I'd like to introduce Mr. Jeff --

**MR. GUMBS:**

George, hold on one second. I just want to clarify one thing. When the negotiations and the compacts are established with the State, it is determined at that time what percentage the County would get. It would be determined at that time what percentage the town would get. So everybody would be real clear right up front as to the amount of revenue that each entity would be getting. Those are all part of the compact negotiations themselves. So it wouldn't be like the money is going to the bid dark hole in Albany. I know what you're thinking.

**CHAIRMAN HORSLEY:**

You are good. It did cross some of our minds.

**LEG. D'AMARO:**

And that's a very big and a very dark hole.

**MR. GUMBS:**

It wouldn't be going to the dark hole in Albany and then not coming back. All of those, you know, would be established at that time, you know, so that each entity --

**CHAIRMAN HORSLEY:**

So the pilot is --

**MR. GUMBS:**

Exactly.

**CHAIRMAN HORSLEY:**

-- is established well before the cart.

**MR. GUMBS:**

Exactly.

**MR. STANKEVICH:**

The pilot, of course, is a very, very small economic benefit. And what Dr. Jeff Blodgett will discuss is

the multiplier affect of the impact of this economic activity at the construction stage, at the operational stage, the purchasing in the communities, etcetera, etcetera. Mr. Blodgett is Vice-President of Research for the Connecticut Economic Resource Center, which is a preeminent think-tank, economic think-tank in Connecticut. The Connecticut Economic Resource Center is a non-profit corporation that provides objective research, marketing, economic development services to local, regional, state and utility entities and policy makers.

CERC is a public-private partnership funded primarily by utility and telecommunication companies with admission to make Connecticut a more competitive business location. And they have the latest and most exhaustive research on many of the questions you're asking. And I'd ask him to speak at this time.

**DR. BLODGETT:**

Thank you. Good afternoon, everybody.

**CHAIRMAN HORSLEY:**

Good afternoon. Exhaustive, I hope that's also concise.

**DR. BLODGETT:**

I only have a 100 slides, we should go through them fairly soon. Thanks for the opportunity to come here today to talk about this important issue. What you're going to see today are the results of a study that we did last -- early last year. They were presented at a Native American Economic Summit that was held in Hartford last June. This was a day-long summit, and it started off with the presentation of these research results, then it went into a series of panel discussions throughout the rest of the day talking about different aspects of Native American gaming.

Purpose of the research, as Mr. Stankevich mentioned, is to understand the combined impact of those two casinos that are fairly well known in our area. You know, if we look at them together, you know, what are they contributing, how do they interact with the rest of the economy? To look specifically at the economic impact of the ongoing \$1.5 billion investment in expansion that's some of the new construction in both casinos, and then to look at the fiscal economic impacts of those same expansions.

Connecticut's context. Those two casinos are two of the five largest employers in the state. They currently employ somewhere around 20,000 people at those two facilities, which is a fairly good sized chunk of jobs, considering that Connecticut has not really had much job growth in the last 20 years. They've sort of saved our economic bacon in some sense, because without these jobs in Eastern Connecticut particularly, that area would be much more distressed than it is today. If these same jobs were located in Fairfield County, it would be a different sort of -- different story, but nonetheless, it worked out because it coincided with the slashing of defense jobs at the electric boat facility there.

So it's a key part of our economic base. Economic base refers to those industries that sells goods and services outside the state, bring new money in, and that new money then gets spent in the form of wages, profits, taxes and so on and so forth. And so it had become a big part of the economic base in Connecticut along with submarines, along with insurance. But what we're finding too -- one of the reasons for this, a secondary reason really, was that to get us -- the two tribes in Eastern Connecticut are concerned with the growing competition both in New York, but also in Rhode Island. Rhode Island has recently added within the last year or so 5000 slot machines at the Old Lincoln Downs Racetrack. Massachusetts, as you are well aware, is looking very closely at these issues. And so these two casinos as two business entities are trying to figure out how to position themselves in the competitive market to make sure that they retain share.

So part one, looking at the existing operations. Foxwoods, '92, started with 2300 employees. Day one, Foxwoods was planning on closing at 4:00 a.m. and reopening at noon, 4:00 a.m. they still had a few thousand people in the casino. They held a second shift over, called the next shift in early and

have not closed for one minute since that day. It took them six hours on the first day, I've been told, to count the money.

They paid in '06, the latest data we had, 445 million in annual payroll, 2.5 billion contributed to Connecticut from slot machine earnings. That's cumulative from 1992 through April, 2007. And they realize on average about almost 15 million visitors a year. Current operations, again, 340,000 square feet of gaming space, six casinos, 1400 luxury hotel rooms, conference facilities, golf courses, retail outlets, performing arts and so on and so forth. It is quite a destination. I'm assuming most of you have been there, but if not, it is worth the trip. And we encourage you to spend a little money in Connecticut.

Mohegan Sun opened October, '96, with more than 5000 employees, currently ten-two, annual payroll a little under 400 million, 1.7 billion contributed cumulative to date. And again, about 13 million annual visitors. It's about the same amount of gaming space, 1300 luxury hotel rooms, golf courses, convention space, arenas, and so forth. You do see -- the WNBA -- the Women's Professional League, the Connecticut Sun, is based there. There are a lot of professional women's basketball games that take place there.

We were very curious as to the amount of local purchases that were carried out by both of these casinos, because that's one of the biggest multipliers there; how much are they consuming from local suppliers. So to that end we asked them, you know, what the total number of purchases coming from Connecticut vendors, Massachusetts vendors and Rhode Island vendors. And as you can see, for Foxwoods, a three state total was about 340 million. Close to 600 million and almost a billion dollars combined for those two businesses purchasing from business throughout the Southern New England region.

So combined, a quick summary, 20,000 jobs, annual payroll of 838 million, 4.2 billion to the State of Connecticut coffers, 27 million visitors and almost \$700,000 million in purchases from Connecticut companies.

Looking at employment growth here, basically starting with zero in 1990 ramping up. The orange line shows the projected employment growth as a result of the expanded operation at both casinos. So we can see that's been fairly significant. It tapered off a little bit a few years ago, but it's rebounding currently. The employment impact of current casino operations, what we're doing here is looking at how folks that work at the casinos spend their money; where does their money go. And basically, as you can see from this chart, it touches every other area of the Connecticut economy. So people are buying, you know, directly and indirectly, from all these different industry sectors. So again, it has a ripple affect that's surprising.

They're looking at the earnings impact of the operations. This is looking at the impact of the casino operations as opposed to the employee wages on the previous one. But again, you see the impact is widespread and affects all areas of the Connecticut economy; 4.2 billion, as I mentioned before; 422 million a year in the last three years. That has actually softened in the last three or four months because of the competition in Rhode Island, because of the economic situation.

Between the Indian gaming contributions and the State lottery games, gaming revenue in Connecticut contribute more to the state coffers than the corporate income tax. So we've become very reliant on that as a source of revenue. Again, this is just another way of looking at it; the dark bars here are Foxwoods, the lighter blue bars are Mohegan Sun. Looking at their combined -- their individual contributions overtime. As you can see, they ramped up fairly sharply in the early years. They've stabilized somewhat now. Mohegan Sun continues to grow a little more than Foxwoods.

According to Mister -- Professor {Clyde Barrow} of UMASS Dartmouth, \$234 million came into Connecticut from out-of-state -- from these five states; Massachusetts, Rhode Island, Maine, New Hampshire and New York. And this out-of-state money, this new money, the economic base money I referred to earlier, has resulted, as we saw, in the four 4.2 billion -- 5 billion dollars, as a result of

not having to raise taxes to keep services where they are currently. The foregone tax collections means that in Connecticut, we have, you know, almost 800 more jobs in the state than we would have had given the increasing tax burden, higher employee earnings, higher disposable income, and, in general, a more positive affect. Obviously, if you don't raise taxes, that's a good thing generally as long as you can keep the public services where people would like to see them.

Okay. Looking at their expansion activities. Foxwoods is putting the MGM Grand -- and I believe that's opening within the next month or so. Mohegan Sun Project Horizon is due to be complete in 2010. MGM Grand, as I mentioned here, 700 million in construction activity, which results in 1600 full and part time direct employment on average; 426 million in construction wages. Recognizing that these are durational jobs, once the construction is gone, those jobs, that income, will no longer be there.

Project Horizon, again, a similar order of magnitude; \$760 million, close to 1800 jobs, \$480 million in construction wages. So between the two of them, they're going to add nearly 2000 upscale hotel rooms, 2500 new slot machines, new music venues, retail spas, parking spaces and so on and so forth. But at 1.5 billion, this is probably one of the biggest economic development projects in Connecticut in quite a few years. So it is -- you know, it has made us -- it has made a difference and will continue to make a difference.

This is looking at the construction activity. Basically we're looking at, in New London County, which is the home of the two casinos, the rest of Connecticut and then abutting counties. I don't know how much time we need to spend on that. Basically, the point of these slides is that most of that benefit of the construction activity remains in New London County, which is the nexus of the operations.

Output, I will let that one go. This, again, is looking, as we saw in earlier slides, this is how the wage -- is paid by Indian -- the employees of the Native American Casinos impacts all of the other industries in New London County. So, again, it's a broad-based affect. And everybody -- every business down there generally benefits from that. Looking at the same sort of impact at the state level, again, very broad-based. All sectors see increased activity as a result of the wages and the activity at the two casinos.

So if we look at the economic impact of these two expansions, what we're going to find is 3500 new annual casino jobs. These are permanent jobs as opposed to the construction jobs mentioned earlier. Close to \$150 million in new wages, average wage is about 43,000 per job, estimated 12% increase in visits, and 72 million in annual -- additional annual contributions to the state, assuming that, you know, the economy and the level of competition remains pretty much as it is.

Impact of new casino employment; again, the blue part of this is New London County. It just shows that a lot of those jobs are going to stay where the casinos are located. But it ripples through. The green part here, the lighter bar, shows the dollar affect on wage and all other industries. So even though the casinos will be paying the bulk of the wage bill, the indirect wages represented here by the green, is certainly not insignificant, coming in at close to 50, perhaps \$75 million in additional wages paid throughout.

So in summary, direct effects-total effects. Direct effects, looking at the operations, you know, going on directly at the casinos; the jobs, the money spent, the visitors and so on and so forth. The total effects look at the secondary and tertiary effects of that activity. We talked about the vendor purchases earlier. As those purchases are made by the casino vendors, we'll be buying -- you know, engaging in new levels of activity; perhaps hiring new people. So that indirect effect is part this total effect.

As the result of the activity of the indirect and new vendors, there will be a wage effect on households, and there will be a tertiary impact that will result in additional spending in households as a result of all this activity. So you can see here, the direct effects from the casino operations --

the total effects, I'm sorry -- in 2007, in the bottom of this -- the total effects table, 29,000 jobs; 22,000 direct and the balance indirect jobs created throughout the economy; wages, wage per employee and so on and so forth.

So again, it's a fairly substantial part of our economy now, particularly in Eastern Connecticut. And it is something that we've come to rely on and depend on for jobs for revenue. And the last line says we would be pretty much in the economic doldrums in Eastern Connecticut absent those 20,000 jobs. We'd be happy to take any -- I'd be happy to take any questions.

**CHAIRMAN HORSLEY:**

Thank you very much. Is there any way that you could provide us with that information? Do you have a hard copy?

**MR. STANKEVICH:**

I have a copy to hand up to committee.

**CHAIRMAN HORSLEY:**

That would be great.

**MR. STANKEVICH:**

Brendan said he would photocopy it.

**CHAIRMAN HORSLEY:**

What a guy. Thank you. Appreciate that.

**MR. STANKEVICH:**

In addition, we will be handing up to you the initial studies done by University of Connecticut on Foxwoods by Fred {Carstinsen}, who had an emergency and could not be here, but will be free to come down at future meetings, which is enormously extensive, it's the size of a phone directory. We also have the recent study done by the Chamber of Commerce of Boston we will be handing up for proposed casinos in Boston. A very good study, because it blends into the social impacts and blends into discussing all of the proposed casinos that are on the table now in the Northeast United States. So it gives a more global picture of the use of this activity for economic development.

We will be handing up the {PUE} Research Center's research and articles they published during the last year on the use of gaming and entertainment revenues to patch holes in state and local budgets. It's not an unusual idea. It might be unusual that we are a little late in doing it or thinking about it on Long Island. And in addition, I have a printout of the Shinnecock Indian Website for you, which details the various governmental agencies the tribe runs, its history, programs, religion, culture, its museum, various events, annual POWWOW, etcetera.

The Shinnecoeks are a very robust governmental entity. All of these individuals at the table have gone through the seats just like you have. They understand the importance of dialog, such as we are having today. We, in the past, have linked up with the trade unions. And the gentlemen that are sitting in the back, we are looking forward to that in this the future, because you don't get quality projects done on time without dealing with the trade unions. And the Native American Casinos pay more than Living Wage, good benefits and housing. It's generally a very socially responsible-run regime.

**CHAIRMAN HORSLEY:**

Thank you very much. We appreciate that, and we appreciate your presentation. Legislator D'Amaro, I think you have some questions.

**LEG. D'AMARO:**

Yes. Thank you. And thank you for that presentations. It was very informative. I'm trying to get a handle on what it is that you are looking for from Suffolk County.

**MR. GUMBS:**

At this time, we're just bringing it to your attention.

**LEG. D'AMARO:**

Okay. That's fine. Just having a dialog.

**MR. GUMBS:**

We're looking to open dialog about potential locations and to talk about where we would be able to move forward with this.

**LEG. D'AMARO:**

Other than the potential locations and having that dialog, is Suffolk County in any way part of the approval process?

**MR. STANKEVICH:**

You're part of the dialog process.

**LEG. D'AMARO:**

Forget that.

**MR. STANKEVICH:**

You can't forget that.

**LEG. D'AMARO:**

Let me finish, sir.

**MR. STANKEVICH:**

Okay.

**LEG. D'AMARO:**

Okay. You know, this is not adversarial. I'm asking a specific question. Even if we found and could agree on a parcel and a location, and there's a lot of issues involved with that, is Suffolk County part of that approval process?

**MR. GUMBS:**

In a small way, yes.

**LEG. D'AMARO:**

How would that be?

**MR. GUMBS:**

Because the overall area, wherever the casino would go, in discussions -- I mean, Suffolk County would have to be in approval with it going there. So it would be an approval that Suffolk County would have to give, that the town, wherever the location would be, they would have to give it. You know, it's basically a courtesy sign-off. If we, again, go off reservation. And that's -- I think that's really what has to be made clear is the difference between being on our territory and going off reservation.

**LEG. D'AMARO:**

I see. So really -- and I very much appreciate that you would be willing to have that courtesy dialog with towns and the County, but if you went off-reservation and were able to secure a parcel and have it put into that trust as you spoke of before -- and I'm not an expert on the legalities of how to do all of that and how to achieve certain statuses that you need. It really circumvents all of the zoning controls of the town.

**MR. GUMBS:**

Yes and no. Again, it's a yes and no answer. Once the land is in trust, it's under the auspices of the Federal Government. So, I mean, that's pretty much it.

**LEG. D'AMARO:**

I'm just trying to get information for myself so I can talk intelligently about it. The reservation now is -- how large is your reservation?

**MR. GUMBS:**

Approximately 1200 acres. And then we have the other piece where we were going to do the gaming, which is approximately 89 acres.

**LEG. D'AMARO:**

That other piece is the piece you spoke of earlier?

**MR. GUMBS:**

Right.

**LEG. D'AMARO:**

That's in dispute right now.

**MR. GUMBS:**

No, it's not in dispute any more.

**LEG. D'AMARO:**

You mentioned litigation before on another land claim.

**MR. GUMBS:**

Yes. The land claim that I was referring to is a land claim that we filed against the State of New York for illegally taking lands from the tribe in 1859. That actually goes from the Canal -- it's 3600 acres total. It goes from the Shinnecock Canal all the way to the Southampton Village line.

**LEG. D'AMARO:**

So on the existing reservations, what's the impediment to doing the gaming now?

**MR. GUMBS:**

The impediment is just the location. I mean, you know, the roadways into Southampton, I mean, obviously, we all know are not the best in the world. And it's really just that, you know, trying to find a Better location with better road access that would be feasible for everybody.

**LEG. D'AMARO:**

Now, when you eventually secure that location, if you do, it could be a County parcel, a State parcel, however you come into that parcel -- and I'm sure there will be lots of dialog about that -- do you -- when you construct, you give preference to local firms I would assume?

**MR. GUMBS:**

Well, that is our intent. Our intent is we are from Long Island, we are from, you know, Suffolk County, we are from the Town of Southampton. We predate all of you. And it's our intent that we all live here. We have always been good neighbors. We were never one of the warring tribes. We have always lived in peace and harmony, and that is our intent, you know, at this point. But it is also our intent to make ourselves economically self-sufficient so that we do not have to rely on governmental hand-outs and the grant-based community that we are now. That is our goal.

**LEG. D'AMARO:**

I appreciate that. The only other comment I have, you know, doing the comparison to the

Connecticut casinos, you know, you present raw figures, but, you know, there are other things to consider when just looking at numbers. You know, we are somewhat geographically different, substantially different from Connecticut. So there are different considerations when you're looking for a location here on Long Island. You know, so you have to then get into -- I'm sure you're well versed in all of this, but, you know, what are the quality of life issues, what's the impact on the local community, what are the social costs, what's the impact on municipal services from the surrounding area, you know, are the jobs being created sufficient to pay a wage where people can remain and contribute on Long Island. I mean, these are a lot of the questions that would come out, I guess, as you go through your process, as you get closer to making this more of a concrete proposal. Those would be some of the issues in my mind anyway.

**MR. GUMBS:**

And those are all issues that -- with every casino that's gone up, those have been the issues. And really, we know, we live here on Long Island, we know the cost of living here on Long Island is a lot more. Like, I looked at the 42,000, you know, average income for Connecticut. Is that something that's going to sustain, you know, the average family here on Long Island? Those are all of the issues that we would definitely have to take a look at. My major in college was Economics, so I really go into all of those things, you know, quite heavily; you know, what the -- you know, you talk about the social impacts. Each one of those things actually has a study done, you know, in the process of taking land into trust, you know, for gaming. That's part of the actual trust process is to do all of those studies so that we have a clear picture and a clear analysis of, you know, what it is that the local area is getting into. And, you know, that's one of the reasons why, you know, we in particular are looking at areas which are less densely populated here on the Island, where we -- some of those things would be less of an intrusive behavior to the local residents.

**LEG. D'AMARO:**

And, you know, we're certainly not here today to have that debate or give and take or whatever you want to call it. You know, you're really presenting to the County --

**MR. GUMBS:**

It's a concept, it's an idea.

**LEG. D'AMARO:**

Yeah. You're saying, look, you know, it's out there. Everyone -- I think it's just general common knowledge now that putting aside what the downside may be that there is a big upside with this. And I always say that New York State missed the boat when it came to implementing gaming as a state. You know, I think it can be done in a way that it can be controlled sufficiently so that you mitigate the downside to it. But that's just my own personal belief. And certainly, we don't have any jurisdiction over that. My last question to you is what specific areas or parcels that the County owns are you looking at? If you can tell us now, if you want to tell us now. Where are we at?

**MR. GUMBS:**

We've looked at some areas over by the airport in Westhampton. We've had traffic studies done. And one of the big complaints that we got out of the Town of Southampton was that it was going to create this massive traffic jam, which is absolutely not true. There is a real misconception that our local politicians tried to compare casino traffic with the 9:00 to 5:00 traffic. You know, in the morning, you know, you have these traffic jams with everybody going to work. In the afternoon, you have everybody leaving work. And that's not how Indian gaming works. I don't know if you've ever been to Foxwoods, but it's one lane going up to the biggest casino in the world. So these are the kinds of issues that, you know, when we look at it, we're looking at, well, how can we alleviate that. We've talked about everything from doing, you know, like a tram, like they have a Disney, these little air trams, you know, to bring people in to, you know, the best location with the best exchange -- interchange, you know, off of a highway.

**LEG. D'AMARO:**

Right. But that area around Foxwoods is probably three-acre zoning and not nearly as densely

developed as most areas on Long Island. Again, you know, we're not having a debate here, but it's just -- you know, there are a lot of issues that are unique to Long Island that you need to consider, and it sounds to me like you are considering them, and that's a positive step. But certainly, I was just curious that if we're ever going to see really a concrete proposal where you say, okay, you know, this is the site that we want and then we have the real debate over, you know, how to proceed.

**MR. GUMBS:**

We're actually narrowing down, you know, locations. There are a number great locations right off the LIE where there's no one around. There's really no one around, you know, the Gabreski area over there. So we've really been looking at non populated locations to try to do this and to take a look at who's actually owning the land; is it County land, is it State land. We did take a look at Calverton over there at the Grumman, you know, facility. The access is absolutely horrendous into Grumman. I don't really see how anyone is going to really do any major economic development over there unless, you know, you do a new roadway in there or something. It's just not feasible. So that's the kind of research that we have been doing. Again, we're just here to enlighten you a little bit on, you know, what we're doing, what we're intending on doing and to open up that dialog in the lines of communication.

**LEG. D'AMARO:**

And I appreciate that very, very much. Thank you.

**MR. STANKEVICH:**

We will also be handing up the actual proposal that's on the Governor's table for Aqueduct, which really flushes out numbers and a lot of the questions you have had. And that facility is sized to be about the size of both casinos in Connecticut. Also being handed up is the study done for Massachusetts where they not only do the economic study but the social studies and the crime and local impact and all of those things that have been brought up in using the Connecticut facilities as reality; what is actually happening.

**MR. BESS:**

If I can just reiterate that, you know, this is opening up the door for information. And if you are seriously, you know, considering partnering in this whole initiative, you know, we can really -- instead of being site, you know, specific today, you know, we can sit down and say, well, what sites would be suitable, you know, for all, you know, parties concerned. You asked why we wouldn't have it on a reservation proper. We have the ability to do that, but there's 1300 -- 1200 acres there, we have 1300 members on our role. So if you just do the math, you know, we need places to live and, you know, we have certain community buildings there, this and that. And we want to have a site that, you know, works together with this whole good-neighbor policy that works for us and also the outside. And that would probably bring some, you know, problems that we don't really want to have. But we're at the point where we want to sit down and see if we can come eye to eye on a concept and see how we can work through the stages; how this could be a process, a program, a development program for all of us. And for your concern as far as if you study the Land Into Trust Process, there is a procedure in there where the local community can take part on some of it. But, you know, like Lance was saying, we're in this together.

**LEG. D'AMARO:**

Right. I agree with you wholeheartedly. I'm not saying today whether or not I would agree in the end to go forward. You'd have to see the specifics of the proposal and think long and hard about all the other impacts, positive and negative. But never hurts to talk.

**CHAIRMAN HORSLEY:**

Legislator Stern.

**LEG. STERN:**

Thank you, Mr. Chairman. So we were looking at numbers that were applicable to Foxwoods and

Mohegan Sun, very interesting and a good starting point. But as we're having this dialog, I'd be interested to know what your vision is. Obviously, a lot of it would have to do with location, geography, infrastructure. But is it your vision to establish a Foxwoods/Mohegan Sun-type of operation? Is it something on a smaller scale than that? What is your vision?

**MR. GUMBS:**

It is our vision to create a destination point. I guess that's the easiest way to say it. Something that would fit the whole aspect of tourism; that would include, you know, a golf course, that would include entertainment facilities, conference rooms. So it our intention -- we don't want to just limit it to gaming. Indian gaming across the country has really been the cash cow for other economic endeavors that tribes are doing. So it's not just gaming that we're looking at, but that's the cash cow, that would drive the engine for other projects maybe throughout the County that the County is working on or the town is working on.

But it's our vision to create a destination point and then move forward from there. Size-wise, we haven't really discussed any type of size. It would be the size that would be feasible, and there are studies done on that given the amount of people that are in the, you know, 100 mile radius, or whatever the radius is they use. There's a whole formula that really sort of dictates what -- you know, the size and everything like that.

Give the fact that we have New York City so close and given the fact that -- with all due respect to our native brothers in Connecticut, it's the running joke up there about how much they make, you know, from New York. I get ribbed about it every time I go up there. You know, it's like, ha, when are you guys going to do something, we're taking all your money. But that's the reality of it. We're watching this money go out across the ferry from New York State here, and we live here. So it is our goal to extend that tide a little bit and to create something that would be economically viable for our community and for the communities that we live in.

**MR. BESS:**

And we are beating from New York state. You know, I believe that New York State deserves and should have a world-class facility. We're not talking about putting up a shack or anything like that. I'm talking about a world-class facility deserving of the state that we, you know, live in.

**CHAIRMAN HORSLEY:**

Legislator Alden.

**LEG. ALDEN:**

Have you reached out to any of the towns other than Southampton, started any dialogs?

**MR. GUMBS:**

I think you were out at the beginning when I said that. But we have had dialog with several towns, several town supervisors who actually contacted us and who have, you know, sort of looked at the numbers and are very interested in what we're doing.

**LEG. ALDEN:**

I was just out getting some M&Ms.

**CHAIRMAN HORSLEY:**

Anyone else have any further questions? Gentlemen, thank you very much. This has been very enlightening.

**MR. BESS:**

If I can just add that, you know, if you should have occasion to sit down with Steve Levy, we'd also be interested in sitting down to have a talk with him. We have made a couple of calls to his office, and unfortunately, you know, he really hasn't responded. So if you happen to, you know, cross the street and there he is --

**CHAIRMAN HORSLEY:**

The County Attorney was here before.

**MR. BESS:**

We're looking to sit down and talk to him.

**CHAIRMAN HORSLEY:**

Okay. Thank you very much.

**MR. GUMBS:**

We don't want to get into the same type of situation that we got into with the Town of Southampton. You know, we are a government, we are elected just as you gentlemen are elected. And you know, just out of common courtesy, we've reached out to him to sit down and meet with him, and we have been ignored. That's how things start to go astray.

**CHAIRMAN HORSLEY:**

I understand.

**MR. GUMBS:**

We also brought one of our tribal packets. It has a small DVD in it which we'll also be handing up to you. It gives a little bit of our history on the nation, for your reading.

**CHAIRMAN HORSLEY:**

We appreciate it. Gentlemen -- I'm sorry and ladies -- thank you. My apologies. You have done a great job. You've done a service to your nation in coming here today and, you know, enlightening us. It's good to start a dialog. And we appreciate the fact that you are here. Thank you very much. Meeting adjourned.

(\*THE MEETING WAS ADJOURNED AT 4:28 P.M.\*)

{ } DENOTES BEING SPELLED PHONETICALLY