

City of Taunton

Office of the Mayor

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IGA Summary

May 17, 2012

To the Citizens of Taunton:

I am pleased to announce that the City's negotiating team has reached agreement on the terms of an Intergovernmental Agreement (IGA) with the federally recognized Mashpee Wampanoag Tribe. The IGA sets forth the terms for the Tribe's development of a world class destination resort casino in the City.

I will in the very near future present the IGA to the Municipal Council for their consideration. The IGA will become effective only if the Municipal Council authorizes me to sign it and Taunton's voters pass the Referendum on Saturday, June 9, 2012.

The next steps would then include: (1) the Tribe and the Governor agreeing to the terms of Compact; (2) the State Legislature approving the Compact; and (3) the Tribe obtaining necessary state and federal approvals, including the United States Department of the Interior accepting the Tribe's land into trust application.

The full text of the IGA is posted on the City's website at: www.taunton-ma.gov. Below is a summary of its principal terms:

- The Project:** The Tribe will construct a casino, hotels and ancillary resort facilities (the "Project"). The scope and details of the Project have been disclosed at various public meetings and are described on Exhibit B to the IGA, but include:
- 150,000 sq. ft. casino
 - 3,000 slots, 150 table games, 40 poker tables
 - 7-10 vendor food court and an International Buffet
 - 2 Fine Dining Restaurants
 - 10 retail stores
 - Three 300-room hotels
 - Spa, Pool, 6 Event/Meeting Rooms
 - 24-hour café restaurant

- 25,000 sq. ft. Water Park
- 15,000 sq. ft. Event Center

Location: The Project will be developed on land that the Tribe has under option within the Liberty and Union Industrial Park. This land is generally bounded by Middleboro Avenue, Stevens Street, Route 24 and Route 140 (the "Property"). A map of the Property can be found on Exhibit A to the IGA.

Impact Payments to the City: The Tribe has agreed to make the following payments to the City in order to obtain the City's support of the Compact and the Project and to mitigate potential impacts on the City resulting from the Project:

- **Up-front Payment.** The Tribe will make a non-refundable payment to the City of **\$1,500,000** within 30 days of the Compact being approved by the State Legislature. This vote is expected to occur in the next few months.
- **Continuing Payments.** The Tribe will pay the City **2.05%** of the Casino's net revenues generated from slot machines and other electronic games. In no event, however, could this amount be less than **\$8,000,000** per year.
- **Payment in Lieu of Taxes ("PILOT").** The Tribe will pay the City an annual amount equal to the property tax that would be payable on the Property based upon an assessed value of the Property determined as of the date the Property is taken into trust or May 17, 2012, whichever value is *greater*, plus a three percent (3%) per year increase on the previous year's payment. This increase will be capped after year 10, but the PILOT will continue indefinitely.
- **Infrastructure costs.** The Tribe is obligated to pay for all up-front infrastructure costs necessary to improve and upgrade the City's police, fire, water, sewer, administrative and other facilities, as well as the City's *ongoing* costs resulting from the City's hiring of additional police, fire, administrative and other personnel. The City's initial estimate of these costs can be found on Exhibit D to the IGA.
- **Compulsive Gaming.** The Tribe will contribute \$60,000 when the Casino opens to support a local center for the treatment of problem gambling and \$30,000 annually thereafter.
- **Charitable Bingo Payment.** The Tribe will "make-whole" certain identified charities that were operating charitable bingo for the three year period from June 1, 2009 to May 31, 2012, and that continue to operate charitable bingo after the opening of the Casino.
- **Fees of outside professionals.** The Tribe will pay all reasonable fees of the City's consultants and professionals incurred by the City prior to the opening of the Casino.

Traffic Improvements: Traffic is a concern of all of our residents. Our and the Tribe's consultants have recommended certain traffic mitigation measures. Exhibit C to the IGA describes these mitigation measures which will alleviate many traffic concerns. Hart's Four Corners will be fixed. The Tribe will pay for these mitigation measures.

Additionally, the City and the Tribe continue to meet with MassDOT in an effort to obtain funding to construct long-contemplated improvements to Routes 140 and 24 which would provide more direct access to the Casino, bypassing many of our local streets.

**City Capital
Projects:**

The Tribe will guarantee up to \$15 million of special revenue bonds to be repaid from the City's share of Casino revenues. The proceeds of these bonds would be available to the City to fund capital projects selected by the City.

**Jobs and
Local Hiring
Preference:**

The Project is expected to generate several hundred construction jobs and over 2,500 permanent full and part-time jobs. The Tribe will work in good faith with the City to employ City residents during construction and operation of the Project and to purchase goods and services from local vendors.

**Tribal – City
Advisory
Council:**

The City and Tribe will establish a 9 member City-Tribal Advisory Committee to make recommendations to the Tribe and the City on implementing the IGA. The Committee will consist of:

- a member of the Municipal Council;
- the Mayor;
- a resident of East Taunton;
- one representative of a community organization established to address the local impacts of gambling;
- four representatives of the Tribe; and
- one member selected by the other eight members of the Committee.

The City's opportunity to host the Project is significant for our City and our residents. We urge all residents to review the IGA and to make an informed decision before voting on the Referendum.

Very truly yours,



Thomas C. Hoyer, Jr.
Mayor