

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON ENVIRONMENTAL PROTECTION

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Start: 01:35pm

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HELD AT: Hearing Room - 19th Floor
 City Hall

B E F O R E:

JAMES F. GENNARO
Chairperson

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G. Oliver Koppell
Brad Lander
Stephen Levin
Peter F. Vallone, Jr.

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CHAIRPERSON GENNARO: Good

afternoon, my name is Jim Gennaro, Chair of the Committee on Environmental Protection. Today the Committee will hear testimony on whether a casino project proposed for Sullivan County could ... could spur development in the Catskills that, once again, could adversely affect New York City's drinking water supply watershed, and in my tenure with the Council I have spent almost two decades working to protect the New York City watershed and I certainly plan to continue those efforts. New York City watershed provides potable water for more than nine million residents of New York City and millions of others who work here, as well as those who live in communities whose water comes from our system, which represents about half the people in the state. In the interests of time, this, you know, warmup for a long opening statement that was drafted by the counsel to the Committee sitting to my right, Samara Swanston, I thank her. It gives the whole history of the state legislature giving the governor the legal authority to do tribal state compacts, and a little bit about the history of that, and a little

bit about the Stockbridge Munsee tribe and their longstanding issue with the state, which was ... came to some settlement with some land in Madison County. I'm just kind of going over this, this would have been much ... this would be much longer to read. And so we have some land in Madison County, we have some acreage in Sullivan County, and, where should I start in on- -

COMMITTEE COUNSEL SWANSTON:

(Interposing) Well, you could- -

CHAIRPERSON GENNARO: (Interposing)

... like- -

COMMITTEE COUNSEL SWANSTON:

(Interposing) You could say about the casino here. Or you could go right to the water.

CHAIRPERSON GENNARO: Here's what we're going to do. Here's what we're going to do.

COMMITTEE COUNSEL SWANSTON: Or here then.

CHAIRPERSON GENNARO: So I'm just going to speak to the water a little bit, and talk a little bit about what I think this hearing is about, and also what it's not about. We're joined by Council Member Koppell from the Bronx, I'm

grateful to have him here.

COUNCIL MEMBER KOPPELL: Sorry, Mr. Chairman, I can only stay a short time, because I have another meeting right at the same time. I apologize.

CHAIRPERSON GENNARO: Sure, you bet. And so the people, you know, that have followed the work of this Committee, you know that we have been very active on, you know, many, many issues, you know, going back to the early '90's, and we worked out the MOA with the Federal government, and we got the Filtration Board's determination. We did the land acquisition program, we did the watershed rules and regulations. You know, we're fighting efforts to do hydrofracking in the watershed, we have Paul Rush here, and the Bloomberg administration has been a great partner in all the watershed protection efforts. And in a nutshell, my concern is, you know, whether or not ... or whether or not this or any other development that would be, you know, near the watershed, you know, could spur development that could have impacts within the watershed. And certainly we have to figure out

whether this is a possibility, and if it is, how we sort of get in front of it, and kind of, you know, deal with it, and so of course we have the filtration board's determination, you know, riding on, you know, whether or not, you know, we can keep the watershed pure to a certain level.

Otherwise we have to filter it. We ... and we have to be very concerned about the water supply for half the state. So to me, that's what the hearing is about, you know, whether or not there could be impacts to our drinking water supply watershed, and that's really my only interest. And this is not a hearing about gambling, is it good, is it less than good. This is not about the very legitimate ... well, it's not about taking issue with the very legitimate economic development, you know, goals for Sullivan County. Certainly every area of the state wants to prosper and we're certainly for that. But we're just looking for, to make sure that what this Committee is most concerned about, which is drinking water quality for half the state, is kept pristine. So while we're talking about a proposed gambling casino, it could be any kind of development, and we've had

these issues before, when there have been major developments proposed within the watershed, and we're concerned about what the actual site development would do to the water supply, and what development, you know, near the site could do.

You know, here I don't think we're so much concerned with what's going to happen at the site, because it's outside the bounds of the watershed, but you know, what could happen as a result of this development, you know, what kind of development, you know, could this potentially catalyze, you know, and what affect, if any, that could have on the New York City drinking water supply watershed. So that's what the hearing is about. I'm very grateful, you know, that the folks have come up from Sullivan County, some officials from Sullivan County, a special shout out to someone who used to work with City Council, served this Council with great distinction, Paula Kaye is here, it's good to see Paula again. And so it's always good to see you, give my best to Jonathon, who also ... her husband who worked, also served this Council with great distinction, and served the county with great distinction. It also

marks the comeback of Dan Avery, who used to work for this Committee, and then he took another environmental job, and now Dan is back. We're very, very glad to have him back. This is his first hearing back, and we're glad to have him. We're joined by Council Member Brad Lander, always a pleasure to see Council Member Lander. And with that said, we should call forward the first panel, we'll be hearing from the administration, we have Paul Rush, my good friend, who's the Deputy Commissioner for Water Supply for DEP, he'll be joined by Mark Lanigan, they have a statement and a presentation. The people in the audience I guess won't be able to get a visual on their presentation, but they can listen. It's a pleasure to have you both here. I appreciate you both being here. We'd ask the Committee to swear in the first panel, and then you can state your names for the record and proceed with your good testimony and presentation.

COMMITTEE COUNSEL SWANSTON: Please raise your right hands. Do you swear or affirm to tell the truth, the whole truth, and nothing but the truth today?

MR. RUSH: I do.

MR. LANIGAN: I do.

MR. RUSH: Good afternoon, Chairman Gennaro and members, I am Paul Rush, Deputy Commissioner of the Bureau of Water Supply in the New York City Department of Environmental Protection, and I'm joined by Mark Lanigan from the Department of Environmental Protection as well. On behalf of Commissioner Holloway and the Bloomberg Administration, thank you for the opportunity to share with you our thoughts on the casino in Sullivan County that Governor Paterson recently announced in collaboration with the Stockbridge Munsee band of the Mohican Nation. Although there are few facts available about the specifics of the proposal, the site consists of a wooded parcel with approximately 300 acres, located just north of where the Neversink River flows under route 17. Some of you who may have traveled to the Catskills in the past may remember a portion of this site as the former Gildiks junkyard (phonetic) that was easily visible just before exit 107 on the Quickway. The eastern edge of this parcel borders the Neversink River, the

western border is Downs Road, and the southern border is either Route 17 or Old Route 17, immediately to its north. Thompsonville Road, also known as County Road 161, and Patio Road, appear to be the northern boundaries of the site. I've two PowerPoint images that display the site. These images are gathered from our best information, probably do not display the exact location. Here's the general area, and the size and the potential impact. Approximately twelve and a half miles upstream of the casino site is Neversink dam and reservoir, one of the four reservoirs of the city's Delaware system. Water from Neversink, which is the highest quality of our reservoirs, flows east through a six-mile tunnel into Rondout reservoir, which also collects water from Pepacton and Cannonsville reservoirs. The Delaware aqueduct starts at the east end of Rondout reservoir, and serves to convey Delaware system water to New York City and other communities in Orange, Putnam, Ulster and Westchester counties that rely on the Delaware system. Apart from the withdrawals from the city's ... for the city's use, water from the

Neversink reservoir is released to the Neversink River to meet flow targets set by the Delaware River master, and in accordance with rules set by the parties to the mandated Supreme Court decree of 1954, the Delaware River Basin Commission and New York State conservation regulations. The current conservation release program is called the flexible flow management plan. Because the casino is outside the watershed, the city does not anticipate any direct impacts on the quality of water, either in Neversink reservoir or in the next closest reservoir, the Rondout reservoir. Based on the limited facts about the casino proposal available to us, it appears the only theoretically possible impact from the casino is related to the city's release into the Delaware River system. Development of the casino or withdrawals from the Neversink River for use on the site could potentially have some impact on flow or temperature in the Neversink River. Those impacts could then indirectly affect the city's releases to the flow or temperature targets, which could then affect withdrawals from the reservoir to meet the city needs. The state Department of

Environmental Conservation closely monitors water temperature at the USGS Bridgeville Stream gauge, and in the past a specific flow target was established for the gauge. However, based upon this very scanty information we currently have about the proposed project, this impact projection is very speculative. Until we have specific information about projected water use, it is premature to reach any conclusion about the potential impact. Nonetheless, DEP will be closely monitoring the casino proposal to evaluate its potential impacts on our system. With respect to any projection of secondary impact from the casino proposal, at this time DEP has no facts to indicate the secondary development that could be created by the casino would constitute a threat to our system in general, or to the watersheds of the Neversink and Rondout reservoirs in particular. Substantial portions of the Neversink and Rondout reservoirs are already protected from development. The last slide I brought this afternoon shows protected lands within the Neversink and Rondout watersheds. The slide is up on the right. As you can see from the slide, actually the closest

watershed portion is in the Rondout reservoir, as opposed to the Neversink reservoir, it's a little bit closer than Neversink in terms of where its watershed is. As of December of this year, Neversink watershed is already 60% protected from development through fee acquisitions or easements. The Rondout watershed is 39% protected. Of all watershed land within 30 miles of the casino site, approximately 57.5% is protected. Although there is vacant land in the Neversink and Rondout watersheds that could host new development stimulated by the casino, that land is farther from the casino site and Route 17 than numerous other vacant parcels. If parcels downstream to Neversink reservoir and closer to the casino are more desirable to casino patrons than parcels in New York City's watershed, DEP does not expect its own costs for acquisition of vacant Neversink or Rondout land to increase as a result of the casino. Again, as this project proceeds, DEP will closely monitor to insure that all impacts related to our water supply system are properly studied. I know that Chairman Gennaro shares the Bloomberg administration's interests in preserving the

watersheds that make it possible for us to operate the largest unfiltered system in the country.

Because the Stockbridge Muncie casino proposal involves a site that is not in our watershed, and does not at this time appear likely to create any direct or indirect impacts that would affect the city's watershed, the city does not view the casino proposal as a threat to our water supply system. We will, however, continue to closely monitor this proposed project. On behalf of Commissioner Holloway and the Bloomberg administration, thank you again for the chance to present testimony.

CHAIRPERSON GENNARO: Thank you.

Thank you, Paul, and thanks for your presentation. We are joined by Council Member Liz Crowley from Queens, we're happy to have Liz with us. And okay, so with regard to development, you don't think it's a problem, and with regard to, because one of my concerns was going to be, you know, whether or not it would cause any problem for our land acquisition program, because of the land getting more desirable because of this development, would sort of, you know, would, you

know, hurt our ability, or at least cost us more money to purchase land in the area. But your statement reflects that neither of these you foresee now as a problem. Is that fair to say?

MR. RUSH: That's correct. We're aware that there are other potential development sites much closer to the casino, which would more likely be developed than within the watershed, so we don't perceive this as a threat to the watershed at this time, but it's something that we will closely monitor.

CHAIRPERSON GENNARO: Let's talk about how that could potentially be monitored or studied, and I'm not a development person, I'm not a planner, whatever, but are there models for this kind of thing and people who, you know, try to figure out what the proposed development, or what possible development could be from some kind of project going in? are there like modeling formulas or whatever, etc., if we put this thing here that we should see, you know, so much kind of activity with regard to other development that may come into the area, either to, you know, support the first development, or to just like a natural

extension of it? Like, how do we monitor sprawl and these kinds of induced development? I don't know how we do that. Is it a formal thing? Is there ... are there like sophisticated models that would help us do that? Or do we just kind of like see what happens?

MR. RUSH: In terms of the sophisticated models and how that all is done.

CHAIRPERSON GENNARO: Yeah.

MR. RUSH: And secondary impacts, whether they exist or not, I have ... I don't have detailed knowledge on those.

CHAIRPERSON GENNARO: Right.

MR. RUSH: In terms of our monitoring of activities in the watershed, we're involved in the central process in each one of the towns, we comment on projects in towns, we're actively engaged. We have our own permitting process, or watershed regulations. This development occurring outside the watershed, you raise some possible concerns, and as part of the process, which we don't fully understand the ... how an environmental impact statement or environmental impacts would be considered for this process. We

would certainly educate ourselves on those, and monitor input as it is appropriate.

CHAIRPERSON GENNARO: How would that work? Because there has to be an EIS for this ultimately, like who would do that? Maybe I should, you know, talk to the people who are putting it forward or whatever. But, you know.

MR. RUSH: That I don't know, I can't answer that.

CHAIRPERSON GENNARO: Okay, but this is not the, you know, first rural casino to like ever be constructed. Has DEP, for example, looked at other casinos, you know, ones of this size, like in the northeast that are put in rural areas? And you know, looked at the development that is happening like at those sites? Just to sort of compare? I'm just trying to think of how one would try to get a grip on this.

MR. RUSH: We have not done that.

CHAIRPERSON GENNARO: Do you think it would be a good idea to do that? Or, I don't know.

MR. RUSH: I tell you, what's very important to us in the watershed in securing the

1
2 filtration avoidance is watershed protection
3 programs protecting inside the watershed and
4 insuring that activity in the watershed is
5 monitored and is done in accordance with our
6 regulation. And on issues that directly impact
7 us, that we weigh in on, and weigh in very
8 strongly, with the Marcellus Shale issue, you
9 know, initially we did not have ... we did not have
10 petroleum engineers on staff who understood that.
11 We hired a consultant who went out and educated
12 ourselves on the potential impact. And then we
13 took a position. We are learning of this
14 proposal. Our initial understanding is that this
15 impacts on the watershed, or the development
16 impacts, they don't appear to be any concerns to
17 our programs. As part of the environmental impact
18 process, you know, as that goes forward, we'll be
19 certainly monitoring that. But it's important
20 that, you know, in the watershed, we have a living
21 watershed and we weigh in appropriately on things
22 that impact us directly with the facts that are in
23 hand.

24 CHAIRPERSON GENNARO: Sure, but my
25 concern is that on some level we're ... it's a

similar paradigm with regard to state government and the approach that they took towards hydrofracking, you know, the entity within the state government that's really supposed to be, you know, the champion of the filtration board determination to make sure we're doing everything to meet that would be the state Health Department, you know, and they have the authority devolved from the Federal government to them, and they didn't say anything about fracking because like the state wanted it. And, you know, this is something that the ... and the gambling casino, you know, and other forms of economic development in the Catskills is something that people in the Catskills want and people in the state as a whole, you know, kind of want. People want all parts of the state to prosper economically. So I don't think you'd be hearing anything from the state Health Department. So just like with fracking, it's kind of like up to us, and me, you know what I mean, New York City government where we're ultimately the entity that has to, you know, stand up for our own watershed and make sure that we are being respectful of our neighbors and sensitive to

their very legitimate, you know, goals of economic prosperity, but at the end of the day, you know, we've got the water supply for like half the state. And there's no other entity, you know, above us that's going to do like as good a job than we when it comes to, you know, recognizing, you know, potential development or other kinds of activities that could, you know, down the road, you know, chip away at our ability to hang on to the (inaudible). And so it's sometimes where we go from here maybe it would be, you know, good for DEP to endeavor to study or at least review the, you know, local development patterns, you know, other rural casinos that have been ... other casinos, major developments, other major casino development projects that have been sited like in the rural northeast. You know, just to see if there are any parallels there that would make sense. I go back to 1993, when the blue ribbon panel that was put together by the Federal EPA, you know, unanimously opined in that study, as you well know, that the EPA was urged, you know, not to grant the city filtration board's determination because we could never control the amount of

activity in the watershed. And I think only those who were around and you know, well remember that document and the EPA's wording to us, so to speak, that we're going to get a FAD, but it was very tricky and no other entity, no other watershed with this amount of development had ever gotten a FAD. So I'm just trying to, like an ounce of prevention kind of thing, because this is sort of like the, you know, credo here, because the Catskills are a wonderful place, people are going to want to go there, and it's good. And truly I am usually in favor of these kinds of things that, you know, new developments that provide connections between upstate and downstate. People go to the Catskills to recreate, people go to the Catskills to do gaming, people go to the Catskills to have a good time when they're there. They, you know, see the natural splendor of the place, and I think people ... it's good for people to get, you know, more sensitized about nature and like, you know, the bounty that New York State has in that department. And so I'm all for people, you know, building connections between upstate and downstate, and you know, between people just

getting close to their, you know, sort of natural roots by going upstate and having a good time.

But at the end of the day we have a watershed to make sure that, you know, not today, but down the road is not adversely impacted by, you know, good things, that like other people are doing. So just like I say, I've got something, why don't we take a look at other development that- -

MR. LANIGAN: (Interposing) We'd be happy to try and identify any models that might help predict secondary impacts. The only thing I was going to add was, assuming that an EIS is- -

CHAIRPERSON GENNARO: (Interposing) Also, Mark, if you could just- -

MR. LANIGAN: (Interposing) Mark Lanigan, New York City Department of Environmental Protection. Assuming, we'd be happy to look at one of those models, I'll talk to our colleague, Angela Lacotta, ask her what types of tools are available to help identify secondary impacts. We would expect that if EIS is done and which would be a very useful tool if it's done, that that would have a more detailed and analytical discussion of secondary impacts, and whatever

tools are available to help them disclose that, the application would use. And we would, among ... in the interests of protecting ourselves, we would take an aggressive stand if we thought that EIS was defective in any way and that's a whole process, as most of us know, that involves first a scope and the opportunity for the public, including ourselves, to comment on the scope, and then a draft EIS and then a final. So that would be a great tool to help flesh out with more detail. But I'd be happy to survey my colleagues and see what kind of model would be available for say the applicant to- -

CHAIRPERSON GENNARO: (Interposing)

Yeah, I think that would be good, because then we would be in a position during the, you know, scoping part of the whole review, to be able to indicate the- -

MR. LANIGAN: (Interposing)

Recommendations.

CHAIRPERSON GENNARO: Yeah, make recommendations on what, you know, tools should be used to engage these kinds of impacts, rather than waiting, you know, for that to happen and then

1
2 seeing what they, you know, put forward in the
3 document. And then ultimately challenging it kind
4 of like after the fact. And so I just think it
5 makes sense for us to be knowledgeable. We're
6 going to ... and this is not, you know, the last
7 development that's going to be on the border of
8 the watershed. I spent my summers up in the
9 Catskills and it's a lovely place and people are
10 going to want to do things in the watershed,
11 they're going to want to do things near the
12 watershed, and you know, we should be mindful of
13 how we can reasonably gauge, you know, down the
14 road impacts from these developments, just so that
15 we can be prepared. You know, an ounce of
16 prevention. So yeah, if you could ... sure, sure.
17 So that would ... so I'll come back after Council
18 Member Lander, whom I'm going to recognize in a
19 moment, just to put a capstone on what we've sort
20 of worked out between us. But for now I recognize
21 Council Member Lander.

22 COUNCIL MEMBER LANDER: I made a
23 space. Thank you Mr. Chairman, thanks for
24 convening this hearing. I know you guys aren't
25 land use lawyers, but could you ... actually, I

would like to understand a little better what we think the legal framework for review here is, why it would or wouldn't require an EIS who would do it, who wouldn't do it, who would require it, who would have standing to say that it ought to be done. So just help me understand, I mean, this is, I know the New York City land use rules pretty good, but- -

MR. RUSH: (Interposing) Possibly Samara will summarize it, we do not have a firm- -

COMMITTEE COUNSEL SWANSTON:
(Interposing) I understand that there was a previous EIS prepared pursuant to NEPA done by the tribe, and I understand that the tribe would typically prepare another one. And we would be able to participate, there also might be SEQRA compliance that we would also be able to participate in.

MR. RUSH: In the mind of our own attorneys there's some degree of uncertainty about what exactly the obligations are, but as counsel recounted to you, that's our knowledge as well. And, but we are prepared to make any statement on what the city thinks the requirements are for the

applicant at this point.

COUNCIL MEMBER LANDER: Can you just generally help us understand what the issues are, what or wouldn't, without taking a definitive position? What are the questions at stake and what is required?

MR. RUSH: One of the questions is the role of another sovereign nation in the transaction, and if the ... in the past, as Samara was referring to, where the Bureau of Indian Affairs has acted as on behalf of a sovereign Indian nation, they arguably were immune from the requirements of the National Environmental Policy Act, which is where all SEQR and SEQRA comes from, that's- -

COUNCIL MEMBER LANDER:
(Interposing) Wouldn't the state disposition of the land trigger SEQR requirements, even if there was ... regardless of who they were disposing it to?

MR. RUSH: I couldn't rule that out, and I'm not a land use lawyer. That's one of the reasons we're not prepared to make any statement on behalf of the city as to what we think the obligations are with respect to the NEPA

compliance with this action.

CHAIRPERSON GENNARO: Why don't we do this? I mean, if we could just sort of work with Council Member Lander here a little bit. Why don't ... we had a ... you had said that you were going to look into ... you were going to talk to Angela and you're going to look at, you know, potential land use models that might exist, that would be, you know, good for us to have knowledge, even for our own purposes, or to make recommendations to the applicant. Also you were going to take a look at ... Samara, you've got to listen to this too. And you're going to look at other developments that were, you know, done like this in rural parts of the northeast. And then we would want to know what DEP's lawyers or what like the law department thinks about Council Member Lander's issue on, you know, what the big sort of like matzoh ball questions out there might be. Like you've got a sovereign nation and like how do we deal with that? Not a technical, that's not a legal term, matzoh ball, you know what I'm saying here, you know. And so what I would ask is for DEP to take a look at that, and then send the

Committee on memo on like what it found, like with regard to all that. Is that okay?

MR. RUSH: We can do that.

CHAIRPERSON GENNARO: Okay. Okay, thanks a lot. And I would ask counsel of the Committee to, you know, kind of like memorialize that, and we'll make a formal request of that to DEP, and then they'll ... so, we're like asking them, but we're going to formally ask, and then, you know, you will formally reply. And feel free to use the term matzoh ball like, or not, in your reply. That would be fine with me. Is that good, Council Member Lander?

COUNCIL MEMBER LANDER: Excellent.

CHAIRPERSON GENNARO: Okay. And let me see if I have any other ... they can't respond to those ... (aside) (crosstalk) Anything else? If you haven't picked on it by now, we're looking for something. (pause) (crosstalk) Okay, we have some other questions, but they would not be appropriate for DEP, and so with no other questions for this panel, we want to thank you for being here. You should expect a formal memo from me or from the Committee counsel, and then you get

back to us when you have that stuff ready, and we'll continue to talk as necessary, about this and about the Wall Street Journal article, the editorial that came out today regarding hydrofracking, the Journal did an editorial. As a matter of fact, why don't you step off and I'll just buttonhole you for a minute, and we'll talk about that. But while we're doing that, we'll call up the next panel. Okay, so this is the panel, right?

COMMITTEE COUNSEL SWANSTON: Uh huh.

CHAIRPERSON GENNARO: Okay, the next panel would be representatives from Sullivan County, Anthony Cellini, I'm not sure how it's pronounced, Supervisor of the town of Thompson in Sullivan County, and Allan Scott, President of the Sullivan County Partnership for Economic Development. And I'm just going to just have a brief word with Paul Rush before he leaves, and then you can get yourselves situated, and I ask that Samara go and swear in the panel while I'm talking to Paul Rush.

MALE VOICE: All right, thank you

very much.

CHAIRPERSON GENNARO: You're welcome.

COMMITTEE COUNSEL SWANSTON: Raise your right hands please. Do you swear or affirm to tell the truth, the whole truth and nothing but the truth today?

MR. CELLINI: I do.

MR. SCOTT: I do.

(pause)

(crosstalk)

CHAIRPERSON GENNARO: Okay, thank you, I have both of your statements. One is a letter, one is a statement. I'm grateful that you came all the way down to talk to us today. This will certainly give me an opportunity, if nothing else, to be, you know, very, very sensitive to your issues and anyway, thank you for coming. And whichever order, maybe we'll hear from the Supervisor first?

MR. CELLINI: Yes.

CHAIRPERSON GENNARO: Okay, and I don't know the precise pronunciation of your last name.

MR. CELLINI: It's Cellini, you were correct.

CHAIRPERSON GENNARO: Cellini, okay.

MR. CELLINI: Everyone else calls me Sellini.

CHAIRPERSON GENNARO: Well, it's kind of a little paisan thing we've got going on between us, and so.

MR. CELLINI: No matzoh balls.

CHAIRPERSON GENNARO: No matzoh balls. But please, Mr. Cellini, please state your name for the record and proceed with your statement.

MR. CELLINI: Thank you. Allow me to thank you, Councilman Gennaro, and your Committee, for conducting these hearings on behalf of the New York City's Council on Environmental Protection regarding the Stockbridge Munsee's casino project, and if it will affect the New York City watershed. I'm the Supervisor of the town of Thompson, I have been since 1993, and prior to that served on the Thompson Town Board since 1974 as a councilman. I've been there through the good

times, the not-so-good times and now the hard times. We were the home of many of the most famous hotels in the Catskills, the Concord Hotel, Grossinger's, Kutsher's, the Raleigh. They no longer exist, except for the Villa Roma Hotel, in the far reaches, in the western part of our county. I've also been given the authority to make these comments on behalf of Jonathan Rouis, the Chairman of the Sullivan County Legislature, who could not be with us today, because he's conducting the county budget hearings. You have been provided a copy of my written remarks, however, with your permission, I'd like to condense those remarks into a summary of verbal statements. The town is the site of the proposed Stockbridge project, just off of New York State Route 17, future I86, at exit 107. The site is not within the New York City watershed, and the project will have no direct impact on the watershed. However, the Neversink River does flow in a southerly direction through the town of Thompson, and has often flooded areas of our town due to improper control of the Neversink dam. And I can also add that the Neversink has been a

working tributary there are two mining operations with an asphalt plant on both sides of this proposed project. The State of New York, the City of New York, the EPA, the DEC, the watershed counties and towns have created a very strong regulatory system to protect your drinking water supply. The town of Thompson has local zoning which is in control of both residential and commercial growth that may occur. And I also have with me today Paula Drabkin, Paula K., who is also the attorney for our planning board in the town of Thompson. Additionally, the New York State Environmental Quality Review Act provides methods to maintain control of land use in the watershed area. The Stockbridge Munsee project was a subject of a detailed and comprehensive DEIS by the Bureau of Indian Affairs under NEPA. This document is over 2,500 pages, it had full public impact. These are the facts set forth in the DEIS. The casino project would be dispersed over a broad geographic area. The existing housing stock, including residential projects that are already approved, or being subject to environmental review, is adequate to observe the

housing demand generated by the casino's new employees. The DEIS also found that most of the development that may occur would be located along Route 17/I86 corridor and not in the watershed. The project is a total of 330 acres, it will be using municipal water and sewer, and has developed a state-of-the-art storm water pollution prevention plan to manage site runoff. The tribe has already done hundreds of thousands of dollars worth of cleanup on the property, with the junkyards and a mining operation. They removed solid waste, thousands of old tires, and auto parts that were polluting the Neversink River. All this has been signed off by the New York State DEC. The DEIS notes that the casino is a destination, and is designed to capture visitor spending onsite. Groups coming by bus would spend money offsite, and in and around the direct area of the casino, the town of Thompson, the village of Monticello and the central corridor of Sullivan County, in its proximity to Route 17. Excuse me. Clearly there will be zero or minimal development pressures in the towns that include the watershed, due to the great distance from the casino site,

approximately 15 miles away. Maybe a few casino employees will rent or buy homes in other communities. The town and the county participated in the tribe's EIS process. The following points were made into the record. Although the casino project is not within the New York City watershed, it's anticipated that some casino-related economic effects, including housing demands and economic stimulation may occur in Ulster and Delaware Counties, both of which comprise portions of the watershed. The watershed portions of these counties, however, are likely to remain unaffected because it's expected that any growth affects occurring in these counties would be located along the New York State Route 17 corridor, outside the watershed. The roads from the casino site to the watershed are very minor and local roads and county roads, some of which are even closed in the winter months. It further states that no significant adverse impacts are expected to occur as a result of induced growth, if any, occurring in the watershed. The existing inventory of available and proposed housing would be adequate to absorb new housing demands spurred by casino

and casino-related development. We need economic development in Sullivan County, we need to create jobs. Our area has been in economic withdrawal for decades. Our area was once a proud resource for New York State. Many New York City residents visited our area, stayed in our hotels and enjoyed our recreational resources. We now have the opportunity to have 4,000 construction jobs and 8,000 permanent jobs created by this casino project. This would be an economic shot in the arm, for not only Sullivan County, but the entire Hudson Valley. Now is the time to work together, if there was a real possibility of harming the watershed, the EIS would have identified those areas of concern. We also think that New York City Council would have provided input during the EIS process if there was a real area of concern. The watershed should not be used as a sword by environmentalists to stop much-needed economic development and job growth. It should not be used to stop one project that can restore job security to thousands of local residents. We do not come to New York City and tell you how you should develop, but we would ask the same of New York

City Council, given the clear showing that there would be no impact on the watershed. We are concerned about drinking water environmental impacts. This project would have the highest level of credibility because it has gone through every step and asked and vetted all issues. If we do not allow our economy to grow, the state will become bankrupt. I would ask that the individuals should not throw out words like "sprawl" to elicit emotional reactions. This development would be concentrated in the central part of the county, not in the towns that contain the watershed. In conclusion, we in Sullivan County cannot afford to be subservient to ... to be a subservient colony of New York City, which only exports its water. We need to make an economy of our own. Finally, I'd like to thank Governor Paterson for his efforts in bringing this project to this point of reality. I'd also like to thank Senator Schumer for his efforts to have this project approved on the Federal level so it can be built and Sullivan County can once again be a tourist destination for the residents of New York and out-of-state residents. Chairman, I thank you for the

opportunity to put this into the record.

CHAIRPERSON GENNARO: Mr. Scott, did you want to read your statement?

MR. SCOTT: Chairman Gennaro, my name is Allan Scott, and I am the acting President of the Sullivan County Partnership for Economic Development. Our organization seeks to market Sullivan County and develop new business in the county and support existing businesses. We have hundreds of members who run businesses in the county. Over the last several decades our county has suffered tremendous economic upheaval.

Tourism used to be a major industry in our county. We have seen over the last several decades that the economy has suffered with a significant decline in the tourism industry. Many businesses that supported the tourism industry also suffered and the economic downward spiral continues to erode our tax base. We have seen our middle class erode to next to nothing. It is vital for the community to have a strong middle class, that is the backbone of not only a community's economic health, but its cultural health. Like many counties in New York, we have seen our middle

class shrink. There is a very simple solution, we need to create jobs. The Stockbridge Munsee casino project is a much-needed economic engine that can help Sullivan County begin to re-establish and redefine its tourism industry. Tourism is one of the original green industries. Our county possesses a great wealth of natural resources for outside visitors and locals to enjoy. We have always sought to balance and protect our county's resources and the Stockbridge project will not deviate from that great tradition. I would again emphasize to you one of our most precious resources is our people. We have to give them a good job of decent wage, and not tax them into extinction. The Stockbridge Munsee project will create 3,000 construction jobs and over 6,000 permanent jobs. I would like to remind this Committee that when there were hundreds of hotels in Sullivan County and that millions of people who traveled to our county in the 1950's through the 1980's, there was not an issue raised about the tourist industry damaging the watershed. Given the fact that all those hotels have now vanished, it is perfectly

reasonable to conclude that by redeveloping the tourism industry to its previous level, we would not see any negative effect on the watershed or the towns that surround the resource. The Committee should not forget the history of protection of the watershed that has been undertaken in the last 20 years, and that serves to prevent development that would be injurious to the watershed. In January 1997, the New York City watershed memorandum of agreement was signed, ushering in a new era of watershed protection in partnership with numerous watershed stakeholders. The MOA signatories include the city, the state, the EPA, watershed counties, towns and villages, and certain environmental and public interest groups. This coalition has allowed for the dual goals of protecting water quality for generations to come and preserving the economic viability of watershed communities. The MOA established the framework needed to implement a wide range of protection programs identified as necessary by the city, the state and the EPA. In November 2002, the EPA issued additional rules that build on the decade of research conducted by the city, and the

programmatic framework established by the MOA.

The programs covered demonstrate the city's continued commitment to long-term watershed protection. This regulatory framework will allow the watershed communities to protect this important resource. It should not be used to deny our county of its economic opportunity. This Committee is questioning whether the Stockbridge project would impact the watershed. The project has undergone a very rigorous environmental review process, it has prepared a draft environmental impact statement and held public hearings. The final EIS is currently being finalized by the Department of the Interior. All critical environmental issues were considered. That process indicated that the development from the casino would occur in the town of Thompson and along New York State Route 17, future I86.

Visitors coming in cars would buy gas and maybe spend the night somewhere, although the casino will eventually have onsite lodging. But this would occur in and around the project property. So the project does not anticipate significant offsite commercial development to occur in the

watershed towns. A related point, which was a compelling argument in the Bel Air resort hearings, is that a big project like a casino in a place like the Catskills will enable existing businesses to do more business, that is existing gas stations will sell more gas, existing diners will extend their hours and sell more food, etc. As a result, new commercial development will not occur in any scale, because the existing businesses will absorb the new demands for goods and services. Also, existing vacancies will fill up before new buildings are built. The same is true for housing. There is currently a tremendous amount of available housing stock in the Hudson Valley region. Many of the workers for the casino will be individuals who are currently out of work or who moved to take newly-created job opportunities. Therefore, there will be a great demand for the creation ... there will not be a great demand for the creation of new housing stock. To the extent that new housing will be built, it will be done in the area of the town of Thompson and the central part of Sullivan County, but not in the more distant towns that make up the

watershed, which are too far from the casino. For those towns that may be a commutable distance, there is not only the town zoning code, but the watershed regulations to properly control development in those towns. In conclusion, we need jobs, we need jobs, and we need jobs. The Stockbridge project is an opportunity not only to create thousands of jobs, but to re-energize a once-vital industry, tourism, in an economically-impooverished county. Sullivan County was once a renowned tourist destination. The Stockbridge project would be a world-class facility that would be another ... that would be another world-class facility like the Bethel Woods Performing Arts Center, and would help our green tourism industry thrive again. The project has looked at the environmental issues, a full EIS has been drafted. We need to move forward to build our economy. We do not believe our precious natural resources will be harmed. Now is the time to rebuild one of the greenest industries we have, tourism. We all work together on this, thank you very much for your time, Chairman Gennaro.

CHAIRPERSON GENNARO: Thank you,

Mr. Scott. I'm just going to take a moment to consult with counsel for a second before I pose comments or questions. (pause) (crosstalk) Okay, we're talking about stuff that was related to the hearing, just so you know. Yeah, I was just trying to get a little bit of grasp on like the process that already has played out, in that there has been an EIS, but yet there is like an EIS sort of yet to come, because the one was done a while ago, and now it has to be updated or something. I'm not ... and this is also something that the folks from, you know, DEP were talking about, that they were going to keep an eye on sort of like the scoping process for what they indicated was going to be like the new EIS or whether this was going to be like updating an old one. But certainly it would seem that we're not completed yet with all of the, you know, EIS work that has to be done, and I don't, am not an expert on that. And- -

MR. CELLINI: (Interposing) Mr. Chairman, just if I may?

CHAIRPERSON GENNARO: Yes, please.

MR. CELLINI: I understand, and I took part in it several months ago.

CHAIRPERSON GENNARO: Right.

MR. CELLINI: That there was an update of the present EIS, the EIS that was done, and it was done for the Bureau of Indian Affairs and the Department of the Interior. I can get that information to you.

CHAIRPERSON GENNARO: Okay. And again, you know, I ... we were talking to DEP as the entity that our ... they're the folks that I go to with regard to all matters regarding the watershed. Also, I want to, you know, kind of set the record straight in that I didn't propose this hearing for the purpose of like passing, you know, judgment in any way, shape or form on the aspirations of Sullivan County to jumpstart, you know, green tourism and make a better life for the people in Sullivan County. I'm just, this wasn't a hearing that was set forth that said there was going to be a problem, and we're going to have to figure out how we're going to deal with it. This is more of a hearing as should we be, you know, asking questions and what could the potential impacts be, and if there could potentially be impacts, what should we be doing with regard to

the watershed, to make sure that the water quality, the drinking water for half the state is not in any way harmed by, you know, this kind of activity. So it was pretty ... it was more like an ounce of prevention sort of. And I also want to make sure that I want to talk to DEP and talk to others and figure out a way that we could work collaboratively, you know, during the current EIS process, you know, or future process. Now we know each other and we're more sensitive to what, you know, makes each other tick, and I didn't foresee anything, you know, bad coming out of this hearing, and I think to the extent that we build bridges between, you know, between us down here and you guys up there, you guys who make the water and we like drink the water. And I think it's all good, and so ... and we're on the precipice of having this go forward, or whatever is going to happen, I'm not involved in everything that has to go on with the Federal government. But just for folks like myself who, you know, see the announcement, and see that something is going to happen, and also your own statement essentially that you said that this is going to be like a

major shot in the arm for like the entire Hudson Valley. Okay, so it's going to be a major shot in the arm for the entire Hudson Valley, and spur development throughout the valley, but, you know, it's not going to harm the watershed. So it's kind of ... it's like one or the other, you know.

And so this is a project that is hoped, you know, will have broad impact. I mean, that's the reason to do it, because you really want this project to have like a momentous impact. And so I'm just here asking questions. I'm not, you know, defending myself for asking questions, but just trying to get a little more up to speed on what the EIS process is going to be. It seems that so far there's like a little bit of confusion, at least on my part still, on what was done, what is yet to be done, what happened, what's final, what was never finalized, what still has to be done.

You know, so there's still a couple of moving pieces here, and I'm just seeking to get, you know, the people on the Council and the people at DEP to, you know, to be focused very sharply on what our mandate is, which is like protecting the water for half the state. And so, you know, your

mantra is jobs, jobs, jobs, which it really needs to be, and ours is water, water, water. And I feel confident that both those great objectives can be, you know, soundly achieved. And this is what I hope for, this is what you hope for, and this is what I think is going to happen. And so let me see if I have any other, you know, detailed questions, sort of like beyond the philosophical points that I just made. But if you have anything to- -

MR. CELLINI: (Interposing) Yes, Chairman, I would just like to say that I believe that if the DEP or your Committee would contact the Stockbridge Munsee's professionals, they have the answers to your questions about the EIS and the DEIS.

CHAIRPERSON GENNARO: We asked them to testify today.

MR. CELLINI: Okay.

CHAIRPERSON GENNARO: They were invited, I don't know, so they couldn't make it or whatever.

MR. CELLINI: They're in Washington, I understand.

CHAIRPERSON GENNARO: Right. That is what I heard.

MR. CELLINI: You know what also concerns me is the lateness of this hearing. This project has been in the works since 2001, and it hasn't been secret like some of the news reports have been. It's been open to the public, we've had many public hearings in Sullivan County.

CHAIRPERSON GENNARO: Right.

MR. CELLINI: But after the Governor came to Sullivan County and signed the compact with the Stockbridge Munsees, it seemed like it opened the doors for a lot of opposition, which, let me tell you that our concern about your water- -

CHAIRPERSON GENNARO: (Interposing)
Yeah, we're in the same business here, we're in the same business here.

MR. CELLINI: Our concern about your water is ... your concerns are our concerns. So we want you to have clean drinking water, and we will insure you that you will get clean drinking water.

CHAIRPERSON GENNARO: Right.

MR. CELLINI: But to bring up all these questions, in no disrespect.

CHAIRPERSON GENNARO: Yeah.

MR. CELLINI: But in order ... to have a hearing at this late date sometimes it really baffles me, and many other officials.

CHAIRPERSON GENNARO: Yeah, well, let me kind of, you know, help with that a little bit. We just heard from the DEP, and they were doing a pretty good imitation of people that didn't have lots and lots of details about this. They put their view graph up there and they're like, we think this is where it is. And you know what I mean? And so they were doing a pretty good imitation of people that didn't have tons of information on this.

MR. CELLINI: Well.

CHAIRPERSON GENNARO: And so, and that is what it is. They're doing other things, like within the watershed, and this is not perceived, you know, by them as a real threat.

MR. CELLINI: Right.

CHAIRPERSON GENNARO: Which should make you guys feel good. And, but, you know, it

wasn't the kind of presentation that said, we've been through this thing on chapter and verse, and this is what DEP did back then, and then everything laid out. It was pretty, you know, it wasn't very detailed. And other than like the flow discharge thing, and like the particular, the potential for some sort of, you know, temperature problem that's going to make them spill more water or whatever, so they did a little bit of research into it. But I don't think DEP has, because they've been doing other things, and I love DEP.

MR. CELLINI: So do we.

CHAIRPERSON GENNARO: Hasn't, you know, really put this under the microscope, notwithstanding the fact that there's been a long record on this, and you know, maybe they should. And so, maybe it's a real ... so, that is you know, one good thing is going to come out of this, and they're going to take a look at that, and I think they will all feel better about what's going to happen if we, you know, have legitimate questions answered. And from your perspective, we don't really have any authority, so that should make you feel good too.

MR. CELLINI: No, but we want to work with you.

CHAIRPERSON GENNARO: Right, right, but I mean, I'm not the Department of Interior, you know, and so- -

MR. CELLINI: (Interposing) We wish you were.

CHAIRPERSON GENNARO: What's that?

MR. CELLINI: We wish you were.

CHAIRPERSON GENNARO: Well, I'm just a Councilman from a small town on the Hudson, you know, and so ... and notwithstanding the fact that this is a tremendous thing that you've been trying to work on for a long time, but you know, New York City it's a pretty complicated place and while I have from time to time, you know, heard about proposals, you know, going back to like the Pataki administration, there was going to five and, you know what I mean? So it's like I've been completely divorced from it, but it's just somehow like when the Governor stands up there and says, you know, here it is, it just becomes more real. I pick up the paper and I'm like, oh, okay. and just let's take a look at this. And so, you know,

1
2 fortunately or unfortunately, we don't really have
3 the power to kind of have a great impact here, but
4 we, you know, do have the power to try to forge
5 like a, you know, like a friendly working
6 relationship so that your ... so that, you know,
7 we're sensitive to your needs and you're sensitive
8 to us, to where we're coming from, and so we
9 really only, you know, have ... the only thing we
10 could really have is like a cooperative kind of
11 thing, because I don't have the jurisdiction to
12 require any more than that. And so it's okay, I'm
13 a good guy, I'm all right, you know. And with
14 that said, we're going to take a look at the
15 record that's transpired to date, and we're going
16 to work with DEP, you know, to see what kind of
17 activity is going to go on from here, and you
18 know, what, if any, role that it might make sense
19 for us to play, even if it's just, you know,
20 comments or questions or whatever. And so that's
21 just what I think is going to happen. But one
22 thing is true now that wasn't true a couple of
23 hours ago, is that, you know, we know each other
24 now. And so this is ... and I think only good
25 things can come from that, and you brought Paula,

so, you know. So that, Paula and I are friends, and Jonathan and I are friends, and so a small world, you know. Big city, nice big county, but yet a small world. And so with that said, I'm not here to opine on or in any way disparage the good things that you're working night and day to do for your county and for the families of that great county. And so I think we just have a much better understanding for what we're doing now. And so maybe we're a little late to the game, but, you know, we neither have the desire nor the power, really, to be a great impediment to what you're trying to do. We may have ideas, we may have concerns, we may have comments, we may have something to say, but that is really where we are. You've got bigger fish to fry than us, you know, and with that said, I ... hopefully you'll buy a nice dinner here in New York City and help our economy, and you know, we've got lots of good things going on down here, but I thank you very much for being here and not being any further questions from this panel, but I'm grateful that you came here and presented your perspective and so 'mi casa su casa'.

MR. SCOTT: That's what I said- -

MR. CELLINI: (Interposing) My house is your house.

CHAIRPERSON GENNARO: Was that right?

MR. SCOTT: Correct, yes.

CHAIRPERSON GENNARO: Okay, great, okay.

MR. CELLINI: Thank you, and happy holidays.

CHAIRPERSON GENNARO: You too.

MR. SCOTT: Thank you, Mr. Chairman.

CHAIRPERSON GENNARO: You bet. Thank you very much. Are you going to hang out for the rest of it? Stay for the rest? Okay, great. We have two more panels. The next panel will be the environmental panel, we have Craig Michaels from Riverkeeper, Wes Gillingham from Catskill Mountainkeeper and Mark Izeman from Natural Resource Defense Council. I know of Mark's work on this issue, but I'm happy of course to hear from, you know, Craig and Wes. (aside) Okay. And so you folks have a seat and you can be

sworn, I'm just going to go back and just, you know, once again have a word with the guys from the previous panel. You guys get sworn, I'll be right back.

COMMITTEE COUNSEL SWANSTON: Do you swear or affirm to tell the truth, the whole truth, and nothing but the truth today?

MR. MICHAELS: Yes we do.

MR. GILLINGHAM: Yes.

MR. IZEMAN: Yes.

(pause)

(crosstalk)

CHAIRPERSON GENNARO: We're joined by Council Member Steve Levin from Brooklyn. Happy to have Steve here, as always a valued member of the Committee. Well, we don't have any members of the Committee that aren't valued, you know, but Steve is great. Thanks for being here, and with everyone duly sworn, sure, I'm going to ... I want to thank this panel for coming forward and presenting your views. You've been active on this issue for longer than I have, and I'm going to call upon Mark to go first. We have Mark's statement, I've got Riverkeeper's, I've got NRDC

here, okay. So Mark, I'll just ask you to state your name for the record and proceed with your testimony.

MR. IZEMAN: Thank you, Mr. Chairman. My name is Mark Izeman, I'm a senior attorney and director of the New York Urban Program for the Natural Resources Defense Council. as you know, NRDC, working with our environmental colleagues and upstate partners and others, have worked for many years to protect New York City's watershed, which supplies 90% of our downstate supply every day. A lesser-known fact is that the Catskills region is also a core part of New York City's foodshed, which is a new term. And what a foodshed is, is the area in and around a city that supplies our much-in-demand local food. And indeed Speaker Christine Quinn, as you know, just recently released a report called Food Works, that talks about the need to launch a new full-blown strategy to strengthen our regional food supply and to undertake a conscious effort to support our regional farms. We appreciate the opportunity to testify today about how the proposed Stockbridge Munsee casino, and other proposed casinos in the

Catskills, and there will be more than one if one goes forward, could adversely impact the ecosystem of this very sensitive region, including the impacts on the city's watershed and foodshed. I just wanted to add also, Mr. Chairman, that Theodore Gordon Flyfishers could not be here today, they sent a letter to the Council, to the Committee, and asked that that be inserted into the record. And that letter, well, I think it was just sent today.

CHAIRPERSON GENNARO: Oh, fine, fine.

MR. IZEMAN: And it expresses, I think, many of the same concerns that you'll hear from this panel.

CHAIRPERSON GENNARO: Okay.

MR. IZEMAN: We've talked a little bit about the facts, but I just think it's important to underscore a couple of things. The site of this proposed casino is a 330 acre forested sloping buffer zone along a one-mile stretch of the Neversink River. It's almost hard to believe that you could even buy a piece of land like this. And what they're proposing to build is

a close to 600,000 square foot casino, a 750-room hotel, 22 restaurants, fast food outlets and bars, a gas station, and 9,500 parking spaces. And according to the estimates that were revealed a few years ago, it would draw six million visitors a year, which is 40% more than go to the Grand Canyon National Park every year. That's just one casino. Now before I get into some of the environmental issues, I do think it's important to emphasize that NRDC strongly supports the rights of the Stockbridge Munsee tribe, and other Indian tribes, to self-governance and the pursuit of economic self-determination. NRDC has a long history of working side-by-side with Indian tribes around the country, and we don't take any position on gambling. The issue before the Council, and our concern, has nothing to do with, you know, really nothing to do with casinos. It's simply about the appropriateness of dropping mega-development projects, whether it be a casino or any other kind of project, in the fragile Catskill region. And unfortunately, the proposed casino as it's currently proposed, and as to the details that we know, would pose unacceptable risks to the

city's water supply, to the Neversink River itself, and to the local food supply. I mean, it's about as terrible a site as you could ever imagine to site a large development project. So let me talk about these three concerns briefly. The first, which is the core of this hearing, is how this proposed casino - and again, the other proposed casinos that are right behind it - could affect the water supply. You can't talk about or look at the impacts of this one casino without considering the cumulative impacts of at least three casinos. As we know, Governor Pataki had proposed five casinos, there has been a three-casino proposal, there's been a one-casino proposal, there's at least, I think, if you read the newspapers, there's at least six tribes that have expressed interest in building in the Catskills. So and the concern, obviously, it's not directly within the watershed, although about twelve miles south of the Neversink reservoir. But one of big concerns is ancillary sprawl and traffic. And even with building one casino would dramatically increase traffic on Route 17, which is the main artery of that region, and many other

roads. But this is not just NRDC speculating. We actually hired, in 2006, Sam Schwartz Engineering, which you know is one of the most respected traffic consultants in New York, and throughout the northeast.

CHAIRPERSON GENNARO: And we, as NRDC?

MR. IZEMAN: NRDC, uh huh. And this is part of when we commented on the original draft of the environmental impact statement in 2006.

CHAIRPERSON GENNARO: Now, that's Sam Schwartz, the former traffic ... the former DOT guy?

MR. IZEMAN: Yes.

CHAIRPERSON GENNARO: Yeah, right, okay.

MR. IZEMAN: And but they, he concluded, after looking at the potential impacts of one, three and five casinos, was that even one Sullivan County casino would exacerbate already congested existing road conditions. And he added that the Catskill region with its existing infrastructure is unsuitable for the development

of the proposed casinos. This is Sam Schwartz's report, I've given ... I've attached a copy of this full report to my testimony. A second concern is the damage to the Neversink River. Just remind ourselves what the Neversink River is, it's the birthplace of American flyfishing. It's considered one of the most important freshwater ecosystems in North America. It has the habitat for the bald eagle, the osprey, and 30 globally-rare wildlife species. And among other things, the construction and operation of a casino in this forested buffer zone could endanger trout and other aquatic wildlife that thrive in the river by causing an increase in river temperatures. The U.S. Environmental Protection Agency, not a wide-eyed environmental group, concluded that the project would have "unavoidable adverse impacts on the aquatic ecosystem of the river", that was in commenting on the draft environmental impact statement. Finally, because the Neversink is a major tributary of the Lower Delaware River, it's also- -

CHAIRPERSON GENNARO: (Interposing)
Mark, if I could.

MR. IZEMAN: Sure.

CHAIRPERSON GENNARO: Now, but where the project is, where the proposed project is, would be downstream from the reservoir, right?

MR. IZEMAN: Yeah, about twelve miles.

CHAIRPERSON GENNARO: Right, so it would be downstream from the reservoir?

MR. IZEMAN: Right.

CHAIRPERSON GENNARO: Okay.

MR. IZEMAN: Downstream.

CHAIRPERSON GENNARO: Right.

MR. IZEMAN: But we have the ... again, the ancillary, concern about the ancillary-
-

CHAIRPERSON GENNARO: (Interposing)
Right, I just want to- -

MR. IZEMAN: (Interposing) And with respect to, you know, as I was just going to point out, is that the Neversink flows to the Lower Delaware River, and that's part of Philadelphia's water supply, millions of other downstream users. So I think that in considering, in sitting here, we need to think of our brothers.

CHAIRPERSON GENNARO: Right, yeah,
I'm just- -

MR. IZEMAN: (Interposing) And
other cities and the impact they would have from
direct impacts that this would have.

CHAIRPERSON GENNARO: And I have no
problem with the statement being made, I just have
to be mindful of my jurisdiction.

MR. IZEMAN: Right.

CHAIRPERSON GENNARO: Right.

MR. IZEMAN: And the third major
concern, which I alluded to, is the concern on how
building of this could affect the hundreds of
farms in the Catskills that supply local food to
the region. And our local foodshed is already in
trouble. An average of 70 acres of New York
farmland is lost every day, every day 70 acres.
According to Grow NYC, which you know, is a quasi-
city agency, in the past 50 years, over a million
acres of local farmland has been buried under
cement and asphalt. And this is why Speaker Quinn
in her foodworks plan specifically orders support
for farmers in the upstate watersheds. It's also
why Brooklyn's renowned Parksville Co-op recently

wrote to the state's top elected officials, including the senate, warning them that another pending threat to the Catskill region, hydrofracking for natural gas, could serious jeopardize the quality of some of the local farms that they rely on for their \$2.5 million worth of poultry, fruit and vegetables that they buy every year. Now while casinos and other large-scale development projects raise different, somewhat different, environmental and public health impacts than fracking, the overall concern is the same, that namely our foodshed, like our watershed, is a critical economic and environmental resource that must be fiercely protected. Let me just briefly address the issues about the environmental impact statement. As you've correctly pointed out, a full environmental impact statement would have to be completed under the Federal National Environmental Policy Act, NEPA. Why? Because all "major actions significantly affecting the environment where the Federal government is involved have to complete an EIS". Now, we don't know the full details of this new casino, because Governor Paterson has not released them, which, by

the way, is in contravention of both Federal and state Freedom of Information Act laws. It's interesting to hear about that nothing here is secret, when in fact we're all having a hearing today, and we find that there's been a number of statements, and no one has actually seen the actual documents that were signed by Governor Paterson in November.

CHAIRPERSON GENNARO: But the ... but the documents would be separate from all the documentation that was part of the EIS, presumably.

MR. IZEMAN: They're separate, but it's impossible to know the proposal that we're discussing today is the same proposal. All we know is that four years ago there was a proposal. Though we don't know what the details are of the current proposal.

CHAIRPERSON GENNARO: I see.

MR. IZEMAN: But assuming that the size and scope of this would be comparable, an environmental impact statement would need to be completed. And while some environmental views have been- -

CHAIRPERSON GENNARO: (Interposing)

And then when- -

MR. IZEMAN: (Interposing) Yes.

CHAIRPERSON GENNARO: It's normally my habit to wait for the whole panel to come in and chime in.

MR. IZEMAN: Yeah, that's fine.

CHAIRPERSON GENNARO: But I just feel compelled that I want to jump in because I might lose this in my head. There was ... I'm not an expert on this, but there was a whole bunch of activity that resulted in something short of like a finalized EIS, like at some point. So there was some EIS process, they got to a certain point, and I don't know if it was ever concluded or whatever it was, but that fact notwithstanding, whether it was concluded or not, it seemed from what I heard from DEP that there is sort of like a new phase or like an update or like a new scoping, and can you help me with that a little bit?

MR. IZEMAN: Yeah, sure.

CHAIRPERSON GENNARO: And, but I did ask DEP to kind of- -

MR. IZEMAN: (Interposing) Right.

2 CHAIRPERSON GENNARO: ... you know,
3 get that to me. But to the extent that you can
4 just- -

5 MR. IZEMAN: (Interposing) Yeah,
6 I'm happy to clarify it to the extent that I
7 understand it.

8 CHAIRPERSON GENNARO: Like, in 50
9 words or less, like where we are in this whole
10 thing, that would be- -

11 MR. IZEMAN: (Interposing) How many
12 words do I have?

13 CHAIRPERSON GENNARO: Well, I mean,
14 a liberal 50. Again- -

15 MR. IZEMAN: (Interposing) I am a
16 lawyer, so.

17 CHAIRPERSON GENNARO: ... I'm just
18 trying to ... I'm just trying to get a handle on
19 that.

20 MR. IZEMAN: They released a draft
21 environmental impact statement in 2006.

22 CHAIRPERSON GENNARO: The
23 applicant?

24 MR. IZEMAN: No, this ... the
25 applicant ... okay, not the applicant.

2 CHAIRPERSON GENNARO: Okay.

3 MR. IZEMAN: Under Federal law, the
4 Federal government is the one that has to issue
5 the environmental impact statement.

6 CHAIRPERSON GENNARO: Okay.

7 MR. IZEMAN: And of course the
8 applicant, the developers, their lawyers, may help
9 in the preparation of it, but the actual EIS is
10 being issued, completed and issued, by the Federal
11 government.

12 CHAIRPERSON GENNARO: And that
13 happened in 2006?

14 MR. IZEMAN: No ... well, what
15 happened in 2006 is a draft that was released and
16 NRDC and the Theodore Gordon Flyfishers and a
17 number of other groups commented on that flawed
18 draft environmental impact statement. We
19 submitted detailed comments on many deficiencies
20 in that draft environmental impact statement.
21 After that- -

22 CHAIRPERSON GENNARO: (Interposing)
23 And those comments are supposed to either be
24 spoken to and then the final one comes out, what
25 happens?

MR. IZEMAN: What happened was that the Bush administration on non-environmental grounds rejected this proposal. They said, we're not going to build this proposal, for non-environmental reasons, which we could- -

CHAIRPERSON GENNARO: (Interposing) Oh, because there was a philosophical thing that they didn't ... or whatever it was.

MR. IZEMAN: Very philosophical, yeah, it had to do with the distance that it ... the distance from the reservation. So they rejected this one and also the one that was the St. Regis Mohawk proposal at Monticello Raceway.

CHAIRPERSON GENNARO: Right.

MR. IZEMAN: They rejected them on the same day. They then published in the Federal- -

CHAIRPERSON GENNARO: (Interposing) Not environmentally related? That means, it wasn't on environmental grounds, just like this, in terms of the reservation.

MR. IZEMAN: Correct. The Federal government then published a notice in the Federal Register that work was stopping on the

environmental review process, because the project not happening, there was no reason to complete it.

CHAIRPERSON GENNARO: Right.

MR. IZEMAN: So there has never been any completion of that environmental review process. And if a new proposal moves forward, they would have to re-initiate that process, due to significant changes that have happened in the area in four years. There's significant new proposals, for example there's now been a proposal for one across the exit. So they would have to re-look and re-initiate the public review process. It's possible that there are some lawyers and others who are doing work, but nothing has been made public, not only have the documents not been made public by the governor, but there's no public notice on any additional work under Federal environmental review since 2006.

CHAIRPERSON GENNARO: But wouldn't the governor's statement that he said we have a proposal, wouldn't that sort of trigger that or something?

MR. IZEMAN: Arguably.

CHAIRPERSON GENNARO: That's what I

mean.

MR. IZEMAN: Again, the obligation is with the Federal government, but, yes, arguably the ... I mean, I guess a different way of saying is, no final decision could be made by the Federal government to turn this 330 acre parcel into Indian country without first completing an environmental impact statement.

CHAIRPERSON GENNARO: So the Federal government would have to do that.

MR. IZEMAN: The Federal government would have, as a first step, among other things, would have to complete the environmental review process under NEPA before any decision could be made about transferring the land into trust, declaring it Indian country, and making any determination on whether gambling could occur there. There was a separate review process- -

CHAIRPERSON GENNARO: (Interposing) That would have to be preceded ... and I'm sorry to make you go through it, but I'd like- -

MR. IZEMAN: (Interposing) No, no, I'm happy to do this.

CHAIRPERSON GENNARO: ... a tutorial

on how the process works, you know, to have this on the record. But whatever.

MR. IZEMAN: I'm happy to oblige.

CHAIRPERSON GENNARO: I'm not going to belabor this, but it's helpful to me. So but the Federal action that you talk about would have to necessarily be preceded by the state saying that we really want to do this, an applicant wants to do this, right? Because otherwise there'd be no sense for the Federal government to do all this work if the state and the tribe and the county and everybody has to come together and say, we really want to do this. And then it's up to the Federal government to like do its thing. Would that be fair to say, on the whole?

MR. IZEMAN: You're right, the initial step there's some negotiations between a tribe, in this case the Stockbridge Munsee, and the state.

CHAIRPERSON GENNARO: Right.

MR. IZEMAN: There are a number of other approvals that would have to take place. Let's just break them out. First, you would have to complete an environmental impact statement.

And at the moment there's no even facts about what we're even talking about, I mean, whether this is the exact same proposal, whether it's different.

CHAIRPERSON GENNARO: Right.

MR. IZEMAN: Of course you have to take into account cumulative environmental impacts, you'd have to look at other likely casinos, that would be done in the region, that was not done properly in the draft in 2006. You would have to look at changed circumstances, it's been four years, a lot has changed. So you would have to complete that process, the Federal government, and then finalize that process before they can make any decision about whether they would take the land into trust, and whether they would authorize gambling. Another approval is the compact, which is one of the two documents that were signed that no one has seen. That's a separate review process that the Federal government must approve or disapprove, that Federal ... that compact. In New York State, it also has to be certified before the state legislature that that compact is consistent with its authorizing legislation in 2001.

CHAIRPERSON GENNARO: Okay.

MR. IZEMAN: It's impossible to determine that if you haven't seen the document.

CHAIRPERSON GENNARO: Right.

MR. IZEMAN: And then one other thing, we believe very strongly that both the ... the separate, the Federal government, which would be the Justice Department, and Congress, would have to approve this deal. I know there's a statement in the Committee's notes and others that Congress would not need to approve this. We would respectfully argue that Congress does need to approve this land settlement, extinguishment of land claims, to enable this to be built.

CHAIRPERSON GENNARO: Okay, but so you did a good job, you know, of getting me up to speed on the process and all that, and I don't want to belabor it any further. But if you could get back to your presentation.

MR. IZEMAN: Sure. Well, let me just, I'll just come to a conclusion and let my colleagues testify. But I would just say that one step that this Committee, and I understand the limitations of your jurisdiction- -

CHAIRPERSON GENNARO: (Interposing)
Right, because that- -

MR. IZEMAN: (Interposing) ... but I
think that ... yeah, but I think ... go ahead, I'm
sorry.

CHAIRPERSON GENNARO: I need to
know the broader process, but I certainly, you
know, have to operate within my playpen. And so
to the extent that you can help me do that, you
know, and what powers like the city has in this
whole thing, and what our concerns should be, what
role we should play, in your opinion, that would
be helpful.

MR. IZEMAN: Well, one etch-a-
sketch that you have is that you could, this
Committee and the Council as a whole, could send a
letter to Governor Paterson this week or next
week, and remind him of the obligation to
complete, make public and complete, this
environmental review process. And while you're
writing that letter, it would be nice, you could
also remind him that, under Federal and state
Freedom of Information Act provisos, he also has
to release the two documents that he signed. NRDC

has, and will submit additional Freedom of Information Act requests to both the Federal government and to the governor's office to get copies of those, but that would be something that would be very appropriate in your purview. It's impossible for the New York City Council to make an evaluation of a proposal that you don't have the facts on. I mean, as the ... as you basically noted, the city's agency in charge of protecting the water supply doesn't know exactly where this casino is located. That's actually quite astounding, in that New York City officials don't exactly know the boundaries of the proposal we're talking about. So I just summarize by saying again that we have the utmost respect for the Stockbridge tribe, we work closely with the Indian tribes and we respect their ability to pursue economic self-governance and determination. And this is not about gambling, it's not about casinos, it's about considering where's the right location to build these massive development projects. And we must evaluate how the city can insure that its upstate water supply, the ecosystem of the Catskills, which is

interconnected to the water supply, and the food supply are protected. In its current form and its ecologically sensitive location, the proposed casino simply poses too many risks. Thank you, Mr. Chairman.

CHAIRPERSON GENNARO: Thank you. Thank you, and whoever wishes to go, Craig, Wes. You know.

MR. GILLINGHAM: I think I'll go.

CHAIRPERSON GENNARO: Do I have a statement? A Mountainkeeper statement?

MR. GILLINGHAM: I apologize, I didn't have copies of the statement, I will get them as soon as I can.

CHAIRPERSON GENNARO: Right, no problem.

MR. GILLINGHAM: Actually I had to take a hypothermic calf into the living room this morning, so I didn't get him- -

CHAIRPERSON GENNARO: (Interposing) You had to take a what?

MR. GILLINGHAM: Hypothermic calf into my living room this morning.

CHAIRPERSON GENNARO: Okay. those

are the- -

MR. GILLINGHAM: (Interposing) He was born two days ago, and it's been pretty cold the last few- -

CHAIRPERSON GENNARO: (Interposing) I think the only time, sometimes you're on a committee that the words hypothermic and calf have been used together.

MR. GILLINGHAM: Used in the chamber, yes. I would imagine that's quite true. (crosstalk)

MR. GILLINGHAM: Okay, so I would like to thank the Chairman and this Committee for holding these hearings and trying to get the full amount of information about this development. The Catskills are home to 2,000 farmers who manage 400,000 acres of farmland and provide fresh produce to one of the first and largest urban green markets in the nation. The loss of working landscapes to development threaten the economic future of the region. Three of the top 20 most-threatened farming regions in the country are located in New York, and one covers half of the Catskill region. New York has spent the second-

lowest per capita, third-lowest overall on farmland protection in the northeast. If current development trends continue, another 162,000 acres of private forest land will be developed by 2011, according to the Yale Program on Private Forest Studies. The four-county Catskill region lost a total of 50,000 acres of active farmland from 1990 to 2000. Now, what I want to talk about here is the fact that New York City, and why am I going off about farms, and you're talking about New York City's watershed? Well, I want to thank New York City for coming to this, it hasn't always been the case, but I want to thank New York City for coming to the realization of how significant farmland protection is to the protection of its water supply. Farms are really contributing to preserving areas from development and runoff from parking lots and such, and really through PDR programs and such, protecting farmlands can help protect New York City's water. So in Sullivan County agricultural products sold in Sullivan County between 2003 and 2004 were \$66.7 million, and in 2008, the Sullivan County Farmer Protection Board put in an application to the State of New

York for moneys to purchase the development rights on three farms in Sullivan County, one in the town of Bethel, the closest to the proposed casino, and one in Liberty and one in the town of Calhoun.

These were not inside the watershed, but this highlights the concern. They were a distance from, you know, a similar distance to the casino site as the distance from the casino site to New York City's watershed. And this is a quote from the Farmer Protection application. "During the five year period from 1999 to 2004, an average of one farm parcel was sold per year. In 2005 alone, the year five casinos were proposed for Sullivan County, seven farms were purchased as speculative investment, and two for subdivisions. The pace of farmland conversion accelerated due to the proposed casinos." Sullivan County is an agricultural county, 380 family-run farms in the county represent the economic foundation for many communities. I'm going to read from the Times-Herald Record article of February 24th, from 2007. "Fosterdale berry farmers Donna and Doug Ackerman see no jackpot in the Sullivan County casino. In fact they said all farmers could go bust,

including their daughter, who dreams of taking over their family farm near Fosterdale. Casinos are going to bring more people here and take away all the land I rent. The biggest fear, of course, is a land grab, developers swooping in and building condos and summer homes. Not only would they be snapping up the farms of retiring farmers but farm acreage. The Ackermans rent 800 acres on several lots around their farm. Most of Sullivan through many dairy farmers also rent large parcels. Developers have been chopping them up. Take Fremont, now that's quite a distance ... Fremont is quite a distance from the casino site. Take Fremont, the most remote town in Sullivan County, which would be the farthest from the casino, we have in the works about 100 lots, and these are farms being cut up into residential lots, said Fremont supervisor Jim Greer, himself a horse farmer. And Greer said he sees no problems ahead for rural western Sullivan, where casinos have never been popular. I don't feel that casinos are going to help the town of Fremont, Greer added, it's going to create more expense as far as policing and building new roads and

maintaining the roads, we'd have more traffic."

So all of these conditions have created a sense of urgency among the residents of Sullivan County

wanting to protect farms. The Sullivan County

claim department developed a comprehensive 20/20

plan for the future, through public input it

became evident that open space and farmland

protection are a major priority for the residents

of Sullivan County. Another farmer I talked to is

losing 600 acres which will become vulnerable to

speculative development and possibly force him out

of business, because the increase in property

values it's impossible for him to purchase those

600 acres. See, what a lot of people don't

realize, in Sullivan County where you have a farm,

the farm itself might only be 160 acres, but he's

leasing another 500 acres to provide enough hay

for, you know, whatever the dairy herd is or, you

know, whatever the conditions are. That's

actually, and the availability of leased land is

what makes ... which really helps farming be

profitable. So here I want to point out the same

thing that Mark Izeman said, which is, there's no

such thing as one casino. There have been experts

which have worked on many environmental impact statements and have pointed out there's no such thing as one casino. One casino is not economically viable. There needs to be at least one other nearby to multiply the attraction. So I was going to read some stuff about the Neversink specifically, but I think Mark talked about that a little bit. But the Catskills happen to be one of the most important ecological regions in the east. If you look at the eastern half of the U.S. and you use a 50,000 acre wilderness acre as your definition of wilderness, what you will see is, the Everglades Okefenokee swamp in Florida, Georgia, the Smoky Mountain region in North Carolina and Tennessee, Spruce Knob in West Virginia, the Great Dismal Swamp in Virginia, there's nothing in Pennsylvania, nothing in New Jersey, Connecticut and Massachusetts or Rhode Island. Then there's the Catskills, the Adirondacks, the Green Mountain of Vermont, the White Mountains in New Hampshire and an area around Katahdin in Maine. That's it for wilderness areas from east of the Mississippi, the entire half of the United States. This is exactly

why this area is so important to me personally, and organizationally as the program director for Catskill Mountainkeeper. This is also why you all here in New York City have such clean water. The fact that the forest preserve makes up such a significant portion of the watershed, especially with Neversink and Rondout drainage. Ecologically the forest preserve and the surrounding areas made up of farms, wood lots and small communities create an important buffer zone to the extensive forest regions. Again, that water that flows from these forests is what made this an important trout fishery, nesting habitat for endangered species such as the American bald eagle, timber rattlesnakes and endemic species such as the dwarf wedge mussel. The area to be developed here, that twelve mile distance from the casino that could see the development, is an important ecotone between the northern hardwood forests and the eastern oak hickory forests. And sticking again to your jurisdiction, the areas around the Neversink and Rondout reservoirs, the Neversink has the cleanest water of any of the reservoirs, precisely because of those factors I just

outlined. Therefore, impacts to that reservoir is significant, because of its role in providing the cleanest part of the mix to New York City's watershed. The Rondout reservoir is the place where the water is collected from the Pepacton and Cannonsville and the Neversink. This is why the twelve mile distance and potential ancillary development will have a much greater impact to the New York City water system as a whole. And this is why it is not just any location near a reservoir, but the Rondout is especially important. Whatever happens there, happens to the entire western Catskill system. Thank you for your time.

CHAIRPERSON GENNARO: Thank you.

Thank you, Wes, appreciate that. Craig.

MR. MICHAELS: Good afternoon, Mr. Chairman and Council Member Levin, although I guess he stepped out, and staff. My name, for the record, is Craig Michaels, I'm the watershed program director at Riverkeeper. And as you know we are an environmental watchdog organization that works on protecting the Hudson River, and the drinking water supply for New York City and Hudson

Valley residents. And you know, I first want to say that I fully endorse the comments that have been made by NRDC and Catskill Mountainkeeper here. And I want to thank you for having this hearing. Obviously you've shown a tremendous leadership role in the past decade, but especially in the past couple of years with hydrofracking and you know, these issues aren't going away any time soon, and they're extremely important, and unlike some other commenters, I am not baffled by the date of this hearing, I think that it's extremely appropriate, given the recent action and I think it's probably going to be the first of many.

There's a lot of ground that was covered by Mark and Wes, so I'll try to keep my comments brief, and I might jump a little bit all over the place and not follow the comments that you have before you. The first thing I want to say is that Riverkeeper and our allies have long supported responsible, sustainable economic development in the New York City watershed in the Catskill region. And I think this is very often an overlooked fact, you know, one of the cornerstones of the 1997 watershed memorandum of agreement was

the investment in the upstate communities. It established entities such as the Catskill Watershed Corporation, the Watershed Agricultural Council, and it set up programs that create jobs, that further land conservation and protection of farmland, and that disperse millions to upstate residents and communities for infrastructure improvements and responsible development. You know, if you look at the MOA, and if you look at what's going to be the new water supply permit for New York City that's going to take us through the next decade, you'll see that all of these programs are there, and they're alive and they're well, and they include septic rehabilitation projects, storm water retrofits, waste water treatment upgrades, and loans to small businesses. So this is something that, you know, we feel very strongly that there needs to be economic development. At the same time, you know, when times are tough, that is sort of precisely the time when you have to be concerned with environmental protection, because it's the easiest time when the economy is down, when people are out of jobs, whether it's upstate or New York City, that's the easiest time

to sort of let these protection efforts go by the wayside. And I think as we've seen with gas drilling, you know, the environmental community in New York is sort of re-galvanized, and I don't think we're going to, you know, let those protection efforts fall by the wayside any time soon. As was stated before, the Catskills region is known around the globe for tourism and recreational benefits that it provides for New York State residents, and any proposed development projects, whether it's a condo development, whether it's a casino, have to enhance rather than detract from the community character of the region. Now again, to be clear, this casino is just outside the boundaries of the New York City drinking water supply, but it's still within the Delaware River basin, which as we know all told supplies drinking water for at least 15,000,000 people in four states. And of course the Catskills contains the 700,000 acre Catskill Park, hundreds or thousands of farms rather, and world-renowned fishing. And I will ... the details of this project and the importance of the Neversink I think were already stated, so I can ... and you have

the written comments for the record. You know, one thing, if I may, Chairman, I think one of those sort of matzoh ball issues that no one ever talks about is storm water runoff in construction activities. And according to the EPA, 40% of U.S. waterways do not meet water quality standards, and the leading source is polluted storm water runoff. And as runoff increases due to the increase in impervious surfaces, water quality problems, such as sedimentation, increased temperatures, habitat alteration and impacted aquatic plant and animal populations, become more pronounced. And of course this leads to degradation of the receiving waters and stream channels. Now, given the fact that erosion and sediment controls on large construction sites can indeed fail, resulting in water quality impairment of drinking water supplies, the disturbance of soils on the applicant's project site could impact water quality in the Neversink as well as in the tributaries and the surrounding wetlands and watersheds. And I, not only is it likely- -

CHAIRPERSON GENNARO: (Interposing)

But all that would be going downstream.

MR. MICHAELS: Right.

CHAIRPERSON GENNARO: Like away
from- -

MR. MICHAELS: (Interposing) It
would.

CHAIRPERSON GENNARO: ... our
reservoir.

MR. MICHAELS: Right, but towards ...
but of course within the drinking water supply of
Trenton, Philadelphia.

CHAIRPERSON GENNARO: Right.

MR. MICHAELS: And 8,000,000 other
people. And you know, I think it's not only
likely that the construction of this proposed
casino would diminish the integrity of the
Neversink and the Lower Delaware basin, I think
the continual impacts of storm water runoff would
be a constant source of pollution. Mark had
mentioned the site of the, I believe it's the
roughly 600,000 square foot casino footprint, the
parking spaces for 9,500 cars, the 700-room hotel,
you know, that is a big imprint, that's a big
footprint to have in this neck of the woods. And
you know, the cumulative impacts are something

which, on all the issues that we work on, we rarely see adequate analysis of. And you know, it was stated before that you know, the draft EIS was over 2,500 pages. Just because it's long doesn't mean it actually analyzed anything, you know. The EIS for gas drilling was 800 some odd pages, and it was one of the worst environmental impact statements we'd ever seen. And I- -

CHAIRPERSON GENNARO: (Interposing)
On the state, the state's thing.

MR. MICHAELS: Yes, exactly. So, you know, EIS's, just because they exist, doesn't mean they've actually taken into consideration all the factors. And in fact in our experience, it's actually just the opposite. They're usually thrown together and we usually spend our time picking them apart and I think that looks like that's going to be the case here as well. So just to conclude, the induced growth caused by this casino, and the cumulative impacts that are going to be ... that are going to happen when there's other projects that come in, whether casinos, housing, whatnot, I think they could very well jeopardize the ecological integrity that we spoke

of, of Catskill Park, and of the New York City watershed. You know, contrary to some other comments, this is close enough that it is going to affect the watershed, and especially if there's as many visitors as they hope. And I would just, you know, I would just urge this Council to stay active on this, when appropriate to, you know, possibly pass a resolution that, you know, after considering all the documents, that, you know, highlights and memorializes where the Council stands on this project, even give the limited jurisdiction. So again, I just want to thank you for having us, and listening to our concerns.

CHAIRPERSON GENNARO: Thank you.

Thank you all. Now, I'm just trying to figure out where to start. Is Rick still here? Is he still here? Okay, fine. He's buying the (inaudible). And I'm almost in the same box I was on hydrofracking, people had wanted me to do, you know, the call for a state-wide ban and all that, and I'm like, well, I've got my, you know, I've got my little box here and I'm ... and so I'm loathe to do more than what I'm empowered to do, and yet when we did a Reso on fracking, it was really,

like New York City's treatment water supply didn't ... it wasn't a state-wide thing. And so I don't know as though, I don't know what to say, I don't know how ... but I think our actions, anything we say, regarding, you know, potential impacts to New York City's drinking water supply watershed are sort of, you know, portable, you know, so to speak, and you know, add to sort of like the broader, you know, dialogue of farmland loss and everything else, but you know, this of course there's like a self-determination here that, you know, Sullivan County wants to develop in a certain way, and move in a certain direction and I can opine on that, you know, personally, or whatever, but in this chair, you know, I have limits. And so I want to work within my confines and, you know, to the extent that, you know, we you know, get DEP to either develop modeling techniques or whatever, which they, you know, didn't really, you know bring to the table today. This can be useful to organizations like yourself who have sort of like a broader mission of, you know, not just protecting New York City drinking water supply, you know, watershed, but you know,

food and open space and preservation of fisheries and preservation of farmland, you know, which is a little like outside my scope. But I ... and so one thing we wrote down, you know, I'm going to be talking to DEP about, and you saw me have the colloquy with Paul Rush, is sort of like the apparent paucity of modeling capability that they have to sort of figure out how this, or the next development, like or the next development is going to impact on New York City's drinking water supply, you know, watershed. And to the extent that you folks have access to studies or information on this that can be of help to DEP or to me to ask DEP, you know, to do it, then that would be good. I mean, I've asked them to take a look at, you know, what's going on in other, you know, similar-type developments for casinos or anything else that are like in rural parts of the northeast, and, you know, what kind of development was catalyzed as a result of that, and DEP's is either going to do that or they won't, you know. They told me they're going to do it, so I take them at their word, but to the extent that you know of folks who have like done this kind of

thing and ... but I'm thinking that it would be you, what would be a good help to me is to the extent that you could work with us, so that I, and by extension, you know, DEP can play their role in the protection of the city's drinking water supply to the greatest extent possible, then that would be ... like, for example, DEP said, well, you know, the EIS that's ultimately done is going to have some kind of, you know, some kind of modeling that they're going to use, and they're going to make some kind of projection. And then once this, you know, comes out of the black box, you know, we'll like take a look at it, like once all the numbers have been run, that that is, you know, certainly one way for DEP to participate. But another way for DEP to participate would be like during scoping to say that, you know, okay, developers, this is the kind of modeling technique that you ought to be using and we really need to see you use this concept or this model, this way of judging the thing or, you know, do a cumulative this, that or the other thing. And so it kind of would be in on the front end, when they're putting like the ingredients together for the pie, let's

call the EIS like a pie, and so if we're figuring out like what ingredients are going to be going into the pie, that's better than waiting for the pie to be baked and saying you don't like it, you know. Like that kind of thing. I'm struggling here, but I think you know what I'm saying.

MR. IZEMAN: Can I make just a suggestion?

CHAIRPERSON GENNARO: Please, help me out here. Give me a ... throw me a rope, for crying out loud.

MR. IZEMAN: I'm going to offer you a fishing line.

CHAIRPERSON GENNARO: Okay.

MR. IZEMAN: But- -

CHAIRPERSON GENNARO: (Interposing)
You know what I'm saying?

MR. IZEMAN: Yeah, I mean, I think one of, just to sort of revisit something that I had already suggested earlier, which is, one appropriate action I think that this Committee and the Council could take would be to clarify the environmental review process that has taken place and will take place for this proposed development

project. Clearly in today's hearing you've shown that there's some differences of opinion or maybe confusion on exactly what the status of the environmental review process is.

CHAIRPERSON GENNARO: Right.

MR. IZEMAN: So I think a letter from this Committee or from the Council that said we want to make sure that as ... we want to clarify the environmental review process that's required under Federal law, and state law as well, and we want to make sure that these issues, including cumulative impacts from development, are adequately looked at. We can tell you that the draft environmental impact statement that was done in 2006 is woefully inadequate, it did not either look at cumulative effects, did not look at these kinds of concerns. In fact- -

CHAIRPERSON GENNARO: (Interposing) Wouldn't that be an action that I or that this entity or the city or anyone take, doing like a formal sort of scoping, wouldn't that be the time for that?

MR. IZEMAN: Well, I think that at least based on the testimony that I heard here

1 today, I think some of the parties that are part
2 of this don't envision the scoping exercise. I
3 think that some folks seem to suggest that the
4 process is essentially over, and that this hearing
5 is too late and thanks a lot for your kind
6 thoughts, but we're going to be going on now. I
7 think it would be useful for you to say, hold on a
8 minute, this is the Committee that oversees the
9 New York City drinking water supply, the drinking
10 water of 9,000,000 people. I want to make sure
11 that I have an understanding of where things are,
12 and that there will be an opportunity for that
13 scoping, that there will be an opportunity for
14 additional public comment. Yes, there's some work
15 that was done, but that was four years ago, a lot
16 has changed. There is significant comment
17 submitted, including by NRDC, that pointed out
18 deficiencies in that environmental review process.
19 So I think you could play a great role in
20 clarifying that now, exactly to your point. Let's
21 clarify that now, rather than waiting to the
22 corpse to have to try to resolve those issues.

24 CHAIRPERSON GENNARO: Right.

25 MR. IZEMAN: Much better to try to

sort of get those out in the air now, and you could play a leadership role in helping to clarify clearly, which there's some confusion, or disagreements, or whatever the word is, between the different stakeholders that are involved in this casino project. But again, just to repeat, I, you know, at least from what I heard, some folks are suggesting that the process is over, and we're ready to move on. And indeed, maybe we'll have this whole thing wrapped up by the end of the year. That seems legally impossible, in respect with the environmental review alone.

CHAIRPERSON GENNARO: Right.

MR. IZEMAN: But wouldn't that be a nice thing to see, you know, so it could contribute to getting more information about this proposal that could have a dramatic impact, as Craig pointed out. I mean, you're talking about a 600,000 square foot casino, 9,500 parking spots, a 750 room hotel, 22 bars, restaurants. I mean, this is a massive project along the Neversink River. The Council, you know, deserves to have an opportunity to assess the full impact that this would have on the watershed.

CHAIRPERSON GENNARO: And play a role, or even for commenting, as any other entity would just to participate in the environmental review process.

MR. IZEMAN: But you're not just any other entity. I mean- -

CHAIRPERSON GENNARO: (Interposing) But I'm just saying. It would be ... to play a role in making sure that the proper environmental review process played out for this.

MR. IZEMAN: Right, you don't even need- -

CHAIRPERSON GENNARO: (Interposing) For almost everyone to participate in, you know, including- -

MR. IZEMAN: (Interposing) Yeah, absolutely, right.

CHAIRPERSON GENNARO: Right.

MR. IZEMAN: You're asking that, you want to clarify that the public, including the Council, will have the opportunity to have these issues raised, that at your recent hearing there was some confusion on whether there will be such an opportunity for the Council, for the New York

City DEP, for members of the public- -

CHAIRPERSON GENNARO: (Interposing)
Where would that go? To whom would this
communication go?

MR. IZEMAN: I think it would go to
Governor Paterson, it would probably go to the
tribe, and to the Federal government. But
probably in the first instance it would be
addressed to the governor, since this is primarily
his proposal.

CHAIRPERSON GENNARO: I see.

MR. MICHAELS: And if I may.

CHAIRPERSON GENNARO: Yes, sure.

MR. MICHAELS: One other thing I'd
like to add, and I think we've been seeing a lot
of this. You know, because we were talking about
how we don't really have the models. DEP was up
here today.

CHAIRPERSON GENNARO: Right.

MR. MICHAELS: And they didn't
necessarily have the information. I'm not, you
know, I'm not saying anything negative about them,
but just, you know, frankly they just were not
sure exactly what the impact would be to the

1 watershed. I think that we have to, as we've done
2 with gas drilling, not to draw that parallel yet
3 again. But you know, we've got to stick to the
4 precautionary principle, right, which is, you
5 know, in the absence of a demonstrated assurance
6 that this will not adversely affect the New York
7 City drinking water supply, to bring it home to
8 the Council, we've got to err on the side of
9 presuming that it will affect it, that, you know,
10 if you're putting a complex like this so close to
11 the boundaries, you know, ten, fifteen miles away
12 is not far off, that we've got to assume that
13 there are going to be ... maybe there won't be
14 direct, maybe there will be indirect, but we've
15 got to assume that there are going to be at least
16 indirect impacts, you know, in terms of traffic,
17 changes to community character, storm water
18 runoff, etc., and you know, it's up to the
19 proponent of such a project to show us that in
20 fact that's not going to be the case.

21
22 CHAIRPERSON GENNARO: Would they- -

23 MR. MICHAELS: (Interposing) And I
24 don't think the draft EIS did that.

25 CHAIRPERSON GENNARO: And what the

applicant would put forward as like the first exhibit would be DEP's testimony today, when they stated like on the record that they don't see that there's a problem. And that was what they said.

MR. MICHAELS: But they also said, I'm sorry, they also said that they hadn't seen, reviewed the environmental impact statement, and at least from my understanding of their testimony, they were looking forward to seeing the details through an environmental review process, so they could fully evaluate. Other folks that testified today seemed to imply that there would be no such opportunity, and that the environmental review process is over.

CHAIRPERSON GENNARO: Yeah, I'm ... yeah, duly noted, I think that was kind of one of the biggest things, other than making friends with the people from Sullivan County, I'm not saying that like in a joking way, I'm glad that that happened.

MR. IZEMAN: I thought you were going to go further, the calf incident.

CHAIRPERSON GENNARO: No, not at all. To me that, I ... the status of the

1
2 environmental review process, where it is, where
3 it's going to go from here, I just don't ... I don't
4 know where that's at, and so I'm going to think
5 about your comments on what role we can play on
6 nailing that down, just like and who can criticize
7 that, just like what is the process. And this is
8 what the process is like supposed to be, and is
9 this going to happen or not. You know, that's
10 really what you're saying. And that's certainly
11 more than fair.

12 MR. IZEMAN: I mean, again, DEP
13 seemed to be testifying that, based on what
14 knowledge they have now, but that they were
15 looking forward to the opportunity to reviewing
16 detailed comments about this proposal, so that
17 they could do a full analysis. If the
18 environmental review process is over, there will
19 be no such opportunity, and DEP wouldn't have that
20 ability.

21 CHAIRPERSON GENNARO: Yeah, that
22 was ... the whole hearing has been sort of very
23 curious from that perspective, you know. Okay,
24 yeah, so on that- -

25 MR. GILLINGHAM: Mr. Chairman, I

have something else.

CHAIRPERSON GENNARO: Yes, Wes. No more calf stuff, okay?

MR. GILLINGHAM: No more calf talk.

CHAIRPERSON GENNARO: You freaked me out with that.

MR. GILLINGHAM: One of the things as a resident of the Catskills, and a lot of my neighbors, when they hear the word New York City their blood pressure kind of goes up a little. And one of the things that New York City has been highly criticized in its PDR program, the moneys that go out ... or not, the purchase development rights to protect farmland and just land in general in the watershed, and one of the biggest criticisms coming from Delaware County is that it was haphazard, that it was, you know, willing, by a willing seller and wherever it was, instead of identifying critical pieces of land that are either close to a stream bed, where whatever happens on that piece of land will have a much higher impact- -

CHAIRPERSON GENNARO: (Interposing)
Well, wait, okay- -

MR. GILLINGHAM: (Interposing) ...
than something farther away. So New York City has
been in the ... and DEP has been in the process of
going through some of that and evaluating that,
and coming up with a better plan, but- -

CHAIRPERSON GENNARO: (Interposing)
Well, because we do have a ... or DEP has a whole
hierarchy of, I forget what they- -

MR. GILLINGHAM: (Interposing)
Metro features.

CHAIRPERSON GENNARO: ... the
nomenclature is, but there's, there is- -

MR. GILLINGHAM: (Interposing)
There is the priority area.

CHAIRPERSON GENNARO: Yeah, there
is like four or five different levels and those
that are like very important and like sub-levels
within them, and it's probably the whole watershed
has been mapped to figure out like what priority
or what values land has, and what to protect.

MR. GILLINGHAM: Yes, exactly. My
point being that, although they testified here
today that they didn't have all these models, half
the work on those models is done because of things

like that. And I know they've been working over the last five years at sub-watersheds, the smaller creeks and tributaries.

CHAIRPERSON GENNARO: Oh, I see.

MR. GILLINGHAM: And what, you know, how much of it is protected land, how much of it is private land, how much of it is facing development. So a lot of the preliminary work- -

CHAIRPERSON GENNARO: (Interposing)
What kind of model ... but that's a different model-
-

MR. GILLINGHAM: (Interposing) But whatever it is, a lot of the preliminary science as to priority areas and what- -

CHAIRPERSON GENNARO: (Interposing)
Right.

MR. GILLINGHAM: ... areas that have issues.

CHAIRPERSON GENNARO: Yes.

MR. GILLINGHAM: And they haven't been thinking about a casino twelve miles from there, but to take that information that they've already got and then overlay it with what's being proposed here would be a really important thing.

CHAIRPERSON GENNARO: That sounds like it would be a valuable exercise, but you know, certainly that couldn't proceed if they didn't have, you know, some sort of planning model, some sort of planning model that would give them some ability to make some reasonable predictions on, you know, what kind of development would ensue from this or other similar kinds of proposals, and they just like didn't have that. But that is duly noted and what will ... you heard earlier that we're talking to DEP, we're asking for a couple of things. I was going to have Samara, you know, write up a formal memo to them to ask them certain things, and that is the reason why I kind of said that, making formally asking them, because I didn't, I wasn't going to restrict myself to just what I asked them when they were testifying. So that was the thing, so the memo that they get is, might be a little more robust than what they, you know, thought they were getting when they were testifying. So you know, counsel and I will talk about precisely what it is. We go to, you know, DEP with a sense of what we are looking for as a result of this hearing,

you know. But, you know, certainly a clarification on what the process is going to be, how it's going to work, the normal rules of the game, and then what, you know. Are we playing football or rugby? You know, it's like different games. One side is playing football rules and the other side is playing rugby rules and the rugby guys come out and say, what's with the helmets? You know what I mean, it's like that kind of thing. And so I don't want that. So guys, thanks very much, I appreciate you being here. We'll, you know, we're going to be talking more about this and thanks for your efforts and we're also going to be doing, the Council is going to be doing a formal response to a topic that's not related, but you mentioned about fracking before. The Wall Street Journal opined, they did a fracking editorial today, you know, so we're going to be responding to that, you know, formally. So any brain waves that, I don't know if you guys were thinking of responding, but you know, any brain waves you might have regarding like what my response is going to be to the Wall Street Journal piece that, you know, came out today, I'm all

ears. Okay, because I think it's going to be like me and Chris Quinn are going to do something on that, and that's being put together as we speak, and my press guy is writing up ... Brad is not here, but everyone knows Bill Murray is my middle guy, and yeah, so you can talk to Bill about that.

Okay, guys.

MR. IZEMAN: Thank you.

MR. MICHAELS: Thank you.

CHAIRPERSON GENNARO: Thank you very much. Thanks very much. Let's see, we have two more people here to speak, Paul D'Onofrio ... it might be Donofrio.

MR. D'ONOFRIO: D'Onofrio.

CHAIRPERSON GENNARO: D'Onofrio? Okay. I had a friend of mine with that name and he pronounced it differently. But I think yours is a pronunciation that's used more.

MR. D'ONOFRIO: Are you guys going to hang around for our testimony?

MALE VOICE: Yeah, we are.

MR. D'ONOFRIO: Come on back.

CHAIRPERSON GENNARO: And Steven Quaranto, Vice President of the Hudson Valley

Builders Trades Council. And Mr. D'Onofrio is with the Sheetmetal Workers and IBW.

MR. D'ONOFRIO: Mr. Quaranto has a prepared statement. I'm counsel to the fourteen construction locals of the IBW.

CHAIRPERSON GENNARO: Well, what we're going to do is, we're going to follow the same procedure as the other panels, we're going to swear the panel, and then I'm going to ask for your testimony, and then, you know, folks can say whatever they want at that point, please.

COMMITTEE COUNSEL SWANSTON: Gentlemen, would you please raise your right hands. Do you swear or affirm to tell the truth, the whole truth, and nothing but the truth today?

MR. D'ONOFRIO: I do.

MR. QUARANTO: I do.

CHAIRPERSON GENNARO: Okay. And so Mr. Quaranto has a prepared statement, right? So Mr. D'Onofrio, you seem to be indicating that Steven will go first, right, and read his statement?

MR. D'ONOFRIO: Correct.

CHAIRPERSON GENNARO: Okay. Thank

you, Mr. Quaranto, I have your statement, and I'd be happy if, you know, for you to give it or to paraphrase it. Just state your name for the record and begin your testimony. Make sure you're talking right into the mic.

MR. QUARANTO: Okay, and I'd like to thank you for the opportunity to come before you today and make this testimony. My name is Steven Quaranto, I am Vice President of Hudson Valley Building Trades Council, which represents 28,000 members in the Hudson Valley area, and that's who I'm here representing today. Okay, I'm also President and Business Manager of Sheet Metal Workers Local 38. Before I get into my formal testimony, if you wouldn't mind, I'd like to make a comment or two?

CHAIRPERSON GENNARO: Oh, please, please, no, this is- -

MR. QUARANTO: (Interposing) First I want to thank you, to recognize that this site used to be a junkyard, number one, okay? Number two, I don't remember anybody there fighting when the site used to be a junkyard, okay. these people have spent hundreds of thousands of dollars

to clean this site up. So my impression is they're starting off on the right foot, okay. I would personally, because I've been sitting and listening to everybody speaking today. I would think that the farmers from Sullivan County would be ecstatic if one casino was going to have 22 restaurants, meantime they're talking there could be the possibility of three or four or five casinos. I would personally think that the farmers in the Sullivan County area would be ecstatic, because I really don't think they're going to be calling up Hunt's Point to get the vegetables and meat delivered all the way up to Sullivan County. That's my point, okay. Before the recession unemployment in Sullivan County was at 12% to 15%, while most of the rest of the State of New York was at 6%. Sullivan County has had the highest unemployment rate of any county of New York for the past 20 years. Sullivan County's unemployment in the construction industry is at about 30%. These casinos are not looking to compete with Aqueduct. The Aqueduct target population is international travelers and as well as the population of Long Island, Brooklyn and

Queens. The target population for these casinos in Sullivan County is the people living within the area from Bronx County to Albany County, also known as the Hudson Valley. Excuse me. These casinos are not looking to compete with casinos presently in Connecticut ... they are looking to compete with casinos presently in Connecticut and in northern Pennsylvania. Economic studies have been done that show that the target population for these casinos is the one million people living within a 60 to 70 mile radius of Monticello, New York. Testimony has previously been given that covers environmental issues and this is not a watershed issue. And also I'd like to inform you, Mr. Chairman, there is a 100% complete EIS statement done, and right now it is the property of the Department of Interior, and also the property of the BIA, which is the Bureau of Indian Affairs. It is 100% complete. At one time Sullivan County had dozens of hotels and over 80,000 hotel rooms. This project contemplates one hotel and approximately a thousand hotel rooms. For over a hundred years Sullivan County was known as the entertainment capital of the East Coast.

Tourism is the number one industry in Sullivan County, and it is impossible to compete with other states for conventions and visitors without legalized gaming as well as hotel and recreation facilities that go along with the legalized gaming. Legislation authorizing these casinos was passed on October of 2001. It has now taken almost ten years to come to fruition. The opponents of this hotel have traditionally been senators from western states who do not want to see eastern states have a casino, or eastern New York, excuse me. The City of New York and its elected officials are not being very neighborly by objecting to economic development in an area that is a hundred miles away and one of the most economically depressed areas in the State of New York. Upstate New York has lost over 30% of its population in the last 20 years. This is due to the fact that there are no jobs for young people in either the construction or the service industries. No one in Sullivan County has objected to Aqueduct Casino, we want our brothers and sisters in New York to benefit from that economic development, and we ask that they show us

the same courtesy. In 1997 Donald Trump and real estate interests in New York City defeated private casinos in Sullivan County to protect their investments in Atlantic City, and no one from New York City objected. The Atlantic City development was one of the final actions that caused Sullivan County to go economically bust. New York City wants the casinos that they want to dictate to upstate New York what they can and cannot do, but upstate New York does not dictate to New York City what it can and cannot do. New York City people do not object to the development of Aqueduct, and neither did the city of Yonkers, which is on the border of New York City in Westchester. This is not a casino issue, this is not an environmental issue, this is a jobs issue. This particular job has worked out a deal with the town of Thompson and the county of Sullivan, guaranteeing a minimum ... excuse me, of \$15 million to the town of Thompson and the county of Sullivan. New York State is guaranteed a minimum of \$850 million a year, plus up to 25% of the proceeds from the slot machines. These casinos will be the biggest property tax payers in Sullivan County, therefore

giving a great tax benefit to the local property owners. There will be no public funds or IDA money used in the development of this project. An agreement has been reached that, unlike other casinos, Indian cigarettes will collect sales tax on both cigarettes and gasoline. No other tribe in the State of New York has offered that to the State of New York. I want to be sure that everybody understands that. And, this casino will be abiding with Mayor Bloomberg ... with what Mayor Bloomberg wants, there will be no no-tax cigarettes and no bootlegging of untaxed cigarettes to New York City.

CHAIRPERSON GENNARO: Thank you, Mr. Quaranto. And as I said, sometimes I wait for the whole panel to testify, and we may have some comments after Mr. D'Onofrio speaks, but just to kind of, just right out of the box, there seems to be this notion that I have an objection to what's going on, and let me talk ... and so I was very careful and we had a debate over what the title of the hearing should be. And I wanted to be very, you know, careful that in naming this hearing we didn't set a tone that there is a problem and this

hearing is a way to figure out like how to fix it. This hearing is just to ask a question of, you know, the city's DEP and other stakeholders that, you know, while it's terrific that you do this economic development and to get people jobs and to add to the economic vitality of Sullivan County and help them reclaim their former position as like a leader in tourism and a place where people want to come to, that I just wanted to see if, you know, there could be development impacts as a result of this that might down the road, you know, be of concern to our unfiltered drinking water supply that does supply water to half the people in the state. And so the notion that I, you know, come to the hearing with like, you know, a formal objection to this project, I don't. And so it was ... I just want to say that at the outset. So just so you understand that.

MR. QUARANTO: May I say something?

CHAIRPERSON GENNARO: Sure, of course, of course.

MR. QUARANTO: For the past ten years, okay, whether it be the people of Sullivan County or the Hudson Valley Building Trades, we

1
2 have devoted our lives to trying to get this
3 thing. And I'm going to compare it to a football
4 game.

5 CHAIRPERSON GENNARO: Right.

6 MR. QUARANTO: Okay?

7 CHAIRPERSON GENNARO: Okay.

8 MR. QUARANTO: We've marched down
9 the field 99 yards and we get to the one yard line
10 and the ball's fumbled. Then we march down the
11 field the other way 99 yards, we get to the one
12 yard line and it's been fumbled. What I'm trying
13 to say is, this has been no secret for the past
14 ten years. There has been numerous public
15 hearings on this, okay, whether conducted by the
16 county or the State of New York, okay. we have
17 had numerous people up in Sullivan County from the
18 Federal government at these things. And now I
19 think that the people in Sullivan County and the
20 building trades feel we're on the ... now we're not
21 on the one yard line, we're on the one inch line,
22 okay. And we just have to get over this last inch
23 to get over the goal line, and more people are
24 banging us and (inaudible), okay. I would think,
25 you know, with the shape of the economy in this

country right now, I would think that the government, whether it be on the local level or the state level or Federal level, would be ecstatic that may be three or four thousand guys in the trades could go back to work immediately.

CHAIRPERSON GENNARO: Right.

MR. QUARANTO: And after the trade guys are done, would be ecstatic that four or five thousand other local people would have jobs, good-paying jobs that are going to provide health insurance, maybe 401K's, okay. that's all of us have been hearing in the news for the past two years, we have to get this economy going again. This could be one of the greatest stimulus packages for the State of New York. It's that simple. And we don't need people fighting this any more. We need people jumping on the bandwagon with us to try to get over this one inch line. And all of us could prosper, all of us. Like I said, people from NRDC mentioned the farmers up there, and it was mentioned that one casino is going to have 22 restaurants. I would think they would be ecstatic that this is coming. Can you imagine if there were three or four more of these

casinos? And each one of them had 22 or 25 restaurants? What it would mean to the farmers up there, and to the local economy? The 50's and 60's, that was the heyday of the Sullivan County area, okay. Back in the 50's and 60's the people made terrific livings up there. It has the highest poverty rate in the State of New York, and it also has the highest unemployment rate in the State of New York. And when Atlantic City started banging and booming, that's what killed the people up there. They have been suffering up there, I'm not only speaking for my members, I'm speaking for the rest of them up there too, okay. That have been suffering up there for the past 25 or 30 years, okay. People are losing their families up there because there's nothing for their children to stay for.

CHAIRPERSON GENNARO: Right.

MR. QUARANTO: Okay. You have no idea emotionally what this could do for the entire area, for not only the county, but the people that live there, that have nothing else up there already. You have to be a school teacher, work for the town or be the mailman. And if you don't

1
2 have something like that, you're living in
3 poverty. We have to do, all of us should be
4 working together to get this over the finish line.
5 And thank you very much.

6 CHAIRPERSON GENNARO: Sure, sure.
7 And I'm ... I guess on some level I had some inkling
8 that the purpose of the hearing might be
9 interpreted and I certainly have a better sense
10 now than when I first came in to the hearing
11 today, of all the hard work that's gone on over
12 the last ten years to get this done, and it's not
13 ... and everyone has got their job to do, and my job
14 for the last nine years, you know, has been to try
15 to look out for the interests of New York City's
16 drinking water supply.

17 MR. QUARANTO: Sure, I understand
18 that. I expected that.

19 CHAIRPERSON GENNARO: And that's
20 really all this is about, and not to throw
21 anything off the track or whatever, and
22 unfortunately you're talking to a guy that doesn't
23 have a lot of juice in this whole, you know,
24 process anyway. But you know, your point about
25 the frustrations that you've gone through for the

last ten years are duly noted and most appreciated and you're here to support your members and to put people back to work and I respect that.

MR. QUARANTO: Let me say one more comment, if you don't mind.

CHAIRPERSON GENNARO: Right into the mic, because otherwise it's not going to be on the record.

MR. QUARANTO: One more comment. Sometimes I can't shut my mouth and I apologize. There's been a bunch of different tribes involved up there, okay, and I've been involved with it from day one, okay. I do feel in my heart that one tribe in particular, and that is the Stockbridge Munsees, okay, and the developer that they are partnering up with, are 100% the real deal. What my concern is, because I understand that right now, without anything happening, they already have about \$20 million invested in it. And I'm not feeling sorry for them, because they'll make that the first night at the crap game. But what my concern is, when does the man from Training come up there and say, look, I cannot continue doing this.

CHAIRPERSON GENNARO: The man from whom?

MR. QUARANTO: Training Corp, who is the developer.

CHAIRPERSON GENNARO: Okay.

MR. QUARANTO: Okay. The man already has over \$20 million invested in this, and if he keeps on getting banged down, he's going to fold up and go home. And that's a very big concern of mine.

CHAIRPERSON GENNARO: And I think maybe one of the outcomes of this hearing is that people in the City of New York have a greater appreciation for what you're trying to do.

MR. QUARANTO: Thank you.

CHAIRPERSON GENNARO: You know, and so that wouldn't be a bad thing. All right. Mr. D'Onofrio.

MR. D'ONOFRIO: My name is Paul D'Onofrio, I'm legislative counsel to the fourteen construction unions of the International Brotherhood of Electrical Workers, the electrician's union, and the eight construction locals of the Sheet Metal Workers' Union. Prior

to that I worked for Speaker Sheldon Silver as a counsel, and I was counsel to the labor committee, and in 1993, November, he assigned me to a person named Assemblyman Joe Crowley to be his counsel on the Racing, Wagering and Casino Gambling Committee. We drafter ... I drafted, a private casino bill. That is the bill that had five casinos in it. The current law, and there should be no confusion about it, limits the Catskills, only Sullivan County, to three casinos. The other three casinos were for western New York. They've already been built, they're already running. Now, before I proceed with my remarks, I told Steve to say it, but he forgot. Neither Steve nor I get one penny from any Indian tribe, we are not paid by Indian tribes, we are not consultants to Indian tribes. And while he may have a soft spot for the Stockbridge Munsees, I could care less, whether it's the Stockbridge Munsees, the Mohawks, the Senecas, the Pusataqs or whoever. We have been trying to bring economic development to what used to be the number one tourism county in New York State, with over 80 hotels, down to one hotel now and a few beat-up motels, all right, chronic

unemployment. Most of the businesses in Sullivan County in the last few years are non-profits. If this casino goes through, it would be the biggest taxpayer in Sullivan County. All right. You've explained that you brought this hearing, even though this project, this legislation went into effect in October of 2001, the three western New York casinos were built between 2002 and 2005. Contrary to a little bit from what your counsel said in the Committee, the five existing Indian casinos in New York are not reservation casinos. You are better off from your watershed New York City point of view that this will be a trust territory under section 22B of the Indian Gaming Regulatory Act, because as a trust territory, the trustee is the Secretary of the Interior, along with the Governor of the state. It is not sovereign land. Indian reservation land, like Mohegan Sun, which are the Mohegans, or Foxswitch, which are the Pequods, that is sovereign Indian land, that is basically a foreign nation. Many civil laws do not apply, criminal laws do. States are very limited on what they can enforce on reservation land. Trust territory land is

different. Trust territory land is a bargain.

Two of the Seneca casinos, one is downtown

Buffalo, one is in downtown Niagara Falls. The

one in downtown Niagara Falls is less than a mile

from the Niagara River and Niagara Falls, their

drinking source, the very pristine drinking source

for the residents of Niagara County. That casino

has been there since 2002, there hasn't been one

problem with the water quality, because as a trust

territory casino, both the state and the Federal

government have oversight. Now, I understand you

have, as the Committee Chairman, having

jurisdiction over the New York City watershed, you

are, and you should be, very concerned about

anything that degrades the quality of the New York

City watershed. Steve alluded to it, but this is

what I can't get in my head. I've seen this site,

as I said, I don't care if they put the casino in

Monticello, if they put the casino in the town of

Thompson, I really don't care. I just want my

people to get work. Because we have 30%

unemployment in the Hudson Valley. But here's

what I do know, Supervisor Cellini, when I went to

a meeting, a public hearing, at the Sullivan

County town hall, Sullivan County hall, office building, showed me the site. And Steve alluded to it, this was a junkyard for 30 years. Resident leeching, toxic chemicals into the Neversink for 30 years? Did MODC file a complaint with the New York City DEP or with your Committee? Did the Mountain people tell you that he needed this for farmland? Did the River people, whose jurisdiction is 75 miles away, did he show up and say, you know, we ought to do something about this brownfield? No. This Indian tribe came in, with their own funds they remediated the property, according to both DEC and the Federal government it is now no longer a brownfield. And when they want to develop it, all of a sudden we're taking away farmland from Sullivan County or we may be impacting the Neversink River? What's going on here? Could this be that maybe people just don't want development in Sullivan County? If twelve miles is too close to the watershed, what about 15 miles? What about 18 miles? I think the New York City City Council should be thanking the Munsees for using hundreds of thousands of dollars of private funds to remediate a brownfield and to

clean up a filthy site in Sullivan County that had been a junkyard for 30 years and was polluting what according to the environmental people is one of the most pristine tributaries of the New York City watershed reservoir system. I think you guys ought to say thank you to them.

CHAIRPERSON GENNARO: If your purpose is to come here today and to denigrate previous witnesses, you're really succeeding, but-

MR. D'ONOFRIO: (Interposing) My purpose is to say, why aren't you thanking them for cleaning up a dirty toxic site? Doesn't anybody feel that they're owed some thanks for cleaning up a dirty toxic site with private funds?

CHAIRPERSON GENNARO: Mr. D'Onofrio, when you get elected to the New York City Council, when you're Chair of this Committee, you can thank them, you can thank anybody you want. But you know, I've been very clear that the sole purpose of the hearing is like not the site, I'm not so much concerned with what happens twelve miles or 15 miles from the site. My only thing and my only concern is that what could happen

within the boundaries of New York City's drinking water supply watershed, you know, what kind of development could be induced from this. That's really my focus, and the other thing with the brownfield, and now it's clean, I think I was- -

MR. D'ONOFRIO: (Interposing) That doesn't matter.

CHAIRPERSON GENNARO: I think I was ... I would be consistent in that like when the environmentalists were up here, you know, talking about like the greater Delaware River basin and like the water of Philadelphia, I was like ... I was pretty pointed to them that that was not my jurisdiction, and I had to work like within my sandbox. I gave them the ability to talk about issues that were important to them, you know, not that I can do anything about it, but issues that were important to them, because they wanted to put that on the record. And I let them do that. And I've let you put your statements on the record, on how, you know- -

MR. D'ONOFRIO: (Interposing) That was toxic, it is now clean.

CHAIRPERSON GENNARO: On how you're

1
2 making comments on like the manners of the people
3 who testified before this Committee, and that's
4 great, but that's really my job. And so what I'm
5 looking for from the witnesses that come to this
6 Committee- -

7 MR. D'ONOFRIO: (Interposing) You
8 mean I don't have the right as a witness at this
9 hearing to wonder why nobody questioned why this
10 filthy site was leeching toxic waste into the New
11 York City watershed?

12 CHAIRPERSON GENNARO: Mr.
13 D'Onofrio, I think you want to chair this hearing,
14 but you're like not the chairman of the hearing.

15 MR. D'ONOFRIO: No, I don't want to
16 chair it, Mr. Chairman, you can chair it.

17 CHAIRPERSON GENNARO: And so let me
18 say this, that I have a sensitivity to your
19 position and the people that you like and don't
20 like, and what they should say, and what they
21 shouldn't say, but like none of that really helps
22 me in like why I'm here today. And so I
23 appreciate you coming here, I appreciate your
24 testimony, I appreciate your advocacy on behalf
25 of, you know, the hardworking men and women that

2 want to do nothing more than, you know, than feed
3 their families and, you know, earn their money
4 with dignity on a project that they really care
5 about, and so I totally respect that. And so, but
6 I don't think we have anything, you know, more to
7 say.

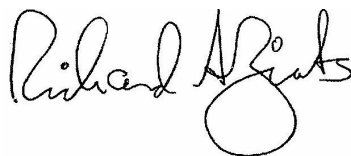
8 MR. D'ONOFRIO: Very good.

9 CHAIRPERSON GENNARO: Okay. Thanks
10 very much, and with no one else wishing to be
11 heard, this hearing is concluded, thank you all
12 very much for your good testimony and time.

13

C E R T I F I C A T E

I, Richard A. Ziats, certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

A handwritten signature in cursive script, appearing to read "Richard A. Ziats". The signature is written in dark ink and is positioned above a horizontal line.

Signature _____

Date January 3, 2011