

Tribal Ties To Hospital Site Fuel Speculation - Many Waiting To See What Plans, If Any, Mohegans, Easterns Have To Bid On A Development Deal

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By Paul Choinere - Norwich Bureau Chief

The Mohegan tribe remains noncommittal as to whether it will file a formal proposal for the development of the 470-acre former Norwich Hospital property, while a second local tribe said it has no interest in the site, despite its ties to a developer who does.

The Mohegans are one of 20 developers and brokers who have officially signed up with the state as interested in potentially buying and developing the state-owned land. Yet the tribe has insisted its move was strictly tactical, giving it the option of submitting a plan if it so chooses. As of now, the tribe says, it has no plan.

The Eastern Pequot Tribal Nation, meanwhile, has ties to another interested developer, but the tribe has said it has no designs on the property.

State officials hope to select a developer by the end of August. The most prominent candidate remains Utopia Studios Inc., whose investors want to turn the site into a combination theme park, movie studio lot and performing arts college. The group, which has its offices in Melville, N.Y., claims it is prepared to invest \$900 million in the project.

Yet speculation about possible tribal involvement remains strong.

Last Thursday, Mohegan tribal representatives attended a mandatory bidders' conference, giving it the status to file a proposal if it so chooses. The tribe's Mohegan Sun casino is located across the Thames River from the former hospital site. Twice before the tribe has explored potential development of the hospital property, including a golf course, hotels and housing, only to withdraw its plans before making a formal bid for the land.

As of now, however, the tribe has no specific plans to submit, said Charles F. "Chuck" Bunnell, chief of staff for external and governmental affairs. Bunnell said Monday that the tribe wants to keep its options open. Its failure to attend last week's conference would have eliminated it from the competition, he noted.

By the taking the tack it has, the tribe is free to consider offers from other entities interested in working with the tribe or to submit its own plans. If the Mohegans are going to remain a player, however, they have to show their cards soon.

On May 6, bidders must submit a letter outlining their plans for the property if they want to stay in the running. Bunnell said as of Monday the tribal council had not decided whether a letter of intent would be filed.

In seeking requests from interested developers, the Office of Policy and Management included a provision that the property could not be taken into trust by an American Indian tribe. Attorney General Richard Blumenthal has signed off on the legality of that provision, while suggesting language be added to the final sales agreement to give the state a stronger legal standing on the issue.

If the property were to be taken into trust, it would remove the land from the property tax roles and

outside of the domain of local land use regulations. No one has suggested an attempt at annexation, but the state was concerned enough to include the anti-annexation provision.

The region's newest federally recognized tribe, the Eastern Pequots, has financial ties to one of the potential developers.

Among the groups to file last week was the International Golf Group, headquartered in Southport. The chairman and chief executive officer of the golf group is David Rostow, who has been working behind the scenes with the Eastern Pequots to develop a casino in southeastern Connecticut.

Nancy Tyler, a spokeswoman for the tribe, said Rostow is interested in possibly building a golf course and related development at the site, but that those plans do not involve the tribe or a casino.

Rostow is not the only would-be Norwich Hospital developer with ties to the tribe. DeMatteo Industries LLC of Colchester, whose chairman is J.D. DeMatteo, also signed last week as a prospective developer. DeMatteo is chairman of Amalgamated Industries Inc., the venture capital firm that teamed with casino mogul Donald Trump in supporting the Paucatuck Eastern Pequots in its bid for federal recognition.

Once the two tribes received joint recognition, however, the Eastern Pequots severed ties to DeMatteo and Trump, leading Amalgamated to file a lawsuit claiming a contract violation. DeMatteo is not commenting on his interest in the hospital property.