

A TOWN'S UTOPIAN QUEST ; EVEN SUPPORTERS OF A FANTASY-LIKE DEVELOPMENT IN PRESTON, BETWEEN TWO CASINOS, HAVE THEIR DOUBTS; [3 STARS/FINAL Edition]

RINKER BUCK, *Courant Staff Writer*. **Hartford Courant**. Hartford, Conn.: Mar 27, 2005. pg. A.1

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Abstract (Document Summary)

The boomtown demands of a casino economy forced Preston to act. The gleaming gambling towers built by the Mohegans in Uncasville and the Mashantucket Pequots in Ledyard turned Preston into a busy, congested traffic route in between. [Robert Congdon] said traffic has grown from an average of 6,000 cars a day on Preston roads before the Indian casinos were built to more than 30,000 cars today.

Preston Selectman Jerry Grabarek, a third-generation dairy farmer, has witnessed firsthand the changes wrought by the new casino economy. His farm at Hewitt Road and Route 2 lies directly between an employee parking lot and bus storage facility for the Mashantucket Pequots' Foxwoods Resort Casino and busy Route 2A, and traffic can be so congested that Grabarek has to wait 10 minutes in his pickup just to cross between his barns and house. A proposed new bypass for Route 2A, to whisk gamblers between the Mohegan Sun casino and Foxwoods, would cut through the southeastern portion of his farm.

THE VACANT Norwich State Hospital site on the Thames River in Preston, above, has been a target for development since the Foxwoods and Mohegan Sun casinos opened in neighboring Mashantucket and Uncasville, respectively. Last week, Preston voters approved moving ahead with plans for Utopia Studios Ltd.'s \$1.6 billion development project on the site, which would include film and sound studios and a theme park. Below is an artist's rendering of Utopia.

Full Text (1225 words)

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In the bizarre world of hyper-development that is now southeastern Connecticut, almost anything seems possible, even a scheme so wildly improbable that its major supporters aren't sure it will ever happen.

That is the dilemma this mostly rural town, sandwiched between the world's two largest casinos, faced last week when its citizens voted by a 6-1 ratio to move ahead with a venture that is staggering for its ambitions and size.

The aptly named Utopia Studios Ltd., the \$1.6 billion brainchild of actress Cathy Moriarty and her developer husband, Joseph Gentile, will simultaneously create the largest film and sound studios east of Hollywood, a theme park the size of Disneyland, a 6,000-student arts school, a 4,000-room hotel complex, a marina, and a huge, domed-roof entertainment and retail complex -- all futuristically designed for the 470-acre Norwich State Hospital grounds along the Thames River.

The vote Tuesday authorized town officials to move ahead with plans to convert a complicated memorandum of understanding to a finished contract with the developers. The terms already negotiated require Utopia to pay millions up front in escrow taxes and education money, bond a \$40 million environmental cleanup of the hospital property, and face stiff penalties if the project falls behind schedule.

The town has up to 120 days to finish contract negotiations with Utopia Studios, after which the town would vote on the final contract. The state would then transfer the Norwich State Hospital parcels to the town, which in turn would transfer the property to Utopia.

First Selectman Robert Congdon and other town officials will be working hard to make this all go off without a hitch. But they concede that delays in transferring the property from the state to the town could indefinitely hold up the project.

Another possible snag is the mystery over Utopia's financial backers. The developer and town officials have both promised that Utopia's source of funding will be divulged to the public "prior to closing" on the deal, insisting that financing can't be announced until it is certain that the land has been transferred from the state.

"We have met with both the lender, who will provide the \$87 million for the initial purchase and environmental cleanup, and the financial institution that will syndicate the loan for the \$1.6 billion," said Congdon, who has worked virtually full time steering the Utopia project through town planning and development committees. "It's a major Wall Street firm with \$41 billion in assets, and we're confident they will come through."

But Congdon and other officials who have spent the past several years securing the abandoned hospital grounds for development are skeptical that it can all happen.

"I told the developer from day one that this fails the 'too good to be true' test, and I still feel that way," Congdon said. "But the reality is that if we get to closing with a cleanup performance bond, pre-paid taxes and fees, the developer has to be very sure they are going to build this thing, or they are crazy. But they have a bank in place for the first phase of their work, and we don't think they are crazy."

The boomtown demands of a casino economy forced Preston to act. The gleaming gambling towers built by the Mohegans in Uncasville and the Mashantucket Pequots in Ledyard turned Preston into a busy, congested traffic route in between. Congdon said traffic has grown from an average of 6,000 cars a day on Preston roads before the Indian casinos were built to more than 30,000 cars today.

Soaring land values and new housing starts that now total 80 per year are all part of Preston's new commercial mix. Since 1998, the town's school budget has increased from \$6.6 million to \$8.5 million a year, but state educational aid has remained essentially flat at \$2.5 million.

"This has meant an almost \$2 million shortfall that has to be made up by middle class homeowners through taxes," Congdon said. "The community has been forced to diversify its grand list."

Meanwhile, the possibility that two additional Connecticut Indian tribes will receive tribal recognition from the federal government and then open casinos has led to widespread concern in Preston. Some fear that the former hospital's desirable Thames River site in Preston could be used as a bargaining chip by the state to settle Indian land claims elsewhere, and eventually could be turned over to a tribe for a third large casino.

"None of this would have happened if the Connecticut Indian casinos weren't here," said Joe Biber, who owns the Preston Trading Post and serves on several town boards that have deliberated over Utopia.

"The casinos have changed the persona and identity of southeastern Connecticut," Biber said. "We're a major tourist destination now, development would have happened anyway, and having a project like Utopia allows the town to control its own destiny and capture some of that tourism revenue for ourselves."

Preston Selectman Jerry Grabarek, a third-generation dairy farmer, has witnessed firsthand the changes wrought by the new casino economy. His farm at Hewitt Road and Route 2 lies directly between an employee parking lot and bus storage facility for the Mashantucket Pequots' Foxwoods Resort Casino and busy Route 2A, and traffic can be so congested that Grabarek has to wait 10 minutes in his pickup just to cross between his barns and house. A proposed new bypass for Route 2A, to whisk gamblers between the Mohegan Sun casino and Foxwoods, would cut through the southeastern portion of his farm.

"Well, the views out there haven't really changed that much for now," Grabarek says, opening the south door of his milking parlor to his cornfields as a red tail hawk and a flight of wood ducks wing by. "But every time Mohegan Sun stages their fireworks, you can see it right over the tree line. They're only two hills away."

Grabarek has become an expert on traffic volume and has his own reasons for supporting the Utopia project, although he too calls it "too good to be true."

"The traffic studies show that every slot machine added in the area generates three additional cars per day," Grabarek says. "Two-thirds of that traffic comes through Preston."

"With Foxwoods planning on adding 1,600 new slots as part of their new \$800 million expansion, that's 4,800 new car visits a day, with more than 3,000 cars hitting Preston," he says. "So we may as well trap as many of those cars as we can and steer them into Utopia so the town gets the revenue. It's not a question anymore of stopping progress, but just seeing if we can find a way to make it work for us."

A discussion of this story with Courant Staff Writer Rinker Buck is scheduled to be shown on New England Cable News each hour Monday between 9 a.m. and noon.

[Illustration]

PHOTO: COLOR, PATRICK RAYCRAFT/THE HARTFORD COURANT; Caption: THE VACANT Norwich State Hospital site on the Thames River in Preston, above, has been a target for development since the Foxwoods and Mohegan Sun casinos opened in neighboring Mashantucket and Uncasville, respectively. Last week, Preston voters approved moving ahead with plans for Utopia Studios Ltd.'s \$1.6 billion development project on the site, which would include film and sound studios and a theme park. Below is an artist's rendering of Utopia.

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