



Pennsylvania Gaming Control Board



WRITTEN COMMENT TO BE INCLUDED IN THE EVIDENTIARY RECORD OF THE PUBLIC INPUT HEARINGS

I request that the following comments be made part of the public input hearing record and considered by the Pennsylvania Gaming Control Board prior to awarding licenses for slot operators:

Name: Tonya D. Payne

Address _____

Telephone _____ E-mail _____

Organization, if any: Pittsburgh City Council

Employer: City of Pittsburgh

COMMENTS: (Please use second page if more space is required)
Please enter the attached documents into the evidentiary record.

Comments: Page 2 (continued)

I, Tonya D. Payne verify that the information contained in this written comment is true and correct to the best of my knowledge and belief.

Tonya D. Payne



TONYA D. PAYNE

Councilwoman, City of Pittsburgh - District 6

Chair, Committee on Housing, Economic Development and Promotion



June 2, 2006

The Pennsylvania Gaming Control Board
P.O. Box 69060
Harrisburg, PA 17106

Dear Members of the Gaming Control Board:

I am writing to you today in my capacity as the Pittsburgh City Council Representative for Council District 6, an area that includes the Hill District and Uptown neighborhoods, as well as Downtown, Pittsburgh. I am writing in order to express my disappointment and disagreement with the City of Pittsburgh Planning Department's report, An Analysis of Proposed Casino Developments and Their Impacts on the City of Pittsburgh, dated April 25, 2006.

As a member of Pittsburgh's City Council, I do not support the findings contained in this report, nor do I believe that the information used to support these findings was independently obtained by the Planning Department, despite claims made by the Department. It was my understanding that the Planning Department relied heavily upon the information provided to them by the applicants. Pat Ford, the City's Planning Director, stated, however, that the report is independent and objective. For me, the question remains, how can a report be independent and objective, when the information and methodology relied upon are not?

It is consequent to these facts, that I am kindly requesting that the Pennsylvania Gaming Control Board accept into the evidentiary record, the following rebuttal statement, as prepared by Isle of Capri Casinos, Inc. I believe that this statement from Isle of Capri succeeds in accurately identifying the misrepresentations and misstatements contained in the Planning Department's report.

Sincerely,

Tonya D. Payne

Pittsburgh City Councilwoman, Council District 6

**Response to City of Pittsburgh Department of City Planning's
Report – *An Analysis of Proposed Casino Developments and their
Impacts on the City of Pittsburgh*
(April 25, 2006)**

Prepared by Isle of Capri Casinos, Inc.

Executive Summary

On May 22, 2006, the City of Pittsburgh Department of City Planning, Strategic Planning Division (the "Planning Department") presented its report, *An Analysis of Proposed Casino Developments and their Impacts on the City of Pittsburgh (April 25, 2006)* (the "Report"), to the City Council. The Planning Department had been enlisted by Mayor O'Connor to evaluate the three casino proposals for the single gaming license for the City of Pittsburgh.

From the start, the Report is riddled with inaccurate statements, inconsistencies, and mistakes. Scoring inconsistencies and randomness of weighting are rampant. Wrong numbers appear to have been taken from the back-up tables, which affect the scoring totals. The information referenced in the Report varies widely from the detailed Isle traffic study to almost impressionistic sources. The descriptive language ranged from analytical to lyrical. These factors call into question the objectivity and intent of this Report.

The categories and criteria for review, and the average score system and weighting system utilized in the Report are all susceptible to manipulation and misinterpretation. Although on the surface the process may appear to be rational and scientific, in practice such procedures are often subjective, rather than objective. It was not made known how and by whom the categories and criteria were chosen and how the weighting factors were decided. Furthermore, it was not stated how votes were counted in the average score for each category and criteria. Were the vote based on the views of the seven people listed at the front of the Report? If not, who was involved and how did it work? Was the analysis done incrementally and judged incrementally by a specialist in each category, or were the materials all reviewed and judged by the group as a whole? Were outside consultants used? If so, who? Was the study reviewed and revised by others inside or outside City government before it was released?

The Report is essentially an opinion, based on loose anecdotes and self reporting data that has already been proven to be inaccurate and exaggerated in some instances (i.e., Station Square's traffic and revenue projections). Information used to evaluate the proposals came from the casino operators themselves, as well as from industry publications, internet research and phone conversations. They considered property comparisons based on photos and websites without actually touring any facilities or doing any objective analysis, calling into question the credibility of the analysis underlying Report.

It is also clear that Report was engineered to achieve a particular outcome -- for the proposed Station Square casino to come out on top. The tone of the descriptions and adjectives used favor the Station Square casino to a highly exaggerated degree. The weighting and repetition of certain criteria advance the strengths of the Station Square casino. And in the first paragraph under Introduction, they address the proponents of the three proposals based on the operators, rather than the actual gaming license applicants (Harrah's is only an operator and not an applicant). The Report specifically states:

"Three casino operators, in concert with local developers and land owners, have applied for the Pittsburgh license - PITG Gaming, LLC (Majestic Star Casino), Harrah's Entertainment, Inc. (Harrah's Casino) teamed with Forest City Enterprises, and Isle of Capri Casino teamed with the Pittsburgh Penguins."

In reality, the applicant for the Station Square casino is Station Square Gaming, comprised of Forest City Enterprises and a number of individuals ("FCE"); Harrah's Entertainment ("Harrah's") is not an owner of that entity, but rather just the manager of the proposed casino. Although the operating history of the manager is relevant to the analysis, the financial strength of the applicant (not the manager) is what is germane, as the owner is the party with the financial responsibility for funding the project. With respect to Isle of Capri's ("Isle") application, the Pittsburgh Penguins are not a party to the application, nor are they a "local developer" or "land owner" with respect to the casino (although they do own the hospital property upon which the new arena would be built).

Further, in most categories, the Planning Department only considered the casino aspect of the proposals, and therefore did not take into consideration the impact of a new multi-purpose arena (of which Isle is committed to contribute \$290 million for the construction within 90 days of being awarded the license) and a major mixed-use redevelopment project in the Hill District adjacent to Isle's casino. However, they do address the interplay between Station Square and the proposed FCE casino often. If the Planning Department is not looking at the corollary development benefits to the community, who is?

Analysis

The Report's outcome is manipulated from the outset. In the first paragraph under Introduction, the Report addresses the proponents of the three proposals based on the operators, rather than the actual gaming license applicants (Harrah's is only an operator and not an applicant). The Report specifically states:

"Three casino operators, in concert with local developers and land owners, have applied for the Pittsburgh license - PITG Gaming, LLC (Majestic Star Casino), Harrah's Entertainment, Inc. (Harrah's Casino) teamed with Forest City Enterprises, and Isle of Capri Casino teamed with the Pittsburgh Penguins."

In reality, the applicant for the Station Square casino is Station Square Gaming, LP, owned by Forest City Enterprises and a number of individuals. Harrah's is not an owner of that entity, but rather just the manager of the proposed casino. Although the operating history of the manager is relevant to the analysis, the financial strength of the applicant (not the manager) is what is germane, as the owner is the party with the financial responsibility for funding the casino. Regarding Isle, the Pittsburgh Penguins are not a party to the application, nor are they a "local developer" or "land owner" with respect to the casino (although they do own the hospital property upon which the new arena would be built).

The Planning Department evaluated the proposals based on six categories: location; operator; site plan; design; socioeconomic; and traffic and parking; with different evaluation criteria in

each category and weighting assigned to each criteria. The categories for review, the weighting system, and the average score system utilized in the Report are all susceptible to manipulation and misinterpretation. Although on the surface the process may appear to be rational and scientific, in practice such procedures are often subjective, rather than objective, as we believe was the case here.

It was not made known how and by whom the categories and criteria were chosen and how the weighting factors were decided. Furthermore, it was not stated how votes were counted to obtain the average score for each category. Were the votes based upon the views of all seven people listed at the front of the Report? If not, who was involved and how did it work? Was the analysis done incrementally and judged incrementally by a specialist in each category, or were the materials all reviewed and judged by the group as a whole? Were outside consultants used? If so, who? Was the study reviewed and revised by others inside or outside City government before it was released? These are questions that are critical to an understanding of the Report and the conclusions stated therein.

The information referenced in the Report varies widely from the detailed Isle traffic study to impressionistic sources. The descriptive language ranges from analytical to lyrical. Throughout the Report, the tone of the descriptions and adjectives used favor FCE to a highly exaggerated degree, as does the benefit of a doubt regarding assumptions and estimates.

In the descriptions of the three proposals starting on page 3 of the Report, the Planning Board accepts FCE's estimate of \$550 million annual revenues (although they do not address the number of machines the estimate is associated with), which revenue figure has been called into question by many industry experts, without any independent analysis. In addition, they reference the \$25 million donation to the Pittsburgh History and Landmarks Foundation, which is actually not a new promise but rather a contractual obligation of FCE based on its original acquisition of the site over 10 years before.

Regarding Isle's proposal, although the Planning Board is aware that Isle and the Penguins have entered into an agreement with Nationwide Realty Investors, Ltd. to develop the adjoining 28 acres and have conceptual plans for the redevelopment, the Report states on page 3 that the parties are just "in talks." Note that not only were they advised about the agreement, but both Nationwide and Isle representatives spoke at the Pennsylvania Gaming Control Board ("PGCB") public input hearings in Pittsburgh (the "Public Hearings") from which the Planning Board claims to have obtained information upon which they have relied (page 1)) about the detailed plans for the redevelopment. Further, a model of the conceptual plans was on display at the Public Hearings. The Report also fails to mention the proposed size of the investment (estimated to be at least \$350 million) and simply refer to it as a "proposed mixed-use development." We can only assume that this was intended to downplay the level of commitment of Nationwide and Isle to the redevelopment and to support the Planning Board's future unfounded assertions that the proposed development is neither guaranteed nor committed. Isle has committed to the PGCB in its application to follow through with the redevelopment, in addition to the \$290 million it has agreed to contribute for the construction of the new arena within 90 days of receiving the license.

The Report also downplays the significance of Pittsburgh First which is referred to simply as a partnership created by the Isle "team". The Report unfairly categorizes the purpose of Pittsburgh First: "The partnership has been publicizing the benefits of the proposal to the community. It is unclear what their role will be should the casino be awarded the license." However, multiple times throughout the materials provided to the Planning Department in connection with their analysis, and during the Public Hearings, it was explained that Pittsburgh First is a coalition of Isle, the Pittsburgh Penguins, Nationwide Realty and the community, who's role it is to work with the community "to make certain that the proposed project has an overall positive effect on its host community." As such, that clearly is not a role that would end upon the award of the license.

Note that with regard to the description of the proposed Majestic Star/PITG Casino ("Barden"), the Report includes the proposal to contribute \$7.5 million per year for 30 years (which actually totals \$225 million, but the Reports erroneously totals it to \$300 million) to fund the construction of a new arena and to invest \$350 million "towards a mixed-use development, on the exiting Mellon Arena site, to revitalize the Lower Hill district." [emphasis added] This proposal was not even offered by Barden until the day before the Public Hearings and was a direct response to Isle's plans. Further, to our knowledge, Barden does not have a developer on board, financing in place, a signed commitment for the arena funding, nor any development plans.

The following are illustrations of the types of misstatements, inaccuracies and inconsistencies in the Report. Note that this is not intended as a comprehensive list.

EVALUATION CATEGORY	CRITERIA	PAGE	INACCURACY/INCONSISTENCY
Location	Visibility	9 & 56	It is not clear whether visibility is good or bad. It appears they split the apple here, which does not make much sense. They awarded Isle 4/5 for being "not visible from most view corridors" and penalized FCE and Barden for negatively impacting views, but then awarded Isle 2/5 for not being prominently visible from freeways and highways. This criteria is weighted 4.
Location	Physical Access and Impacts	10 & 56	Although viewed by most industry experts as a critical issue, the Planning Department only assigned this a weight of 3. Given the great disparity between the access to the proposed casinos in Station Square and Uptown, the point totals should have been much further apart. The Report also states that Isle's development may impact future plans to connect light rail between Downtown and Oakland. First of all, the light rail system to Oakland may never happened, and if it does, it could just as easily go under Fifth Avenue.

EVALUATION CATEGORY	CRITERIA	PAGE	INACCURACY/INCONSISTENCY
Location	Impact on Immediate Surroundings	10 & 57	<p>This criteria as it was applied and the weighting of 5 was designed to give FCE points and guarantee that it comes out on top:</p> <ul style="list-style-type: none"> • What should be a positive for Isle (proximity to the Cultural District, Central Business District and Fifth Avenue commercial corridor) has been turned into a negative. • The fact that the proposed site is considered blighted would generally be a positive feature. • Duquesne University and area schools are mentioned as if they are located next door. • Isle's project is specifically designed to reconnect the Hill District to downtown by redeveloping the Mellon arena site, building a new arena where there now exists an empty hospital and parking lot, and creating a park/walkway over the highways to literally reconnect to the Downtown. However, the Report states "A casino use could further disconnect the lower Hill District from the downtown." • Regarding the claim that existing restaurants will be impacted, this instead is an area in dire need of redevelopment, restaurants, etc.
Location	Ability to Use /Enhance Existing Amenities and Services	11 & 58	<p>Again, a criteria as applied and with weighting of 5 was designed to give FCE points:</p> <ul style="list-style-type: none"> • FCE was given a 4/5 for easy access to downtown and area hotels and amenities, when it has been made clear that access from downtown to Station Square will be extremely difficult. • Isle was only given 2.5/5 for access to downtown hotels when it is a less than 10 minute walk from the Marriott, Doubletree and William Penn, with the Westin and Courtyard not much further. And its access to the Convention Center, Cultural District and Fifth/Smithfield shopping is unmatched by Station Square or Barden.

EVALUATION CATEGORY	CRITERIA	PAGE	INACCURACY/INCONSISTENCY
			<ul style="list-style-type: none"> With respect to potential opportunities the location can spur, Isle should have been the hands down winner, by developing in a blighted arena, adjacent to a new arena and a 28 acre mixed use redevelopment, and its proximity to downtown spurring development there as well. Whereas Station Square is already developed and would simply be adding some more hotel rooms and condominiums and Barden is fairly isolated on the North Shore. Nevertheless, FCE was given 4/5, Isle 2/5 and Barden 2.5/5. There is also mention that the Isle casino could enhance the regional tourist destination of Mellon Arena, ignoring the fact that the proposal calls for the construction of a new state-of-art arena and a redevelopment where the Mellon arena currently sits.
Location	Current Use	11	<p>Although elsewhere they only focus on Isle's casino plans, in addressing current use, they imply that the site is currently occupied by "surface parking lots, an abandoned hospital building, few private properties, and the Mellon Arena". Actually, the casino site is occupied by private properties and land owned by the Urban Redevelopment Authority ("URA"), which is controlled by the City. Isle has options for the remaining land needed to construct the casino which is not owned by the URA. The Mellon Arena site and surface parking lots are where the proposed redevelopment will occur and the abandoned hospital is owned by the Pittsburgh Penguins and is part of the site where the new arena will be constructed. As a result, Isle was given only 1.5/5 in this category, with a weight of 2.</p>
Operator	Experience operating other Casino facilities	13	<p>Again, another criteria is designed to benefit FCE with a weighting of 6.</p> <ul style="list-style-type: none"> The description of Harrah's implies that they developed 26 casinos themselves, when in reality, they have acquired most

EVALUATION CATEGORY	CRITERIA	PAGE	INACCURACY/INCONSISTENCY
			<p>of their casinos and have only developed a handful themselves; whereas the Report clearly notes that Isle only constructed 6 of its 18 facilities.</p> <ul style="list-style-type: none"> The greatest number of slot machines in a facility operated by Isle is incorrectly stated as 1,598. The number actually is almost 2,000 for Lake Charles, LA.
Operator	Financial Performance	14-15	<ul style="list-style-type: none"> This criteria, with a weighting of 6, is inappropriately applied. The financial performance that is relevant is the owner of a facility, not the manager. Thus, the financial performance of FCE should have been what was considered. FCE's bond rating is no better than that of Isle, but instead, FCE is given a 5/5 based on the credit rating and financial performance of Harrah's as a company. With respect to Isle, the Report states that "a review of Isle of Capri's finances and performance raises questions concerning their ability to deliver on their proposal." That's clearly not what Wall Street is thinking as three significant financial institutions have guaranteed Isle financing for the casino and arena - Credit Suisse, Duetsche Bank and Canadian Imperial Bank of Commerce. The fact that the Planning Department quoted from a reporter's article in which a third party financial report put the odds on Harrah's to win the license rather than either hiring their own financial expert or actually getting a copy of the report shows their inexperience in the financial area. The Report erroneously states that Isle will need to sell other facilities in order to build the proposed casino.
Operator	Labor Relations History	15	<p>Isle was penalized for not employing unionized workers at its existing facilities despite the fact that Isle coincidentally happens to operate in cities which are not unionized, has signed neutrality agreements in its new locations where</p>

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			<p>there is union activities (including with Unite Here in Pittsburgh) and Unite Here spoke equally in favor of Isle and Harrah's at the Public Hearing. Note that Harrah's also is nonunion in the cities which are not unionized.</p>
Operator	Quality of Exiting Facilities	16	<p>Without having actually visited any of the applicants' facilities, the Planning Department seems to come to conclusions about the quality of the applicants' other facilities. They have made this determination relying on photos on the applicants' websites, on the internet, in news articles and obtained by private individuals, and telephone conversations with reporters. This lack of a thorough review is apparent from their comments that Isle's facilities "lack in design and attention to the non-gaming experience" and "focus on attracting visitors for the sole purposes of gaming." Isle's tropical theme and it's signature restaurants clearly demonstrate otherwise. Nevertheless, Isle was given 2/5 and Harrah's was awarded 4/5 with a weighting of 5, which seems to be based on one conversation with a reporter in one city, Kansas City, who stated that the Isle casino was "a 'blue collar' gaming casino" whereas "The Harrah's facility was described as a higher quality designed facility." Note also that some of the photos included on the following pages are inaccurate - the picture of Harrah's Shreveport, LA facility actually a picture of Bossier City, LA and is a picture of the hotel, not the riverboat casino which is a similar casino to Isle's. This was also a facility that Harrah's acquired, rather than developed.</p>
Operator	Track Record in Other Cities	20	<p>The Report states that "Harrah's has not had a great deal of negative press regarding operations in other cities." Our own research (which they could have easily done themselves) shows that in addition to the problems in New Orleans (which although very significant, have been downplayed in the Report), Harrah's has actually had many problems in other cities. With respect to Isle, on the other hand, the Report specifically lists details of two events, with no follow up as with</p>

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			<p>Harrah's and the impression that there are more. Note that they did not follow up to obtain any further details beyond what they read in the newspapers. For some reason, they have determined that press clippings alone are a sufficient basis for this analysis, and therefore specifically state that they did not consider a video on Isle's website from mayors and officials as far away as England "proclaiming the casinos as assets for the community." Again, another opportunity to set the parameters justify the result they are seeking.</p>
Site Plan and Design	Site Control	22	<p>Although the text at the beginning of the category clearly states that "This Analysis is performed only on Phase One of the casino development proposals. The analysis does not include any additional phases (if any) or other planned uses and activities", in describing Isle's site and assessing it only a 1/5 in a weighting of 4, they address that some of the parcels are owned by the URA and the SEA, and other parcels by various owners. They also state that a contract is pending that permits the URA parcels to be used by the casino, "but in order for the plans to be implemented Isle of Capri needs to have site control." There are a few significant errors in their analysis.</p> <ul style="list-style-type: none"> • Isle has options for all of the private land under the casino and the URA has publicly committed that regarding the parcels owned by the URA in the casino footprint they will sell the land to Isle if they are awarded the license. • The other URA parcels and SEA parcels relate to the arena and the redevelopment which they stated are not being considered in this section. • Isle does have site control and the rest is in the City's control, The same Planning Department has been formally requested to process Isle's Master Development Plan which has been delayed by the Planning Department for months. • Although they mention Isle's temporary

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			<p>facility as a problem (query if that should be considered an additional phase and not addressed), nothing is mentioned about Barden's proposed temporary facility on the river, for which he has no approvals and may not be legal under the Gaming Law or zoning ordinances. That being said, Barden received a 5/5.</p>
Site Plan	Visual Access	23	<p>This seems to have been addressed earlier under Location. Same question as above, is visibility good or bad. Apparently here it is good, with a weighting of 3. Note also the different tone of descriptions. FCE is "nestled between the Mt. Washington hillside and the Monongahela River", whereas Isle is "part of the downtown fringe". In addition, it is stated that the Isle casino would "be distinct from the neighboring buildings in terms of scale, materials and visual appeal." This, of course, does not take into consideration the new arena, redevelopment, the Washington Plaza Apartments, etc. In addition, are they saying they prefer the look of what they earlier described as a "blighted area"?</p>
Site Plan	Accessibility	23	<p>Another repeated criteria, and as stated earlier, essential to the success of a casino. Nonetheless, they assigned it a weighting of 2 and not only scored the three applicants lower than last time (1.8, 2.0 and 1.5 here, v. 2.8, 3.6 and 3.4 earlier), they also have the three very close together when there is clearly a significant difference between the access to Station Square vs. Uptown. How many people arrive on bikes to a casino??</p>
Site Plan	Integration with Amenities	24	<p>Again, a repeat. This one with a weighting of 3. They again mention that Harrah's will not have as many restaurants that will allow Station Square restaurants to capture some business. There are two fallacies here: first, FCE, like any casino or destination venue (i.e., stadiums), wants to keep the customers and their money inside the building; second, FCE also controls all of the leases of the Station Square restaurants and will participate in percentage rents in those</p>

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			<p>business. So, in effect, the FCE casino and Station Square will operate as one business capturing all of the buying power of the casino visitors the detriment of downtown Pittsburgh. The synergy of Isle's casino with the new arena and with Downtown completely escapes the analysis in this section. They also don't seem to understand Isle's plans which make it clear that one can enter the casino and shops directly from Fifth Avenue. For Isle to have received a 2.2/5 in this criteria and FCE a 4/5 defies understanding.</p>
Site Plan	Phased Expansion of Gaming and Non-gaming Uses	24	<p>If the new arena and redevelopment were considered, Isle would have won this criteria hands down.</p>
Site Plan	Existing Structures	25	<p>Isle is being criticized for demolishing a vacant hospital structure, a church and other surface parking lots. First of all, the hospital is under the proposed arena and shouldn't be considered here, but nevertheless, the hospital went bankrupt and no alternative use has ever surfaced. The church is next to the proposed arena and will be preserved. It has nothing to do with the casino. Actually, it is clearly visible in the plans submitted to the Planning Department. The surface parking would be utilized for the temporary facility and then the redevelopment, but parking structures will be built. Note that no points were given to Isle for demolishing and replacing the obsolete Mellon arena.</p>
Site Plan	New Public Amenities and Infrastructure	26	<p>This is a criteria where the full project is and should be included. Although the arena is addressed for the Isle, there is no mention of the proposed redevelopment (although it is mentioned for Barden, with the \$350 million price tag). As a result, there's no mention of the new parks, plazas and the walkway/park over the Crosstown Expressway. And this criteria is only weighted 3.</p>

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Site Plan	Landscaping	26	Again, Isle is not given credit for the plans for its proposed redevelopment, which would include new parks, plazas and the "lid" over the Crosstown Expressway.
Building Design	Compliance with Zoning Code	27	Apparently being located along the river is an important criterion for a land based casino as half of the points in this category were tied to the connectivity to the riverfront.
Building Design	Site Context	28	This criteria is weighted 4, with FCE getting a score of 4/5 and Isle a 1/5. Isle was penalized for the scale of its building. However, both the casino and arena have four story facades on Fifth Avenue, with the larger bulk of the buildings set back from the street. They stated that a 12 to 14 story building is inconsistent with the neighborhood, and yet Washington Plaza Apartments are right next door to the east and starting one block away to the south are parking garages and buildings of Mercy Hospital and Duquesne University. Also, the towers of Chatham Center are one block to the west.
Building Design	Non-Gaming Uses and Public Spaces	28	Another repeat criteria, with a weighting of 3, whereby they penalize Isle for having restaurants and bars in the facility. They also again do not give Isle credit for all of the parks, discount the retail outlets on Fifth Avenue by stating that they "are proposed but would be market driven in terms of leasing", or erroneously claim that there will not be public access to the atrium. FCE again seems to benefit from not taking business away from the Station Square businesses.
Building Design	Design Team	31 & 69	First of all, the averages and weighted scores are wrong. Based upon the sub-criteria on page 69, the average scores should be 2.2, 2.6 and 1.6 for FCE, Isle and Barden, respectively, with weighted scores of 4.4, 5.2 and 3.2. Also, UDA, which has a broad national and international reputation, preeminent in urban design and the firm picked by the City for its Fifth and Forbes development, was simply described in the Report as "very active in the planning of this area and the

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			<p>neighboring residential community," while FCE's urban planner was described as "pioneers in mixed-use design and development. They are highly reputed firm worldwide." Also, for some reason, FCE and Isle were only given a 1/5 for design of the building by an architect, when they both used premier architects.</p>
Socioeconomic	Maximizes job creation and ensures jobs are quality jobs	34	<p>It is hard to understand why FCE got a .5 more than Isle when the introduction to this criteria states that the Planning Department "is of the opinion that total employment and wages would not vary greatly between the three casinos" and then further states that FCE's "employment figures are most likely inflated and higher than employment at two existing Harrah's Atlantic City casinos that are of comparable size", and it should be noted, have table games which are more job intensive.</p>
Socioeconomic	Potential to leverage additional development in the City of Pittsburgh	35	<p>This is a situation where the category favors Isle, which attained a top score of 5/5, but the weighting was unnecessarily low at 3/5 for an important economic development criteria. This category should have been a windfall for Isle, with the new multi-purpose arena next door and the at least \$350 million development with Nationwide Realty planned for the Mellon Arena site. Isle's plan involves the redevelopment of underused land, to say nothing about putting the land back on the tax roles.</p>
Socioeconomic	Maximizes ability to market to suburban and overnight visitor gamers	37	<p>Despite various experts criticizing the access to Station Square and parking availability, the Report give FCE a 5/5 in this criteria and states that it is "accessible by foot from existing downtown hotels" and "is accessible from regional highways leading to the suburbs and has ample parking". The Report also naively relies on Harrah's claims to market the FCE casino as a destination casino, using its Total Rewards loyalty program to bring visitors from all over the world to Pittsburgh. This theory has been discredited by many experts who claim that Harrah's will actually use the casino to send gamers to Las Vegas and Atlantic City which have lower tax rates and which also have</p>

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			table games. With regard to Isle, in order to discount the benefit of the new arena, the Report incorrectly states that Isle's proposal "does not guarantee that the new arena will be constructed." Isle has contractually committed to pay \$290 million within 90 days of obtaining the license so that the City can build the arena. Are they now requiring that Isle build it itself?
Socioeconomic	Promotes visitor spending off casino floor and outside casino walls	38	The third time this criteria is used, with a weighting of 3 this time and a score of 5/5 for FCE. With regard to Isle, again they misstate the access to the casino from Fifth Avenue and the retail establishments which will be located on such street. They also again attempt to downplay the proposed redevelopment and treat it as being dependent on market conditions, which has never been claimed.
Socioeconomic	Complements convention, tourism, hotel, retail and restaurant activity	38	This is the fourth time FCE is rewarded for proposing a casino in the existing Station Square complex and Isle is penalized for the so called, "closed design." Also, the statement that "because Isle of Capri is more of a local than national draw, its contribution to hotel activity in the City would be limited" is simply a gratuitous statement intended to again emphasize Harrah's absurd claims that they will bring in tourists from around the world to Pittsburgh to play slot machines (they used Spain as their example at the Public Hearings). Isle's proximity to Downtown, together with the arena next door and the convention center two blocks away, should have made it a shoe-in for this section.
Socioeconomic	Has received positive feedback from community	39	Even though Isle public sentiment is overwhelmingly in favor of Isle's proposal, as evidenced by polls run by the local papers and TV stations, and significantly more supporters having spoken in favor of its plan at the Public Hearing, Isle was given a 3/5, the same as FCE, in the criteria based on two parties who have two groups - the Uptown Action Coalition which has not taken a formal stance on the issue and

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			Duquesne University which has stated that it would prefer to not have a casino close to its students (note that Station Square is not much further away). Note also that 80 elected officials have come out in favor of Isle's proposal (including State Senators and Representatives, City Council members and others); none have come out in favor of the other two applicants.
Socioeconomic	Proposal is integrated into existing neighborhood plans	40	The same Planning Board that has refused to process Isle's Master Development Plan for months has now given it 0 points for not having a plan for the site. Go figure! Isle has prepared a detailed master plan with diagrams, analysis and designs that are compatible with Crawford Square, the Hill District and Uptown. FCE, on the other hand, got 3 points simply because something already exists for Station Square, although one would assume it does not address the casino.
Socioeconomic	Plan to fund programs and/or a special service district to aid nearby communities	40	FCE is give credit for donating \$25 million to the Pittsburgh History & Landmarks Foundation, but actually that is not voluntary, but rather a contractual commitment from when they acquired the Station Square property over 10 years earlier. Also, FCE's \$1 million annual contribution is for projects city-wide, whereas Isle is proposing its funds go to the Hill District. The Report again throws in the gratuitous statement about the Isle/Nationwide redevelopment "should the development be constructed."
Socioeconomic	Community relations liaison and plan, with adequate resources to interface with neighbors	41	FCE got a 5/5 because it "plans on employing a community relations liaison" [emphasis added], whereas Isle received a 4/5, even though it has an established Pittsburgh First team, with a staff, a Board of Advisors, and an office in the Hill. Isle is apparently being held to a higher standard, as it is being expected to have "released a plan for interactions with the surrounding community once the casino has received a license", but it is satisfactory for FCE to simply plan on employing a liaison.

EVALUATION CATEGORY	CRITERIA	PAGE	INACCURACY/INCONSISTENCY
Traffic and Parking	Convenient Local Access by Car	46	FCE scored a 2.4/5 here, to Isle's 3.2/5, when various traffic experts have stated that access to Station Square by car will be a mess. Even the Report states that "direct access to the site would be limited to a single arterial street" and "There are limited opportunities to further mitigate congestion", whereas regarding Isle they state that the site "has many local road with sufficient or excess capacity".
Traffic and Parking	Access by Public Transit	47	<p>Isle is penalized for the Planning Department's lack of understanding of traffic reports and only assessed 1.8/5:</p> <ul style="list-style-type: none"> • The Report states that there is no public access between Fifth and Forbes/Bedford Avenue. Currently there is no demand for such a connection, but some of the existing bus routes can be modified to include that connection if desirable and demand exists. • The Report claims that there are too many bus routes on Fifth Avenue. Isle's traffic report does not propose any additional routes, so the congestion impact change due to buses should not be significant. • The Report states that the additional buses would result in unsafe conditions for pedestrians. However, Isle has proposed traffic signal upgrades with enhanced and/or new pedestrian signal equipment, including appropriate signage and paint marking upgrades. As a result, pedestrian safety conditions will be BETTER than existing conditions, not worse. • The Report says that truck access on Fifth Avenue will add to congestion and increase conflicts and accident potential. This is incorrect. The proposed plans have the operations accessed via a controlled, signalized intersection, with all loading/unloading off street on the property. This will decrease, not increase, accident potential.

EVALUATION CATEGORY	CRITERIA	PAGE	INACCURACY/INCONSISTENCY
Traffic and Parking	Casino must be accessible to pedestrians	47	The Report claims that there will be more conflicts between pedestrians and vehicles at the Isle site. Actually, Isle will provide new and/or enhanced traffic signals, pedestrian signal equipment, signs and paint markings that will coordinate with pedestrian access points into the proposed development. This should improve upon the existing situation.
Traffic and Parking	Casino must provide adequate parking on or adjacent to the site	48	The introduction to this category states that each of the applicants' traffic and parking is to be assessed based on 5,000 slots. However, with respect to Barden the Report states that his estimate of parking demand of 4,186 spaces is comparable to industry standards. But regarding Isle, the Report states that its 4,301 space garage is not sufficient since "industry estimates put parking demand for a 5,000 space casino at 5,000 to 7,000 spaces." The real question should be what is the industry standard and then all three applicants should be held to it equally since they are all being assessed based on 5,000 slots. Of the three, Isle will have the most spots in its parking lot. FCE is only planning for 3,100 new parking spots. The Report also states that Isle patrons will infiltrate free parking in Crawford Square an the Hill District during Friday and Saturday night peaks. This can be dealt with by using the City's well-established Residential Permit Parking Program and increasing the hours/days it is enforce or decreasing the grace period.
Traffic and Parking	Minimize the potential for traffic congestion	50	A similar criteria as covered above, and again, Isle should have run away with this criteria, but was only assessed 3/5, where the weighting is 4.
Traffic and Parking	Appendix C		Almost as an aside Isle is given credit for submitting the only comprehensive study. FCE and Barden are given a pass and permitted to submit theirs later, if they win the license. How then did the Planning department believe that they could give any credence to the claims of FCE and Barden with no back up? Both of these

EVALUATION CATEGORY	CRITERIA	PAGE	INACCURACY/INCONSISTENCY
			applicants should have been given average scores of 0/5 for accessibility. Practically all of the analysis of FCE and Barden's traffic and parking was the opinion of the Planning Board staff themselves.

As stated earlier, the selection of criteria in each category, and the system for assessing points and weighting for each criteria was done subjectively, as was evidenced in the examples above. However, when looking at the criteria categories alone, Isle actually tied FCE in terms of the number of categories it had the highest score. It should be noted that in the criteria in which Isle came out ahead, the average scores were very close, whereas regarding the criteria in which the Planning Board deemed FCE to be stronger, the differences in points were much greater. All of this emphasizes that the subjective scoring and weighting and repetition of the criteria which favored FCE which helped them come out with the higher score.

	<u>Criteria Total</u>	<u>FCE</u>	<u>Isle</u>	<u>Barden</u>
Location	6	2	3	1
Operators	4	4	0	0
Site Plan*	10	4	6	2
Building Design**	12	6	8	1
Socioeconomic*	14	11	4	1
Traffic and Parking	7	0	6	1
TOTAL	53	27	27	6

- * Two ties
- ** Three ties
- ***One tie

Conclusion

As is clearly evident in the examples highlighted above, the Report is filled with inconsistencies, misstatements, inaccuracies, self-serving statements and manipulations of the facts, criteria and weighting to achieve a desired outcome. The Report is nothing more than a subjective analysis of self-reported material and Planning Board impressions (who clearly are not experts in this type of analysis), rather than an objective analysis based on research and balanced criteria.



**Pennsylvania
Gaming Control Board**



**WRITTEN COMMENT TO BE INCLUDED IN THE
EVIDENTIARY RECORD OF THE PUBLIC INPUT HEARINGS**

I request that the following comments be made part of the public input hearing record and considered by the Pennsylvania Gaming Control Board prior to awarding licenses for slot operators:

Name: Beth Vucic

Address: _____

Telephone: _____ E-mail: _____

Organization, if any: _____

Employer: _____

COMMENTS: (Please use second page if more space is required)

The proposed Harrah's casino at Station Square would be a huge mistake, causing traffic nightmares on the Southside and even backing up downtown. It would also eliminate one of the only reasonable parking lot prices around the city. There is already enough attraction to Station Square.

I recommend the casino and arena to be located in the Hill District - to revive that area and create a new attraction area.

Comments: Page 2 (continued)

I, Bob Weir verify that the information contained in this written comment is true and correct to the best of my knowledge and belief.

Bob Weir



**Pennsylvania
Gaming Control Board**



FILED
MAY 24 2006
Board Clerk PGCB

**WRITTEN COMMENT TO BE INCLUDED IN THE
EVIDENTIARY RECORD OF THE PUBLIC INPUT HEARINGS**

I request that the following comments be made part of the public input hearing record and considered by the Pennsylvania Gaming Control Board prior to awarding licenses for slot operators:

Name: MICHAEL T. IRR

Address: _____

Telephone: _____ E-mail: _____

Organization, if any: None

Employer: Retired

COMMENTS: (Please use second page if more space is required)

The Board should be aware that a Pittsburgh casino at Station Square or along the North Shore would probably never be accepted by large factions of the regional population if either location gets the slots license and it is perceived to be a major factor in the loss of one of our beloved sports teams and civic institutions, the Penguins. There would likely be much outrage and bitterness that would be reflected in discussions on local talk shows for a long time. The furor and hatred might never completely subside (much like the uproar over the taking of land for the current arena has never fully subsided after nearly 50 years). There could be an organized or suggested boycott or even picketing of the despised casino. Regardless, the lingering anger might affect their bottom line, perhaps significantly. The ongoing discord over this issue could be a distraction and detriment to the region advancing on other issues. Personally, I am declaring that I would never patronize the city casino if we lose the Penguins. I would expect that many thousands of others would become similarly motivated.

I, MICHAEL T. IRR verify that the information contained in this written comment is true and correct to the best of my knowledge and belief.

Michael T. IRR

Matthew Nelson

March 29, 2006

PA Gaming Control Board
PO Box 69060
Harrisburg, PA 17106-9060

To Whom It May Concern:

I am a concerned tourist who recently visited the city of Pittsburgh. I spent \$100 on a hotel room, \$100 on food, and \$20 at one of the local museums. This money was spent because of my desire to see a sports team play – the Pittsburgh Penguins.

Being from Central Indiana, I had many other options I could have chosen. I could've seen the Chicago Blackhawks, only 2 ½ hours away from me. Or I could've seen the Columbus Blue Jackets, whose arena I actually passed on the way to Pittsburgh. But instead, I drove 7 hours to see the Penguins.

As a tourist who came to Pittsburgh solely to see the Penguins, it would be a shame if they were to move. My tourist dollars, along with the money of thousands of visitors who come to your state for the same reason as I do, would undoubtedly get spent elsewhere if the Penguins could not stay in Pittsburgh.

I am aware that Isle of Capri Casinos has put together a plan to provide a new arena for the Penguins if they are given the slots license. A state-of-the-art arena like what they have proposed could bring in so many different shows, concerts, and events – not just hockey. Obviously this would mean more money for local businesses, and it could entice tourists to travel to Pittsburgh more often.

If for no other reason than for the economic benefits your state receives from tourists like me, please do whatever is in your power to help keep the Pittsburgh Penguins from becoming the Kansas City Penguins. The team and its owners have done a lot to promote your city, and they deserve so much more than to be forgotten and ignored.

Sincerely,



Matthew Nelson



Pennsylvania Gaming Control Board



WRITTEN COMMENT TO BE INCLUDED IN THE EVIDENTIARY RECORD OF THE PUBLIC INPUT HEARINGS

I request that the following comments be made part of the public input hearing record and considered by the Pennsylvania Gaming Control Board prior to awarding licenses for slot operators:

Name: EDWARD BOHM

Address: _____

Telephone: _____ E-mail: _____

Organization, if any: _____

Employer: _____

COMMENTS: (Please use second page if more space is required)

I presented the following oral testimony before the Pennsylvania Gaming Control Board in Pittsburgh on April 19 2006. I was absolutely serious when I made these statements on April 19th and I am absolutely serious today!

The public's safety rests squarely in the hands of this board so I felt compelled to present the board with the true picture of the Station Square site and its lack of highway infrastructure with the latest satellite imagery available. If all of the applicants were required to use the same occupants per vehicle in their calculations it would have ensured that all of the traffic evaluations were both fair and accurate! Instead the site that is the most highway challenged is using the highest occupants per vehicle which allows more patrons to visit their casino and lowers the traffic related problem of their site!

It is for this very reason that I am asking Harrah's/Forest City to throw out the 2.5 occupants per vehicle they used in their traffic report and submit a new one to this board within **60 days** using the combined average as submitted by Isle of Capri and Majestic Star in their traffic reports. Complying with my request would maintain continuity in all of the applications and will ensure that the public's safety is not compromised. If however Harrah's/Forest City refuses to comply with my request then I must assume that securing a license is more important than public safety and this board should as well!

The states lack of foresight to set the requirements for occupants per vehicle may have opened a Pandora's Box that has the potential for disaster! If the public's safety is in any way compromised because applicants were allowed to use figures that may have enhanced their sites appearance and this board selects them as the winner of a slots license the state may face a mountain of litigation!

Comments: Page 2 (continued)

Please keep in mind that my testimony was recorded by a stenographer and my PowerPoint presentation was entered into evidence at the hearing on April 19 and I truly expect an answer from Harrah's/Forest City by **June 19 2006!** If Harrah's/Forest City refuses to comply with my request then **I must assume that securing a license is more important than public safety and the Pennsylvania Gaming Control Board should as well!**

I stated in my testimony that I support the Isle of Capri proposal but there are others who have not endorsed one applicant over another who are also calling into question the lack of highway infrastructure of the Station Square site!

David Wooster is an independent traffic analyst working pro bono for the Pittsburgh Gaming Task Force has also called into question the larger occupants per vehicle being used by Harrah's/ Forest City. Mr. Wooster took issue with Harrah's traffic study methodology, noting that Harrah's predicted the highest patronage and revenue of the three applicants, but the lowest amount of vehicle traffic during Saturday peak hours? During Saturday peak hours Majestic Star is predicting 3,470 vehicle visits, Isle of Capri sees 3,558 visits and Harrah's projects just 1,536. I am far from a Rhodes Scholar or even a competent mathematician but these numbers just do not add up!

John Craig who represents the Pittsburgh Gaming Task Force asked the following question in a Post Gazette Editorial on Sunday April 30 2006.

"Are local leaders concerned enough about traffic to seize the initiative and insist that the Gaming Control Board itself institute an independent traffic and parking audit? And if the board does not do this, will they insist that funds already promised for this purpose by Don Barden of Majestic Star Casinos be made available to an appropriate government agency so there is a definitive report in hand well before any license award is made"?

Thank you Mr. Barden for your generous offer but it is not your responsibility to protect the public it is up to our elected officials and the Pennsylvania Gaming Control Board!

The hearing on April 18th ended earlier than expected and allowed each of you to personally visit all three proposed casino sites. If you think back to that day I truly believe you will agree that the Station Square site is the least favorable of the three proposals from a public safety and traffic point of view but don't take my word for it. Instead this would be a good opportunity to review my PowerPoint presentation that was entered into evidence on April 19 2006 to refresh your memory. I have also sent a PowerPoint presentation from the Pittsburgh Gaming Task Force that illustrates some of my concerns as well!

In conclusion the public's safety is paramount and must come first and over all selection criteria including projected revenues! I trust in the end each of you will make the right decision to protect the citizens of Pittsburgh and ensure that Pandora's Box remains tightly closed!

Sincerely
Edward Rohm

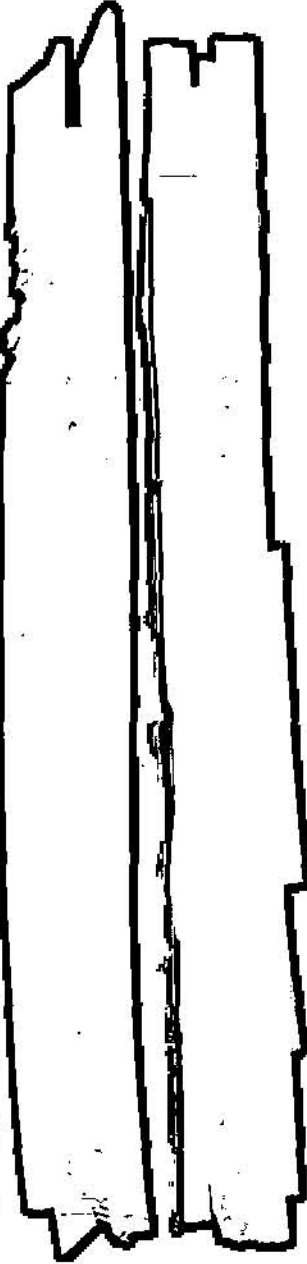
I, Edward J Rohm verify that the information contained in this written comment is true and correct to the best of my knowledge and belief.

PGCB PowerPoint Presentation

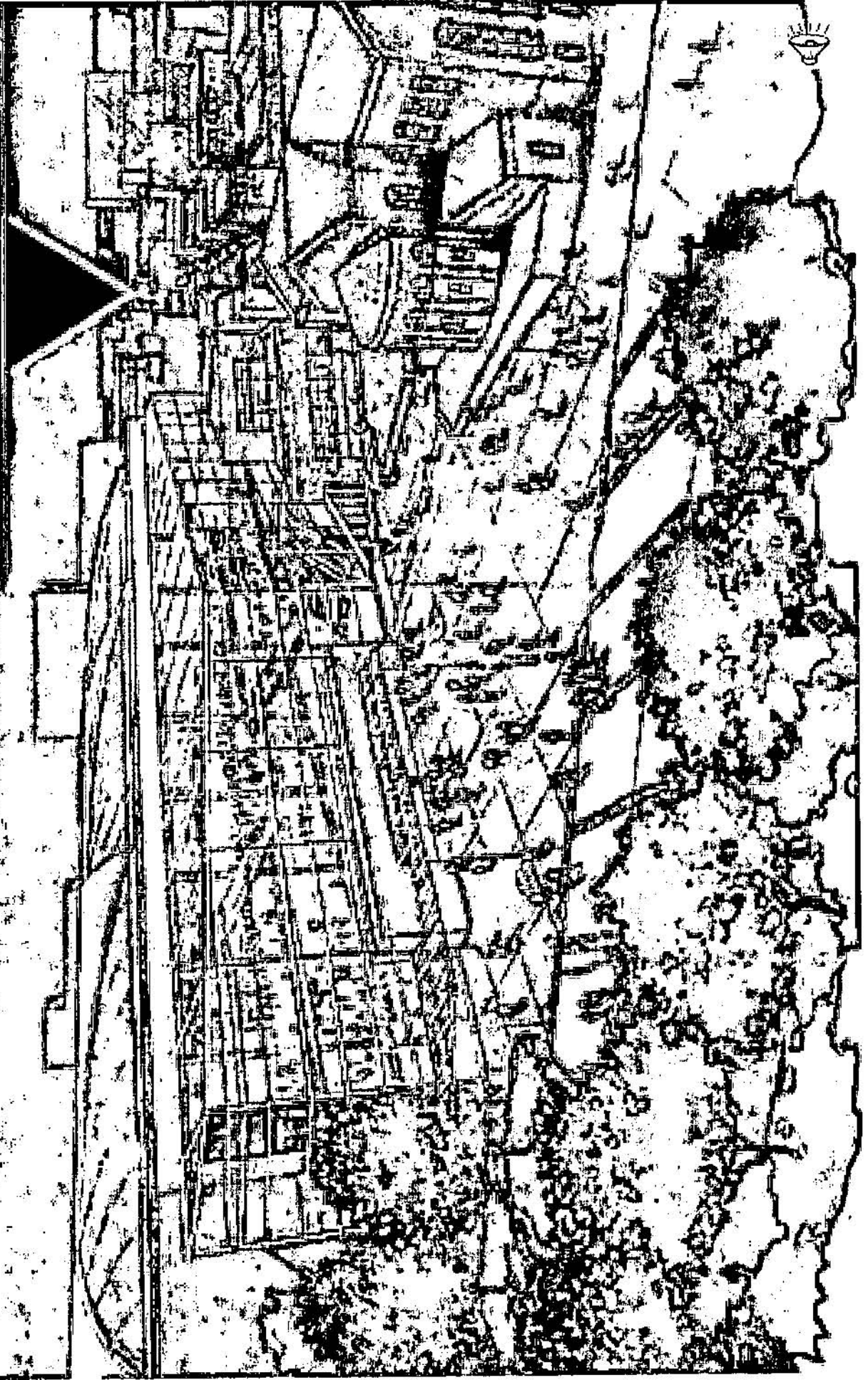
Edward Rohm

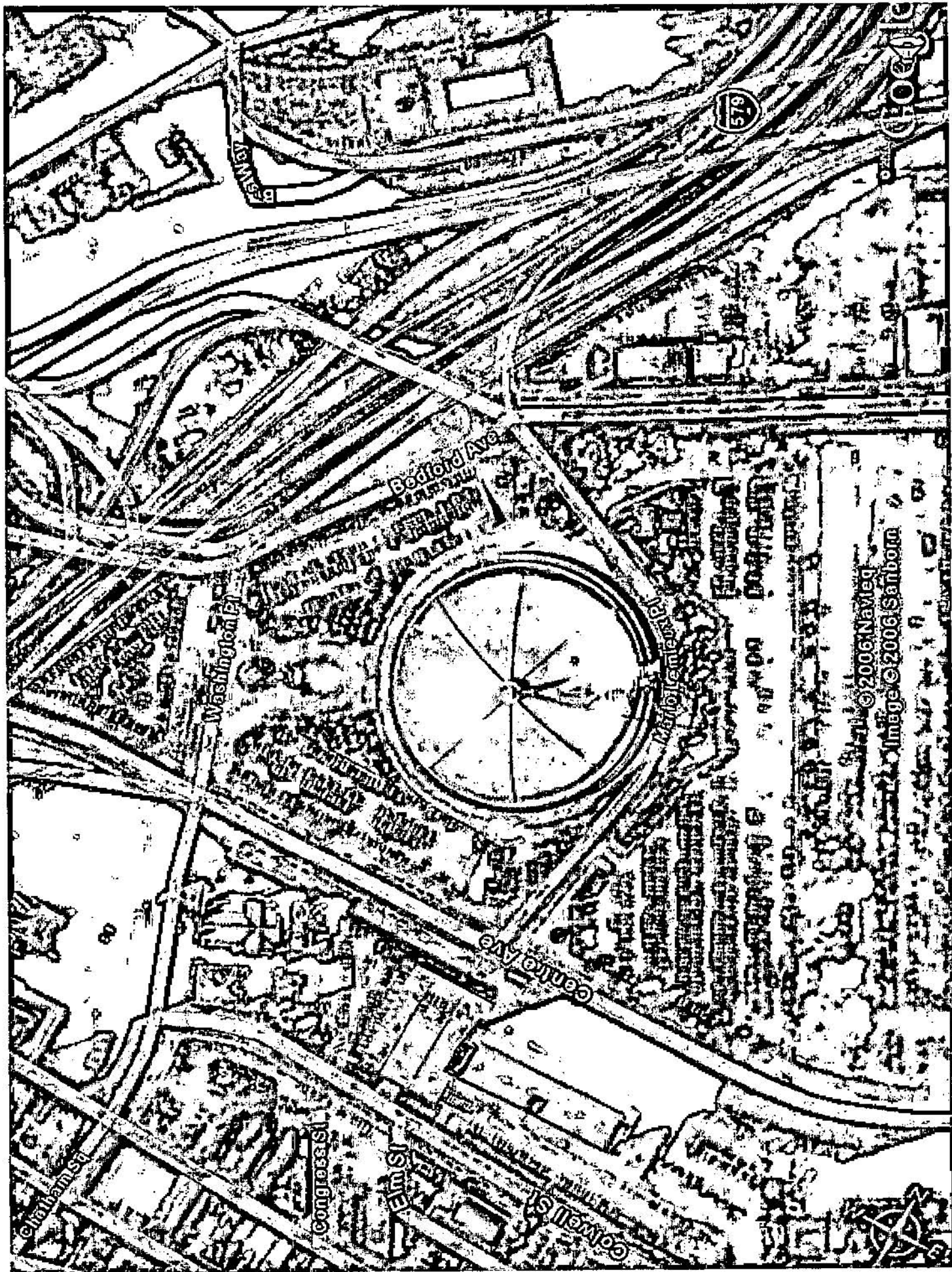


Edward Rohm



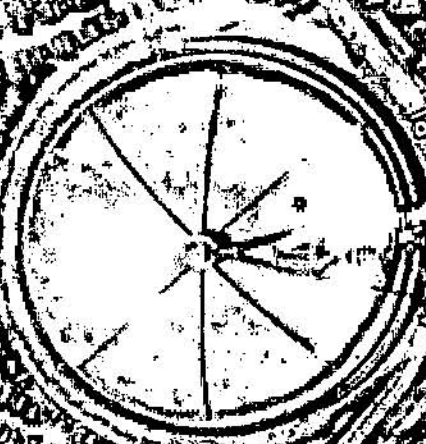
PITTSBURGH FIRST





Bedford Ave

Washington Pl



Centre Ave

Chatham St

Congress St

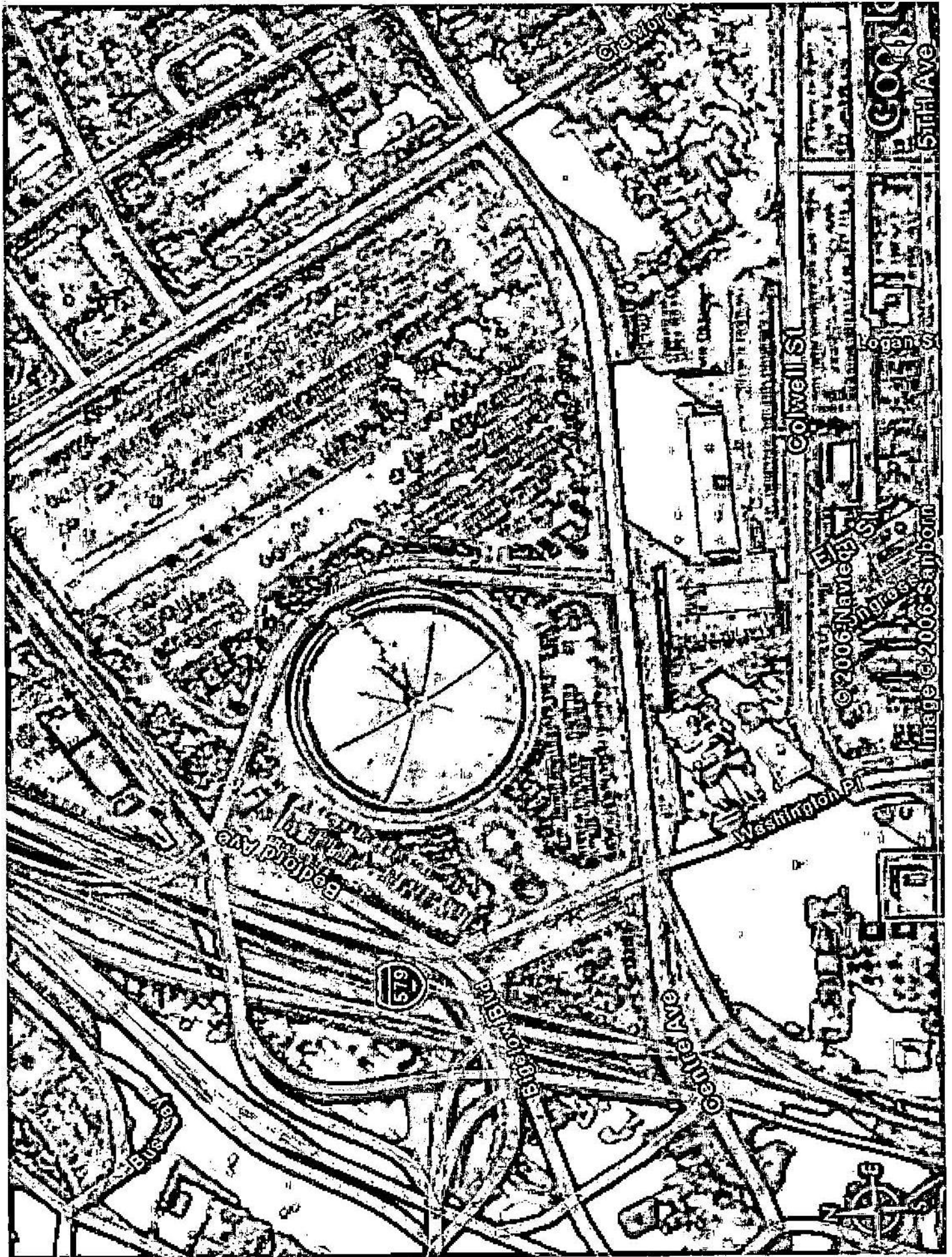
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US Hwy 100

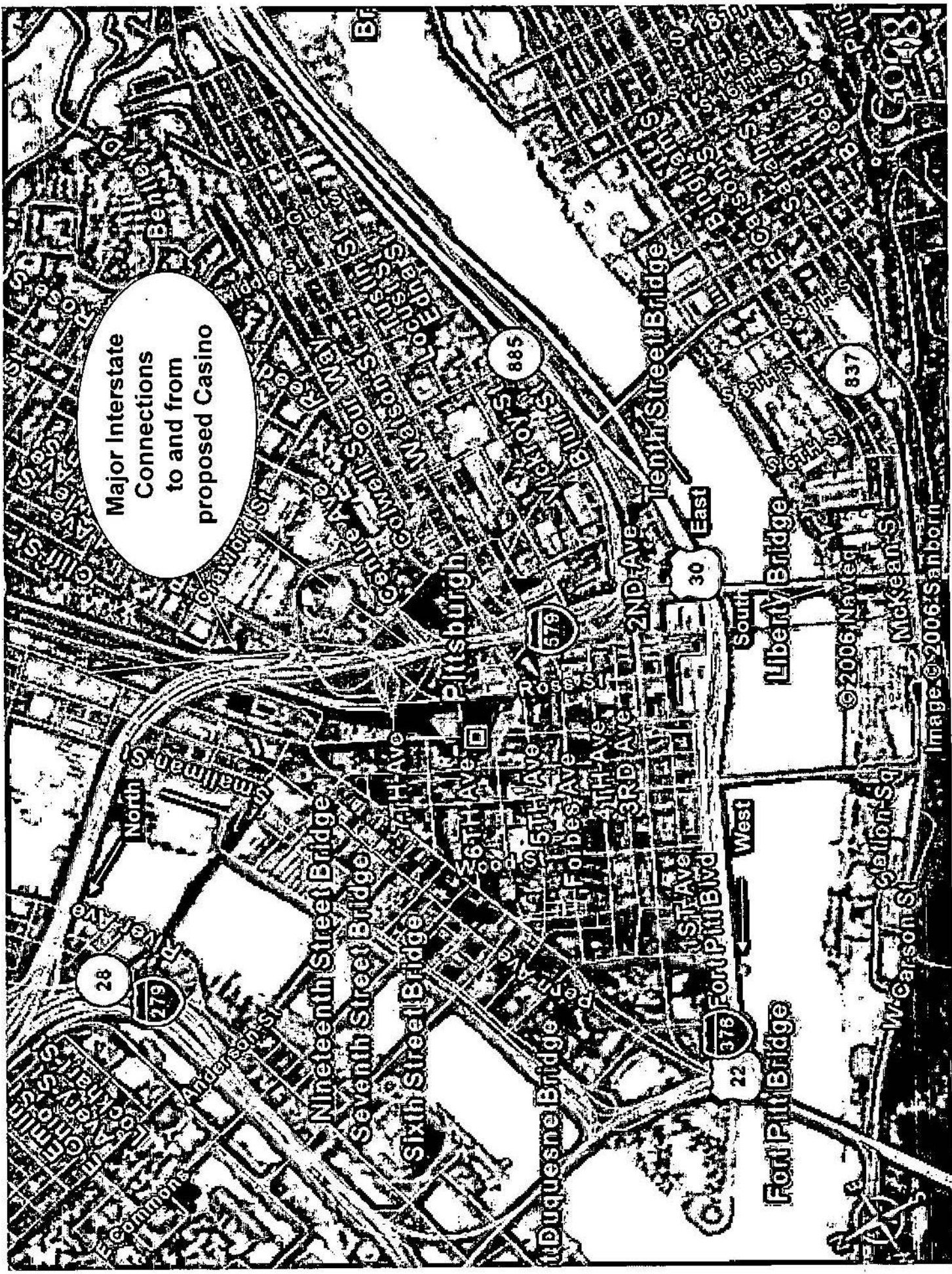
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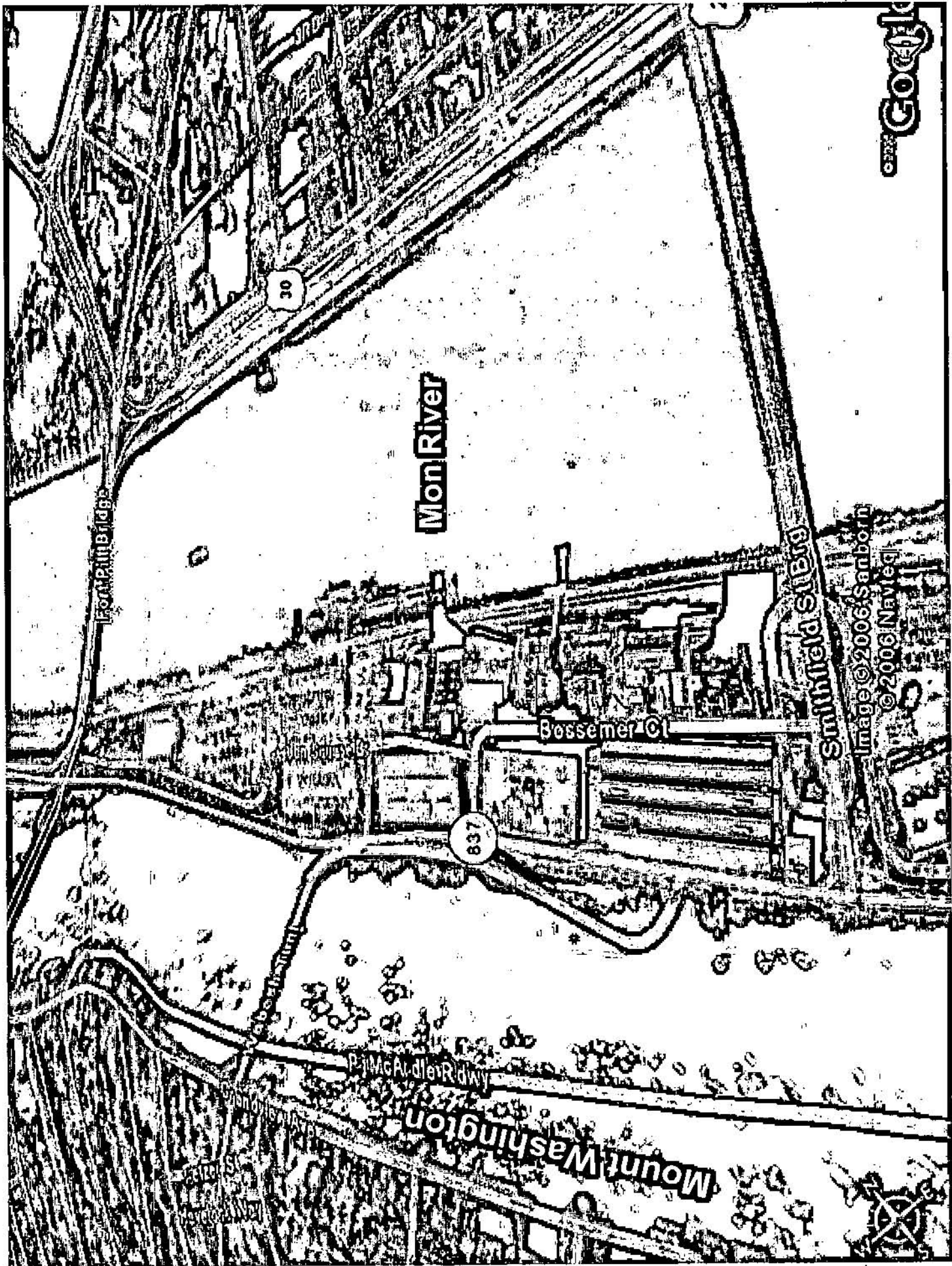
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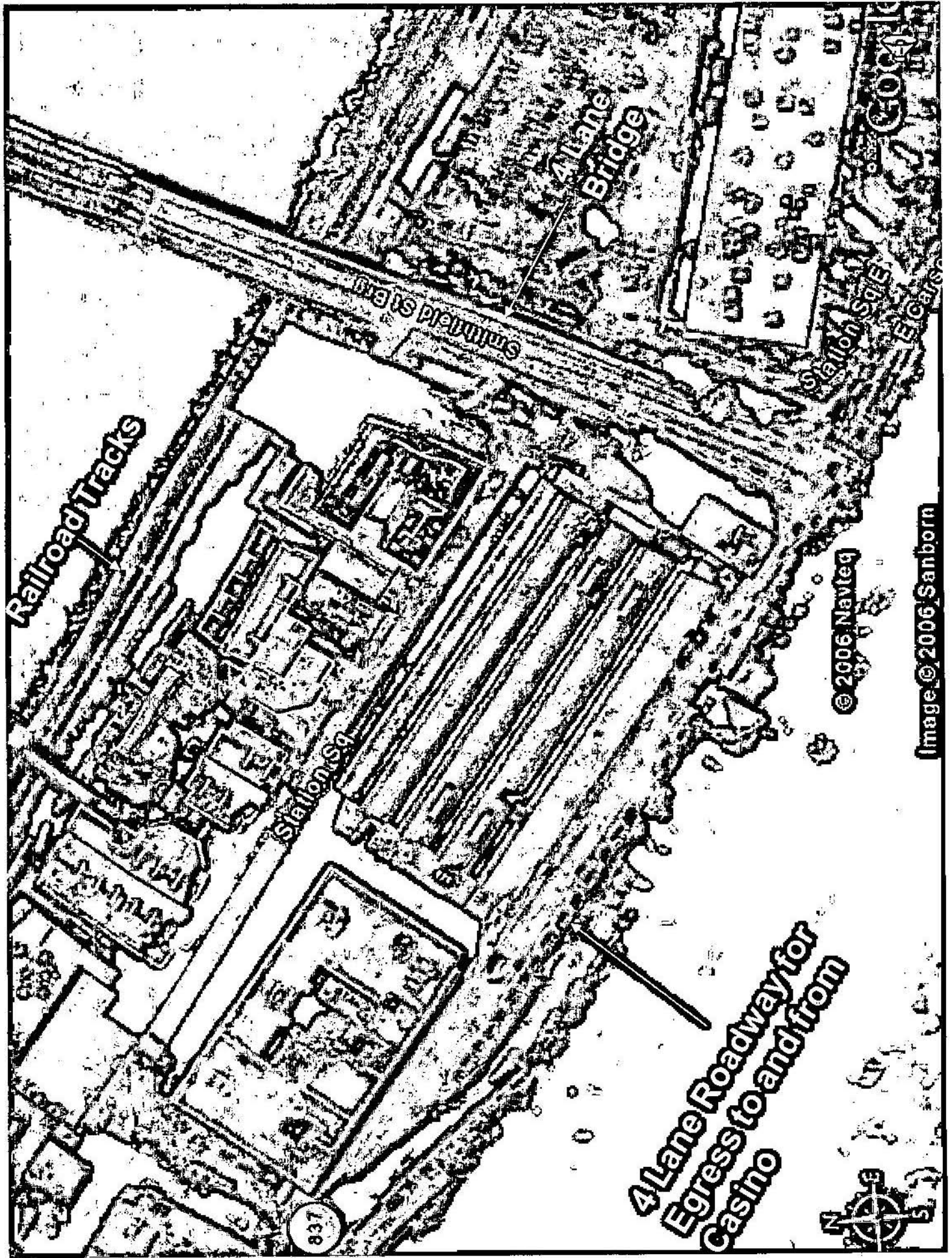
Major Interstate
Connections
to and from
proposed Casino





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Image © 2006 Sanborn

Traffic Jams occur Regularly at
intersection of Carson Street and
Smithfield Street Bridge and
at it's Worst after a Concert

Smithfield St Brg

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Image © 2006 Sanborn

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Directions to Station Square Heading West on Fort Pitt Bridge

Turn Right onto

Off Ramp

On Ramp

Off Ramp

30

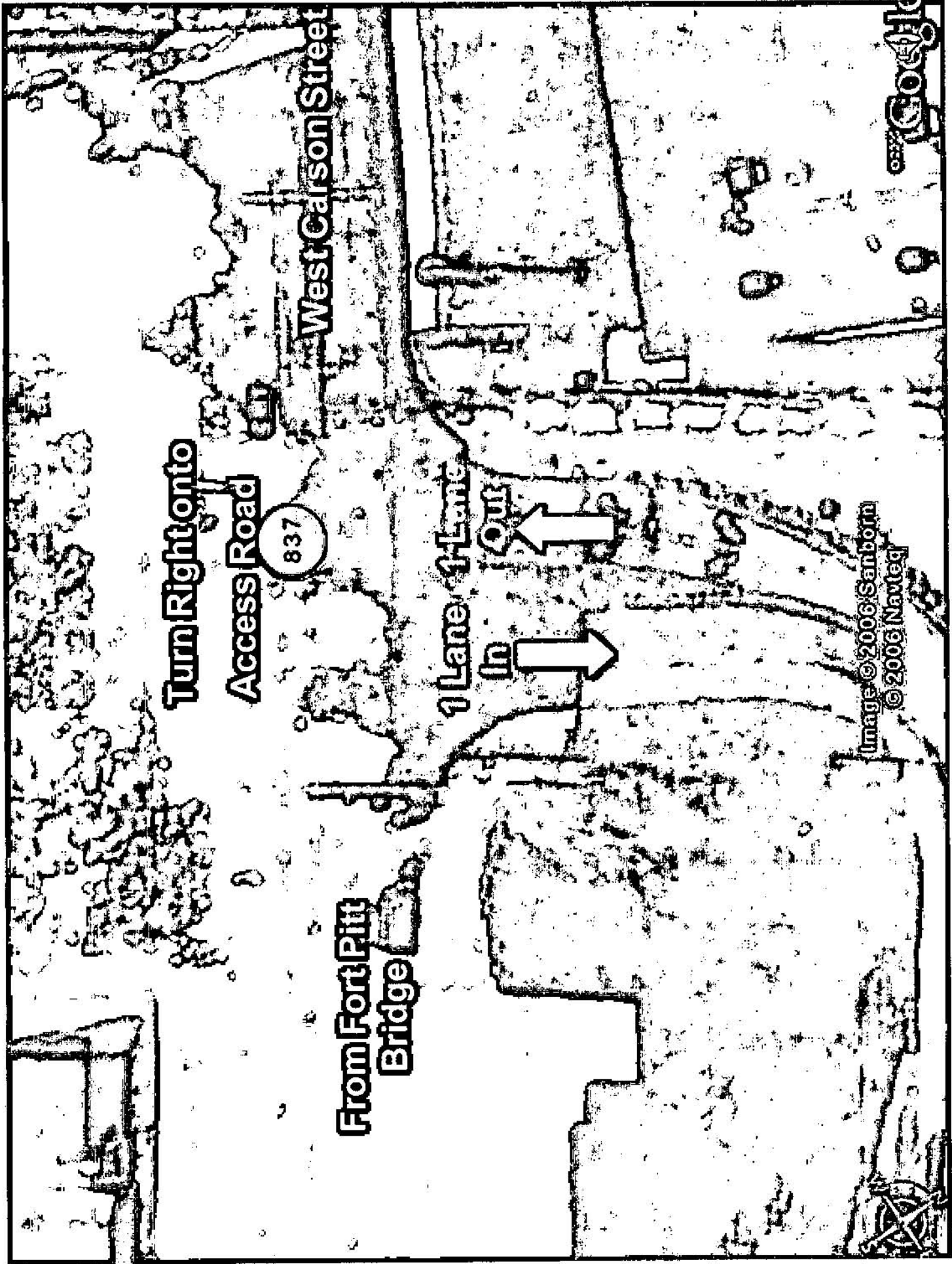
279

837

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Google





Turn Right onto

Access Road

837

West Carson Street

From Fort Pitt
Bridge

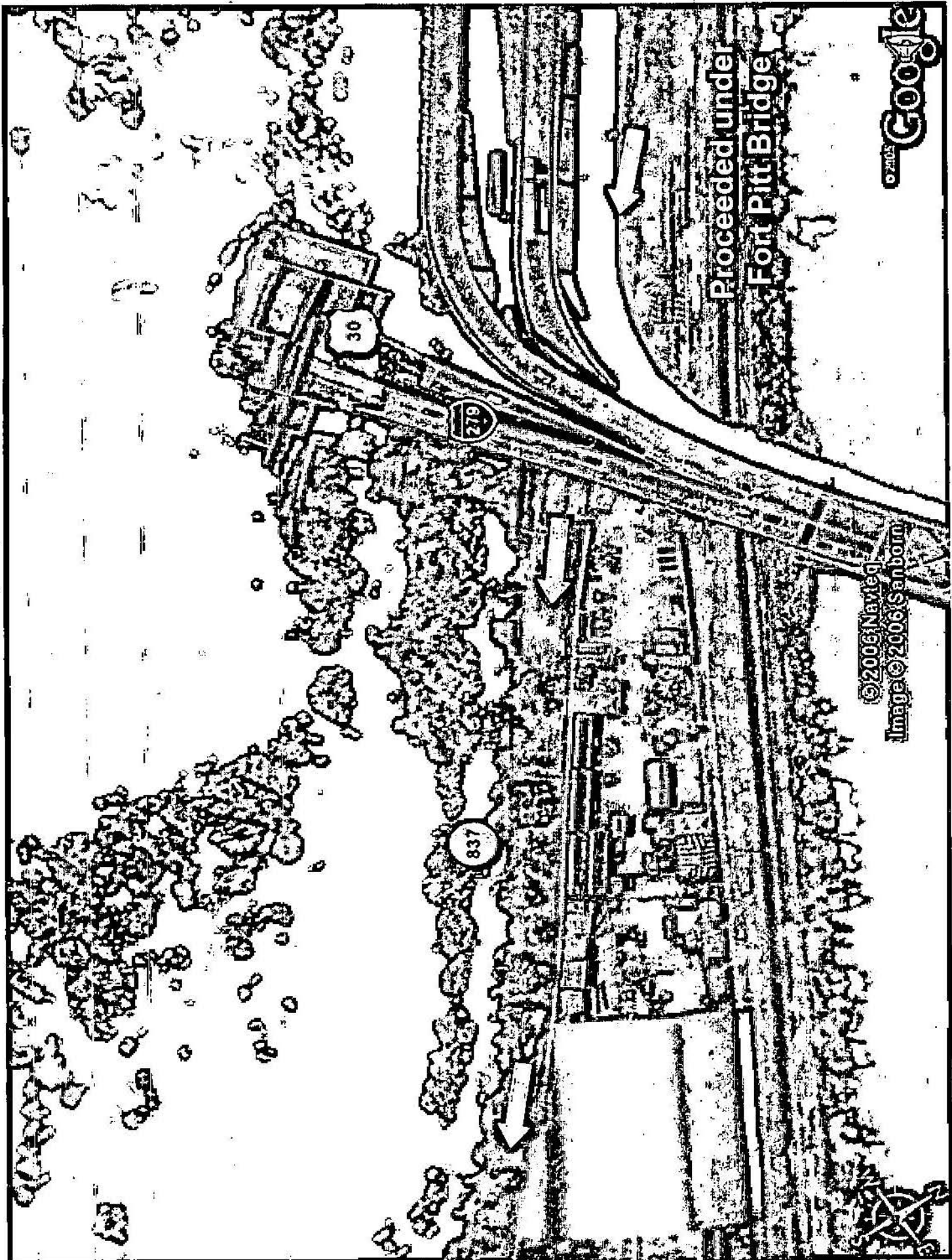
1 Lane In

Out

Image © 2006 Sanborn

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GOOGLE

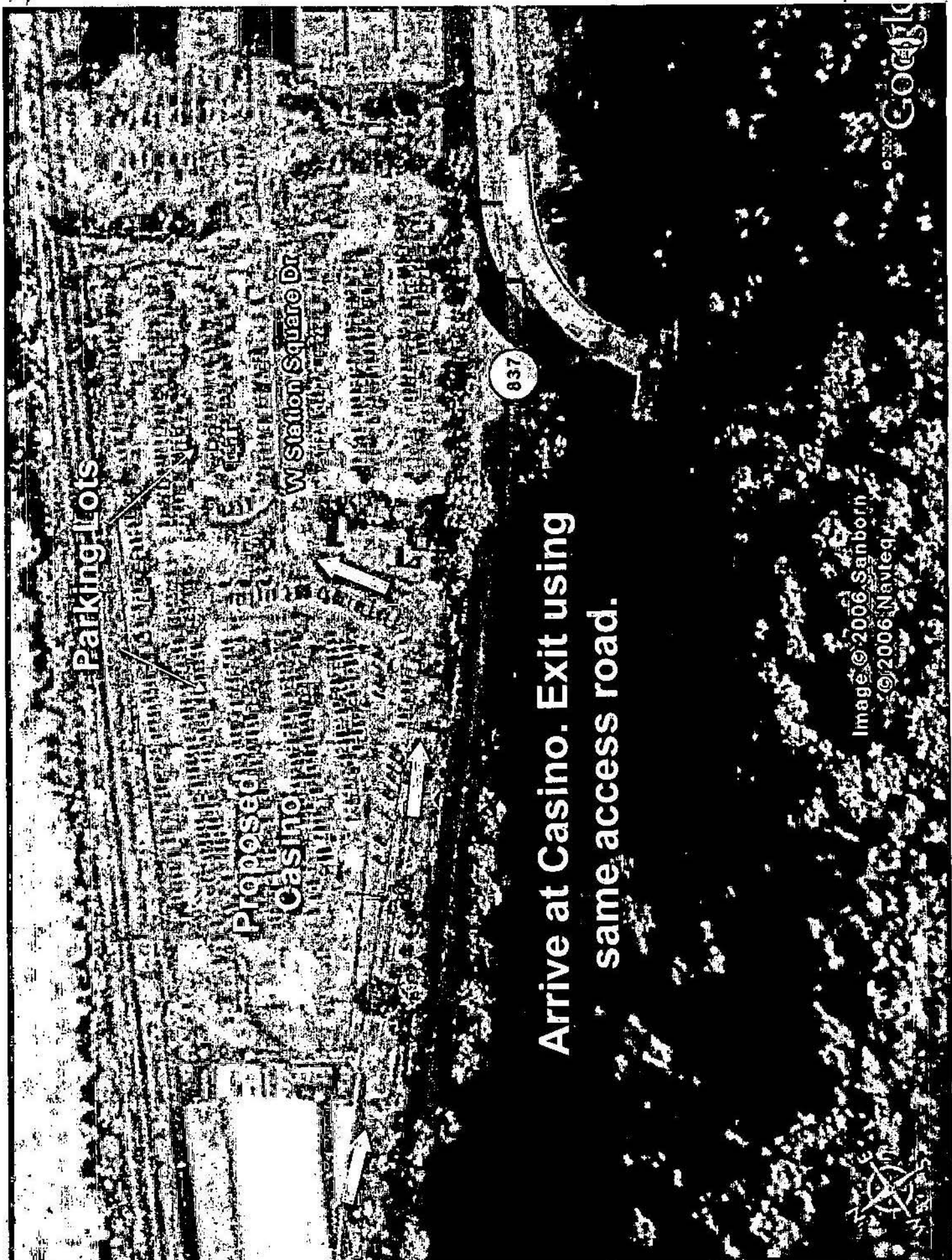


Proceeded under
Fort Pitt Bridge

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Image ©2006 Sanborn

GOOGLE





Parking Lots

Proposed Casino

W Station Square Dr

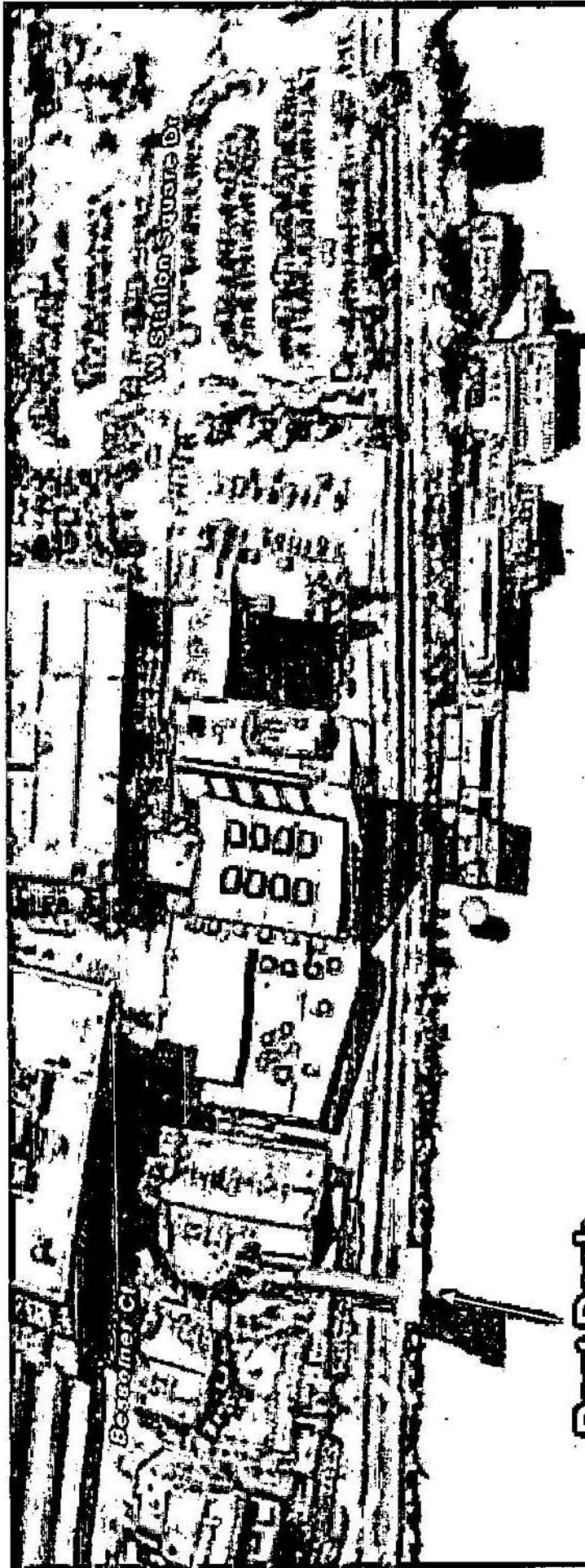
837

Arrive at Casino. Exit using same access road.



Image © 2006 Sanborn
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Google

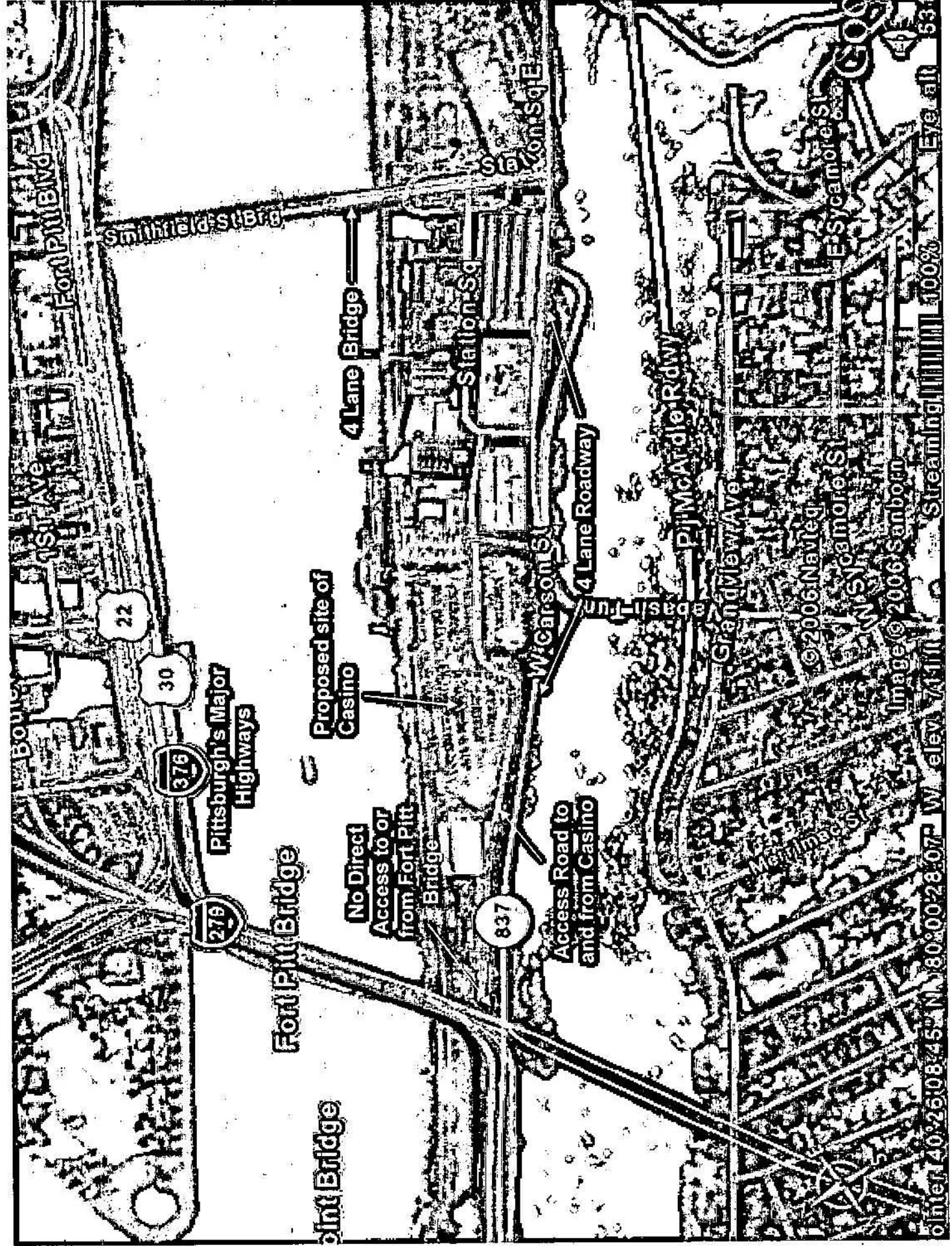


Boat Dock

Water Taxi Transportation

Image © 2006 Sanborn
© 2006 NavTeq





Inter: 40°25'08.45" N, 80°00'28.07" W elev: 741ft
Image © 2006 Sanborn
© 2006 Navteq
Streaming 100%
Eye alt 53ft

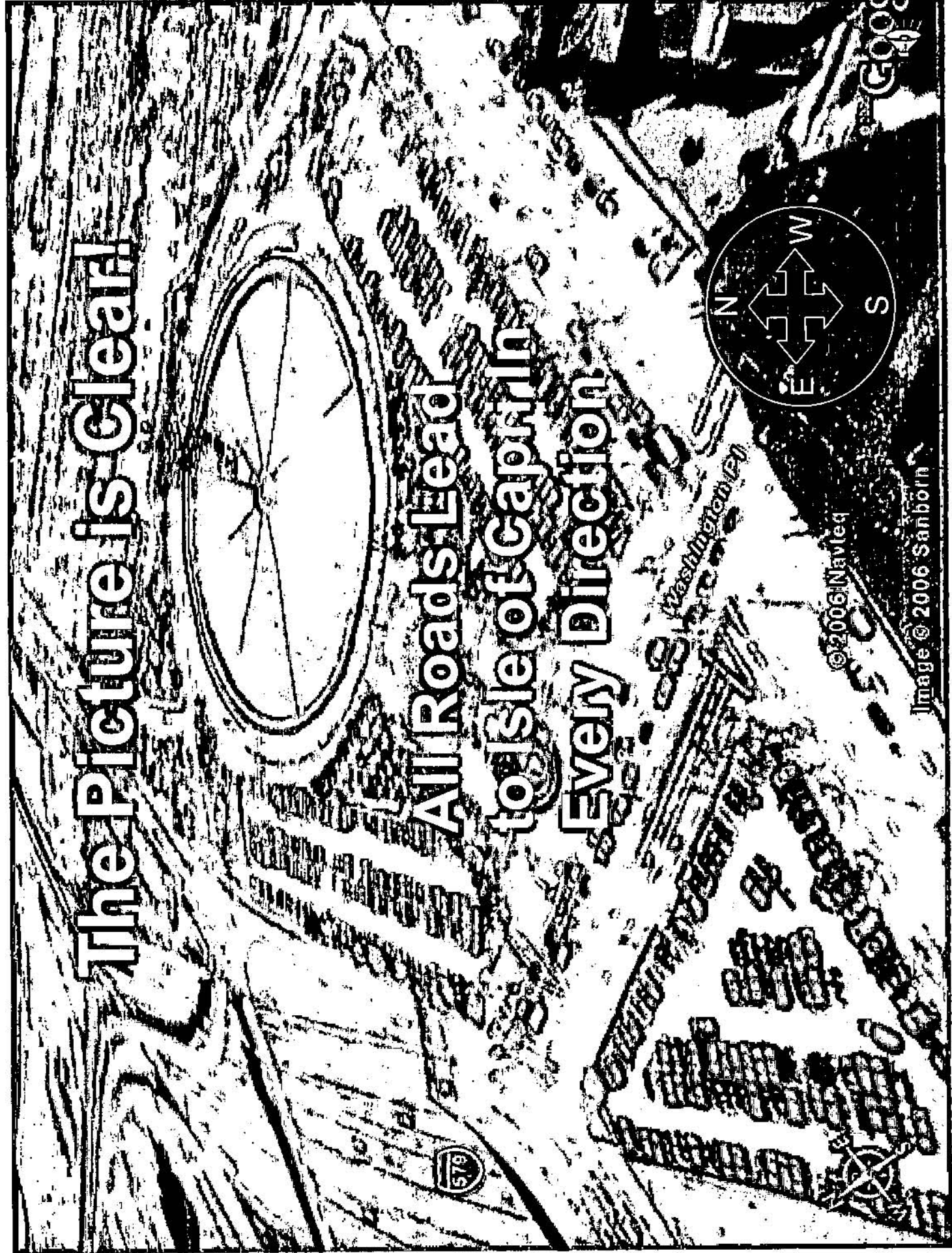
The Picture is Clear!

**All Roads Lead
to Isle of Capri in
Every Direction**



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Image © 2006 Sanborn



Pittsburgh Gaming Task Force

**Traffic Impact Analysis Critique
Prepared by
David E. Wooster and Associates, Inc.**

Pittsburgh Gaming Task Force

Traffic Impact Analysis Critique

Prepared by
David B. Wooster and Associates, Inc.

Reports Reviewed

- **The Majestic Star Casino, Pittsburgh – Transportation and Parking Assessment Final Report, December 2005 prepared by IBI Group**
- **Harrah's Station Square Casino – Transportation Analysis, December 2005 prepared by DKS Associates & GAI Consultants**
- **Pittsburgh First Master Plan – Traffic and Parking Study, December 2005 prepared by Trans Associates**

Basic Traffic Study Outline

- Collect base traffic data
- Forecast to horizon year without development to establish base condition
- Analyze base condition
- Forecast trip generation
- Estimate trip distribution
- Superimpose generated traffic on base condition
- Analyze forecasted "build" condition
- Mitigate identified impacts

Basis of Review

Trip generation and trip distribution are the most critical component of traffic studies

- **Comparison of all assumptions relative to anticipated trip generation**
- **Results of trip generation and trip distribution and their impact on study area**
- **Applicability of captured trips & modal splits**
- **Practicality of improvements**

Trip Generation Components

- **Trip Modes**

- **Automobile trips**

- **Vehicle Occupancy Rates**

- **Transit trips**

- **Other tripmaking**

- **Trip types**

- **Primary trips**

- **Pass-by trip**

- **Captured trip**

Analysis Time Periods

- Weekday AM peak hour (a.m. rush hour)
- Weekday PM peak hour (p.m. rush hour)
- Peak Event Periods
- Peak hour of site generation on a Friday
- Peak hour of site generation on a Saturday

Majestic Star Casino

- Proposed 5000 slot casino
- Daily trip generation estimated using anticipated daily person visits derived from similar facilities in Indiana (20k weekday, 30k Friday, 36k Sat. & 30k on Sun.)
- Hourly trip generation determined by applying arrival/departure rates obtained from Casino Niagara
- Modal split – 90% auto – 10% other
- Vehicle occupancy = 1.5 persons/veh. weekdays and 2.0 on weekends