



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 slots operators:

Name: FRANK D'ICICCO

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Organization, if any PHILADELPHIA CITY COUNCIL

Employer: CITY OF PHILADELPHIA

COMMENTS: (Please use reverse side if more space is required)

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

Frank D'icico

Written Comment to be Included in the
Evidentiary Record of the
Public Input Hearings

Testimony of:
Frank DiCicco
1st District Councilman – City of Philadelphia

I. Introduction

Philadelphia's First Councilmanic District represents four of the five proposed casino sites in Philadelphia. As the elected representative of this district, my staff and I have spent several weeks evaluating these proposals.

Throughout this evaluation, I have not taken a position in favor of or opposed to a specific site; however, after reviewing each site based upon specific criteria, it has become clear that some proposals are more favorable than others.

The criteria used includes:

- Site location, size and proximity to neighborhoods
- Design and operating team's experience
- Current and potential traffic patterns

Each of these criteria will have an impact on my constituents and each must be weighed equally as the Board makes its final decision. If so, I have no doubt that the Board will derive the same conclusions that I have:

1. The proposal with the least potential for negative impacts upon the surrounding communities is PNK (Pinnacle).
2. The two proposals with the largest potential for negative impacts upon the surrounding communities are Philadelphia Entertainment and Development (dba Foxwoods) and Riverwalk Casino.
3. To award licenses to two casinos along the Delaware River would have a dramatic negative impact upon all of Philadelphia's River Wards. This negative impact would be compounded the closer in proximity the winning sites are to one another.

4. Should the PNK (Pinnacle) or the HSP (Sugar House) proposals be selected, it is vital to their success and the well-being of the surrounding communities that the Girard Avenue interchange from the I-95 expressway be completed as soon as possible.

Finally, it should be noted that my testimony should be seen as an overview of community concerns. I can not express these concerns as well as the communities most directly impacted by these sites. These residents and community groups know their neighborhoods, know their quality-of-life and know their traffic patterns far better than I. To pretend that I have more knowledge would be presumptive and foolish.

I will state, however, for the record, that I support their concerns and as their City representative will do my best to make sure that those concerns are addressed.

Likewise, while I will comment generally on the design proposals, I am not an expert in urban planning or an architect. *The Daily News* and the Design Advocacy Group, however, did hold a public forum that discussed each design individually and they are intending to submit a transcript of this forum for your review. In nearly every aspect, I agreed with their comments and hope that you take them into consideration.

II. PNK (Pinnacle Entertainment)

Pinnacle Entertainment is one of the largest casino operators in the world. Their expertise and experience should provide a quality product for Philadelphians and guarantee appropriate revenue returns for both the City and the State.

Immediately prior to the slots license application due date, Pinnacle Entertainment purchased a parcel of land bounded by Beach Street, the Delaware River, Schirra Drive and a utility substation. Because the parcel was purchased and planning begun at a relatively late date, some necessary information to fully judge the proposal has not been prepared. I look forward to receiving additional supplementary information but remain disappointed that I will not have the opportunity to comment on this information to the Board.

I will state, however, that I appreciate the applicant's efforts to prepare and release the information in as timely a manner as possible.

Of the four sites located along the Delaware River, I believe this proposal will have the least impact on neighboring communities, has the most experience in operating gaming facilities and could have the least impact on local traffic patterns. PNK has not committed to any community reinvestment and I would advocate strongly for them to alter this position. Assuming PNK commits to some form of reinvestment and considering these conditions, this proposal would be acceptable.

A. Site and Surrounding Neighborhoods

The applicant's proposed site is located off the Girard Street interchange of the I-95 expressway. Fishtown will be the most directly impacted neighborhood, located immediately west of the proposed location. Other communities impacted will include

Northern Liberties to the South and Kensington and Port Richmond to the north/northwest.

Each of these communities has seen rapid residential and commercial growth in the past few years. Several former industrial sites have been converted to condominiums and apartments and hundreds of new residents have moved into these neighborhoods. Gentrification is a real concern and efforts are being made to address the needs of both homesteaders and new residents. While many see these transformations as positive, most also agree that their neighborhoods' infrastructure, city services and public safety are stretched. In addition, the rapid growth has left these communities feeling overwhelmed.

While each of these neighborhoods will be affected should this site be selected, it is important to note that the site is generally separated from these communities by the I-95 expressway and the few neighboring properties are industrial or abandoned. This separation should help buffer these neighborhoods from some of the potential negative impacts and will help ease some quality-of-life concerns. Likewise, because the proposed site is the largest of the five proposals, the design of the project has included additional buffering and separation from the communities. The size of the site also provides for sufficient opportunity to grow and expand in the future to provide additional revenue and amenities.

PNK has not yet committed to any significant community reinvestment and I would hope the developer reconsiders this position as their proposal moves forward.

B. Design and Operating Team

I have no question regarding the applicant's ability to appropriately operate a slots parlor at this location. Their track record is solid, with the largest amount of experience of any of the applicants.

Unfortunately, because the applicant began the design process later than many of their competitors, much of their design is still being developed. After my initial conversation with the developer, I admit that I was concerned about what direction the design would take. I was concerned about an inappropriate, Disney-like building that would not fit into the fabric of Philadelphia.

However, recently they have presented their preliminary designs and I have been pleasantly surprised. While I still believe that the designs have too much of an amusement park feel, I enjoy the applicant's focus on the River and their effort to provide amenities outside the realm of gaming. Currently, their plans include a movie theater, public access to the River, a skating rink, an outdoor performing venue, a marina and boardwalk-type restaurants and shops. These additional amenities will provide for additional revenue for the City and the State as well as making the project more attractive to the surrounding communities. Finally, I appreciate the re-use of a current industrial building already on-site as the temporary gaming facility rather than erecting a make-shift facility that could be an additional eyesore.

C. Traffic

Current traffic congestion at this location is relatively mild when compared to the other proposed sites along Delaware Avenue/Columbus Boulevard. However, I remain concerned that the new Girard Street interchange is several years from

completion. Until the interchange is complete, traffic traveling northbound on I-95 will exit directly onto Delaware Avenue and immediately cross two lanes of traffic to the far right-hand lane in order to access the site. This lane change creates a dangerous traffic pattern. Traffic travelling southbound on I-95 will exit and travel westbound on Girard Avenue. While vehicles should and could travel west on Girard to Frankford Avenue, many vehicles will take the first opportunity to turn left onto small residential streets in order to more quickly reach Delaware Avenue. Otherwise, traffic will then turn left on Frankford and travel to Delaware Avenue, where cars will again turn left. This pattern not only adds significant vehicular traffic to residential streets but will create increased congestion at Frankford and Delaware, which already experiences delays due to left-turns onto Delaware Avenue.

Until the Girard Avenue interchange is completed, the traffic problems that will be caused are unacceptable. I-95, one of the most important economic engines on the east coast, will see significant delays and the site's customers will have difficulties reaching the site, costing both the City and State much of the desired revenue.

While the applicant recognizes these problems, PNK has yet to complete a detailed traffic study (although a preliminary study has been completed). It has come to my attention that they have contracted with a local firm to undertake such a study, but until this detailed study is complete and recommendations made, I remain concerned.

III. HSP (Sugar House)

HSP Gaming's proposal develops an underutilized, former industrial site into a gaming facility. HSP's proposal is better than some of its competitors; however, the site's close proximity to residents, the inexperience of the operators and concerns over traffic make this proposal less than ideal.

A. Site and Surrounding Neighborhoods

The former Jack Frost Sugar refinery is a 22-acre brownfield although only 16 acres are usable. This is a relatively small site and may only be just large enough to accommodate the kind of facility proposed. Like PNK's proposal, HSP's proposal will most directly impact Fishtown to the west and will have significant impact on Northern Liberties to the southwest. Port Richmond and Kensington will also be affected.

To reiterate, each of these communities has seen rapid residential and commercial growth in the past few years. Several former industrial sites have been converted to condominiums and apartments and hundreds of new residents have moved into these neighborhoods. Gentrification is a real concern and efforts are being made to address the needs of both homesteaders and new residents. While many see these transformations as positive, most also agree that their neighborhoods' infrastructure, city services and public safety are stretched. In addition, the rapid growth has left these communities feeling overwhelmed.

While the neighborhoods affected by the proposal are similar to PNK's proposal, there is a significant difference. While I-95 buffers the majority of Fishtown and Kensington from HSP's site, there are several residential properties east of the expressway and directly across Delaware Avenue that will be negatively affected.

These residents, primarily on Allen Street, suffered tremendously when Delaware Avenue was a haven for nightclubs and cabarets. These individuals were literally prisoners in their own home, defending themselves from prostitutes, drug dealers and other criminals. Through the efforts of Senator Fumo, Representative Lederer and my office, these problems were rectified when we successfully closed several nuisance establishments. However, I fear that with the advent of a gaming facility and if appropriate measures are not taken, then these residents may suffer again from similar problems.

HSP has committed to significant community reinvestment and has agreed to participate in a special services district to help alleviate the community's future concerns.

B. Design and Operating Team

The design of the Sugar House facility is appropriate although several concerns have been raised by the large parking structure on the southern portion of the site. The applicant has permitted for significant growth in the future. Unfortunately, if and when this growth occurs, nearly all open-space on the site will be utilized, creating an extremely dense project. This lack of space is in direct contrast to PNK's proposal, which has provided for a significant buffer of open space between the development and Delaware Avenue. Again, with residential properties in such close proximity, I remain concerned about the site's impact on its immediate neighbors.

The developer has proven its ability to construct quality projects like the Niagara Fallsview Casino, Casino Niagara, and several excellent hotels and mixed use projects. In addition, the applicant operates the two casinos in Canada and their reputation is excellent.

C. Traffic

The same traffic concerns that I raised with the PNK facility also exist for HSP's proposal. Like PNK's site, current traffic congestion in and around this location are relatively mild when compared to the other two proposals. However, traffic remains a concern until the Girard Avenue interchange is complete.

Until the interchange is complete traffic travelling northbound on I-95 will exit directly onto Delaware Avenue and immediately cross two lanes of traffic to the far right-hand lane and turn right onto Beach Street. This lane change creates a dangerous situation. Traffic will then take Beach to Columbia Avenue where they will turn right to proceed back to Delaware Avenue. Traffic will turn left on Delaware to the site. Traffic travelling southbound on I-95 will exit and travel westbound on Girard Avenue. While vehicles should and could travel west on Girard to Frankford Avenue, many vehicles will take the first opportunity to turn left on small residential streets in order to more quickly reach Delaware Avenue. Otherwise, traffic will then turn left on Frankford and travel to Delaware Avenue. Prior to reaching Delaware Avenue, however, vehicles will be directed onto another neighborhood street because, by the applicant's own admission, the Frankford intersection would fail should traffic be directed to the intersection. Again, modifications to this intersection must be made in order to improve performance and utilizing small thoroughfares must be avoided.

These traffic problems will not only impact residents in the area, but will also affect the facility's ability to raise revenue for the State and City as consumers have trouble reaching their destination. In addition, the traffic congestion will have a negative impact on the I-95 expressway and other commercial enterprises in the area.

IV. Riverwalk

Planet Hollywood's proposed Riverwalk Casino is the only applicant where minorities are majority partners. I appreciate and respect the partners' efforts but believe that their proposed site is inappropriate and will be nearly impossible to manage.

Because of the impact on important historic and residential neighborhoods, my concerns about the design and operating team and severe traffic concerns, I do not believe this site is acceptable for gaming location.

A. Site and Surrounding Neighborhoods

The applicant has chosen the City's former Incinerator Site located on Penn's Landing, immediately to the north of the Ben Franklin Bridge and at the intersection of Spring Garden Street and Christopher Columbus Boulevard.

The site itself is the smallest of all proposals and leaves little room for growth, expansion or additional amenities. Both Old City and Northern Liberties will be drastically impacted should the applicant be awarded the license.

Some of the country's most sacred historical landmarks including Independence Hall, the Liberty Bell, Elfreth's Alley, Benjamin Franklin's Home, Christ Church and Burial Ground and the Betsey Ross House are located within one mile of the proposed site. In addition, the Independence Visitor's Center, the Constitution Center, the United States Mint and the soon to be complete Franklin Square are all in close proximity. Independence Hall enjoyed more than 2 million visitors last year and visitor estimates for all historic sites in the area approximates 5 million. These numbers are expected to increase over the next several years.

Old City is divided by Market Street. To the south of Market lies the City's largest entertainment district. Each night, thousands of people flood the streets and visit the hundreds of restaurants, bars and nightclubs. To the north of Market lies one of the City's wealthiest residential neighborhoods that has seen tremendous development over the past decade. This dichotomy between residential and commercial development often creates conflict that will inevitably be exasperated by the advent of a gaming facility on the community's doorstep.

Northern Liberties, like most communities in the river wards, has seen rapid residential and commercial growth in the past few years. Several former industrial sites have been converted to condominiums and apartments and hundreds of new residents have relocated to the area. Gentrification is a real concern and efforts are being made to address the needs of both homesteaders and new residents. While many see these transformations as positive, most also agree that their neighborhoods' infrastructure, city services and public safety are stretched. In addition, the rapid growth has left these communities feeling overwhelmed.

Should Riverwalk be selected, both of these neighborhoods will be negatively impacted. The casino will bring additional traffic and crime, not only affecting the residents' quality-of-life but may impact the life-blood of Philadelphia: tourism and the service industry.

Riverwalk has committed to significant community reinvestment but has not committed to participating in a special services district to help address the community's future concerns.

B. Design and Operating Team

While I respect Riverwalk's CEO's experience and expertise, I remain concerned about Planet Hollywood's team. The company has minimal experience with the gaming industry and has failed in many of its endeavors. Should Riverwalk be chosen, I wonder what would happen to the project should Planet Hollywood declare bankruptcy, once again. In addition, to my knowledge none of the local partners have experience in the gaming industry.

Of all of the proposed projects, I dislike the design of this development the most. Because of the size of the site, there is little ability for the project to grow. In addition, the development offers no additional amenities that will provide additional revenue for the City and State. The design is not unattractive but it does not provide anything spectacular at a location where spectacular is vital for continued residential and commercial growth. Instead, the facility is reminiscent of a nightclub.

C. Traffic

To date, the applicant has only filed a preliminary traffic study. I do not believe that this preliminary study satisfies the needs or problems of this proposal. Further, to my knowledge, the applicant has not solicited an additional study.

Riverwalk's proposed site is located at one of the busiest intersections in the City. Currently, the intersection of Christopher Columbus Boulevard and Spring Garden Street is already congested and, some would argue, failing. Admittedly, the applicant intends to use Spring Garden as a primary entrance to the site and significant work would be needed to improve the intersection. I do not believe that the proposed improvements will sufficiently satisfy the need at this location.

In addition, the developer has suggested installing a new traffic signal at Columbus Boulevard and Noble Street to help facilitate traffic to and from their self-park garage. It is important to note, however, that traffic would be permitted to cross Columbus Boulevard from the garage onto Noble. Noble Street is a historic and residential street, paved with cobblestones, and feeds into Front and Beach Streets, which are also residential streets. The increased traffic deriving from this configuration would ruin the historic nature of the street and have a severe impact on residents living in this proximity.

In addition to the already existing traffic problems, several large residential projects are proposed for the immediate area. These projects will add significant vehicular traffic that the applicant has not taken into account.

No doubt, the applicant will argue that the improved traffic signalization and revisions to specific intersections will alleviate the problem. I disagree with this assertion. Only by significantly widening Columbus Boulevard, Spring Garden Street and Callowhill Streets could the problem be alleviated. However, existing occupied buildings will prevent any significant and meaningful improvements.

The traffic congestion that this proposal will cause is crippling to two growing residential neighborhoods and one of the most vital commercial and tourist sectors of the City. No matter how much money is thrown at this problem, I do not believe the problems can be rectified.

V. Philadelphia Entertainment and Development (dba Foxwoods)

Several years ago, prior to the gaming legislation becoming law, Caesar's owned the option on Foxwood's parcel. At the time, I commented to the company that I could not imagine how a casino would work at this location because of traffic congestion. Couple this congestion with the impact on the surrounding neighborhoods, I do not believe that this site is acceptable as a gaming location.

A. Site and Surrounding Neighborhoods

The proposed site is located at the intersection of Reed Street and Christopher Columbus Boulevard. The parcel itself is large and could accommodate a facility as proposed. The Pennsport neighborhood is located immediately to the west of the site and will be most directly impacted. Queen Village is located a short distance to the northwest and Society Hill is located immediately north of Queen Village. Whitman is located to the southwest of the site.

While Queen Village and Society Hill residents tend to have a higher income level than some of the surrounding neighborhoods, each of these communities share similar characteristics. Primarily consisting of row homes, each neighborhood has seen rapid residential and commercial growth. As in other areas, gentrification is a real concern and efforts are being made to address the needs of both homesteaders and new residents. While many see these transformations as positive, most also agree that their neighborhoods' infrastructure, city services and public safety are stretched. In addition, the rapid growth has left these communities feeling overwhelmed.

Residents and community groups surrounding this site have organized a coalition and have been very vocal in their opposition to the proposal. Primary concerns involved public safety, various quality-of-life issues and, most prominently, traffic.

Foxwoods has not formally committed to any local community reinvestment and has not committed to participating in a special services district to help address the community's future concerns. I would strongly advocate for Foxwoods to make this commitment.

B. Design and Operating Team

Like PNK, Foxwoods also purchased their site at a late date. Unfortunately, unlike PNK, Foxwoods has been slow in providing design details. At my first meeting with the applicant, they provided preliminary designs that were very similar to Caesar's original designs that were prepared several years ago. Recently, they have provided designs that are unattractive, massive and inappropriate considering its close proximity to neighborhoods. Many have likened the design to a suburban mall on the banks of the River and in the midst of densely populated neighborhoods.

While unimpressed with the designs, I admit that Foxwoods does have experience in operating gaming facilities; however, Foxwoods is a minority owner. Their casino in Connecticut is the largest gaming facility in the world and, while there are mixed reviews on how well this site is operated, it can not be denied that they have been extremely successful. However, I do have concerns that the site in Philadelphia will be used as a "satellite." Specifically, I believe that Foxwoods may use their Philadelphia location to scout other customers and "high-rollers" for their Connecticut location. In short, they'll use Philadelphia as an advertisement for Connecticut. I would hope that no matter what

site is chosen that the facility could stand on its own. If the operator does use the location as a satellite, I believe the possible revenue derived for the City and the State will be negatively impacted.

C. Traffic

The traffic concerns surround the Foxwoods' site are the most severe of any applicant along the Delaware River. Significant commercial districts such as South Street, the Italian Market, Columbus Commons (containing Ikea, Lowes, Best Buy, Linens 'n Things, among others), a movie theater and the Wal-Mart/Home Depot strip mall all contribute significant traffic to Columbus Boulevard in the immediate vicinity of the site. In addition, the site is surrounded by densely populated neighborhoods and is a primary traffic route for the stadium district. Tractor trailers deriving from the port use the Boulevard for their primary access to I-95.

Several intersections in this vicinity are already failing or are perilously close to failing, including the I-95 northbound on-ramp at Lombard Circle, the I-676/I-95 ramp, Christian Street, Washington Avenue, the northbound I-95 off-ramp and Reed Street. With the addition of up to 28,000 vehicles per day these intersections will be taxed further and the surrounding communities will be inundated with vehicles attempting to avoid delays. This affect on my constituents' quality-of-life is unacceptable.

To the applicant's credit, they recognize the traffic concerns and are recommending a number of improvements. Further, they are the only applicant to submit a detailed traffic study to the surrounding communities and, if selected, intend to pay for the improvements. However, I do not believe that this study is adequate to truly address all of the traffic concerns. In addition, any improvements made to I-95 could not be

completed for several years, insuring that traffic concerns will remain. Even if these recommendations are feasible and are accomplished, I believe that pedestrian access to the site and, more importantly, to the river will be hampered.

If we expect gaming to create revenue for the State and for the City, then gamers must be able access the casino. I do not believe that the Foxwoods site provides adequate access and believe that revenues will be affected. This belief coupled with my concerns for residents' quality-of-life makes me conclude that this location is unacceptable.

VI. One River, Two Casinos?

The Central Delaware Riverfront has seen significant development in the past several years. From commercial development at the southern end to large-scale condominium development at the northern end, the face of the Delaware River is changing rapidly. With four of the proposed sites located on the River and the inevitability that one casino will open on its banks, the River will continue to change. However, the City and the Board are faced with a choice: to use gaming as a potential catalyst for positive growth or a blockade to future economic development.

Recently, Governor Rendell, Mayor Street, Senator Fumo and I agreed to form a non-profit corporation to help guide the changes along the Delaware River. The goal of this organization will be to maintain public access to the waterfront, to provide a guideline for future development, to resolve the growing traffic problem and to provide an outlet for public input and participation. Obviously, part of this planning must incorporate gaming, no matter what site is selected.

As the Board, you have been charged with a difficult balancing act. Not only must you choose the one best location for a gaming venue in the City, but you must choose two. As you consider these proposals, you must take into account how best to guarantee high revenue returns for the two sites, how the two sites will interact professionally with each other and how the City will be able to manage the two facilities as individual entities.

As I discuss the new waterfront plan with my constituents, policy experts and other elected officials, the discussion inevitably leads to a discussion on gaming. While

most have come to accept that one gaming license will be awarded on the Delaware River, the uncertainty of whether or not the riverfront will see two casinos is unnerving.

For example, while I admit that I believe that the HSP and PNK proposals may be able to stand on their own, I also believe that if both sites were awarded licenses, the surrounding communities would be inundated with traffic, crime and other quality-of-life concerns. No neighborhood could survive the onslaught of approximately 80,000 visitors per day without suffering severe adverse affects. I do not believe that the City's infrastructure could handle this scenario nor do I believe that the City's resources could provide adequate protection to the residents.

I also believe that two facilities in close proximity would affect the industry's revenue and the amount of taxes collected. The closer in proximity that the two sites are, the worse traffic congestion becomes. If it is difficult to access the facility, fewer customers will make the trip. Further, I believe that the two would cannibalize each other's customers and further affect revenue. If the Board were to award two licenses in such close proximity, it is my belief that gaming in Philadelphia would fail.

Likewise, I do not believe that the Delaware River corridor, as a whole, could support two gaming licenses. The four proposed sites are all located within one mile of each other. No matter what sites are selected, the concerns that I have raised for each individual site would be doubled. More traffic would travel along Columbus Boulevard/Delaware Avenue in a stretch of road that already sees significant problems. Tourist destinations and commercial corridors would be more directly affected and the City's resources would be spread thin up and down the river.

If the Board awards two licenses along the Delaware River, gaming in Philadelphia would become an impediment to future development rather than a catalyst. The City and the State would lose a huge opportunity in creating a truly world-class municipality and the revenue projections for the gaming entities in Philadelphia would fall short.

This scenario is unacceptable.

