



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:

Tom PETER

Address:

Telephone:

Organization, if any:

Pittsburgh Gaming Taskforce

Employer:

RDP Consulting Services

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

My name is Ronald D. Porter. For the past fourteen months I have served as the co-chair of the Pittsburgh Gaming Task Force. During the past year our members have labored to identify specific community challenges and opportunities that could result from the presence of the full scale casino within the city limits of Pittsburgh. The following recommendations are being submitted to be included in the public record (detailed copies are submitted for Commission review):

- ⇒ A casino operator should be mandated to provide funding to support agencies and institutions with the expertise to mitigate the effects of gaming addiction. This includes support for non-profit institutions with the capacity to serve individuals within the communities they reside.
- ⇒ The successful casino operator should provide childcare services for their employees. Many of the newly employed workers may be joining the workforce without the benefit of resources to secure high quality child care that is available on a daylong basis.
- ⇒ We encourage the successful casino operator to institute a self-exclusion program that encourages individuals to self identify as problem gamblers. Once identified, these individuals are not admitted into the casino.
- ⇒ There should be a structured process for preparing Pittsburgh region law enforcement officials to address casino related crimes. Costs associated with the research and training should be borne by the casino owner.
- ⇒ The successful bidder should participate in the Pennsylvania Liquor Control Boards Responsible Alcohol Management Program (RAMP). This program enhances the skill of the operator in (1) detecting signs of impairment and intoxication, (2) identifying underage individuals, (3) detecting false identification, and (4) helping to reduce alcohol related problems.
- ⇒ The Department of Public Health should launch marketing efforts emphasizing the problems/pitfalls associated with gambling. This department must also track any increases in public health challenges that can be related to the gaming industry. This can include domestic abuse, suicide, and pathological gambling.

The gaming industry will be a major source of employment. Once the casino becomes operational, the casino hierarchy will become (1) a major community employer, (2) an economic force, and (3) a potential influencer of political and economic development decisions. The Task Force understands that potential casino operators have identified potential providers of training services. We strongly recommend that

- ⇒ The casino operator will provide funding and other resources to assure the recruitment process provides optimum opportunity for historically excluded populations to gain access to full time employment. We understand that some

exclusions related to criminal history records must be present, but we encourage the establishment of guidelines that make reasonable allowances for past behaviors and acts that do not impact an individual's capacity to be a meaningful contributor to the success of the casino operator.

- ⇒ The casino operator will make full use of the Pittsburgh Allegheny County CareerLink System. It is also recommended that the casino operator financially supports the Pittsburgh Partnership.
- ⇒ Casino hiring must reflect, at a minimum, hiring guidelines that assure minority candidates are hired in proportion to their presence within the region.
- ⇒ Mechanisms must be put in place that continually monitors the casino operator's commitment to equal employment and inclusion, particularly within the professional and management ranks.

Social Impact Committee (Mike English, Rev. David Gleason, Gregory Morris)

By utilizing extensive research on the social problems associated with legalized gambling, projecting the impact a casino will have on the City of Pittsburgh, and meeting with local organizations that will be impacted by an increase in local social problems, the Social Impact Committee has sought to understand the social issues our region may face.

The most direct social problem created by a casino is gambling addiction. The National Council on Problem Gambling defines problem gambling as "gambling behavior patterns that compromise, disrupt or damage personal, family or vocational pursuits." A person with a gambling addiction will become preoccupied with gambling, feel restless and irritable when attempting to quit gambling, and will bet more the more he or she loses. The consequences of a gambling addiction can affect a person financially and legally, and can disrupt a person's career, family, and can even lead to suicide.

More than 70% of US adults report gambling at least once in the past year. Most adults are able to gamble responsibly. However, in a given year, approximately 0.9% of U.S. adults (3 million) meet criteria for pathological gambling. Another 2.0% have less significant, but still serious problems with their gambling and are known as problem gamblers. The following table estimates the number of existing problem and pathological gamblers in Allegheny County:

City of Pittsburgh	%	Allegheny County Adult Population	Number
Pathological Gamblers	0.9%	950,886	8,557
Problem Gamblers	2.0%	950,886	19,017
Total	2.9%	950,886	27,574

The number of the estimated 27,574 probable problem and pathological gamblers that have yet to experience problems because of a gambling addiction is impossible to estimate. Therefore the Social Impact Committee does not predict the number of new problem and pathological gamblers that will emerge when a casino is built in Pittsburgh. Instead, we utilize research and conversations with local residents in order to isolate the most likely social problems our community will experience and make recommendations on how best to address these concerns.

Concerns/Recommendations

Concern 1: Much of the potential impact of a casino is unknown.

Recommendation 1: The Casino Operator, City of Pittsburgh, and State Gaming Commission should work together to implement a system to monitor the effects of casinos on Pittsburgh's neighborhoods and residents and publish this information to the public.

Concern 2: Although crime rate data from New Orleans and Detroit does not show that overall crime rates have increased, the number of net crimes in the area where the casino is located is likely to increase without an appropriate police presence.

Recommendation 2: The City of Pittsburgh Police Department should develop a strategy to confront any increase in crime associated with a casino—including specialized training in casino-related crimes. This strategy should incorporate input from community groups and the Casino Operator and form the basis for a continued working partnership. We recommend that the necessary costs be borne by the Casino Operator rather than the City of Pittsburgh.

Concern 3: A 24-hour casino staffed by local residents could leave many children home alone.

Recommendation 3: The casino operator should be encouraged to fund childcare services for their employees.

Concern 4: Studies by the National Research Council indicate that there is a correlation between pathological gambling and domestic abuse. Research also indicates a possible correlation between pathological gambling and suicide.

Recommendation 4: The Department of Public Health must monitor the impact of the casino on these social problems and work with local social service agencies and nonprofit organizations to ensure that there is adequate funding to handle increased caseload.

Concern 5: Adequate treatment facilities do not exist in Pittsburgh to treat gambling addiction.

Recommendation 5: Encourage casino operator to provide funding to drug and alcohol treatment facilities if they become qualified to also treat gambling addiction.

Concern 6: The introduction of a casino to the Pittsburgh area could cause many new gambling addictions.

Recommendation 6(a): Encourage casinos to offer a self-exclusion program. According to Gamblers Anonymous, self-exclusion is a practice whereby addicted or problem gamblers can register with casinos or casino companies giving those casinos the authority and obligation to bar those gamblers from the gaming facility. Breaking the self-exclusion rules can lead to legal ramifications both for the gaming establishment and for the individual.

Given experiences in Missouri, the gamblers that violate their own self-exclusion are caught most often when they win a large sum that requires them to present identification to collect the winnings. We recommend that when this occurs, the winnings be directed to a local gambling treatment center.

Many casinos develop the capacity for a more effective self-exclusion program with 'rewards programs.' For example, in order to enter the Harrah's riverboat casino in Kansas City, the patron must display a rewards card and a driver's license (first time patrons must go to the "Total Rewards Desk" and enroll). The rewards card is intended to reward frequent gamblers with free meals and merchandise. The more the player gambles, the more rewards are earned. The following is an excerpt from the Harrah's website that explains how the system works:

Your first card-in of the day lets the system know you're here. When you begin play, you'll see a countdown meter displaying the number of Base Reward Credits you're earning during that session. For the rest of the day you will see your updated Tier Credits and Account Balance each time you insert your card. You will also see your daily Base and Bonus Reward Credit values.

This type of system seems a promising way to implement the necessary technology for a self-exclusion program.

Recommendation 6(b): In addition, we recommend that if a casino does establish a rewards program, they should be required to send monthly gambling activity reports to participants in the program.

Concern 7: Alcohol abuse and underage drinking are often associated with casinos.

Recommendation 7(a): Require Casino Operator to abide by the Pennsylvania Liquor Control Board's Responsible Alcohol Management Program in order to:

- Detect signs of impairment and intoxication, and effectively cut off service to a customer who has had too much to drink
- Identify underage individuals, and deter minors from coming into the establishment in the first place
- Detect counterfeit, and borrowed identification
- Help reduce alcohol-related problems (underage drinking, vehicle crashes, fights, etc) in the community

R.A.M.P. is a voluntary certification program that provides certification for two years. In order to comply, trainees must complete all five parts of the program, which include: Owner/Manager Training, Server/Seller Training, New Employee Orientation, Signage, and a Compliance Visit by a representative from the Board.

Recommendation 7(b): Prohibit Casino from "comping" alcoholic beverages to patrons.

Concern 8: Catastrophic short-term gambling losses can strand individuals and lead to unnecessary petty crime.

Recommendation 8: Casino Operator should establish a "traveler's aid" program to aid those that experience catastrophic short-term gambling losses and therefore need assistance to get home.

Concern 9: Local nonprofit and social service agencies could become overextended by increased demand for services.

Recommendation 9: The Pittsburgh community must anticipate the need for increased funding of certain nonprofit organizations in the Pittsburgh area.

Concern 10: State sanctioned legalized gambling can diminish young people's perception of gambling risks.

Recommendation 10: The Department of Public Health should launch marketing efforts emphasizing the problems/pitfalls associated with gambling.

Ron Porter
Pittsburgh Gaming Task Force
April 19, 2006
Pittsburgh, PA Hearing
EXHIBIT #2

The Employment Committee is suggesting that the criteria for employment should read as follows:

A Casino Operator will be a good community partner to guarantee the creation of an applicant pool of qualified City residents who will be hired, and retained in positions throughout the gaming industry. The operator must have a realistic recruitment campaign, effectively addressing pre-employment barriers and issues, and providing ongoing retention services. The Casino Operator will fund the recruitment campaign for City residents that will screen and address pre-employment barriers, including but not limited to background investigations, credit, drug/alcohol barriers, and the application process and interviewing skills. The Casino Operator will also offer retention workshops to employees. The Pittsburgh Allegheny County CareerLink system will be the first source for recruitment and placement for all Casino positions in Pittsburgh.

The Pittsburgh Partnership in conjunction with the Pittsburgh Allegheny County CareerLink will be available to provide the above services if funded by the Casino Operator.

CareerLink offers a no cost job match system for employers and job seekers. Employers place a job order for open positions and job seekers have the ability to respond/apply on-line. Employers then can screen candidates/resumes for potential employees.

City of Pittsburgh



Pennsylvania

OFFICE OF THE
CITY CONTROLLER
ANTHONY J. POKORA
DEPUTY CONTROLLER

Tad Decker, Chairman
Pennsylvania Gaming Commission Board
PO Box 69060
Harrisburg PA 17106 - 9060

March 9, 2006

Dear Mr. Decker,

One of the greatest challenges the City of Pittsburgh faces is building a new arena.

As acting City Controller, I'm urging you and the other Gaming Board members to seriously consider funding for a new arena as a criteria for a successful Pittsburgh slots casino license bid.

A modern arena would cost an estimated \$300M. That translates into a 20-year, \$22M bond issue, one that we cannot afford. We need a partner. A new arena would ensure that the Pittsburgh Penguins would remain in town. The team attracts 700,000 people every year, and is a vital draw to our downtown economy. The Penguins also generate \$3.5M in much needed tax revenues annually for the City.

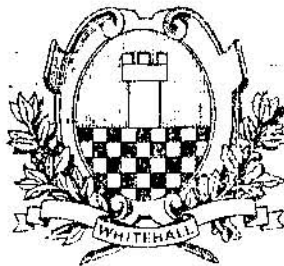
The primary purpose of slots is to generate revenue to reduce property taxes. We believe each proposal will generate a fairly equal amount of state tax monies. A secondary purpose is the applicant's contribution to the local economy. The most crucial way to meaningfully contribute to Pittsburgh is to help fund a new arena facility.

I appreciate the difficult decision you have to make and I hope you will give this concern some serious consideration. If I can ever be of any service to you, please don't hesitate to contact me or call at Best wishes for the future.

Personal regards,

A handwritten signature in black ink that reads "Tony".

Anthony J. Pokora
Deputy City Controller



Borough of Whitehall

A HOME RULE COMMUNITY

FOUNDED 1948

March 31, 2006

Tad Decker, Chairman
Pennsylvania Gaming Control Board
P. O. Box 69060
Harrisburg, Pennsylvania 17106-9060

Dear Mr. Decker

The success of the Pittsburgh Steelers Football Team and their "Steeler Nation" has demonstrated, in spectacular fashion, the value of a major sports franchise to a city, region and state. Consequently, when a city, region and state have a major sports franchise, in whatever sport, they must work together to keep it from relocating to one of the many parts of the country where it would be welcomed by the government officials there with lucrative economic incentives.

As you know, the City of Pittsburgh, the Greater Pittsburgh Area and the Commonwealth of Pennsylvania are in danger of losing the Pittsburgh Penguins hockey franchise to another part of the country. There are no government officials who are in a better position to stop the Pittsburgh Penguins from leaving the Commonwealth than the Pennsylvania Gaming Control Board (PGCB). As the Mayor of the Borough of Whitehall, a suburb of the City of Pittsburgh, I am urging the PGCB to exercise its power to grant a casino license to an applicant that will provide substantial funding to build a new arena for the Pittsburgh Penguins. In doing so, the PGCB will not only benefit the Penguins and their supporters, but it will also benefit those individuals and families who attend the circus, ice shows, rock concerts, and all of the forms of entertainment which require a large indoor arena.

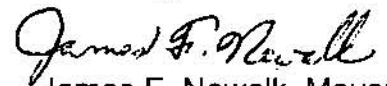
It cannot be stated enough that Mellon Arena (where the Pittsburgh Penguins play) at 45 years old and the oldest arena in the National Hockey League, needs to be replaced. The renovations to Mellon Arena which occurred in 1997 were only intended to last for ten years. This means that, in 2007, a year in which major renovations will be needed to Mellon Arena, its lease will expire with its biggest tenant, the Penguins, making it much more difficult to pay for the capital improvements which must be made. The last thing that the City of Pittsburgh needs, as it works to achieve a stronger economy, is a huge, old, deteriorating structure with insufficient revenue to keep it

operating, let alone to make the essential repairs. Additionally, the loss of revenues attendant to each major entertainment attraction that would simply not come to Pittsburgh or go elsewhere including amusement and parking tax revenues, would be significant.

The City and County are not in a position to put massive amounts of public money into building a new arena. Why should they when there is at least one applicant for a slot license who is willing to do it for both municipalities using private money and two other applicants who are capable of doing the same?

The elected officials of Whitehall Borough were never enamored with the notion that gambling revenues are an appropriate replacement for local real estate taxes to fund education. Now that gambling is here, why not use it to create the greatest public good that residents of Western Pennsylvania can actually see as a benefit? As a local elected official, I would urge you to grant a casino license only to an applicant who will invest in an arena to replace Mellon Arena.

Sincerely,



James F. Nowalk, Mayor
of the Borough of Whitehall

cc: The Honorable Edward G. Rendell, Governor
The Honorable Daniel Onorato, County Executive
The Honorable Robert O'Connor, Mayor



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: Kevin Joyce

Address:

Telephone

Organization, if any: The Pennsylvania Restaurant Association A.C.

Employer: Kevin Joyce Restaurants DBA The Casino

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

Comments: Page 2 (continued)

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





Purveyors of Fine Meat and Fish

May 31, 2006

Tad Decker
Office of the Clerk
Pennsylvania Gaming Control Board
PO Box 69060
Harrisburg, PA 17106

Dear Tad:

As a follow up to my testimony in Pittsburgh, and our conversations in Harrisburg, I want to leave you with some parting thoughts. I have many different perspectives and I will attempt to make sure that I separate my personal thoughts as the owner of a The Carlton Restaurant from my perspective as President of the Pennsylvania Restaurant Association, as a representative of the Western Chapter of that association, as a member of the Governor's Travel & Tourism Advisory Commission, the Pittsburgh Downtown Partnership, the Greater Pittsburgh Convention & Visitor's Bureau, the Allegheny Conference or the Southwestern Pennsylvania Convention Center Design Commission.

As the owner of a downtown restaurant – and as a representative of the Western Chapter of the Pennsylvania Restaurant Association, it is hard to overstate the importance of keeping professional Hockey in Pittsburgh. Every home hockey game fills downtown restaurants and bars with folks having pre game dinner or cocktails. Hockey and dining fit together very nicely and the Pittsburgh Penguins 7:35PM starting time allows folks to enjoy a business dinner prior to the start of the game! We all felt the enormous negative impact during the year the NHL did not play and would hate to see that situation permanent.

As the former leader of Citizens for a Positive Future – the private group was formed to secure the public funding of PNC Park, Heinz Field and the David Lawrence Convention Center, I witnessed first hand the deep divisions that were caused in this region with the discussion of any publicly financed facility. The Pittsburgh Penguins are a major part of the fabric of our community. To have an opportunity to secure the Penguins future and have a new facility for concerts and other events without a penny of tax dollars is an opportunity that this struggling region simply cannot pass up! Any plan that involves public dollars will further divide our citizens while taking a very real risk of losing our hockey team – a major Travel & Tourism generator in this region.

As the President of the Pennsylvania Restaurant Association and a representative of the Western Chapter I also spoke about my industry's very real fear of the adverse impact of gaming. We mentioned that many areas that have opened casinos have seen major decreases in restaurant traffic and asked that your Board provide a mechanism for "doing it right" in Pennsylvania. Limiting the square footage for foodservice, not allowing complimentary food & beverage as an enticement to gamble and ensuring that products were "market priced" and not "loss leader" priced would all be great places to start! Having local restaurateurs involved in the food service would be "icing on the cake."

Since my comments before your Board, I was approached by both Don Barden's group as well as the Isle of Capri to meet to further discuss their plans for Food and Beverage Service inside their casinos. I appreciated the fact that both groups took our testimony seriously and initiated the meetings. Don Barden proposes to offer local restaurateurs the opportunity to have venues inside their casino. Despite the fact that Majestic operates many restaurants in their other venues – they have offered to do only the “buffet” in house and have suggested that the other venues could be a mix of local operators. They responded to comments concerning too much food service in their plans by promising to phase in some of their foodservice. They claim to have a great desire to see each venue successful and do not want to overload the casino with operations that are each just moderately busy. They have promised to operate their buffet at Market Prices. They genuinely seem interested in working closely with existing venues for cross promotion and noted that the increased downtown hotel occupancy with gaming will help all existing businesses. It is hard to review Majestic's plans without being impressed. The Riverfront architecture is a perfect compliment to the Rafael Vinoly designed Convention Center up the river, and Don Barden and his folks exhibited a serious intent to become real community partners.

The meeting with Isle of Capri was also informative. While they insist on control of their food service operations to insure “quality”, they too are interested in cross promotion and feel that their Uptown development with a new arena and casino will provide multiple opportunities for restaurants in the downtown area. They reviewed their plans for food service in both the temporary facility and completed casino. In addition to the Buffet Restaurant (400 seats) they are proposing 3 other bars, a bar and grill (390 seats) and two higher end restaurants with a total of 320 seats. Again, I was grateful that both groups took the time to review their plans with us in greater detail.

I cannot emphasize enough the fears of independent restaurateurs as we consider the effect of gaming on our businesses. Western Pennsylvania is a region that has endured significant decline over the past few decades. Our population is aging and getting smaller by the day. We have lost our manufacturing base, many of our corporate headquarters and our downtown occupancy rate is declining at an alarming rate. The 50% “temporary” Parking Tax is driving companies away from the core every time they have to sign the next lease. At the same time we have witnessed major publicly subsidized development that brings many more food service venues without adding any additional customers! The Waterfront (former Steel Mill) has approximately 40 food service venue. South Side Works (another former mill) has added several more and the North Shore (Stadium area) development has used more public subsidies for outside companies to add food service. These publicly supported restaurant developments can be especially harmful if the region is not growing. Adding venues without adding customers creates an unhealthy industry for us all! Casino restaurants could also be considered “publicly subsidized.” We appreciate the careful look that you give to the applications for gaming all over the Commonwealth. We hope that you are mindful of our concerns and that you make good decisions that are in the best interest of our community and our industry. I appreciate the careful way that the Pennsylvania Gaming Control Board as conducted itself and am glad that we had the opportunity to be involved.

Kevin Joyce
Proprietor
The Carlton Restaurant

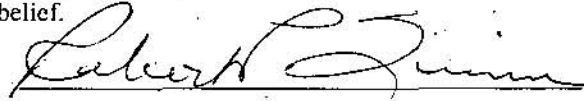
President
Pennsylvania Restaurant Association

**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: Robert P. Quinn
Address:
Telephone:
Organization, if any: Center for the Perpetuation of Human Ideas
Employer: N/A

COMMENTS: (Please use second page if more space is required) I, Robert P. Quinn verify that the information contained in this written comment is true and correct to the best of my knowledge and belief.



COMMENTS

May 30, 2006

To the Members
Pennsylvania Gaming Control Board
Harrisburg, Pennsylvania

I, respectfully, submit my comments to you regarding Casino Gambling in Pennsylvania and, more particularly, as the proposition for Casino gambling relates to the City of Pittsburgh and its environs.

1. Let me make it very clear, the Center for the Perpetuation of Human Ideas is not a physical place. It has a place, as a virtual web site, (<http://geocities.com/rpq126>) that exists, only, in the willing IMAGINATION of anyone who might choose to go there. I am the entity's founder and the stimulus for the future growth of the Center. One of the principal purposes of the Center is to preserve a HUMAN SCALE in the multiplicity of life transactions. I take the liberty of submitting these comments to you, knowing full-well that they will be cast aside, but it is necessary to do so because the record must show that someone, at least one person, rose and stated that the concept of Casino gambling— gambling in any form — goes against the notion that there is merit in the things that we human beings do.

2. At this point in time, it would be FOOLHARDY to argue that no licenses should be issued. The state legislature created the law and you are charged with implementing the law and managing its impact on the State of Pennsylvania. The die is cast and nothing short of a revolution of the people could turn the law aside, and we all know that is not going to happen. The legislature had its moment, a great OPPORTUNITY to demonstrate its COURAGE and it opted out. Thus, the monster has been given life: Economic persons will become enormously rich; political persons will enhance their political power, social persons will add Casino gambling to their vast repertoire of mindless entertainment and pleasure; religious persons will remain silent. Gross proceeds from Casino gambling in Pennsylvania will be widely distributed: There will be some winners; there will be many more losers, perhaps, too numerous to tabulate. Some property tax and rent relief may occur; few skilled and moderately high-paying jobs will be created; Casino gambling will, ultimately, blend with the landscape. HUMAN SCALE will be, generally, ignored and collateral social problems will be born.

3. The City of Pittsburgh will be granted one license to operate a slot machine parlor. The competition among applicants is already brisk and, perhaps, somewhat questionable, but the Monster must be fed. That the Casino slot machine parlor will impact the City of Pittsburgh for decades, if not generations to come, is indisputable. Many speak of the Casino's contribution to the betterment of Pittsburgh and its environs; but few know anything. REALITY is obscured by OPTIMISM.

4. The City of Pittsburgh, on the threshold of Casino gambling, is in the midst of a spate of proposals to re-develop its downtown area, the Golden Triangle; the North Shore development is proceeding swiftly. The Port Authority believes that it will build a 2,000ft light-rail tunnel under the Allegheny River from the Point to the North Shore — I call it Pittsburgh's FOLLY. (Is there anyone on the planet who believes that it will be built for the projected \$400 million dollars? The final cost will be doubled. That is just the way it is on government-sponsored projects.) How much of the activity in Pittsburgh is real or

imagined is anyone's guess; how much of it is "hype" or "illusion" one can only wonder. Some things seem to be quite clear, however: The city is bound and determined to make-over the Golden Triangle and North Shore into places for upscale housing; entertainment and epicurean meccas for unbridled pleasure-seekers, artistic and cultural venues where the meaning of life might be found. But, nowhere are plans discussed or offered for the enjoyment of SERENITY, QUIETUDE, REST, CONVERSATION, among other things that point to a HUMAN SCALE.

5. Into all of the forgoing turbulence, you are charged with placing a Casino slot machine parlor. Whether or not any one or all of you have thought about the task ahead, it seems clear that you may have more to say about the future of Pittsburgh than anyone can imagine. You have been granted the power to do many things in order to create the most compatible, most beneficial, most responsive venue for the gambling facility for the City of Pittsburgh environs and all of the people who live there or might go there. If you do not understand what I mean by HUMAN SCALE, you will soon find out because that is where you must go in your deliberative process.

6. I offer two situations that exist in Pittsburgh which, I trust, are already familiar to you and which will be considered by you:

A. There are parallel universes at work in Pittsburgh: One is the educational/medical/research domain centered in the Oakland section including the major universities, medical facilities and dense population. The second is the existing Golden Triangle, where the emerging "upscale" community is developing.

B. The second is the Hill District, now a struggling Pittsburgh community, sitting between the parallel universes. The Hill District, has been virtually ignored by the City of Pittsburgh in all of its 250 years. (Soon, a magnificent party is to be held celebrating Pittsburgh's 250 years.) Through the middle of the Hill District is situated Centre Avenue, at one time, a vital part of the immediate Hill District and a transportation corridor from Pittsburgh to its eastern border, some 10 miles away. Give or take, a turn or two, Centre Avenue is virtually a straight line through the Hill District and contiguous with many of Pittsburgh's, other, older and cherished neighborhoods.

Now, I believe that this situation ought to be, clearly, within the scope of your authority to cause the operator of any Casino parlor in the City to be required to, significantly, participate in bringing these parallel universes together as a unified whole. Further, the means of doing that ought to be, in part, an OBLIGATION of the licensee. For too long, the Hill District has been ignored. Where is the HUMAN SCALE in your work? I am, at this time, showing it to you.

I, respectfully, submit a copy of a Pittsburgh map, as modified. I sent this to the Port Authority when they solicited input about the light-rail tunnel to the North Shore. I suggested they should scrap the idea. I claimed then, and I state again, the concept is sheer FOLLY. Spending the \$800 million dollars on a transportation project through the core, "Centre Avenue," of Pittsburgh makes an enormous amount of sense, something that should not be ignored any longer. The Port Authority ignored my submission; I am certain that you will, too. Perhaps, some future historian will find it and make the connection to HUMAN SCALE.

May I add one final note? My comments included herein should not be understood to mean that I am advocating, in any way, shape or form, for the applicant for the Upper Hill site. At the very outset of the licensing process, when the applicant for that site and the hockey team joined together to say, in essence, "Grant the license to me or the hockey team is going to leave town." In fact, they are already posturing to do so. Astonishingly, no one in Pittsburgh blinked; no one saw any apparent wrong in that utterance. Only a short time later did one person speak and that was the applicant for the North Shore site who said: "Is that legal?" In a process that was born of the law, structured in the law, managed by the law and surrounded by lawyers, only one person, an applicant, inquired.

It is preposterous that one could expect to find a HUMAN SCALE in the Casino gambling process in Pennsylvania. I am optimistic that, as members of the PGCB Board, you will make a conscientious effort to look, but I will understand that there will be so many forces arrayed against finding a HUMAN SCALE, that you may have to reconcile the process as best you can. Casino gambling in Pennsylvania is about the LAW. No one has ever argued, successfully, that the LAW and HUMAN SCALE are compatible ideas.

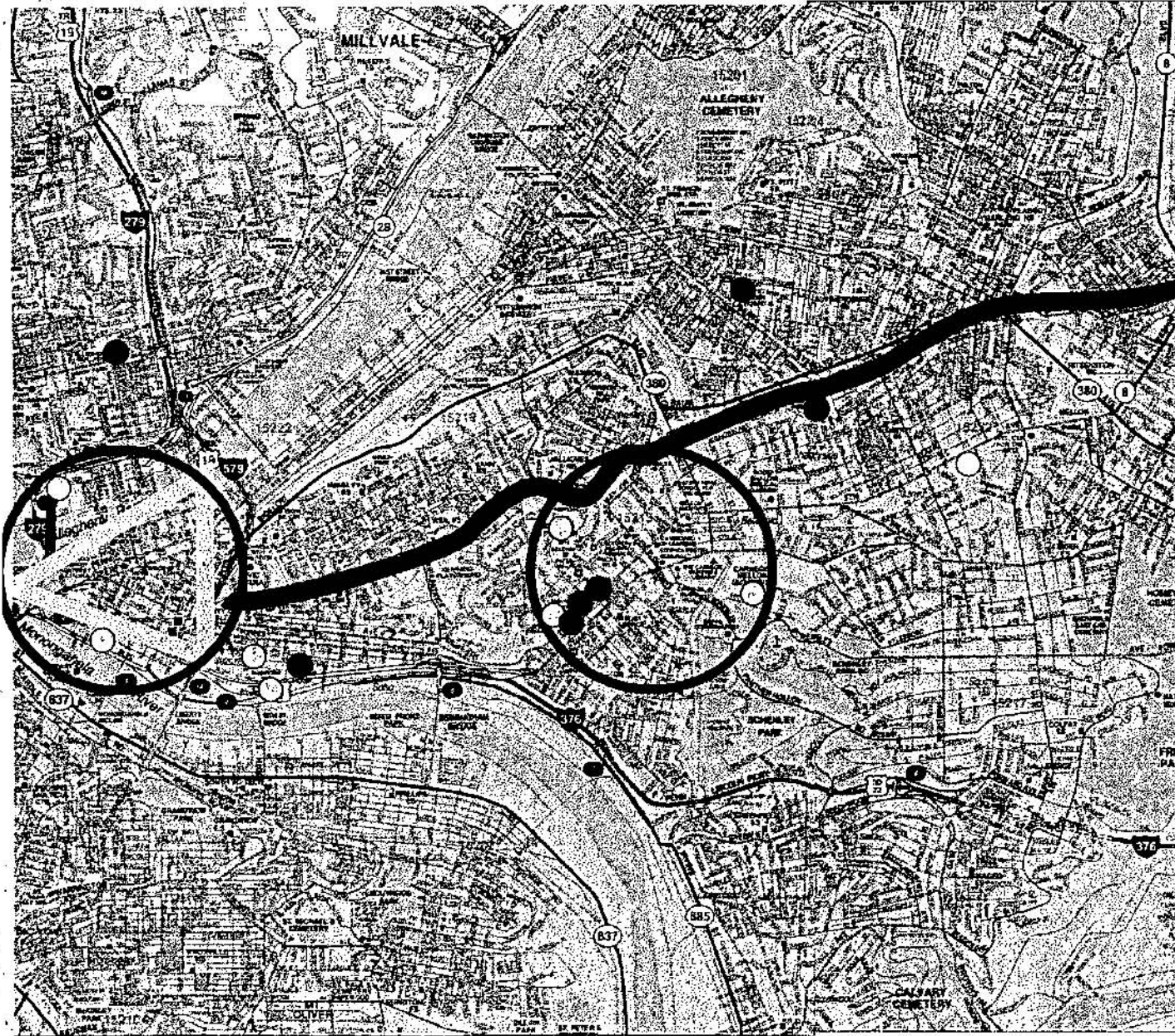
Thank you for receiving my submission.

Legend:

-  Present "Golden Triangle"
-  Proposed New "Golden Triangle"
-  Centre Avenue
-  North Shore Tunnel
-  Parallel Universes

-  Hospitals
-  Institutions of higher learning

North Shore
Submitted 1
Submitted 1
Date: Dec





Urban League of Pittsburgh

May 26, 2006

Tad Decker
PA Gaming Control Board
P.O. Box 69060
Harrisburg, PA 17106-9060.

Dear Mr. Decker,

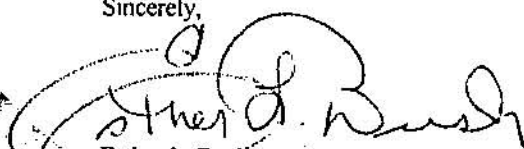
The Urban League of Pittsburgh is excited about the possibilities for economic development that the gaming industry can bring to the region. However, as one of the leading social service agencies in Western Pennsylvania and a leading advocacy agency for African Americans, we are also concerned about the negative impacts this industry will have on our communities. In addition, we are very interested in the plans proposed by each applicant regarding diversity and community reinvestment.

While we acknowledge the many positive economic impacts that the gaming industry can contribute, numerous studies have shown that the introduction of gaming can have adverse effects, including increased crime, bankruptcy filings, suicide rates, divorce rates, and need for social services. Moreover, gambling addiction often disproportionately affects lower-income and minority populations. Therefore, it is imperative that the successful local applicant not only reinvest part of their proceeds into our communities but that this funding is handled appropriately and distributed fairly.

It is the Urban League of Pittsburgh's mission to enable African Americans to secure economic self-reliance, parity and power, and civil rights. We believe that the gaming industry can assist us in accomplishing this mission by creating equal employment opportunities and by actively ensuring that diversity is a top priority. Diversity should not only be required but also encouraged, and we are willing to assist the successful applicant in recruiting and hiring qualified minority candidates.

Furthermore, we strongly encourage you to use the authority of the Gaming Control Board to enforce the gaming legislation's diversity requirements and to see that community reinvestment funding is handled appropriately and distributed fairly.

Sincerely,


Esther L. Bush
President and CEO

Cc: PA Gaming Control Board Members

Empowering Communities.
Changing Lives.

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A United Way Agency

**A Gambling Casino Project
A question of appropriateness?**

Peter H. Zerega, McCandless Twp., Allegheny County

It is to impact your final solution I come as a concerned citizen, a tax payer, and an advocate for the rights of all citizens. The rights of individuals living in the distressed low income communities that will be impacted by any of these projects are especially important. This presentation is not about me, however. It is about insuring that the project benefits the most people.

The decision has been made; gambling will come to this state and our region. While the real question concerns the appropriateness of gambling as an economic solution, we are past that. We must move on.

We must ask you to require the organization given the license to build and operate Pittsburgh's slots casino to take actions necessary to control the damage to people's lives and to families that will occur from gambling. Using an addictive and morally questionable entertainment venue to drive economic development is questionable at best. Past studies indicate that damage and dislocation will occur. Therefore the benefits must be maximized; such as they can be made to be, and damage controlled.

Yet, again, we the tax paying, concerned citizen have been disenfranchised. A questionable solution has been imposed upon us. Therefore my appeal, like so many that have come before you, is to temper your judgment with the question of appropriates.

Is it appropriate to allow these operations to be conducted with no recourse to public through judicial or elective process?

On that we must take a stand. The only acceptable solution makes the operators responsible to the public for conformance and performance with the elements of their license, not to a board that itself has not oversight or appeal through the courts or democratic process.

The projects and the operators must be included in the democratic system that allows the voters and the courts to judge the success or failure of the casino operator's compliance with the lofty promises that enabled them to

receive their license. Without voter and or judicial review and accountability, none of these projects are appropriate.

Additional questions:

Is it appropriate to build a gaming facility so close to Duquesne University, Robert Morris University, and Point Park University?

Is it appropriate to authorize a facility that can not be enhanced with infrastructure to make it accessible with out major traffic issues?

Is it appropriate to mortgage our children's future to build the infrastructure required in any of the locations for the primary benefit of the casino owners?

Is it appropriate to require that an additional gaming facility – the arena – be built to enhance or justify the primary magnet, the casino?

Is it appropriate to promise public improvements with no public accountability?

Is it appropriate to not require substantial contributions by developers to infrastructure such as:

- Underground cables and utilities,
- Improved and widened roadways and access to roads
- Extension of the light rail or other effective mass transit projects
- Foot and bike trails connecting sections of city
- Enhancements to already funded but not developed transit projects

Is it appropriate not to require that the developer directly fund psychological and medical care for those people that studies confirm:

- Will become addicted to gambling and other harmful addictions spawned by the casino
- The families that will be damaged by addiction tainted behaviors
- The victims of the addicts spawned by this new casino
- Victims of other addictions spawned by the gambling industry, particularly drugs and alcohol, prostitution and other sexual perversions.

Is it appropriate not to require the gaming companies to provide for (pay) additional police and other necessary protections for the general public that

studies of Atlantic City and various other gaming locations confirm will be needed?

Is it not appropriate to insure that if gaming is considered "Community Development" that the approvals granted by this board require the developer to address the elements of community development that date back 65 years to some of the first attempts at Community Development? Those elements are the empowerment of all individuals, particularly low income persons, by enhancement of opportunities and access for:

- Education to enable growth of physical, emotional, intellectual and spiritual knowledge and attitudes
- Environment for a better quality of life
- Employment at respectable compensation to allow for improvements in life, liberty, and pursuit of happiness.

Is it appropriate to concentrate the benefits, and problems to one section of the city?

On paper the Majestic Star plan would seem to address more of the forgoing concerns than the other two. Most importantly, it would generate development in two areas of the city, the North Shore and the Hill District. The strong points of their plan seem to be:

- It puts the gambling facility next two existing gaming facilities,
- Provides considerable funding for the Hill District development, and
- The new hockey arena

Yet, is it appropriate to approve that plan without:

- Specific performance requirements
- Removing the credit risk from the state, county or city
- With no requirement for the operators to provide access to benefits to individuals as suggested by the three "Es" cited before, education, environment, and employment
- No enforceable penalties for non conformance or performance

In summary we ask that you consider the negative impacts that will occur based on every study of areas wherein gambling has been allowed. The solution must include the safeguards required to offset the negative impacts that will occur, or at least minimize them. Most importantly, the operators must be accountable, not to a board, but accountable to citizens.

Thank you.





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: The Honorable Rick Santorum

Address:

The

Telephon

Organization, if any: United States Senate

Employer: —

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

Please refer to the attached let

RICK SANTORUM
PENNSYLVANIA

REPUBLICAN CONFERENCE
CHAIRMAN

United States Senate

<http://santorum.senate.gov>

19 April 2006

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SPECIAL COMMITTEE ON AGING

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

Dear Members of the Board:

As a United States Senator who calls Western Pennsylvania home, I am submitting this letter to you at your public hearing in Pittsburgh today to express my opinion on the award of the pending Pittsburgh gaming license. I appreciate the opportunity to submit this document as a form of written testimony to be entered into the evidentiary record along with the many others who submitted comments at today's hearings.

By expanding the aging and outdated convention center, the region was able to attract new and larger conventions to the city, bringing with them first time visitors. Coupled with the additions of a world class baseball park and football field on the North Side, the City of Pittsburgh, Allegheny County and the Commonwealth of Pennsylvania have witnessed the rebirth of our city's North Shore with vibrant new entertainment venues, newly constructed offices and hotel accommodations and filled the ever-present need for additional parking near our city. Our city has even attracted this year's Major League Baseball All-Star Game in part because of the remarkable venue PNC Park is for playing professional baseball. This will translate into millions in economic and tourism impact for the region.

All of this expansion and renovation came at a steep public cost topping out in the hundreds of millions of dollars. However, we are now on the eve of a similar opportunity – but one that will bear little to no public cost.

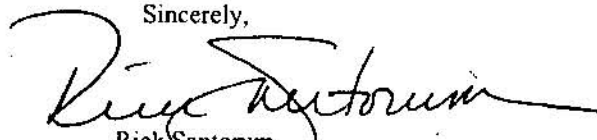
There are two very important reasons for me to write you today. Before I begin, I would like to make clear that **I am not endorsing or supporting any particular gaming applicant but I am endorsing any gaming plan through which funding can be secured for a new arena without the use of tax dollars.**

As I've said publicly in the past, I believe the gaming license is a **public license** and therefore some portion of revenues derived from the award of the license should be used for public purposes. The opportunity for our region to build a new arena and redevelop a struggling area of Pittsburgh with some of these funds remains a top priority for many civic leaders.

In addition, replacing the outdated Mellon Arena with a new, expanded facility demonstrates continued investment in our community. It will provide another venue for attracting greater conventions and civic events, secure the Pittsburgh Penguins future, and it will create and retain hundreds of jobs above and beyond those predicted for each casino project.

Thank you again for your kind consideration of this letter. If you should have any questions, please do not hesitate to contact me individually, or as a Board, at my Pittsburgh regional office at 412.562.0533.

Sincerely,


Rick Santorum
United States Senator



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: Patrick Sileo, Ph.D.

Address: _____

Telephone: _____

Organization, if any: Attached report commissioned by Isle of Capri i.e.d.

Employer: Carnegie Mellon University

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

SEE ATTACHED REPORT

"An Economic Comparison of Slots Casino Proposals"

Patrick Sileo, Ph.D.

5/28/2006

Comments: Page 2 (continued)

See attached report,

"An Economic Comparison of Slots Casino Proposals"

Patrick Sileo, Ph.D.

5/28/2006

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

Patrick Sileo

An Economic Comparison of Slots Casino Proposals

Patrick Sileo, Ph.D.¹

Competitive Analysis

May 28, 2006

¹ Although the writer is a faculty member at the Tepper School of Business, Carnegie Mellon University and Director of the school's Undergraduate Economics Program and Master of Science in Quantitative Economics Program, no endorsement of this work by either the Tepper School or Carnegie Mellon University is either expressed or implied.

I. Introduction

Competitive Analysis has been asked by Pittsburgh First to provide an independent review of the available economic analysis of the three major slots casino proposals for Pittsburgh, PA. The proposals have been submitted by

Isle of Capri Casinos, Inc. (hereafter "IOC")
1641 Popp's Ferry Rd. Suite B1
Biloxi, Mississippi 39532

Forest City Enterprises (hereafter "FCE")
1100 Terminal Tower
50 Public Square
Cleveland, Ohio 44113

PITG Gaming (hereafter "PITG")
A Subsidiary of Barden Cos. Inc.
163 Madison Ave.
Detroit, MI 48226

Specific documents reviewed included the following impact reports:

Pittsburgh, Pennsylvania – Gaming Market Assessment
The Innovation Group
December, 2005 (hereafter "IG Report")

*The Revenue Potential of a Category 2 Slot Machine Facility at
Harrah's Station Square Casino*
Christiansen Capital Advisors
December, 2005 (hereafter "CCA Report")

The Majestic Star Casino, Pittsburgh: Transportation and Parking Assessment
IBI Group
December 2005 (hereafter "IBI Report")

Other documents² included:

*The Innovation Group Critique of: The Revenue Potential of a Category 2 Slot Machine
Facility at Harrah's Station Square Casino*
The Innovation Group
May, 2006 (hereafter "CCA Critique")

Plan of Finance: For the Construction of a New Multi-use Arena in Pittsburgh
Public Financial Management
March, 2006 (hereafter "PFM Report")

Mellon Arena: Site Redevelopment Update
Economic Research Associates
November, 2005 (hereafter "ERA Report")

² Where appropriate, local media stories, editorials, and advertisements have been used for information and/or commented upon.

An Economic Impact Analysis of the Pittsburgh Penguins
H. John Heinz III School of Public Policy and Management,
Carnegie Mellon University
December, 2005

(hereafter "HJH Report")

The scope of this review is limited to those issues relevant to the award of the site license. In accordance with the selection process for the award of a license, calls for the consideration of the following economic issues³:

- the enhancement of economic development;
- the promotion of tourism;
- the increase in tax revenues for PA;
- the creation of jobs; and
- the potential for adverse economic effects and ability to offset them.

Accordingly, the following five sections address each topic in turn.

³ There are also general location, management, and political issues to be considered. See Pennsylvania HB2330, §1324(C).

II. Economic Development

In assessing the value of an investment to the development of the local economy, consideration is given to:

- the general level of investment;
- the location of the investment;
- the concentration of investment; and
- the type/mixture of investment.

The importance of the general level of investment is the obvious reason: all else equal, greater investment yields greater absolute returns. The remaining three issues affect the percentage return on the amount invested.

With respect to location, the single most critical issue is the extent to which the property values at the investment site and surrounding area are depressed relative to the general region. Of course, if the site itself is already at first-best use, it is already regionally well-valued and not an appropriate area for more investment. All of the proposed investment sites are currently at sub-optimal use and all of these properties will benefit from investment. Of more importance to overall economic development, however, is the extent to which the surrounding region is currently depressed. Investment in an area creates positive economic externalities for the surrounding area, multiplying the overall impact of the investment. Simply put, developing a vacant block in a marginal neighborhood improves the attractiveness of the area as a whole.

The concentration of investment is important due to the existence and nature of *critical thresholds* – a regional investment level above the threshold makes long-term project success likely, and conversely below the threshold risks a project's long-term survival.⁴ Although depressed regions offer much higher potential returns, isolated investment risks sub-optimal returns to capital or even the failure of the project itself. Unfortunately, economists at this time can only confirm the existence of critical thresholds. We cannot predict the threshold level of investment for a new project. What we can say is that the more concentrated the investment, the greater the likelihood that the threshold will be exceeded and the greatest benefit of the investment dollars realized.

An idea of related importance is the mixture of investments in a region. Long-term success depends on establishing a stable mix of residential, small-commercial and major-commercial properties. Although investment in just one of these types may spur independent investment in and development of the others, a mixture of types with the initial investment helps ensure that the long-run stable state will attain. Typically, the major-commercial property acts as an economic "anchor", around which residential and small-commercial (serving both workers and residents) can take permanent hold.

⁴ For a recent discussion of threshold effects and empirical support for their importance, see Accordino, Galster & Tatian, *The Impacts of Targeted Public and Nonprofit Investment on Neighborhood Development*, Federal Reserve Bank of Richmond, 2005.

The following table summarizes these important economic development/investment issues across the proposals.

Comparison of Proposed Investments

Proposal	Isle of Capri (IOC)	Harrah's (FCE)	Majestic Star (PITG)
Level	‡	‡	‡
Location	Uptown/ Lower Hill	Station Square Uptown	Northside Uptown/ Lower Hill
Concentration	Single Location	Divided	Divided
Mixture	Casino† Arena* Residential & Small Commercial ^a	Casino†† Arena** Residential & Small Commercial ^b	Casino††† Arena*** Residential & Small Commercial ^c

‡ All parties represent total investment in the \$1 billion range. No party represents significantly more or less total investment than any other.

† Adjacent location of new arena, temporary followed by permanent casino

†† Separate from arena location, no temporary casino.

††† Separate from arena location and residential/commercial development, temporary followed by permanent casino.

* \$290 million funding is pre-approved and monies are available within 90 of licensure.

** No specific dollar commitment.

*** \$225 million (\$7.5 million per year per Plan B, guarantee is unknown).

^a Residential and small commercial in the same area as the major commercial development.

^b Residential/small commercial located in Station Square area.

^c Residential/small commercial at unspecified Hill District locations, separated from casino.

We can now consider the relative merits of the proposals when it comes to economic development. First, in terms of announced levels of investment, the all of the proposals are comparable – announced differences are not significant. That leaves us with the effectiveness of investment issues.

The simple and effective way to think about the location issue is to ask whether or not the areas affected are either currently highly valued or likely to be developed even without the related project. If so, it is an inappropriate location from an economic development standpoint. On this measure, IOC does extremely well, bringing needed investment to an area that has remained economically stagnant for decades. FCE, by comparison, fares worst, concentrating investment in the well-established and economically healthy Station Square area. PITG lacks specifics when it comes to community development, but even an optimistic assessment which remains to be fleshed out results in ranking it in between the IOC and FCE proposals. Community development is targeted to the "Hill District" – an area in need of investment dollars – but the proposal is non-specific and without an announced source of financing. Consequently, it should be ranked placing, but behind

IOC, which has presented a concrete plan to bring greater dollars⁵ to Uptown/Lower Hill District.

When it comes to concentration of investment, only IOC brings the new arena, casino, residential and small commercial development to a single area. FCE concentrate all but the arena to a single area. However, that area (Station Square) is the worst location from an economic development standpoint. PITG, if we once again optimistically assess the unspecified⁶ "Hill District" investment, concentrates both the new arena and residential development well, but isolates the casino development.

As for mixture, IOC provides the full range in a single area, so that maximum advantage is taken of economic complementarities. FCE does well on this front, too, but again in an already economically developed location, minimizing the overall benefit. PITG seriously undercuts the viability of its unspecified Hill District investment by not bringing the new major commercial development – the casino – to the same/adjacent location.

Overall, this author rates the proposals on the economic development issues as follows:

Ranking of Proposed Investments

Ranking	Best	Middle	Worst
Level	<i>No difference</i>	<i>No difference</i>	<i>No difference</i>
Location	IOC	PITG	FCE
Concentration	IOC	FCE	PITG
Mixture	IOC	FCE	PITG

From an economic development standpoint, IOC dominates⁷ the other proposals. When deciding which is second-best, neither FCE nor PITG dominates the other and consideration must be given to the relative importance of the listed factors. Since the location difference is both substantial and important, it can be reasonably argued that PITG should be considered superior to FCE on this front.⁸

Note: The preceding analysis assumes that the proposed development will actually go forward if the license is awarded. Substantial differences exist, however, with respect to the extent to which funding is assured across the three proposals. IOC has in place a bank guarantee of up to \$600M for the project and \$350M from Nationwide Realty, the

⁵ -- including major commercial investment in the same area. If PITG dollars are simply taken at face value, residential/small commercial dollars are comparable with IOC. The latter, however, bring the casino investment to the same/adjacent area.

⁶ -- in terms of the actual properties and plans involved.

⁷ That is, it is better in every category (except level, where all are comparable).

⁸ The decision between second and third is relatively close, however, and other respected analysts might reverse the above ranking. (That IOC is first-best is clear cut, however.)

balance of \$100M to \$150M coming from IOC cash on hand. The source of FCE funding has not been disclosed. PITG has a best efforts letter, but not disclosed its plans for the lower hill. Absent these plans, it is difficult to assess the certainty of funding. Taking these issues into account only reinforces this sections overall conclusion. On economic development, IOC is certainly best option, followed by PITG and then FCE.

III. Tourism

There is nothing in any of the reports to suggest there will be any difference across these projects in terms of their ability to attract tourists. One point with respect to Harrah's participation in the FCE proposal should be noted, however. Harrah's prides itself both on its integrated (across casinos) customer database and on its ability to maximize global customer value (across operations). While the other casino operators restrict themselves to regional operations, Harrah's additionally operates in the national (arguably international) gaming market through its Las Vegas operations. It seems clear that Harrah's has an incentive to convert Pittsburgh gaming dollars to Las Vegas or Atlantic City gaming dollars for at least some of the Pittsburgh clientele, since the tax on the gaming dollar is so much lower in Nevada. We must at least wonder what effect this conflict of interest might have on the extent to which they attract tourism locally.

This concern is shared by CCA Critique:

Harrah's uses reward programs to send gamers to other properties and generate overnight stays. These jurisdictions, i.e. Atlantic City, New Orleans, and Las Vegas, all have considerably lower gaming tax rates than Pennsylvania, and offer on-site or nearby recreational and entertainment alternatives that would permit these trips to be truly called rewards. It would be to Harrah's benefit to identify high valued gamers and send them to these low-tax jurisdictions for their gaming. Additionally, as Harrah's is not the proposed sole owner of the property, profits derived from the casino would be shared, further limiting the benefits Harrah's would derive from sending gamers to Pittsburgh rather than one of the 100% owned properties.

Unlike the operators of the alternative proposals, Harrah's operates in two competing markets (national and regional). Importantly, regional markets do not tend to compete with other (distant) regional markets. Traveling customers simply prefer Las Vegas (or perhaps Reno or Atlantic City) over the regional alternatives, such as Biloxi, Mississippi. The award of this license to FCE would result in having Harrah's being both the city's/state's partner locally and its competitor nationally. Given that this creates incentives for Harrah's to offer attractive Las Vegas and Atlantic City packages to people who might otherwise find Pittsburgh more convenient, it is potentially at odds with the intent of the enabling legislation.

IV. Tax Revenues

Sources of possible differences in tax revenues across proposals fall into two categories.

- Direct effects: differences due to variations in gross gaming revenue generated.
- Indirect effects: differences due to economic development and changes to the property tax base.

The indirect effects are linked to precisely those issues considered in Section II of this report. In these criteria alone, the proposals were ranked:

1st – IOC, 2nd – PITG, 3rd – FCE

There remain the direct effects to be considered, driven by potential differences in gross revenues. As a part of any such analysis, one needs to estimate the number of visitors – both for an understanding of physical demands on the location and to estimate the impact on economic factors. The three impact reports generate the following estimates:

Report	Produced for	Estimated Annual Visits	Estimation Method
IG	IOC	6,027,671	Gravity Demand
CCA	FCE	6,000,000	Gravity Demand
IBI	PITG	5,709,600	Comparable Markets

All-in-all, the differences in the estimates are small. It is critical to understand, however, what these numbers mean – or, more to the point, what they do not mean. These are estimates for a Pittsburgh-based facility of type and size consistent with the various proposals. Differences in these estimates say nothing about which plan will attract the most visitors, as they are not plan-specific. Differences simply reflect reasonable variations in assumed consumer-behavior and the estimation method employed:

Similarly, the reports supply revenue estimates:

Report	Produced for	Estimated Annual Gaming Revenue
IG	IOC	\$400,000,000
CCA	FCE	\$664,200,000
IBI	PITG	\$400,000,000

Here, the difference is substantial, but again only reflects differences in the estimation procedure and underlying economic/consumer-behavior assumptions.⁹ Nothing at all can be reasonably inferred about the relative revenue streams of the competing proposals. This last point is important as supporters of the FCE proposal have at least informally argued that it will generate substantially more gaming revenue (and therefore more tax revenue). Again, this conclusion is not supported by the studies – it simply goes to a

⁹ CCA Critique makes an excellent case for considering the \$664.2 estimate to be unreasonably high, but the basic point remains that it is not operator specific – even if true, it would apply to all of the proposals.

question the models do not address. Issues that are relevant to this question, such as brand loyalty and comparative performance in other markets, are addressed in CCA Critique, which concludes in part:

- [CCA Report] is a market study and is not operator specific.
- ... the Harrah's site may not be better than those that are proposed by either of the other applicants, and certainly not over 50% better...
- The calculations and models used by CCA are at times erroneous and at other times aggressive.
- The projections made by CCA are far greater than made by other analysts for Pittsburgh area casinos and are just too high.
- Harrah's has a strong recognized brand but there is no credibility in assuming that the brand could generate a significant premium to fair share.
- Harrah's rewards program actually could dilute the casino's revenue potential rather than add to it...

Upon review of CCA Critique, it is this author's expert opinion that its conclusions are well-reasoned and supported by the data cited therein. Indeed, the first item is just the point made in the preceding paragraph, while the last is expanded upon in the section below on tourism.

The lack of credible argument that any proposal would generate greater revenue than the others is directly related to the basic economics of the situation. There is only a single license for the Pittsburgh area, effectively creating a local monopoly for whoever receives the award. Revenues to monopolists who control a desirable product tend to be insensitive to local management, etc. Such issues are important for assessing how total revenues will allocate themselves among local competitors, but even then they are at best a second-order effect on total revenue for the region. Hence, variations in projections reflect differences in methods, models, and assumptions rather than real differences across operators and/or proposals.

The ranking of proposals on this issue is thus driven by the indirect effects and is the same as indicated above.

1st - IOC, 2nd - PITG, 3rd - FCE

V. Employment

Just as with tax revenues, one must once again consider direct and indirect effects.

- Direct effects: employment produced by the elements of the proposed entertainment complex, such as casino, restaurant, retail or entertainment jobs.
- Indirect effects: employment created as a result of the spending of the casino and its employees.

As with revenue projections, estimated employment figures across the proposals vary widely. But also like the revenue projections, there is very little reason to think that any of the plans will generate significantly more (or less) employment than a rival plan.

Consider first the direct effects. The interested parties have provided the following employment estimates:

<u>Proposal</u>	<u>Est. Jobs</u>	<u>Source</u>
FCE	3953	CCA Report
PITG	1500	published comments
FCE	979	IG Report

On its face, the largest of these estimates appears to be substantially inflated. The FCE figure is approximately twice the number of employees at other Harrah's locations – facilities which feature not only slot machines, but also table games. Since the latter are far more labor intensive than slots, and since the enabling legislation permits slots only, it is difficult to see how the 3953 estimate can be justified – even after taking into account that only half of the number are “expected” to be full-time positions.

More importantly, the differences across the studies once again do not reflect differences across the proposals, but only differences in methods and procedures (and individual conjectures). From an economic standpoint, the proposals are more striking in their similarities than their differences. Similar proposals, with similar overall levels of investment and similar attendance projections will in the final analysis result in a similar number of jobs created. Furthermore, even marginally different plans at the outset are likely to converge to similar final equilibria, since the basic economic forces will be similar across operators.

This economic reality applies equally to the case where we consider indirect effects. Indeed, since indirect employment effects flow from the direct activities of the enterprises, similarity of direct effects naturally implies similarity of indirect effects. In short, this writer can find no advantage to any of the proposals (relative to the others) when it comes to employment. All will be beneficial, but none predictably more so than another.

VI. Adverse Economic Effects

Generally, adverse economic effects fall into one of two categories: infrastructure demands and negative impact on existing businesses. From the standpoint of making a decision among proposals, it is (once again) relative effects that are important. Thus, attention is restricted to areas where there are potential differences across proposals. Two issues have been prominent: local traffic impact and the risk of losing the local National Hockey League franchise to another city.

Let's begin with the traffic issue. This writer is not a traffic engineer, but the economic relevance of potential traffic problems cannot be taken lightly. Access difficulty can easily affect consumer demand. Furthermore, the adverse affects of traffic snarls are not limited to the new enterprise, but also fall on other nearby businesses which rely on the same transportation infrastructure. All of the applicants have submitted traffic studies, and more importantly there has been an independent review these studies. The latter is the most valuable for this report's purposes.

Prepared by David E. Wooster and Associates, Inc., the critique compares the critical assumptions underlying the three traffic studies. Comments from the report are summarized in the following table.

	<u>IOC</u>	<u>FCE</u>	<u>PITG</u>
Report Analyzed All Peak Traffic Periods	✓		
Scope Appropriate to Studied Proposal	✓		
Mitigation Strategies Fully Described with Cost Estimates	✓		*
Study Includes Impact of Additional Development	✓		

* See below.

The report offers some specific criticisms.

- IOC's anticipated trip generation appears conservative.
- FCE's trip generation is underestimated; its application of captured trip percentage is not appropriate and its application of current Station Square vehicle occupancy is not applicable. FCE's report did not analyze AM Peak, Friday Peak or Event Peak as requested.
- PITG mitigation measures are described as "vague".

Although all of the reports make the case that traffic for the plan analyzed will be manageable, the Wooster critique finds substantial differences in the studies' quality. Of the three, the IOC study is relatively well received, there are some criticisms of the PITG study, and there are substantial problems with the FCE study.

Let us now turn attention to the Pittsburgh Penguins issue. What we look at here is really the flip side of the economic development advantages associated with the arena. The question is to what extent the proposed plans are substantial and certain enough to ensure that the NHL franchise remains in Pittsburgh, as well as the economic costs of failing to do so.

Beginning with the latter, the author has examined HJH Report, an economic impact study of the Pittsburgh Penguins. A relatively standard analysis, the report's estimated direct economic impact of the team on the region is \$70M per annum. This figure is comparable with those found for other sports teams in similar markets. Multiplier analysis is used to include indirect economic benefits, with a total estimated impact of between \$87 and \$281 million annually. The range is a bit wide, but probably well reflects the inherent uncertainties in this type of work. This author's best estimate would be in the range of \$180M to \$200M. In any event, it is clear that the loss of this franchise would have a serious adverse economic impact.

Following the lead of Isle of Capri, all applicants have now at least discussed the possibility of arena funding. At this time, they have made the following commitments with regard to funding for a new arena:

Proposal	Isle of Capri (IOC)	Harrah's (FCE)	Majestic Star (PITG)
Funding Level	\$290,000,000	No specific commitment	\$225,000,000
Terms	Up front, within 90 days of licensure	Along the lines of Plan B	\$7.5 million per year, per Plan B

The Pittsburgh Penguins have (not surprisingly) publicly endorsed the IOC proposal. It seems fair to say that they will certainly stay in Pittsburgh if it is awarded the license. FCE has indicated that they will proceed with negotiations on the arena upon licensure. However, once the license is granted it does not appear that FCE has any economic motivation to strongly pursue any arena plan. The PITG proposal seems to have been made in earnest, and while not as

attractive as the IOC plan, has a reasonable – although less than 100% – chance of retaining the Penguins. Based on private conversations, 80% chance of retention might be a reasonable guess. In any event, it once again seems straight forward to rank-order the proposals on this point, with IOC being the most attractive, PITG next, and FCE least attractive.

VII. Summary and Conclusions

The following table summarizes this report's findings for each of the general factors considered:

	Best	Intermediate	Worst
Economic Development	IOC	PITG*	FCE*
Promotion of Tourism	**	**	FCE
Generation of Tax Revenue	***	***	***
Job Creation	***	***	***
Minimize Adverse Economic Effects	IOC	PITG	FCE

- * Close call between PITG and FCE on economic development.
- ** Little to distinguish IOC and PITG on the tourism factor. FCE suffered from the economically conflicting interests.
- *** There is little to distinguish the plans with regard to the direct effects on tax revenues and jobs. However, if one also considers the indirect effect of economic development, the order from best to worst is IOC, PITG, FCE.

When both direct and indirect factors are considered, the IOC proposal is to better the other two on every critical issue considered. In light of the legally mandated decision criteria, the license should be awarded to IOC.



An Analysis of Proposed Casino Developments and their Impacts on the City of Pittsburgh

25 April 2006



CITY OF PITTSBURGH
Department of City Planning
Strategic Planning Division

**An Analysis of Proposed Casino Developments
and their Impacts on the City of Pittsburgh**

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CITY OF PITTSBURGH

Mayor Bob O'Connor

Report prepared by the
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Introduction

In 2004, the Pennsylvania state legislature approved 14 gaming licenses for the state. One license was approved for the City of Pittsburgh. 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. The Strategic Planning Division of the Department of City Planning evaluated the three casino proposals. These findings listed in this report are intended to raise awareness of all considerations that should be factored in the deliberations of the benefits and impacts of the casino development proposals.

The Department evaluated several factors in assessing the casino development proposals:

- location factors (including the nature of the site and the ability of the proposed site to support a casino);
- operator factors (including the financial filings of the casino operators and their operation of comparable facilities in other cities);
- site factors (including the compatibility of the proposed developments to their neighborhoods);
- design factors (including the nature and quality of the proposed facility design);
- socioeconomic factors (including the potential benefits and impacts of the proposed casino operations on jobs, existing businesses, and adjacent communities); and
- transportation factors (including access and impacts).

The following report begins with an overview of the three casino development proposals. The body of the report is divided into six sections corresponding to the evaluation factors listed above. Each section assesses a set of evaluation criteria for gauging the nature and impact of each development proposal. The report concludes with a summary of the findings.

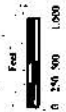
The bulk of the information used to evaluate the three casino development proposals came from the following submissions by the casino operators:

- Harrah's Entertainment: "City of Pittsburgh Department of City Planning: Casino Proposal Data Request, Transportation Analysis, Engineering Analysis" (December 2005-February 2006)
- Isle of Capri Casino: "Local Impact Report, Pittsburgh First Master Plan Traffic and Parking Study (with three technical appendices), Response to Data Request" (December 2005-February 2006)
- PITG Gaming, LLC (Majestic Star Casinos): "Local Impact Report, Executive Summary" (December, 2005)

Additional information was obtained from the operator presentations at the April 18, 2006 public hearing before the Pennsylvania Gaming Control Board as well as through meetings with the casino development teams, a review of industry publications, a literature review, internet research, and phone conversations with municipal staff from other cities with comparable casino operations. These additional sources are referenced in footnotes throughout the report.



City of Pittsburgh
Proposed Casino Development Sites



DEPARTMENT OF CITY PLANNING
March 2006
Map Prepared by:
Dawn Fairlie, GIS Specialist

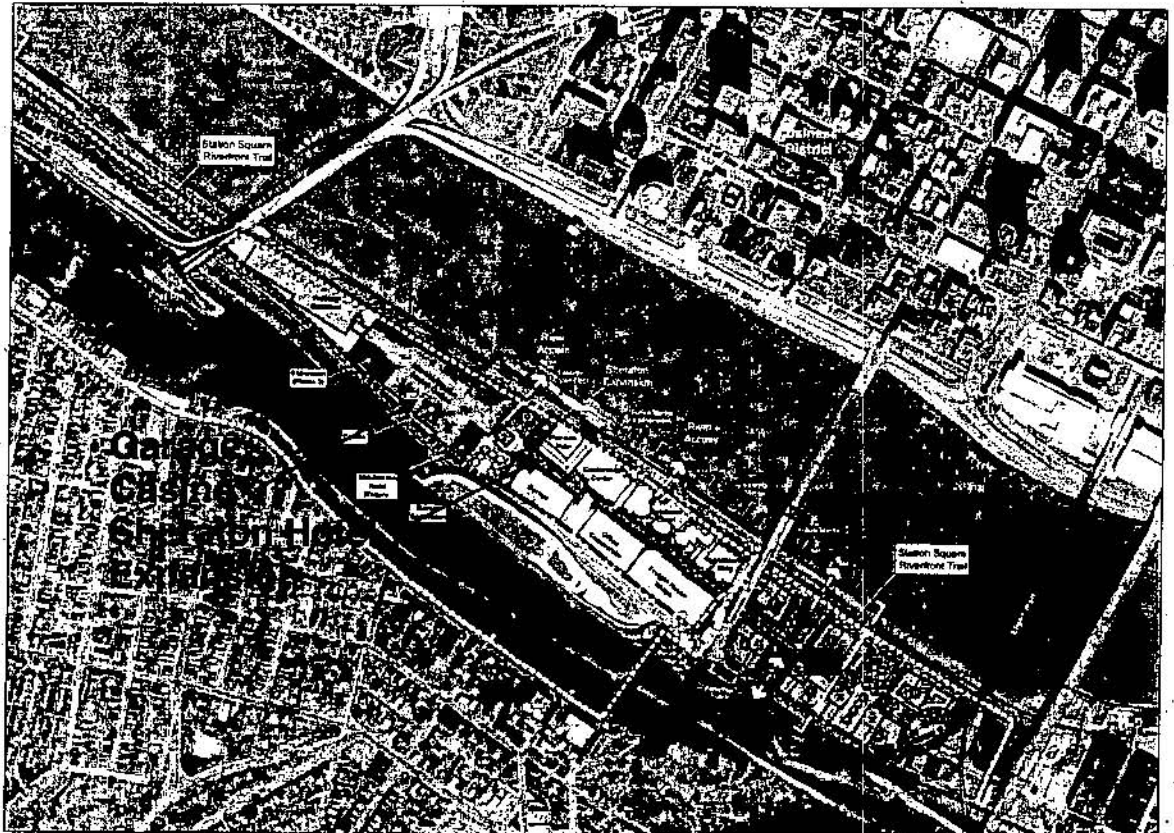
Casino Development Proposals

Harrah's

The Harrah's/Forest City casino proposal includes 12.3 acres and is located in the South Shore neighborhood of Pittsburgh within the Station Square entertainment and retail district. The site is located in the SP-4 zoning district. The site is bounded by the Monongahela River to the north, West Carson Street to the south, Station Square to the east, and the Fort Pitt Bridge to the west. The site is currently occupied by surface parking and a seasonal outdoor amphitheater. The casino would encompass 400,000 square feet, with 220,000 square feet of floor space. The facility would include a sports bar, an entertainment venue, restaurants, and a Wintergarden. The casino would start with 3,000 slot machines and increase to 4,000 as warranted by demand. Included in the proposal is a 200 room expansion to Station Square's Sheraton hotel. The cost of the casino facility is estimated at \$512 million. The casino site is currently occupied by surface parking and a seasonal outdoor amphitheater.

Future development sites, totaling 52 acres, are identified to the west of the Fort Pitt Bridge and on the eastern end of Station Square between Smithfield Street and 1st Street. An extension of the riverfront trail and parking are planned for the western site. A mix of retail, condominiums, and a new hotel are planned for the eastern site. Both sites would be developed as the market dictates. The plans do not include a temporary facility.

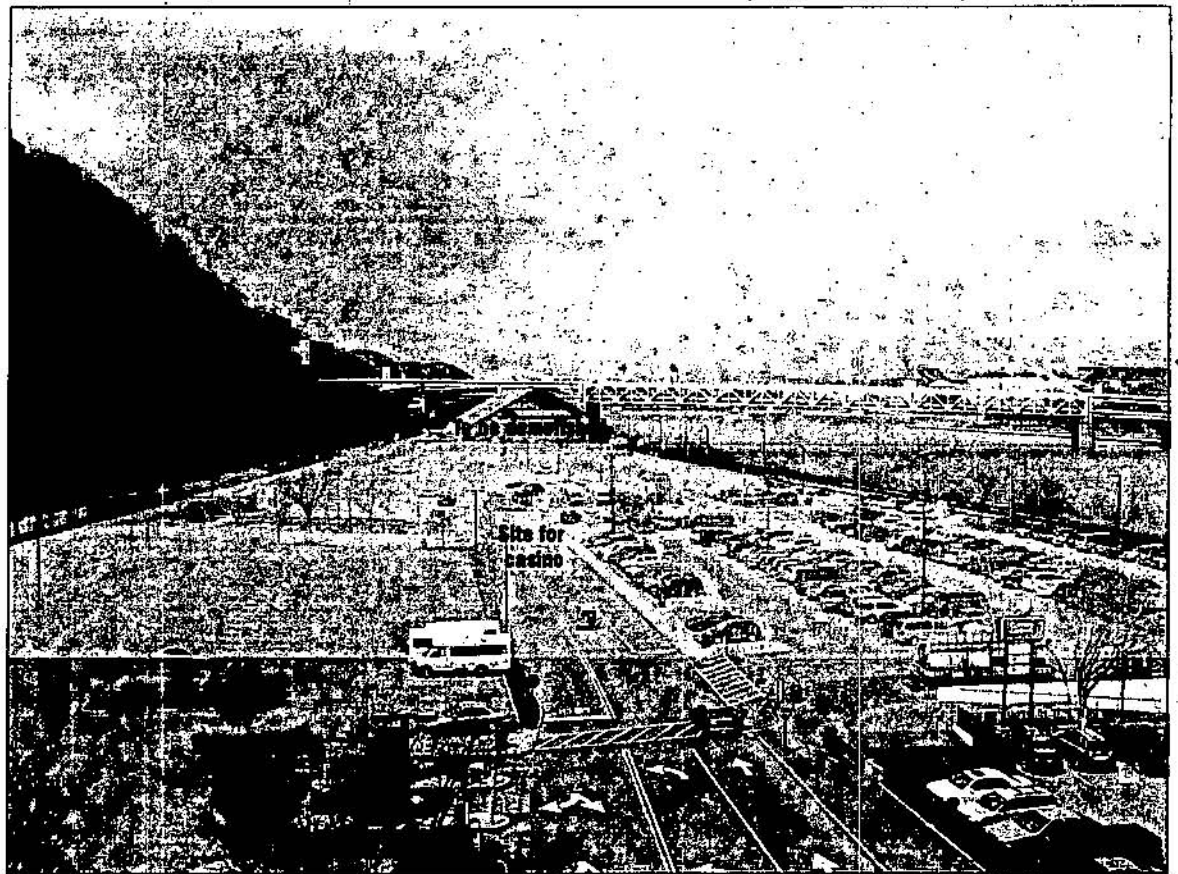
Figure 1. Harrah's Station Square Site Plan



The core development team is comprised of Harrah's and Forest City Enterprises. Forest City Enterprises are the owners of Station Square and the Westin Hotel in Downtown Pittsburgh. The design team includes SOSH Architects and Calthorpe Associates.

Annual revenues are estimated at \$550 million. The proposal includes a one time donation of \$25 million to Pittsburgh History and Landmarks foundation as well as an annual contribution of \$1 million to a community development foundation to be headed by Franco Harris.

Figure 2. Harrah's Casino Station Square Development Site



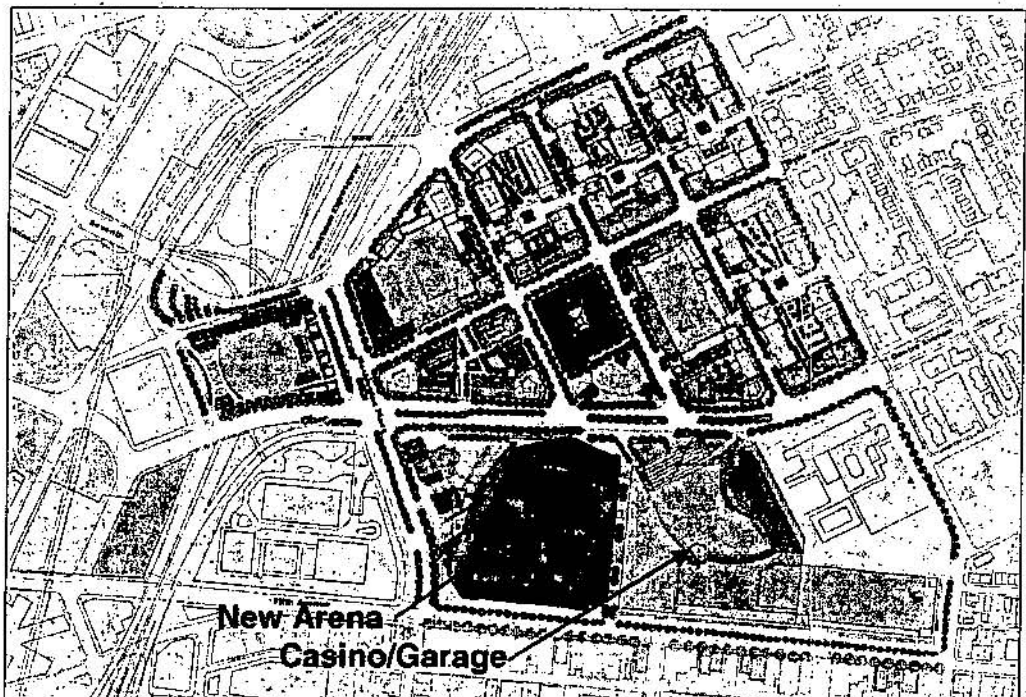
Isle of Capri

The Isle of Capri casino proposal includes 9.4 acres in Phase One and an additional 2.4 acres in Phase Two. It is located in the Uptown neighborhood of Pittsburgh. The proposed site is located in the GT-E zoning district and is bounded by Fifth Avenue, Washington Place, Bedford Street, Crawford Street, and Pride Street. It does not include the parcels currently occupied by Washington Plaza nor the existing church. The site is located next to a major commercial strip on Fifth Avenue to the South, the Central Business District to the West, the Mellon Arena site to the North, and new residential development to the East. Phases One and Two of the casino proposal are shown in Figure 3, Isle of Capri Site Plan, illustrated below. The remainder of the site, which includes an additional 35.2 acres, contains a proposed arena and a mixed-use development. The site is currently occupied by buildings, surface parking, and the Mellon Arena.

In Phase One, the casino would encompass approximately 315,000 square feet and include a 3,000 slot machine gaming floor, a buffet, an entertainment venue, and a mix of restaurants and retail. Phase Two would include an additional 2,000 slots, a hotel, a spa, residential units, and other amenities. Cost estimates for the casino facility range from \$400 million to \$450 million.

A temporary casino is proposed in the plan. It is proposed to be located on the upper parking lot of the Mellon Arena and would be operational in 9 months. It would operate while the permanent casino is under construction.

Figure 3. Isle of Capri Site Plan

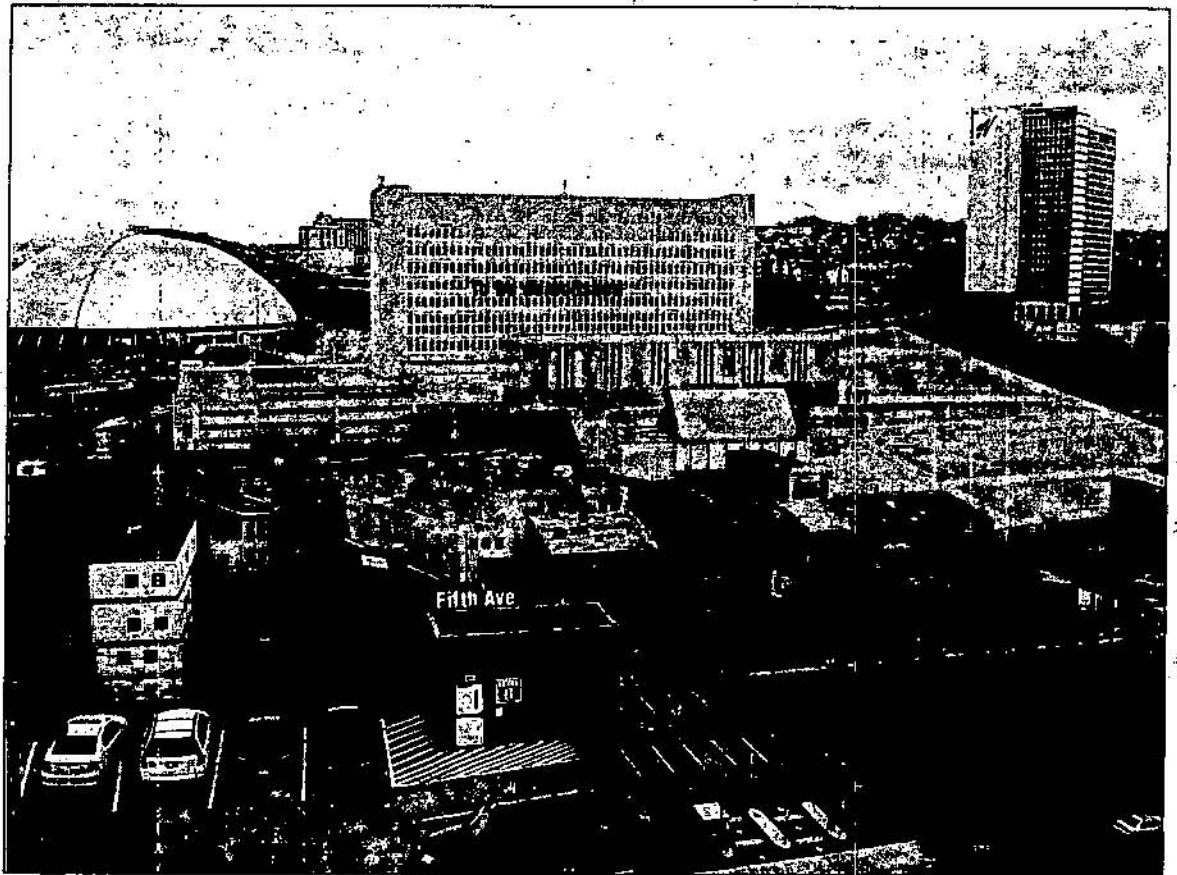


The core Isle of Capri team consists of Isle of Capri, the Penguins, and Geraghty Associates. The design team includes Urban Design Associates and Cope-Linder

Architects. The team has created a partnership called 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. Nationwide Realty Investors is in talks with the team about the proposed mixed-use development. Plans for the casino and mixed-use development include acquisition of property owned by the Sports and Exhibition Authority (SEA) and Urban Redevelopment Authority (URA). Consequently, the SEA and URA are engaged in discussions with the development team.

Projected revenues from the 3,000 slot machine casino are \$400 million per year. The plan includes a contribution of \$290 million towards construction of a new arena and a fund that will contribute \$1 million annually to community development in the neighboring Hill District. The team will also assist in master planning efforts of the mixed-use development on the current Mellon Arena site. Phasing of construction will be market-driven.

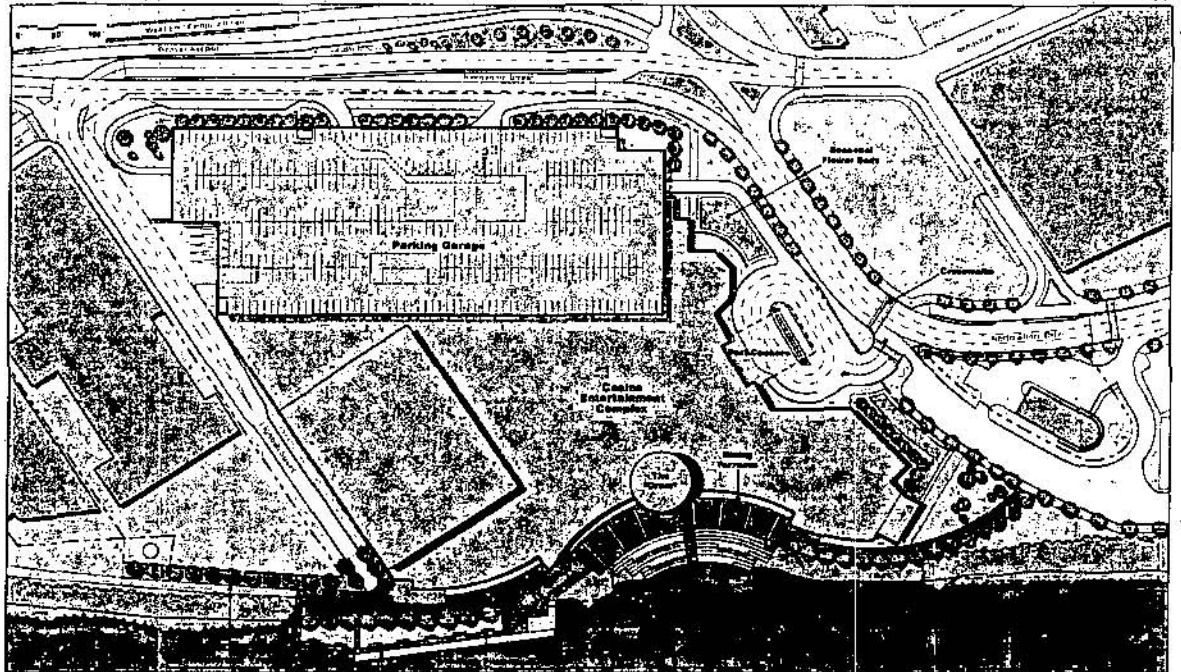
Figure 4. Isle of Capri Casino Development Site



Majestic Star Casino

The Majestic Star/ PITG casino proposal includes 17 acres and is located in the North Shore neighborhood of Pittsburgh west of the Carnegie Science Center. The site is bounded by Reedsdale Street on the north, the Ohio River on the south, North Shore Drive on the east, and Lighthill Street on the west. The proposed site is located in the Downtown Riverfront District A (DR-A) adjacent to the Carnegie Science Center. The casino would encompass 400,000 square feet and include four fine-dining facilities, three lounges, a beer garden and sports bar, a coffee shop, a gift shop, and a riverfront amphitheater. Cost estimates for this casino have also varied. Estimates between \$375 and \$425 million are included in their proposal. The plan proposes starting with 3,000 slot machines and increasing that number to 5,000 as warranted by demand. A \$49 million hotel is also proposed to be implemented, as warranted by demand. The plans include the potential construction of a temporary riverboat facility. The site is currently a surface parking lot.

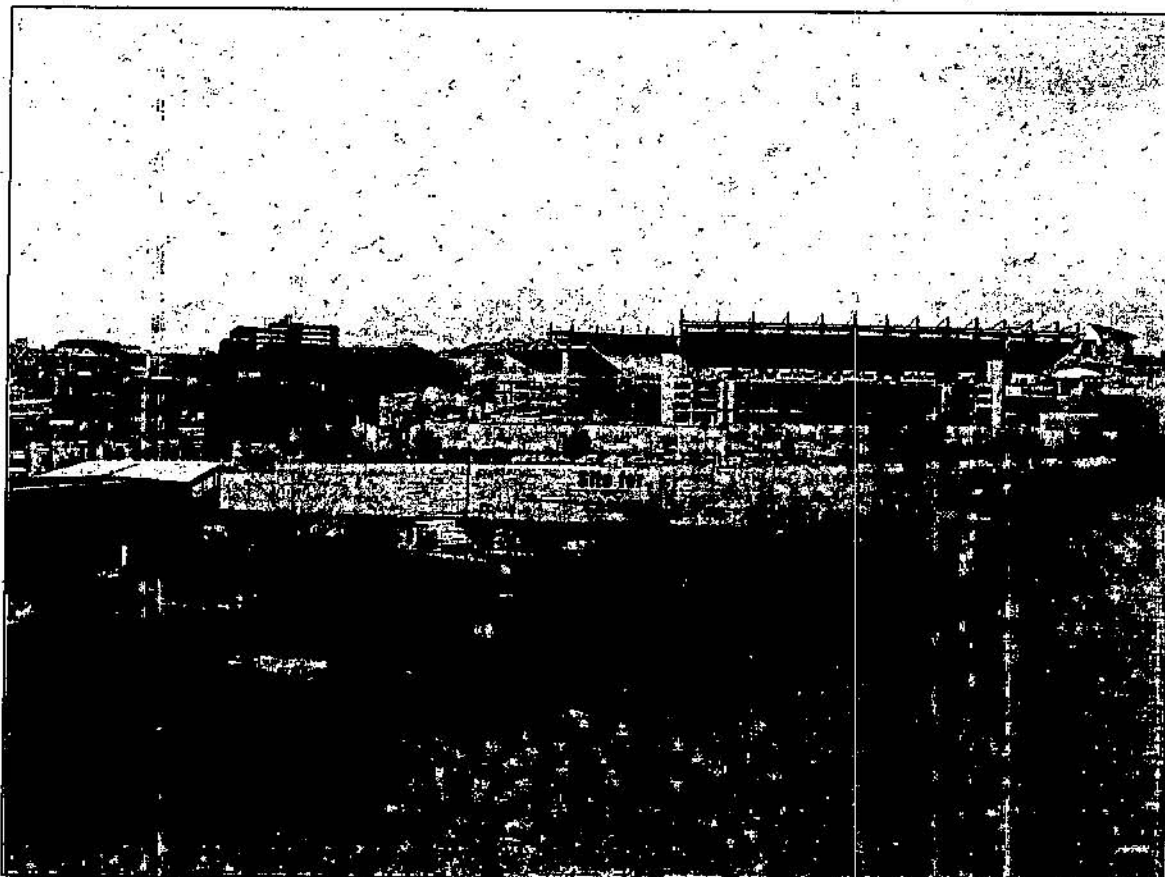
Figure 5. Majestic Star Casino Site Plan



The development team includes Don Barden of Majestic Star, MAXT Associates, and PITG Gaming. Strada Architecture is providing architectural services.

Projected annual revenues range from \$342 to \$516 million (depending on the number of slot machines). The team has offered to contribute \$7.5 million per year for a period of 30 years, totaling approximately \$300 million, to fund the construction of a new arena. Additionally, there is a proposal of investing \$350 million towards a mixed-use development, on the existing Mellon Arena site, to revitalize the Lower Hill district.

Figure 6. Majestic Star Casino Development Site



Location Analysis

This section assesses the suitability of each proposed location to accommodate a casino development using six criteria as measures of suitability. This section serves as a precedent to the Site Plan and Building Design section, which assesses the impact of a particular proposal on the respective site. Table 1, at the end of this section, summarizes the evaluations and scores for each casino proposal regarding the suitability of their location.

Methodology

Supporting questions address the various elements of each location suitability criteria. Each question is rated on a scale of one (1) through five (5). One is least desirable and five is most desirable. The ratings were assigned based on an assessment of information provided by the applicants. An average score is obtained for each criterion and applicant by averaging the scores assigned to each support question. Each criterion is further given a relative weight depending upon the significance of the criterion. The final score for a particular criterion and applicant is the product of the average score and the assigned weight. The sum of the scores of all the criteria confers the final score to the applicant. Table 1 summarizes the weights given to each criterion and the total scores for each applicant. A detailed evaluation of the criteria and supporting questions can be found in Table A1 in the Appendix. The following describes the criteria and the reasoning behind the scoring.

1. Visibility – Weight: 4

Station Square: Average: 2.5/5; Weighted score: 10.0

The proposed site is located on the riverfront along the Monongahela River and is highly visible from downtown, North shore and Mt. Washington. It is also prominently visible along the view corridor from Fort Pitt Tunnel. A large big-box development may impact view corridors towards downtown Pittsburgh. The location is visible from eastbound and southbound freeways, but not from other travel corridors.

Uptown: Average: 3/5; Weighted score: 12.0

The proposed site is located adjacent to the existing Mellon Arena site, between Centre Avenue and Fifth Avenue, and is not visible from most view corridors in the city. It does not impact city view corridors. The location is not prominently visible from most freeways and highways.

North Shore: Average: 2.8/5; Weighted score: 11.2

The proposed site is located on the riverfront along the Ohio River and highly visible from downtown, Point State Park and Mt. Washington. A large big-box development may impact view corridors from downtown Pittsburgh and Point State Park. The location however is visible from most freeways and travel corridors.

2. Physical Access and Impacts – Weight: 3

Station Square: Average: 2.8/5; Weighted score: 8.4

The location is accessible from freeways and highways, but the adjacent roadway system has limited capacity with inadequate space to modify the access roads. The site is easily accessible to transit, pedestrians, bikes and water taxis. Station Square traffic could combine with casino traffic and exacerbate traffic congestion.

Uptown: Average: 3.6/5; Weighted score: 10.8

The location is easily accessible from freeways and highways, but there could be traffic and parking spillover into adjacent residential communities. The site is easily accessible to transit and pedestrians. Development could return the Colwell Street right-of-way to the tax rolls. Arena traffic could combine with casino traffic and exacerbate traffic congestion. Development may impact future plans to connect light rail transit between Downtown to Oakland.

North Shore: Average: 3.4/5; Weighted score: 10.2

The location is accessible from freeways and highways with fair access to the local roadway system. There are few transit routes with access to the potential Light Rail extension and a possibility to connect to riverfront trail and water taxis. Stadium traffic could combine with casino traffic and exacerbate traffic congestion.

3. Impact on Immediate Surroundings – Weight: 5

Station Square: Average: 4.1/5; Weighted score: 20.5

The proposed location is part of the Station Square Complex, proximate to other entertainment uses and downtown, and away from the residential communities and educational institutions. There are retail and commercial uses within the complex. Since the entire complex would be under single ownership, limited additional neighborhood economic development is expected.

Uptown: Average: 2/5; Weighted score: 10.0

The proposed location is proximate to the Cultural District and Central Business District. It is also adjacent to the Fifth Avenue commercial corridor, the residential Crawford Square and Hill District, and Duquesne University and area schools. The proposed site is in a certified blighted area. There is a potential for negative social effects on adjacent residential communities. A casino use could further disconnect the lower Hill District from the downtown. Existing area restaurants could be impacted.

North Shore: Average: 2.3/5; Weighted score: 11.5

The proposed location is adjacent to the Science Center (mainly attracts children) and stadiums. It is isolated from most retail and commercial uses except for some fast food restaurants. The nature of the location offers little opportunity for spurring additional neighborhood economic development. The site is buffered from the existing residential community by a large highway and an industrial area. There is a potential for negative social effects on adjacent residential communities. A casino use could impact the Science Center and stadiums.

4. Ability to Use/ Enhance Existing Amenities and Services – Weight: 5

Station Square: Average: 3.8/5; Weighted score: 19.0

The proposed location has easy access to downtown and area hotels and amenities. It also has great access to the riverfront trail, marinas and other facilities. The existing railroad, however, limits the potential for integration of riverfront. The location can enhance the regional destination of Station Square and the riverfront.

Uptown: Average: 2.2/5; Weighted score: 11.0

The proposed location has convenient access to downtown hotels and is adjacent to the Mellon Arena. The development of the proposed location can enhance the regional tourist destination of Mellon Arena.

North Shore: Average: 2.2/5; Weighted score: 11.0

The proposed location is not easily accessible to downtown and area hotels. It has access to the North Shore Park and can enhance the riverfront trail. It is also adjacent to a regional tourist destination, the North Shore, and could expand development of the North Shore.

5. Current Use – Weight: 2

Station Square: Average: 3.3/5; Weighted score: 6.6

The proposed site is occupied by a surface parking lot and a temporary amphitheater. The development of this site to accommodate a casino would require the potential relocation of the parking and the events housed by the Chevrolet Amphitheater.

Uptown: Average: 1.5/5; Weighted score: 3.0

Surface parking lots, an abandoned hospital building, few private properties, and the Mellon Arena currently occupy the proposed site. The development of this site to accommodate a casino would require demolition of existing buildings, relocation of surface parking, and commercial uses.

North Shore: Average: 3.5/5; Weighted score: 7.0

The proposed site is occupied by a surface parking lot with a vacant warehouse building. The development of this site to accommodate a casino would require demolition of an existing building and the relocation of surface parking.

6. Environmental Impacts – Weight: 1

Station Square: Average: 3/5; Weighted score: 3.0

Development on this site would have negligible impacts on the City storm water and sewer system. The proposed site is partly located within the 100-year flood plain.

Uptown: Average: 3.3/5; Weighted score: 3.3

Development would require new sewer lines and a system to convey storm water. The site is not located within the 100-year floodplain.

North Shore: Average: 2/5; Weighted score: 2.0

Development would have negligible impacts on the City storm water and sewer system. The site is located within the 100-year flood plain.

Finding – Location Suitability

The following table lists the average and weighted average scores for the Location Suitability criteria. The total score for each applicant is out of 100 points.

Table 1: Summary of Location Suitability Scores

Location Impact Criteria	Weight	Station Square		Uptown		North Shore	
		Avg.	Weighted Avg.	Avg.	Weighted Avg.	Avg.	Weighted Avg.
Visibility	4	2.5	10.0	3.0	12.0	2.8	11.2
Physical Access and Impacts	3	2.8	8.4	3.6	10.8	3.4	10.2
Impact on Immediate Surroundings	5	4.1	20.5	2.0	10.0	2.3	11.5
Ability to Use/ Enhance Existing Amenities and Services	5	3.8	19.0	2.2	11.0	2.2	11.0
Current Use	2	3.3	6.6	1.5	3.0	3.5	7.0
Environmental Impacts	1	3.0	3.0	3.3	3.3	2.0	2.0
	20		67.5		50.1		52.9

Based on the above analysis, regarding location suitability, the **Station Square location** is the most suitable. It received the highest score of 67.5 out of 100 points. The North Shore location was second with 52.9 points and Uptown location third with 50.1 points.

Operator Analysis

This section addresses the financial condition and track record of the casino operators. It includes an assessment of their existing facilities in other cities. Five criteria were developed to quantify this assessment and compare operators. The following are the specific findings concerning the assessment of each operator. Table 2, at the end of this section, summarizes the evaluations and scores for each applicant.

Methodology

The operator analysis is comprised of five categorical measures. For each category, casino operators were given numerical scores ranging from zero to five. The numerical scores denote how well the operator addresses or meets the criterion, with five being the highest (or best) possible score and one being the lowest. If the operator did not provide sufficient information to assess the criterion a score of zero was assigned.

In the analysis that follows, casino proposals are listed within each criterion in order of their numerical score. The first listed proposal gave the most satisfactory answer to the criterion, the second proposal listed gave the second most satisfactory answer, and the third proposal listed gave the least satisfactory answer or did not provide information. Two proposals with the same numerical score denote a tie. Numerical scores are then summed and weighted by category at the end of the analysis and summarized in Table 2.

The operator analysis is based on information derived by the Department from the following sources:

- a) materials submitted by the applicants related to the company's financial status;
- b) readily available financial filings (focused primarily on annual reports and 10-Qs);
- c) a cursory review of the design and the quality of the operators' other facilities (primarily pictures, interviews, and online site tours); and
- d) literature detailing interactions between casino operators and other cities/regions.

1. Experience operating other Casino facilities – Weight: 6

Harrah's: 5/5; Weighted Score: 30

Harrah's operates 44 casinos in three countries and at sea. Twenty-six of these facilities are Harrah's properties and 18 were acquired through a merger with Caesar's in 2005. Harrah's largest casino (in terms of number of slot machines), prior to the merger with Caesar's, was the Showboat Atlantic City. This casino has 4,023 slot machines. This is approximately the same size as the proposed Pittsburgh facility before expansion. Harrah's also operates Bally's Atlantic City (5,567 slot machines). Harrah's operates the most and largest casinos out of the three proposed operators.

Isle of Capri: 4/5; Weighted Score: 24

Isle of Capri currently operates 17 casinos in the United States, the Bahamas, and England, as well as one pari-mutuel harness racing facility in Pompano Beach, Florida. Isle of Capri has constructed six of the 18 facilities. The balance were acquired or are not entirely owned by Isle of Capri. The company's largest facility (in terms of number of slot machines) is a casino which Isle of Capri constructed in Lake Charles,

Louisiana in 1995. This casino has 1,598 slot machines (less than half the number of slots proposed for the Pittsburgh facility).

Majestic Star: 2/5; Weighted Score: 12

Majestic Star, LLC, was incorporated in 1993 in Indiana and commenced gaming operations in 1996. The company is a subsidiary of Barden Development (a series of enterprises owned by Detroit businessman Don Barden). Majestic Star LLC operates three Fitzgerald's casinos as well as two Majestic Star riverboats in Gary, Indiana. The company also operates Buffington Harbor, a gaming complex in Gary where the riverboats are docked. The total number of Barden casinos is five. His operations are headquartered in Detroit. Majestic Star's largest and first facility is a riverboat in Gary Indiana, which has 1,602 slot machines, less than half the size of what has been proposed in Pittsburgh. In fact, all of Majestic Star's properties combined have less than the total number of slot machines proposed for the Pittsburgh site.

2. Financial Performance – Weight: 6.

Harrah's: 5/5; Weighted Score: 30

Of the three casino operators, Harrah's has the largest operating revenue. For the most recent year with available data, 2004, Harrah's had operating revenues of \$4.5 billion. The company's net income has been steadily increasing in recent years. Net income increased by 12% between 2001 and 2002, 24% the following year, and 26% between 2003 and 2004.¹ The most recent annual report available dates from before the merger with Caesar's. However, figures from the third quarter of 2005 show a net income of \$379 million for the first three quarters of 2005. This is higher than their net income for all of 2004.²

Harrah's has the highest Standard and Poor's credit rating of the three applicants, a BBB-/Stable, three categories below the highest possible rating. One area of concern is Harrah's long-term debt, which rose to \$5.1 billion in 2004. Harrah's 2004 annual report notes this debt: "Servicing our indebtedness will require a significant amount of cash, and our ability to generate cash depends on many factors beyond its control."³

An analyst with Susquehanna Financial Group, a financial research firm with a focus on the gaming industry, writes that based on Harrah's experience and financial position, the company has the best odds of winning the license and that it's "Harrah's to lose".⁴

Isle of Capri: 3/5; Weighted Score: 18

A review of Isle of Capri's finances and performance raises questions concerning their ability to deliver on their proposal: For the most recent fiscal year, 2005, Isle of Capri had operating revenues of \$1.1 billion. Net income for the company decreased by 39% between 2003 and 2004 and by 35% between 2004 and 2005. These declines were prior to the impacts of Hurricane Katrina.⁵ Standard and Poor's gives the company

¹ Harrah's 2004 Annual Report, page 43.

² Harrah's 10-Q, Q32005, page 6.

³ Harrah's Annual Report 2004, page 37.

⁴ Andrew Conte, "Oddsmaker likes Harrah's in race for slots parlor," *Pittsburgh Tribune-Review*, March 21, 2006.

⁵ Isle of Capri Annual Report 2005, page 50.

a credit rating of BB-/Negative, which is four levels below the top rating of AAA. The company currently has \$1.2 billion of total debt and writes in their annual report that their "substantial indebtedness could adversely affect our financial health and restrict our operations".⁶ Although it is typical for casino companies to carry high amounts of debt, the Isle of Capri will need to sell other facilities in order to be able to build the proposed Pittsburgh facility.⁷

Majestic Star: 2.5/5; Weighted Score: 15

A review of Majestic Star's finances and performance reveals concern about the ability of a company of their size and assets to operate a facility of the scale proposed for the North Shore site. The company's net revenues in 2005 were \$262 million⁸, substantially lower than the other two applicants. Net income was \$5 million in 2004. However, net income was negative in 2003, 2001, and 2000, and only \$1.3 million in 2002. The company had a net loss of \$97,000 in the first three quarters of 2005.⁹ Long-term debt for 2004 was \$316 million.¹⁰ The company does have publicly-traded debt. Standard and Poor's gives Majestic Star, LLC a credit rating of B+/Negative, the lowest of the three applicants, and five categories below the highest possible rating. Majestic Star does have financial backing for their casino from Jefferies, a securities firm located in New York.¹¹ The details of this arrangement were not submitted to the Department of City Planning for review.

3. Labor Relations History – Weight: 2

Harrah's: 5/5; Weighted Score: 10

Before the merger with Caesar's, Harrah's employed 46,600 people; 6,850 of these employees are covered by a collective bargaining agreement.¹² Harrah's has won awards related to treatment of employees, including the 2003 "Winning Workforce" award from the National Restaurant Association Educational Foundation¹³ and a number 15 place of the 2005 "100 Best Places to Work in IT" award from Computerworld¹⁴. The company also won 869 awards in the Casino Player's Best of Gaming Awards, many of which are related to employment.¹⁵

Isle of Capri: 3/5; Weighted Score: 6

Isle of Capri employs 10,500 people, none of whom are members of a union. However, While Isle of Capri has said in public hearings that it will be open to union employment at its facility in Pittsburgh, this rating is not higher due the company's history of not employing unionized workers.

⁶ Isle of Capri Annual Report 2005, page 15.

⁷ Dan Reynolds, "Isle of Capri upbeat despite net income slide," *Pittsburgh Business Times*, February 27, 2006.

⁸ Majestic Star 10-K 2005, page 35, filed April 17, 2006.

⁹ Majestic Star LLC, 10Q, 2005Q3.

¹⁰ Financial data for Majestic Star, LLC, does not include a Las Vegas property, which is operated by a subsidiary of Barden Enterprises.

¹¹ Majestic Star Presentation, Pennsylvania Gaming Task Force Pittsburgh Public Hearing, April 18, 2006.

¹² Harrah's 2004 Annual Report, page 24.

¹³ "Harrah's Entertainment, Inc.," http://www.nraef.org/solutions/eoc_2003_kit_w4.asp.

¹⁴ "100 Best Place to Work in IT in 2005",

<http://www.computerworld.com/careertopics/careers/story/0,10801,102737,00.html>.

¹⁵ <http://www.casinoplayer.com>

Majestic Star: 4/5; Weighted Score: 8

Because Majestic Star is a private company with multiple components, employment estimates for the company vary. As of 2005, Majestic Star employed 3,200 people, 10% of whom were union members.¹⁶ This does not include employment at the Las Vegas property. In public gaming hearings, Majestic Star claimed total employment of 4,000.

4. Quality of Existing Facilities – Weight: 5

NOTE: Photographs of operator facilities are located on the pages following the ratings for this criterion.

Harrah's: 4/5; Weighted Score: 20

The quality of Harrah's facilities in other cities is superior to the other proposed operators. Quality was measured in terms of spatial quality, building finishes, interior space layout, and other non-gaming amenities. The buildings portray high quality materials and finishes, appealing ambiances, and offer opportunities for gaming and non-gaming activities alike. The facilities present a quality experience and are an indicator of the type of clientele it seeks to attract.

Isle of Capri: 2/5; Weighted Score: 10

There is an inconsistency between what Isle of Capri has proposed in Pittsburgh and the quality of their operations in other cities. The proposal for the Isle of Capri casino promises high quality design and experience. The Pittsburgh facility is being planned as their flagship casino. This proposal has no comparable in terms of the quality of their existing facilities relative to building design, building materials used, interior spaces, and finishes. The facilities lack in design and attention to the non-gaming experience (i.e. cafes, buffets, and restaurants). The facilities focus on attracting visitors for the sole purpose of gaming. Isle of Capri's facility in Kansas City was described by a local authority as a "blue-collar" gaming casino. The Harrah's facility was described as a higher quality designed casino.¹⁷

Majestic Star: 1/5; Weighted Score: 5

Majestic Star, LLC does not offer many pictures of its facilities on its website. However, based on photographs submitted by a local resident, the casino in Gary, IN, is connected to a Sprung structure (a tent-like facility) and is very automobile oriented. It does not offer a desirable pedestrian experience and is disconnected from the adjacent built environment. The facility focuses on attracting visitors for the sole purpose of gaming.

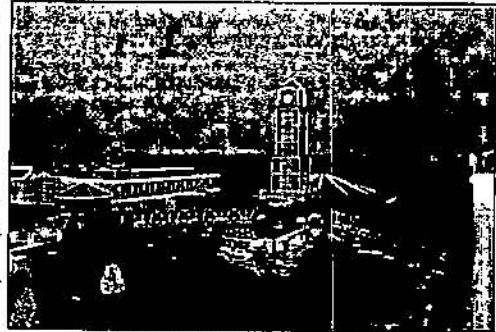
¹⁶ Majestic Star 10-K 2005, page 7.

¹⁷ Kansas City Missouri Economist, February 14, 2006 phone conversation.

Figure 7. Harrah's Casino Existing Facilities



(www.hotelus.com)

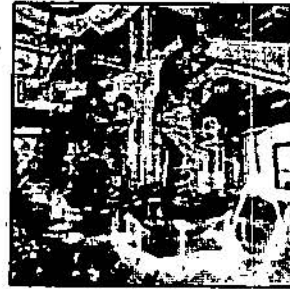


(www.traveljet.com)

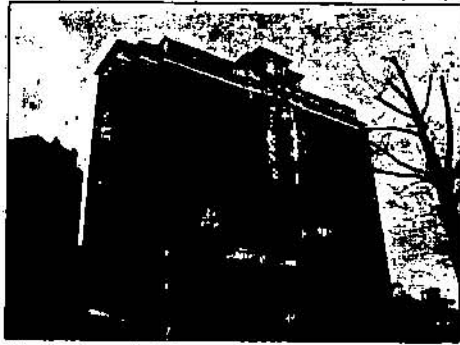


(http://www.101weddings.com/images/Harrahs.jpg)

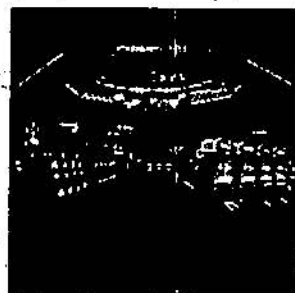
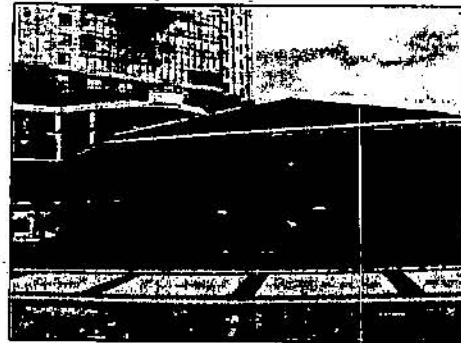
Kansas City, MO



(www.statescasinos.com)



Shreveport, LA (www.jonesez.com)



(www.winningways.net)

New Orleans, LA

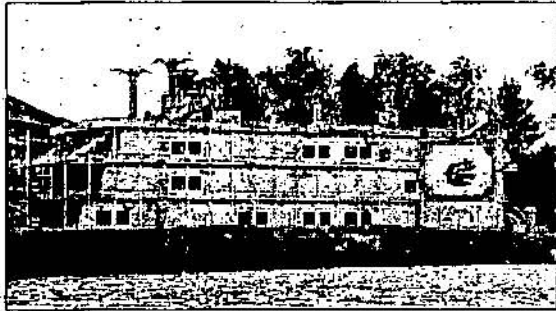


(profiles.hospitalityonline.com)

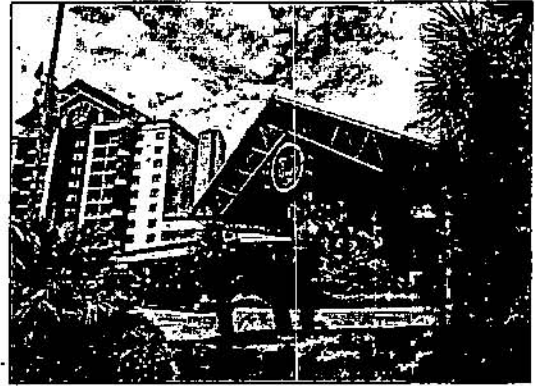


(www.soulofamerica.com)

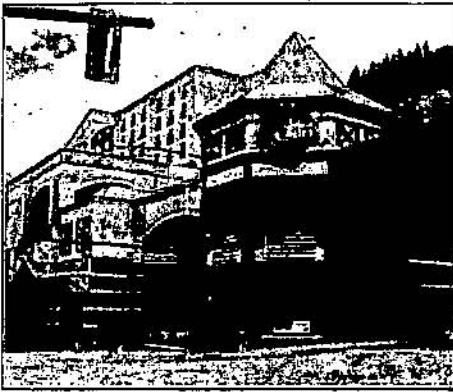
Figure 8. Isle of Capri Casino Existing Facilities



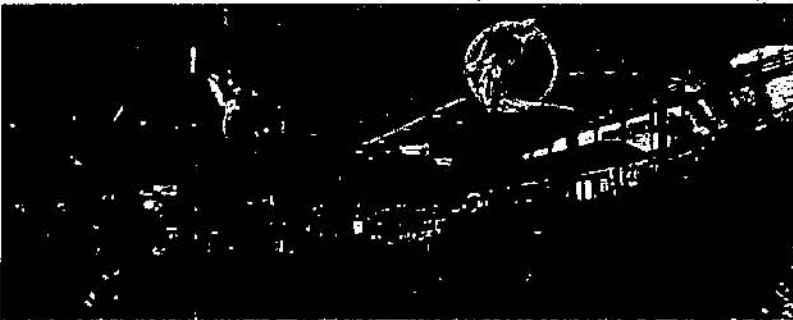
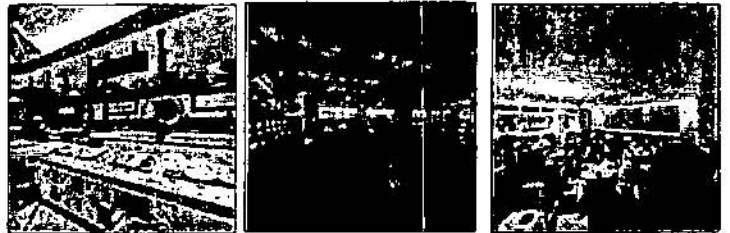
Shreveport, LA (www.soulofamerica.com)



Lake Charles, LA (www.proseandphotos.com)



Blackhawk, CO (http://isleofcapricasino.com/Black_Hawk/)



Kansas City, MO (http://isleofcapricasino.com/Kansas_City/)

Figure 9. Majestic Star Casino Existing Facilities



Blackhawk, CO (www.cityofblackhawk.org)



Las Vegas, NV (has been acquired)
(www.reviewjournal.com)



Gary, IN (Site visit)



Tunica, MS (www.greenbaycasino.com)



5. Track Record in Other Cities – Weight: 1

Harrah's: 4.5/5; Weighted Score: 4.5

Harrah's has not had a great deal of negative press regarding operations in other cities, with the exception of its multiple bankruptcies at the New Orleans facility. Harrah's has had significant problems with its facility in New Orleans. Harrah's, working with a local investment group as a combined entity called Harrah's Jazz, opened a temporary casino which filed for bankruptcy in 1995. The entity regrouped and renamed itself JCC Holding, which opened a permanent facility that filed for bankruptcy in 2001.¹⁸ Both cases resulted in major layoffs. The casino has since been acquired by Harrah's Entertainment, and had been more successful in the years leading up to Hurricane Katrina.

Isle of Capri: 3/5; Weighted Score: 3

Isle of Capri has had some problems with operations in other cities. A review of available literature revealed that:

- Isle of Capri pledged to open a casino in Kimmswick, MO, but backed out. Isle of Capri was fined \$4.5M in damages. Isle of Capri cited "pending and potential litigation, possible condemnation and/or annexation of the site by a neighboring community, engineering and construction obstacles and lack of community support" as reasons for backing out.¹⁹
- Isle of Capri was awarded a license to operate a casino in Rosemont, IL, in 2003. The license was revoked in 2004 because of questions relating to the integrity of the deal that were posed by the Illinois state gaming control board.²⁰

(NOTE: Isle of Capri has released a promotional video on the Pittsburgh First website including mayors from Iowa and officials in England proclaiming the casinos as assets for the community.²¹ Because the literature review is focused on the independent press, this video was not included under this criterion.

Majestic Star: 4/5; Weighted Score: 4

A review of available literature uncovered little press about Don Barden's casino operations. Barden operates the lowest number of casinos of the three applicants and is the only private company. However, no incidents were found where Majestic Star backed out of an agreement. The only related article regarding Majestic Star discussed recent lay-offs of 500 people in Gary Indiana – the company owned one riverboat in Gary, Indiana, and bought another one from Donald Trump. The jobs were the cost of consolidation.²²

¹⁸ Bill Toland, "Harrah's woes in New Orleans become fodder for casino battle here," *Pittsburgh Post-Gazette*, February 27, 2006.

¹⁹ "Isle of Capri fined \$4.5 M for Kimmswick casino it didn't build," *St. Louis Business Journal*, December 10, 2002.

²⁰ John Chase, "New gambling panel targets casino license," *Chicago Tribune*, April 15, 2005.

²¹ "Isle of Capri Mayoral Advocates Video", <http://boss.streamos.com/wmedia/penguins/video/politicians-1.asx>.

²² Susan Erler, "Majestic Star Casino reports 500 layoffs likely," *The Times (Munster, IN)*, January 18, 2006.

Finding – Operator Performance

The following table lists the average and weighted average scores for the Operator Analysis criteria. The total score for each applicant is out of 100 points.

Table 2: Summary of Operator Analysis Scores

Operator Criteria	Weight	Harrah's		Isle of Capri		Majestic Star	
		Score	Weighted Score	Score	Weighted Score	Score	Weighted Score
Experience operating other Casino facilities	6	5.0	30.0	4.0	24.0	2.0	12.0
Total number of facilities currently operated			26		17		
Number of slot machines in largest existing facility in terms of slot machines			4,023		1,598		1,600
Financial Performance	6	5.0	30.0	3.0	18.0	2.5	15.0
Total Operating Revenue			\$4.5 billion		\$1.1 billion		\$262 million
Net income trend			Increasing		Decreasing		Decreasing
Standard and Poor debt rating			BBB-/Stable		BB-/Negative		B+/Negative
Labor Relations History	2	5.0	10.0	3.0	6.0	4.0	8.0
Total people employed by operator			46,600		10,500		3,200-4,000
Total unionized employment			6,850		0		32
Quality of Existing Facilities	5	4.0	20.0	2.0	10.0	1.0	5.0
Track Record in Other Cities	1	4.5	4.5	3.0	3.0	4.0	4.0
Total Weighted Score			94.5		61.0		44.0

Based on the above evaluation pertaining to the track record and performance of the three proposed casino operators, **Harrah's Casino** was found to be the most qualified operator receiving the highest score of 94.5 points out of 100. Isle of Capri was second with 61 points and Majestic Star third with 44.

Site Plan and Design Analysis

This section addresses the impacts of site planning and design of the gaming facility on the surrounding urban fabric, in particular, and the City of Pittsburgh in general. The analysis consists of two distinct subsections: **Site Plan** and **Building Design**. Each subsection evaluates the three proposals using predetermined criteria. 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 since they are market driven and may not be implemented. This analysis builds upon the findings from the Location Analysis presented in prior sections of the report.

Methodology

Supporting questions address the various elements of the criteria. Each supporting question is rated on a scale of one (1) through five (5). One is undesirable and five is most desirable. The ratings were assigned based on an assessment of information provided by the applicants. An average score is obtained for each criterion and applicant. Each criterion is further given a weight depending upon the significance of the criterion. The final score for a particular criterion and applicant is the product of the average score and the assigned weight. The sum of the scores of all the criteria confers the final score to the applicant. A detailed evaluation of the criteria and supporting questions can be found in Tables A2 and A3 in the Appendix. The tables summarize the weights given to each criterion and the total scores for each applicant. The following subsections describe the criteria and the reasoning behind the scoring.

Site Plan Analysis

This subsection addresses the potential nature and impact of the three casino site plans proposed for the City of Pittsburgh. Ten Site Planning criteria were identified to quantify and compare each proposal. The following are the specific findings concerning the evaluation and rating of each site planning criteria and proposal. Table 3 at the end of this subsection summarizes and weighs the scores given for each criterion and provides an overall score for each casino proposals.

1. Site Control – Weight: 4

Harrah's: Average: 5/5; Weighted score: 20

The site proposed for the Harrah's casino is part of the Station Square complex and is owned by Forest City. Site control would allow for the immediate implementation of the proposal.

Isle of Capri: Average: 1/5; Weighted score: 4

The site for the proposed Isle of Capri casino comprises numerous parcels. Some of the parcels are owned by the Urban Redevelopment Authority of Pittsburgh (URA); some parcels are owned by the Sports and Exhibition Authority (SEA), and other parcels by various owners. A contract is pending that permits the URA controlled parcels to be used by the casino for their temporary and permanent facilities; but in order for the plans to be implemented Isle of Capri needs to have site control.

Majestic Star: Average: 5/5; Weighted score: 20

The site proposed for the Majestic Star casino is owned by a single entity. Site control would allow for the immediate implementation of the plans.

2. Visual Access – Weight: 3

Harrah's: Average: 2.5/5; Weighted score: 7.5

The proposed Harrah's facility is part of the Station Square complex and is nestled between the Mt. Washington hillsides and the Monongahela River and is visually prominent from the downtown and the North Shore. The site is also visible when traveling outbound on I-376 along the Mon Wharf and entering/exiting the Fort Pitt Tunnel, Pittsburgh's gateway.

Isle of Capri: Average: 1/5; Weighted score: 3

By virtue of its location, the site is part of the downtown fringe. It is located in the Uptown and Lower Hill District neighborhoods of Pittsburgh and is not noticeably visible from major freeways and highways. The casino would be dependent on City destination markers to guide visitors to the facility. The proposed casino would be distinct from the neighboring buildings in terms of scale, materials, and visual appeal.

Majestic Star: Average: 2.5/5; Weighted score: 7.5

The proposed site and facility are located on the bank of the Ohio River in the North Shore area of Pittsburgh. The site is visible from most freeways, highways, Mt. Washington, and the downtown. The main entrance to the facility is from North Shore Drive, which is visible from the downtown and westbound highways. The proposed facility is similar in scale and materials to the other structures on the North Shore along the river.

3. Accessibility – Weight: 2

Harrah's: Average: 1.8/5; Weighted score: 3.6

The site is accessible by auto from the interstates and state highways. The site is particularly accessible by bike, water taxis, and pedestrians due to its proximity to the riverfront trail and the marina. Pedestrian traffic is segregated from vehicular traffic by orienting pedestrians and bikers toward the trail and Station Square Drive. Vehicular traffic is oriented towards Carson Street. Visitors can leave and return to the facility via automobile. They can also walk and use transit. There is mention of utilizing existing hotel facilities within the complex as well as downtown.

Isle of Capri: Average: 2.0/5; Weighted score: 4.0

The site is accessible by transit and from the interstates by auto. The location is also pedestrian friendly. The plan and location do not greatly reduce dependability on auto and it would be fairly easy for visitors to leave and return. The site layout segregates pedestrians and automobiles from truck traffic on Center Avenue; but not on Fifth Avenue. This may lead to pedestrian-vehicular conflicts.

Majestic Star: Average: 1.5/5; Weighted score: 3.0

The site is easily accessible by auto from the interstates and state highways. It has minimal access by transit although this would improve with the extension of the LRT system to the North Shore. The site would be bike and pedestrian accessible via the

riverfront trail. However, due to its isolated location, access would be auto focused and very easy for visitors to arrive and depart. Utility trucks and self-park auto traffic would be able access the facility from Reedsdale Street and North Shore Drive.

4. Integration with Adjacent Amenities and Services – Weight: 3

Harrah's: Average: 4/5; Weighted score: 12.

There is a hotel adjacent to the proposed casino and a number of restaurants, bars, retail, and entertainment facilities in the immediate vicinity of the casino that are complementary to the casino. The casino proposes limited dining and retail facilities within its structure. This would encourage visitors to patronize the other amenities. There is limited potential for expansion and development in the vicinity that would cater to casino traffic.

Isle of Capri: Average: 2.2/5; Weighted score: 6.6

There are two hotels and limited dining and retail in the vicinity of the proposed casino facility that may benefit from the casino traffic. The casino patrons and visitors can take advantage of the nearby hotels and, to a lesser extent, downtown amenities. Since the casino proposes to have a variety of dining areas and bars within its facility, it is unlikely that this proposal will generate customers for nearby dining venues. It may generate guests for the nearby Marriott and Downtown hotels. The absence of amenities on Centre Avenue and the distance visitors would have to walk in order to get to Fifth Avenue would make it difficult for patrons to walk easily to access amenities at these locations. There is a great potential for development on the adjacent sites that would cater to, and benefit from, casino traffic.

Majestic Star: Average: 1/5; Weighted score: 3

There are a few fast food restaurants in the vicinity of the proposed casino that may benefit from casino traffic. The auto-oriented nature of the site would dissuade patrons and visitors from walking to the fast food restaurants. Also, the proposed in-house dining facilities and bars could tempt the patrons to dine within the casino and therefore would not generate as many customers to the nearby venues.

5. Phased Expansion of Gaming and Non-gaming Uses – Weight: 1

Harrah's: Average: 2/5; Weighted score: 2

The proposed site has adequate room for lateral expansion of the casino facility and additional space for other development elsewhere within the Station Square complex.

Isle of Capri: Average: 2.5/5; Weighted score: 2.5

The proposed site for the casino has limited room for lateral expansion of the gaming facility but has potential space for expansion of other facilities in close proximity to the site.

Majestic Star: Average: 1/5; Weighted score: 1

While there are no plans for additional development, on or near the proposed site, there is potential to redevelop or adapt adjoining industrial buildings and sites.

6. Existing Structures – Weight: 1

Harrah's: Average: 2.5/5; Weighted score: 2.5

There exists a temporary tent structure (that acts as a seasonal amphitheater) and surface parking lots that the casino proposes to replace with a new facility. The removal of the tent will have minimal impact on the built environment.

Isle of Capri: Average: 1.5/5; Weighted score: 1.5

There is a viable vacant hospital structure, a church, and other surface parking lots on the proposed casino site that the casino proposes to demolish in order for the new facility to be built. Demolition could create a negative, undesirable impact on the community and the built environment.

Majestic Star: Average: 3/5; Weighted score: 3

The site currently is a surface parking lot and would not require demolition of any significant structure except for a small single story structure on its northeast corner. The removal of this structure will have minimal impact to the built environment.

7. Site Category – Weight: 1

Harrah's: Average: 2/5; Weighted score: 2

The proposed site is a brownfield, but there was insufficient information to assess potential site contamination. However, potential contamination is likely to be more than on the Uptown Site.

Isle of Capri: Average: 3.5/5; Weighted score: 3.5

There was insufficient information to assess potential site contamination, although potential contamination is likely to be less than on the Station Square site.

Majestic Star: Average: 1/5; Weighted score: 1

The proposed site may require considerable remediation. The site was once a coal gas plant and most likely has cyanide contamination. It has never been cleaned up and thus will probably require considerable remediation.

8. Sustainable Measures – Weight: 1

Harrah's: Average: 1.4/5; Weighted score: 1.4

The proposal recommends the disposal of storm water into the river by means of an interceptor that will filter the pollutants. Heat island effect would be mitigated by means of landscaping and paving materials and the applicant is open to the consideration of a green roof. There is no mention of mitigating power consumption although there is a willingness to consider a reduction in water usage. There are no plans to reuse construction waste.

Isle of Capri: Average: 1.6/5; Weighted score: 1.6

The proposal addresses storm water issues but is dependent on adjacent future development for sustainable development. There are plans for a green roof, which would mitigate some impact. The green roof, in addition to landscaping, would reduce

the heat island effect²³. The plan calls for use of efficient fixtures, to reduce the consumption of water, and use of efficient lighting and HVAC systems to reduce power consumption. The waste generated from demolition and construction processes would be reused wherever possible.

Majestic Star: Average: 0.2/5; Weighted score: 0.2

There is no mention of implementing sustainable measures to mitigate the consumption of power and water. There are also no plans to mitigate heat island effect or to reduce construction waste. The applicant is willing to address storm water issues by proposing to dispose storm water directly into the river.

9. New Public Amenities and Infrastructure – Weight: 3

Harrah's: Average: 1.5/5; Weighted score: 4.5

The applicant proposes to construct a winter garden that would be accessible to the general public, a multi-event center, and landscaped public space. The applicant also proposes to add landscaping, street furniture, and lighting along the riverfront trail.

Isle of Capri: Average: 4/5; Weighted score: 12

The applicant proposes to fund the construction of a new arena by promising \$290 million. The casino would have a multi-event center. The applicant proposes to repave the streets surrounding the casino, install street furniture, signals, lighting and landscape on the streets, and build a new sewer line that would service the temporary casino (permanent facility). Total estimated cost is in excess of \$8.1 million.

Majestic Star: Average: 3/5; Weighted score: 9

The applicant proposes to enhance the riverfront trail and construct a 1,000 seat amphitheater on the trail. Additionally, there are plans to invest \$350 million for a mixed-use development in the Lower Hill and \$7.5 million annually for 30 years towards the funding of the new arena.

10. Landscaping – Weight: 1

Harrah's: Average: 0.4/5; Weighted score: 0.4

There is adequate landscaping proposed. However, there is neither any mention of materials and plant types nor maintenance plans. There is a willingness to consider using storm water for irrigation.

Isle of Capri: Average: 0.8/5; Weighted score: 0.8

The plan includes adequate landscaping on the roof as well as on the area of entry. The applicant proposes using a mix of plants and paving materials. Irrigation and maintenance of the plants would be through spray and drip irrigation.

Majestic Star: Average: 0.2/5; Weighted score: 0.2

There is limited area for landscaping. The amphitheater and trail will likely include some hardscapes. There is no discussion on the materials, irrigation, and maintenance plans and no plans for reusing storm water for irrigation.

²³ Increase in urban temperatures due to the replacement of natural land cover with pavement, buildings, and other infrastructure.

Finding - Site Advantages and Disadvantages

The following table lists the average and weighted average scores for the Site Plan criteria. The total score for each applicant is out of 100 points.

Table 3: Summary of Site Planning Analysis Scores

Site Suitability Criteria	Weight	Harrah's		Isle of Capri		Majestic Star	
		Avg.	Weighted Avg.	Avg.	Weighted Avg.	Avg.	Weighted Avg.
Site control	4	5	20.0	1.0	4.0	5	20.0
Visual Access	3	2.5	7.5	1.0	3.0	2.5	7.5
Accessibility*	2	1.8	3.6	2.0	4.0	1.5	3.0
Integration with Adjacent Amenities and Services	3	4.0	12.0	2.2	6.6	1.0	3.0
Phased Expansion of Gaming and Non-gaming Uses	1	2.0	2.0	2.5	2.5	1.0	1.0
Existing Structures	1	2.5	2.5	1.5	1.5	3	3.0
Site category for development	1	2.0	2.0	3.5	3.5	1.0	1.0
Sustainable Measures	1	1.4	1.4	1.6	1.6	0.2	0.2
New Public Amenities and Infrastructure	3	1.5	4.5	4.0	12.0	3.0	9.0
Landscaping	1	0.4	0.4	0.8	0.8	0.2	0.2
Total Weighted Score			55.9		39.5		47.9

* Addressed in detail in the Transportation and Parking Analysis

Based on the above evaluation, pertaining to the advantages and disadvantages of the three proposed casino site plans, the **Harrah's Casino site plan** received the highest score of 55.9 points out of 100. The Majestic Star site plan was second with 47.9 points and Isle of Capri's site plan was third with 39.5.

Building Design Analysis

This subsection addresses the potential nature and quality of the facility designs proposed by the casino operators. Twelve design criteria were identified to quantify and compare each proposal. The following are the specific findings concerning the evaluation and rating of each design criteria and proposal. Table 4 at the end of this subsection summarizes and weighs the scores given for each criterion and provides an overall score for each casino proposal.

1. Compliance with Zoning Code – Weight: 1

Harrah's: Average: 2/5; Weighted score: 2

The building proposal, as presented, partially complies with relevant zoning code regulations applicable to development in Station Square's SP-4 district. The façade along the riverfront trail is somewhat transparent but there is no subletting to other retail

and businesses in the parking garage. As a riverfront location, the proposal complies with only some of the River Life Task Force guidelines.

Isle of Capri: Average: 2.5/5; Weighted score: 2.5

The building proposal, as presented, complies with relevant zoning code regulations applicable to development in the GT-E district; including transparency on Center Avenue and retail subletting on Fifth Avenue. Since, the proposed facility is not located on the riverfront, the River Life Task Force guidelines are not applicable to this site. It is the opinion of the Department of City Planning that this facility lacks the opportunity to connect to the riverfront.

Majestic Star: Average: 2/5; Weighted score: 2

The building proposal, as presented, partially complies with relevant zoning code regulations applicable to development in the DR-A district. There are no plans for subletting to other tenants, though facades along the riverfront trail are proposed to be transparent and interactive. As a riverfront location, the proposal complies with only some of the River Life Task Force guidelines.

2. Site Context – Weight: 4

Harrah's: Average: 4/5; Weighted score: 16

The proposed Harrah's casino is a 1-2 storied structure that is consistent with the other buildings in the Station Square complex with respect to scale, material, and character of the buildings. The parking garage would be comparable to the existing hotel with respect to height. The treatments of the parking garage facades are addressed in the Building Facades criteria. However, the plan proposes the use of additional glass features that could be out of context.

Isle of Capri: Average: 1.0/5; Weighted score: 4

The proposed Isle of Capri casino, in Phase 1, is a 12-14 storied building that is inconsistent with the neighboring building context with respect to scale, materials, and character. The large bulk of the building would impose itself on the buildings in the Fifth Avenue corridor and is much denser than the existing commercial buildings along Fifth Avenue. The building design does propose a set back of 30 feet beyond the fourth story.

Majestic Star: Average: 3.5/5; Weighted score: 14

The site for the Majestic Star casino is a 2-3 storied structure along the riverfront and increases to 9-10 stories along Reedsdale Street. This casino structure is consistent with the other developments along the Ohio River in the North Shore area with respect to scale and character. There is concern, however, about the contextual impact of the garage.

3. Non-Gaming Uses and Public Spaces – Weight: 2

Harrah's: Average: 3/5; Weighted score: 6.0

The proposed building would house two restaurants, five retail units, and one bar within the casino facility, encouraging visitors to use existing dining and entertainment venues on-site. The proposal would also include a multi-event center and a winter garden that would be accessible by general public. Additionally, there are plans to incorporate the riverfront trail with additional landscaping, the marina, and a plaza.

Isle of Capri: Average: 1.5/5; Weighted score: 3

The proposed facility would house as many as five restaurants, one buffet, three bars, and fast food venues along with a multi-event center and three retail units. These internal venues would discourage visitors from using existing dining and entertainment facilities around the site. A variety of retail and galleries on Fifth Avenue are also proposed but would be market driven in terms of leasing. There are no plans, in Phase 1, for exterior public spaces. No access is provided to other recreational uses. There would also be a two storied atrium with a water feature that would be visible from Centre Avenue. This feature would not be accessible to the general public. The inclusion of restaurants and bars within the facility, and the lack of public spaces, would dissuade patrons from accessing surrounding amenities. This would thwart adjacent businesses and negatively impact the surrounding area.

Majestic Star: Average: 2.8/5; Weighted score: 5.6

The building proposes to house four restaurants, one buffet, one bar, one coffee shop, and a beer garden within the casino facility. Additionally, there are plans to construct an outdoor amphitheater and two nightclubs. The amphitheater would be incorporated into the riverfront trail with the possible addition of a marina.

4. Design Approach – Weight: 1

Harrah's: Average: 3/5; Weighted score: 3

The design of the casino facility would be bold, contemporary, and somewhat innovative. It would be oriented toward the Station Square Drive.

Isle of Capri: Average: 4/5; Weighted score: 4

The design of the casino would be bold, contemporary, and innovative and is oriented towards Centre Avenue.

Majestic Star: Average: 1.5/5; Weighted score: 1.5

The design of the casino facility would be bold, contemporary, and innovative. It represents a typical box-type structure with orientation to the riverfront:

5. Building Facades – Weight: 4

Harrah's: Average: 1/5; Weighted score: 4.

As proposed, the riverfront trail and Station Square Drive are the facility's main pedestrian approach and access corridors. However, with respect to the façade along the trail, there is some variation to the building façades in terms of projections and offsets. There is inadequate transparency of façades and a lack of visual and physical integration with the street. The façade facing West Carson Drive lacks visual and physical integration. The applicant is willing to consider increasing transparency and physical connection with the exterior on the riverfront façade. The majority of the parking is provided in an 8-storied parking garage adjacent to, and internally linked to, the casino. This garage stands tall against the lush green backdrop of the hillsides and will impact the panoramic views from the Fort Pitt Tunnel, Monongahela River and downtown. There is mention of treating the façades appropriately; but there are no detail plans in place.

Isle of Capri: Average: 3.5/5; Weighted score: 14

As proposed, the façade on Centre Avenue is approximately 45% transparent. It is not interactive with the street. There is only one access point on this street to the building. The water feature in the atrium is proposed behind a 2-3 storied transparent glass wall that allows for visual interaction with the street. The façade on Fifth Avenue, on the street level, is approximately 50% transparent with individual retail outlets that allow for visual and physical interaction with the street and pedestrians. The parking garage for this proposal is incorporated within the building. Construction would take advantage of the elevation drop between Center Avenue and Fifth Avenue. The parking structure, though it is setback on the upper floors, would be highly visible from the Forbes- Fifth corridor. The facades of the garage have metal-framed openings and brick paneling.

Majestic Star: Average: 2.3/5; Weighted score: 9.2

As proposed, the riverfront trail is the facility's main façade. It has some transparency and visual connection with the exterior. This façade would have physical interaction with the trail and outdoor uses. There are no plans detailing the other facades. The 8-storied parking garage is on top of the casino on Reedsdale Street and would be highly visible from the freeways and City streets. It would not be as visible from the riverfront trail. There is no explanation on the treatment of the facades or mitigation of the visibility of structure on Reedsdale Street.

6. Building Materials – Weight: 2

Harrah's: Average: 2.3/5; Weighted score: 4.6

As proposed, this building would use high quality materials including brick, glass, aluminum curtain wall, and metal panels. There are no plans for using materials like stucco, EIFS, or simulated wood products. The dead facades would have brick patterns accented by lighting. There is inadequate data on the interior finishes.

Isle of Capri: Average: 3/5; Weighted score: 6

As proposed, the building would use high quality materials like stones, brick, glass curtain wall, and metal panels. There is no mention of using materials like stucco, Exterior Insulation and Finish Systems (EIFS) or simulated wood products. The dead façade that faces downtown is not visually integrated with the streetscape. It is punctured with metal framed openings and brick infill panels. Interior plans suggest use of high quality materials. There are no detailed elevations for the façade facing Oakland.

Majestic Star: Average: 1.3/5; Weighted score: 2.6

The building is proposed as a steel and glass building with stone cladding. There is inadequate data on the treatment of blank facades and interior finishes.

7. Public Art – Weight: 0.5

Harrah's: Average: 1/5; Weighted score: 0.5

There is mention²⁴ of incorporating public art in the winter garden area and along Station Square Drive.

Isle of Capri: Average: 1/5; Weighted score: 0.5

²⁴ This was mentioned during a telephone conference on 3-6-06, with the applicant team and Strategic Planning Division staff.

There is mention²⁵ of incorporating public art in the atrium space in the form of colored glass artwork.

Majestic Star: Average: 0/5; Weighted score: 0

There is no mention of incorporating public art.

8. Spatial Organization – Weight: 1

Harrah's: Average: 2/5; Weighted score: 2

There is clear internal spatial organization of the casino and subsidiary functions along a central axis. Main access to the casino is from Station Square Drive with legible and well laid paths accessing ancillary spaces. However, there is no access to the facility from the trail at the casino level. Access from the trail to the mezzanine level retail and dining is unclear.

Isle of Capri: Average: 3/5; Weighted score: 3

There is clear spatial organization of the casino and subsidiary functions as well as internal circulation within the casino. Main access to the casino is from Centre Avenue with legible and well laid paths accessing the ancillary spaces.

Majestic Star: Average: 3/5; Weighted score: 3

There is clear spatial organization and internal circulation. The site plan shows access from North Shore Drive. Internal circulation is along a peripheral ring path centered around the gaming activities with the glass tower as a central focus point.

9. Design Team – Weight: 2

Harrah's: Average: 2.4/5; Weighted score: 4.8

California-based Calthorpe Associates are the urban designers for this proposal and are considered pioneers in mixed-use design and development. They are a highly reputed firm worldwide. SOSH Architects, from Atlantic City, are the architects for the casino. They have been responsible for the design of various gaming and hospitality facilities in Atlantic City and other parts of the country. Both firms have achieved design awards in their respective fields.

Isle of Capri: Average: 2.4/5; Weighted score: 4.8

The design team consists of Pittsburgh-based Urban Design Associates (UDA) as the urban designers. UDA is a firm that has been very active in the planning of this area and the neighboring residential community. Cope- Linder Architects are the architects for the casino. Cope- Linder is based in Philadelphia and they have been responsible for the design of various gaming and hospitality facilities in Atlantic City and other parts of the country. Both firms have achieved numerous awards in various categories.

Majestic Star: Average: 2.4/5; Weighted score: 4.8

Las Vegas based Bergman Walls and Associates are the leading architects for this proposal in collaboration with Pittsburgh-based Strada LLC. While Bergman Walls and Associates are highly experienced with designing casino facilities, Strada LLC have

²⁵ This was mentioned during a February 23, 2006 meeting with the applicant team and Strategic Planning Division staff.

designed a number of facilities on the North shore and in the City of Pittsburgh. Strada LLC. has received several Historic Preservation awards.

10. Environmentally Friendly Building Design – Weight: 0.5

Harrah's: Average: 0.6/5; Weighted score: 0.3

As proposed, the building design does not include any considerable environmental friendly building design measures except for a consideration of a partial green roof and the incorporation of storm water and gray water reduction measures.

Isle of Capri: Average: 1.6/5; Weighted score: 0.8

The building design proposes a partial green roof as a measure to mitigate storm water and heat island effects. There is mention²⁶ of incorporating day lighting into the facility and using energy efficient fixtures to reduce heating and ventilation costs. There is intention of incorporating reuse of materials wherever possible. All demolition and construction waste will be appropriately disposed.

Majestic Star: Average: 0/5; Weighted score: 0

As proposed, there are no plans of incorporating environmental friendly building design measures.

11. Utilities – Weight: 1

Harrah's: Average: 1.5/5; Weighted score: 1.5

As proposed, most of the utilities, including the electrical substation and loading and unloading docks, are within the building in the basement. The rooftop equipment would be incorporated in the material patterns and green roof.

Isle of Capri: Average: 1.3/5; Weighted score: 1.3

As proposed, most of the utilities, including the electrical substation and loading and unloading docks are within the building and screened behind the retail outlets on Fifth Avenue. It is assumed that the rooftop mechanical equipment will be screened by the landscaping included on the green roof.

Majestic Star: Average: 0.8/5; Weighted score: 0.8

As proposed, most of the utilities and loading and unloading docks are within the building along Reedsdale Street and visible from the street.

12. Lighting and Signage – Weight: 1

Harrah's: Average: 0.8/5; Weighted score: 0.8

The pedestrian stairwells in the parking garage would be treated as light towers and the exterior lighting and signage would be bold and distinctly visible. The plan includes light emitting diode (LED) signs on the parking garage facing Carson Street.

Isle of Capri: Average: 0.7/5; Weighted score: 0.7

There are no plans for lighting and signage on the building. There are plans, however, to use metal halide fixtures within the building and outside that comply with the code.

²⁶ This was mentioned during a telephone conference on 3-6-06, with the applicant team and DCP.

Majestic Star: Average: 0.3/5; Weighted score: 0.3

No plans for lighting and signage were presented, except for a rendering that displayed bold and flashy entrance signs.

Finding – Quality of Design

The following table lists the average and weighted average scores for the Quality of Design criteria. The total score for each applicant is out of 100 points.

Table 4: Summary of Building Design Analysis Scores

Design Impact Criteria	Weight	Harrah's		Isle of Capri		Majestic Star	
		Avg.	Weighted Avg.	Avg.	Weighted Avg.	Avg.	Weighted Avg.
Compliance with zoning code	1	2.0	2.0	2.5	2.5	2.0	2.0
Site Context	4	4	16.0	1.0	4.0	3.5	14.0
Non-gaming Uses and Public Spaces	2	3.0	6.0	1.5	3.0	2.8	5.6
Design approach	1	3.0	3.0	4	4.0	1.5	1.5
Building Facades	4	1.0	4.0	3.5	14.0	2.3	9.2
Building materials	2	2.3	4.6	3	6.0	1.3	2.6
Public Art	0.5	1.0	0.5	1.0	0.5	0.0	0.0
Spatial organization	1	2.0	2.0	3.0	3.0	3.0	3.0
Design Team	2	2.4	4.8	2.4	4.8	2.4	4.8
Environmentally friendly building design	0.5	0.6	0.3	1.6	0.8	0.0	0.0
Utilities	1	1.5	1.5	1.3	1.3	0.8	0.8
Lighting and signage	1	0.8	0.8	0.7	0.7	0.3	0.3
Total Weighted Score			45.5		44.6		43.8

Based on the above evaluation pertaining to the quality of design proposed by the casino operators, the **Harrah's Casino proposal, Isle of Capri proposal and the Majestic Star proposals** were tied receiving comparable total scores.

Socioeconomic Analysis

This section addresses the potential socioeconomic benefits and impacts of the casino proposals in regards to jobs and impacts on existing businesses and adjacent communities. Fourteen criteria were developed to quantify and compare the socioeconomic implications of each proposal. The following are the specific findings concerning the evaluation and rating of each socioeconomic criteria and proposal. Table 5 at the end of this section summarizes and weighs the scores given for each criterion and provides an overall score for each casino proposal.

Methodology

The socioeconomic analysis is comprised of 14 categorical measures. For each category, casino operators were given numerical scores ranging from zero to five. The numerical scores denote how well the operator addresses or meets the criterion, with five being the highest (or best) possible score and one being the lowest. If the operator did not provide sufficient information to assess the criterion a score of zero was assigned.

In the analysis that follows, casino proposals are listed within each criterion in order of their numerical score. The first listed proposal gave the most satisfactory answer to the criterion, the second proposal listed gave the second most satisfactory answer, and the third proposal listed gave the least satisfactory answer or did not provide information. Two proposals with the same numerical score denote a tie. Numerical scores are then summed together and weighted by category at the end of the analysis and summarized in Table 5.

This analysis focuses on the impacts of the casino itself rather than impacts of the entire development plan submitted by the operators. It is an analysis of the qualitative impacts of the different aspects of applicant's plans related to community and social impact.

1. Maximizes job creation and ensures jobs are quality jobs – Weight: 1

NOTE: Employment numbers submitted by the three applicants are defined and briefly evaluated below, but the numerical score is based on the proposed size and scale of the casino, which is similar for all three operators, and the quality of jobs that the operator has created at other facilities. The Department of City Planning is of the opinion that total employment and wages would not vary greatly between the three casinos. Because of this, all candidates were awarded a base numerical score of 4, with slight increases or decreases based on the operator's history as an employer.

Harrah's: 4.5/5; Weighted Score: 4.5

Harrah's expects to create 2,232 jobs related to the casino operations and 1,358 jobs related to food, beverage, and other. This is a total of 3,590 jobs projected within the casino in the first year. Harrah's also projects an average annual wage of \$24,317. Harrah's expects that this impact will create 2,986 indirect jobs (jobs created by off-site economic activity attributable to the casino) and 1,543 induced jobs (jobs created by the multiplier effect of the direct and indirect impacts), also in year one. These numbers

increase in subsequent years.²⁷ These employment figures are most likely inflated and are higher than employment at two existing Harrah's Atlantic City casinos that are of comparable size to what has been proposed for Pittsburgh.

The employment estimates are based on an investment of \$512 million in the casino facility. This is in the high end of the range of likely investment calculated by industry expert Jennifer Lendler. After analyzing the Pittsburgh market, Lendler determined that "an investor could invest anywhere from \$156 million to \$612 million". Ms. Lendler felt that the actual expenditure would be closer to the middle of this range.²⁸

Isle of Capri: 4/5; Weighted Score: 4

Isle of Capri expects to create 979 jobs at the casino and 3,133 jobs in indirect employment, for a total of 4,112 jobs. Two hundred and forty-five and 783 of these jobs respectively are estimated to go to Pittsburgh residents.²⁹ The average annual salary for these jobs would be \$26,000. Job creation does not include the proposed arena.

Majestic Star: 3.5/5; Weighted Score: 3.5

Majestic Star's estimate for indirect and induced employment is 981 jobs. Newspaper sources report that the casino will create 1,500 direct jobs and 1,500 indirect jobs.³⁰

2. Potential to leverage additional development in the City of Pittsburgh – Weight: 3

Harrah's: 3/5; Weighted Score: 9

Because this site is located within Station Square, and is isolated from other parts of the City, additional investment proximate to Station Square is not as likely as compared to the Isle of Capri proposal. However, the overall development proposal does include a 1,200 unit condominium project on the eastern portion of the Station Square Site.

Isle of Capri: 5/5; Weighted Score: 15

This proposal includes \$290 million for a new arena, which is a substantial additional investment in the City that may leverage additional investment. Because the site borders a commercial area on Fifth Avenue, it may spur development along this corridor. There is also potential to spur mixed-use development on the existing arena site. That potential is enhanced by master planning efforts proposed for the site and a partnership with Nationwide Realty Investors of Columbus.

Majestic Star: 3.5/5; Weighted Score: 10.5

This plan includes an annual contribution of \$7.5 million per year towards a new arena funded under Governor Rendell's Plan B, which would have the same potential to spur development as the arena funding proposed by Isle of Capri. The plan also includes a 300 room hotel if warranted by demand.³¹ There was mention of \$350 million for new development in the Hill District³², but the mechanisms and likelihood of this

²⁷ Harrah's Submission, Section 7.

²⁸ Report for Pittsburgh Gaming Task Force, Alea Advisors, page 32.

²⁹ Local Impact Report of Isle of Capri Pittsburgh, Inc., Section 3, page 7.

³⁰ Mark Belko, "Pittsburgh Casino Jobs A Matter of Promises," *Pittsburgh Post-Gazette*, March 3, 2006.

³¹ Mark Belko, "Detroit bidder leaves hearings with better hand in slots competition," *Pittsburgh Post-Gazette*, April 24, 2006.

³² Pennsylvania Gaming Task Force Pittsburgh Public Hearing, April 18, 2006.

funding becoming reality were not articulated to the Department of City Planning. Because the site is isolated and bordered by large highways it is unlikely that it would spur additional development in the immediate area.

**3. Provides meaningful service sector job training for Pittsburgh residents –
Weight: .5**

Harrah's: 5/5; Weighted Score: 2.5

Harrah's has an agreement with Bidwell Training Center in Manchester to train workers.

Isle of Capri: 4/5; Weighted Score: 2.0

Isle of Capri is working with the Community College of Allegheny College to define a training program for hospitality workers. The company articulated in a presentation to the Department in February that it insists on training its own casino workers.

Majestic Star: 3/5; Weighted Score: 1.5

Majestic Star is working with the North Side Leadership Conference to implement a training program for Pittsburgh residents.

**4. Aggressively recruits Pittsburgh residents as employees and vendors –
Weight: 1**

Harrah's: 4/5; Weighted Score: 4

Harrah's will "seek local assistance in its efforts to identify, recruit, and train job candidates from the Pittsburgh community". They will also focus on "local procurement of goods and services where possible and feasible".³³ The partnership with Bidwell will help Harrah's with its recruitment of Pittsburgh residents.

Isle of Capri: 4/5; Weighted Score: 4

Isle of Capri plans on employing primarily from the Pittsburgh market. Isle of Capri has a track record of hiring "90% of team members from the local market" in jurisdictions in which they operate and according to the presentation held at the Pittsburgh public hearings on April 18, 2006, they will do the same in Pittsburgh.³⁴

Majestic Star: 4/5; Weighted Score: 4

Majestic Star plans on hiring locally, and has a history of doing so in other regions. In Gary, Indiana, where Majestic Star has the majority of its holdings, the company has signed an agreement to make its best efforts to employ 67% residents of the City of Gary and 90% residents of Lake County, Indiana.³⁵

**5. Implements measurable diversity plan with meaningful goals and oversight –
Weight: 1**

Harrah's: 4/5; Weighted Score: 4

Harrah's included a diversity plan in their submissions with detailed goals.³⁶

³³ Harrah's Submission, Section 9.

³⁴ Isle of Capri Socioeconomic Submission, page 13.

³⁵ Majestic Star Annual Report 2005, page 7.

³⁶ Harrah's Submission, Section 9.

Isle of Capri: 4/5; Weighted Score: 4

Isle of Capri included a diversity plan in their submissions with detailed goals.³⁷ Isle of Capri management is 48% female and 25% minority. Overall, company employment is 48% minority.³⁸

Majestic Star: 5/5; Weighted Score: 5

Although Majestic Star has not submitted a diversity plan, diversity is a major focus for the company. Based on operations in other cities, it is likely that the Pittsburgh facility will also have a diversity plan. In Gary, Indiana, where Majestic Star has the majority of its holdings, the company has signed an agreement to make its best efforts to employ 70% from racial minority groups and 52% females.³⁹

**6. Maximizes ability to market to suburban and overnight visitor gamers –
Weight: 3**

Harrah's: 5/5; Weighted Score: 15

The Harrah's plan includes a hotel and the site is accessible by foot from existing downtown hotels. Forest City also owns the Westin Hotel, giving the developer an opportunity to market the casino to all Westin customers. The site is accessible from regional highways leading to the suburbs and has ample parking. The siting of this casino maximizes the opportunity of suburban visitors and overnight gamers to use the facility.

Most importantly, Harrah's markets itself as a destination casino, which would increase profitability for the region. Harrah's Total Rewards loyalty program, which has 40 million members and encourages customers to visit Harrah's casinos all over the world, increases the likelihood of drawing from gamers from other markets to Pittsburgh. Standard and Poor's writes that although other casino operators have similar programs "Harrah's has differentiated itself with a broader, more intense focus on this aspect of the business."⁴⁰

Isle of Capri: 3/5; Weighted Score: 9

While the Isle of Capri plan does not include a hotel in Phase 1, the site is accessible by foot from existing downtown hotels, increasing access to overnight visitor gamers. The site is also accessible from regional highways leading to the suburbs and has ample parking, maximizing the ability of suburban visitors to utilize the facility. Partnership with the Penguins may also increase the likelihood of drawing overnight visitors; however, it is important to note that the Isle of Capri proposal does not guarantee that the new arena will be constructed.

Majestic Star: 2/5; Weighted Score: 6

The North Shore plan does not include a hotel in the first phase of development and is not accessible by foot from existing downtown area hotels and restaurants. Although it is accessible from regional highways leading to the suburbs, and has ample parking, it is too far removed from overnight lodging to satisfy this criterion. There are plans to build a hotel in future phases if warranted by demand.

³⁷ Isle of Capri Casinos, Inc. Socioeconomic Impact Data Request, Section 3.

³⁸ Majestic Star Presentation, Pennsylvania Gaming Task Force Pittsburgh Public Hearing, April 18, 2006.

³⁹ Majestic Star Annual Report 2005, page 7.

⁴⁰ "Harrah's Entertainment, Inc.," Standard & Poor's CreditWeek, July 7, 2005. Isle of Capri also has a reward program. Majestic Star does not.

**7. Promotes visitor spending off of casino floor and outside casino walls –
Weight: 3**

Harrah's: 5/5; Weighted Score: 15

Harrah's does not include as many restaurants in their plan as the other applicants. They write that "the internal dining and entertainment component of the Station Square has been reduced because so many restaurants and cafes already exist on the site."⁴¹ Because Forest City owns neighboring attractions, there is an incentive for the developer to work with the operator to encourage casino visitors to not spend all of their time in the casino.

Isle of Capri: 2/5; Weighted Score: 6

The Isle of Capri facility is designed to keep visitors inside the facility. It includes many restaurants and attractions, all operated by the Isle of Capri, and does not have many physical connections to Fifth Avenue or to the neighboring Hill District. The facility has its back to Fifth Avenue, orienting the casino away from the closest commercial corridor. The major connection to the community is a park which connects the casino to a proposed mixed-use development, neither of which currently exist. Both the park and the community connection depend on the market for construction.

Majestic Star: 1/5; Weighted Score: 3

The North Shore site is the most isolated of the three and is not easily accessible by foot from neighboring commercial activities. The design of the facility is not conducive to visitors leaving the casino to visit neighboring attractions. The exception is nearby fast food restaurants.

**8. Complements convention, tourism, hotel, retail and restaurant activity –
Weight: 1**

Harrah's: 4/5; Weighted Score: 4

This facility would provide an added attraction to convention attendees accentuated by the fact that Forest City owns the Westin Hotel, which is connected to the Convention Center, giving people who stay in the Westin an added incentive to visit the casino. This casino would be more complementary to existing activities because it is being integrated into an existing entertainment district, and has fewer internal restaurants than other proposals.

Isle of Capri: 3/5; Weighted Score: 3

Although this facility would provide an added attraction to convention attendants and is also accessible by foot from the convention center, this facility will be more competitive than complementary to neighboring restaurant businesses. As mentioned above, the casino facility is not designed to interact with its context. It is a closed design with many internal restaurants, encouraging visitors to stay inside. Experiences in other cities imply that a casino with this type of design would have a detrimental impact on restaurants in close proximity. Furthermore, because Isle of Capri is more of a local than national draw, its contribution to hotel activity in the City would be limited.

Majestic Star: 2/5; Weighted Score: 2

⁴¹ Harrah's Submission, Section 14, page 3.

This facility is isolated from most local hotels, retail establishments, restaurants, and the convention center. Its greatest potential for impact would be to provide an entertainment and dining venue for traffic at Steelers and Pirate games. The proposal accentuates the riverfront trail access to the facility, but it is unlikely that many gamers will access the facility using a riverfront trail.

**9. Utilizes existing Pittsburgh restaurant/bar/retail vendors in the casino complex -
Weight: 1**

Harrah's: 1/5; Weighted Score: 1

Harrah's proposes not to place local vendors in their casino but to operate the casino restaurants themselves.

Isle of Capri: 2/5; Weighted Score: 2

Isle of Capri has made it clear that they plan to include and operate restaurant concepts that exist at other Isle of Capri facilities, rather than including local restaurants or vendors. However, Isle of Capri hopes to locate local business operators within retail space on Fifth Avenue.

Majestic Star: 0/5; Weighted Score: 0

The Department of City Planning was not able to gauge this criterion based on available information.

10. Has received positive feedback from community -- Weight: 1

Harrah's: 3/5; Weighted Score: 3

Neither of the neighboring community groups, the Mount Washington CDC, nor the South Side Local Development Corporation (SSLDC), has taken a position on the Station Square Casino Proposal. The SSLDC has, however, publicly announced that it is in negotiation to sign a community agreement with Harrah's. The West Pittsburgh Partnership has also spoken in favor of the Harrah's plan, despite their proximity to the North Shore site. Most concerns against the proposal, including those of the Pittsburgh Gaming Task Force, have been related to traffic. No stakeholders have taken a public stance against the proposal.

Isle of Capri: 3/5; Weighted Score: 3

Community sentiment about this plan is mixed. The Hill House, a major hill district community center, has not taken a position on this proposal. They are meeting with the Pittsburgh First team to determine ways that this proposal could best benefit the Hill District. The Uptown Action Coalition has also not taken a stance on this issue. Reaction at a Hill House community meeting held in February, 2006, was mixed. The Crawford Square Homeowners Association and the Downtown Neighborhood Association have both spoken out in favor of the plan, as have many Hill groups that are not on the Department of City Planning's list of neighborhood groups, including Pittsburgh Community Services. Isle of Capri had the most public support at the recent public hearing held in Pittsburgh by the Pennsylvania Gaming Control Board. However, Duquesne University, a major stakeholder in the area, is opposed to the casino proposal.

Majestic: 2/5; Weighted Score: 2

The North Side Leadership Conference has spoken in favor of this plan and is working on signing a community benefits agreement with Majestic Star. Opposition includes many North Shore stakeholders and development interests; including the Steelers.

11. Proposal is integrated into existing neighborhood plans – Weight: .5

Harrah's: 3/5; Weighted Score: 1.5

While the South Side neighborhood plan does not include this site, and the South Shore does not have a neighborhood plan, the site does have a master plan with which a casino use is compatible.

Isle of Capri: 0/5; Weighted Score: 0

There is no existing neighborhood plan for this site.

Majestic Star: 0/5; Weighted Score: 0

There is no existing neighborhood plan for this site.

12. Plan to fund programs and/or a special service district to aid nearby communities – Weight: 2

Harrah's: 4/5; Weighted Score: 8

Harrah's will donate \$25 million to the Pittsburgh History & Landmarks Foundation to create a fund targeting neighborhood preservation efforts around the City. Harrah's will also donate more than \$1 million annually through a foundation to support community groups citywide. This foundation would be administered by former Steeler Franco Harris and will be focused on Community Development Corporations. At least half of the funds will be used in neighborhoods with a 60% or higher minority population.

Isle of Capri: 3/5; Weighted Score: 6

The Isle of Capri plans to contribute \$1 million annually to a community development fund which would go to the nearby Hill District. They also suggest donating a certain percentage of profits from the proposed market-driven mixed-use development, should the development be constructed.

Majestic Star: 3/5; Weighted Score: 6

The Majestic Star team has publicly stated that they will contribute \$1 million annually to the Hill District, although the specifics of this contribution have not been articulated or documented. There was mention of \$350 million for new market-driven development in the Hill District⁴², but the specifics and likelihood of this funding becoming reality were also not articulated to the Department of City Planning.

⁴² Majestic Star Presentation, Pennsylvania Gaming Task Force Pittsburgh Public Hearing, April 18, 2006.

13. Community relations liaison and plan, with adequate resources to interface with neighbors – Weight: 1

Harrah's: 5/5; Weighted Score: 5

Harrah's plans on employing a community relations liaison.

Isle of Capri: 4/5; Weighted Score: 4

Isle of Capri has not released a plan for interactions with the surrounding community once the casino has received a license. However, during the proposal stage, they have hired multiple liaisons to interact with the neighboring Hill District and Uptown neighborhoods through the Pittsburgh First team, and it is probable that they will continue to employ these people, should their proposal be selected.

Majestic Star: 0/5; Weighted Score: 0

The Department of City Planning was not able to gauge this criterion based on available information.

14. Demonstrated history of community involvement and consideration of community concerns at other facilities – Weight: 1

Harrah's: 0/5; Weighted Score: 0

The Department of City Planning was not able to gauge this criterion based on available information.

Isle of Capri: 3/5; Weighted Score: 3

The Department of City Planning was not able to locate independent sources able to comment on community interactions with the applicant. However, Isle of Capri has released a video on the Pittsburgh First website which features interviews with elected officials in municipalities in which they operate.⁴³ Two mayors in Iowa, along with elected officials in Great Britain, spoke very favorably of Isle of Capri's interactions with the community within their jurisdictions.

Majestic Star: 0/5; Weighted Score: 0

The Department of City Planning was not able to gauge this criterion based on available information.

Finding – Potential Socioeconomic Benefits and Impacts

Table 5, on the following page, lists the scores and total weighted scores for the Socioeconomic criteria. The total score for each applicant is out of 100 points.

⁴³ "Isle of Capri Mayoral Advocates Video", <http://boss.streamos.com/wmedia/penguins/video/politicians-1.aspx>.

Table 5: Summary of Socioeconomic Analysis Scores

Socioeconomic Impact Criteria	Weight	Harrah's Casino		Isle of Capri		Majestic Star	
		Score	Weighted Score	Score	Weighted Score	Score	Weighted Score
Maximizes job creation and ensures jobs are quality jobs	1.0	4.5	4.5	4.0	4.0	3.5	3.5
Potential to leverage additional investment in the City	3.0	3.0	9.0	5.0	15.0	3.5	10.5
Provides meaningful service sector job training for Pittsburgh residents	0.5	5.0	2.5	4.0	2.0	3.0	1.5
Aggressively recruits Pittsburgh residents as employees and vendors	1.0	4.0	4.0	4.0	4.0	4.0	4.0
Implements enforceable diversity plan with meaningful goals and oversight	1.0	4.0	4.0	4.0	4.0	5.0	5.0
Maximizes ability to market to suburban and overnight visitor gamers	3.0	5.0	15.0	3.0	9.0	2.0	6.0
Promotes visitor spending off of casino floor and outside casino walls	3.0	5.0	15.0	2.0	6.0	1.0	3.0
Complements convention, tourism, hotel, retail, and restaurant activity	1.0	4.0	4.0	3.0	3.0	2.0	2.0
Utilizes existing Pittsburgh restaurant/bar/retail vendors in the casino complex	1.0	1.0	1.0	2.0	2.0	0.0	0.0
Has received positive feedback from community	1.0	3.0	3.0	3.0	3.0	2.0	2.0
Proposal is integrated into existing neighborhood plans	0.5	3.0	1.5	0.0	0.0	0.0	0.0
Plan to fund programs and/or a special service district to aid nearby communities	2.0	4.0	8.0	3.0	6.0	3.0	6.0
Community relations liaison and plan, with adequate resources to interface with neighbors	1.0	5.0	5.0	4.0	4.0	0.0	0.0
Demonstrated history of community involvement and consideration of community concerns	1.0	0.0	0.0	3.0	3.0	0.0	0.0
Total Weighted Score			76.5		65.0		43.5

Based on this evaluation and criteria ratings concerning the potential socioeconomic benefits and impacts of the casino proposals, the **Harrah's Casino** proposal scored the highest with 76.5 out of 100 points. Isle of Capri was second with 65 points and Majestic Star third with 43.5 points.

Transportation and Parking Analysis

This section evaluates the transportation accommodations and potential impacts of the three casino development proposals. Seven criteria were developed to quantify and compare the transportation implications of each proposal. The following are the specific findings concerning the evaluation and rating of each transportation criteria and proposal. Table 6 at the end of this section summarizes and weighs the scores given for each criterion and provides an overall score for each casino proposal.

Methodology

This evaluation is a summary of a more detailed review of the traffic and parking reports submitted by transportation planning and engineering consultants hired by each casino developer to address the impacts of each of the proposals on the City's transportation infrastructure. The comprehensive report is titled, "Transportation and Parking Analysis, A Comparative Evaluation of Three Casino Gaming Sites in Pittsburgh." It is included in the Appendix of this report. The traffic and parking impact reports reviewed by the Department were prepared by Trans Associates Engineering Consultants of Pittsburgh for the Isle of Capri (IOC), GAI Consultants of Pittsburgh for Harrah's Station Square Casino (HSSC), and the IBI Group of Toronto, Ontario, Canada for Majestic Star Casino (MSC).⁴⁴ This section has also drawn from work performed for the Philadelphia Gaming Advisory Task Force and published in a report to Mayor John F. Street titled, "Final Report, Philadelphia Gaming Advisory Task Force" dated October 27, 2005.

This section evaluates the traffic and parking impacts of a 5,000 slot casino operation including the impact of the Isle of Capri casino operation on the Lower Hill District and the Uptown area, the Forrest City and Harrah's proposal on the Station Square area along the Monongahela River, and the Majestic Star development on the North Shore area. Included in these evaluations are comparative assessments of existing and projected traffic, parking, and pedestrian conditions on streets that would be used to access each site; including existing and future capacity opportunities or constraints associated with each site.

A technical analysis of the advantages and disadvantages associated with each casino gaming proposal and site location was conducted with respect to the seven criteria. The criteria are listed below. Supporting questions or statements were developed to address various elements of each criterion. Each supporting question or statement was rated on a scale of one (1) to five (5). One is undesirable and five is most desirable. A zero was assigned if available information was insufficient to rate the proposal. These ratings were assigned based on the evaluation of information provided in each consultant's report. An average score was determined for each criterion and

⁴⁴ Isle of Capri was the only applicant to conduct a comprehensive traffic and parking study of their master development plan as required by the City. Isle of Capri's study included a very expansive study area, data collection, and data analysis effort. Harrah's and Majestic completed a limited traffic study due to the lack of time and the application deadline established by the State's Gaming Control Board. It was understood that if either of them were to be awarded the Pittsburgh license, a more comprehensive traffic analysis would be completed.

proposal. Each criterion was also weighted depending on the relative significance of the criterion. The final score for a particular criterion and proposal was the product of the average score and the assigned weight. The sum of the scores of all the criteria determined the final score for each proposal. A detailed evaluation of the criteria and supporting questions are included in Table A4 in the Appendix. Table 6 provides a summary of the criteria and proposal scores. Below are descriptions of the seven criteria and related scores.

1. Convenient regional highway access – Weight: 4

Harrah's : Average: 1.7/ 5; Weighted score: 6.8

Phase one of Harrah's proposal includes construction of a 3,100 space parking garage. All regional access to the facility relies on Carson Street for varying distances. The casino's site drive off Carson Street will be located in close proximity to Fort Pitt Bridge ramps providing direct access from I-279N, I-376 and Route 65. Access via the bridge to and from I-376 requires negotiation of a substandard weave. There is also an exit ramp from I-376W onto Grant Street and Fort Pitt Boulevard to the site via the Smithfield Street Bridge and Carson Street. Route 51 is accessible through the Liberty Tubes, the Wabash HOV Tunnel, and the West End Circle via Carson Street. I-279S is accessible through the Wabash HOV Tunnel or West End Circle. Carson Street will remain a bottleneck for casino access although pending improvements to the West End Circle may help. Harrah's is proposing \$4.9 million in local traffic improvements for both Phase one and two.

Isle of Capri: Average: 2.2/ 5; Weighted score: 8.8

Isle of Capri's phase one proposal calls for a 4,301 space parking garage to be located off Centre Avenue. The Cross Town Expressway (I-579) is the major transportation artery accessing the site. Extending from the Veterans Bridge to the Liberty Bridge, it provides connections to I-279 to the north and Route 28 to the Allegheny Valley and access from the Liberty Bridge and I-376 via the Boulevard of the Allies. Access to and from I-279S and Route 65 requires use of Grant Street and 7th Avenue in downtown.

Design year 2008 peak hour congestion is anticipated at several nearby intersections. Isle of Capri is offering to design and implement the necessary signal modifications and roadway improvements at a cost of \$8.1 million.⁴⁵ However, access through downtown streets will remain congested during peak periods.

Majestic Star: Average: 1.3/ 5; Weighted score: 5.2

The Majestic Star Casino development includes construction of a 4,186 stall parking garage in Phase one. The site is located in close proximity to I-279, including the I-279N HOV facility. Other routes near the site include State Route 28, State Route 65, State Routes 51 and 19 via the West End Bridge, and I-376 via the Fort Duquesne Bridge. Reedsdale Street and North Shore Drive provide immediate access to the site from these regional facilities. Egress to I-279N and Route 28N are provided by General Robinson Street. Majestic Star is proposing \$10.79 million in local traffic improvements for both Phase one and two to North Shore Drive and Reedsdale Street.

⁴⁵ A list of the improvements and associated costs can be found in "Transportation and Parking Analysis, A Comparative Evaluation of Three Casino Gaming Sites in Pittsburgh." Department of City Planning, March 17, 2006.

Various merge movements and one-way restrictions present physical and operational challenges to motorists accessing the site. Consequently, the use of the existing street network to accommodate the casino traffic will be problematic

2. Convenient local access by car – Weight: 3

Harrah's: Average: 2.4/ 5; Weighted score: 7.2

The Harrah's site is directly served by Carson Street from the West End Circle, Fort Pitt Bridge, and Smithfield Street Bridge. From Carson Street access would be provided via an internal private two-lane access road serving the casino site and Station Square. Harrah's is proposing improvements to the Station Square driveways, widening the approaches to the Carson and Smith intersection, and a pedestrian bridge over Carson at the intersection, near the Monongahela Incline.

The site has some physical challenges and liabilities, however; direct access to the site would be limited to a single arterial street, Carson Street, a state highway currently experiencing peak period and event congestion. There are limited opportunities to further mitigate congestion. Consequently, this congestion is expected to continue during casino peak periods.

Isle of Capri: Average: 3.2/ 5; Weighted score: 9.6

The Isle of Capri site has many local roads with sufficient or excess capacity to access the site including Centre Avenue, Fifth Avenue, Forbes Avenue, Crawford Street, Pride Street, Washington Place, and Bedford Avenue. The primary access route includes Centre Avenue, Washington Boulevard, Fifth Avenue and Grant Street.

Isle of Capri is proposing complete reconstruction of Washington Place and Centre Avenue, including signal modifications and pedestrian enhancements.

The same roadways that access the site have potential challenges and liabilities. Fifth Avenue, Forbes Avenue, and Grant Street in downtown have heavy pedestrian volumes, intersection congestion, and on-street parking on Fifth and Forbes in the Uptown District. Chatham Square operates as an extension of Washington Place. It connects Fifth Avenue to Forbes Avenue and is narrow and congested during peak travel times. Crawford Street, between Bedford and Centre, is one lane in each direction with parking on both sides providing a north and south connection at the eastern edge of the site. Because of its residential character, it is not well suited for site access. Fifth Avenue, adjacent to the site, operates as two lanes westbound into the downtown area. There is parking on both sides of the street with numerous bus stops. Intense truck loading and unloading activities, commingled with through traffic, parking and un-parking of cars, and high pedestrian volumes, are common place on Fifth Avenue.

Majestic Star: Average: 2.3/ 5; Weighted score: 6.9

The site is located in close proximity to I-279, including the HOV facility, State Route 28, State Route 65, State Routes 51 and 19 via the West End Bridge, and I-376 via the Fort Duquesne Bridge. Direct site access is provided via North Shore Drive, Reedsdale Street, Fontella Street, and portions of Ridge Avenue and Western Avenue. I-279 North is accessed via a ramp on East General Robinson Street approximately a half mile east from the site.

The challenges and liabilities of local access to the site via private automobile are the same as those encountered with regional highway access. The various merges and one way roadway configurations would limit local site accessibility. Consequently, local access to the existing street network would be problematic. Majestic Star is proposing signal and roadway improvements for North Shore Drive and Reedsdale Street.

3. Access by public transit —Weight: 3

Harrah's: Average: 2.1/ 5; Weighted score: 6.3

The Harrah's site is the best situated for maximum use of public transportation with numerous bus routes on Carson Street, an LRT Station to the east of the site, an HOV tunnel, two inclines, and river taxi service. Bus service in the area consists of fourteen bus routes that serve neighborhoods and suburbs in the southern part of the City and County. The LRT Station serves South Hills neighborhoods with connections to downtown. Harrah's traffic impact analysis estimates that fifteen percent (15%) of the casino patrons and twenty five percent (25%) of the employees would arrive at the site via public transportation. DCP believes that these estimates are too high.

Isle of Capri: Average: 1.8/ 5; Weighted score: 5.4

The proposed Isle of Capri site is well served by public transit. Directly serving the site on Centre Avenue, between the central business district and neighborhoods in the east, are three bus routes. Extensive transit service is also available on Forbes Avenue and Fifth Avenue. The site is also within short walking distance of the LRT Steel Plaza Station. The traffic impact analysis has determined that twelve percent (12%) of casino patrons and employees will arrive at the site via public transportation.

The challenges and liabilities of public transit include a lack of service between the southern edge of the site on Forbes / Fifth Avenues and the northern edge of the site on Bedford Avenue. Too many bus routes on Fifth Avenue would contribute to peak hour congestion and unsafe conditions for pedestrians. The proposed casino truck access on Fifth Avenue would add to this congestion and create conflict in the future (increasing the potential for accidents).

Majestic Star: Average: 1.2/ 5; Weighted score: 3.6

The Majestic Star site is not well served by public transit. Current services include only three routes operated by the Port Authority of Allegheny County (PAAC) and one route operated by the Beaver County Transit Authority (BCTA). Only one PAAC route provides direct service to the site. The site will have improved transit service in the future with the planned construction of the North Shore Connector project. The project will extend the LRT system from downtown to the North Shore with a station at the intersection of Reedsdale Street and Allegheny Avenue (1,200 feet from the site). The riverfront will provide opportunities to provide a mooring area for a water taxi facility, ferry services and personal boat docking facilities. It is estimated that ten percent (10%) of Majestic Star's casino patrons and four percent (4%) of the employees will arrive at the site via public transportation.

4. Casino must be accessible to pedestrians — Weight: 1

Harrah's: Average: 3.1/5; Weighted score: 3.1

The Harrah's site is the second most suitably located for convenient and safe pedestrian access and circulation. Harrah's has assumed that pedestrians coming to their casino would typically come from the downtown, Southside, Mt. Washington, and Duquesne Heights. Harrah's estimates that five percent (5%) of their patrons and fifteen percent (15%) of their employees would walk to the casino site. However, the DCP believes that this estimate is relatively high. The site is approximately a 20 minute walk from the center of downtown Pittsburgh. The Southside is at least a mile away from the site and that makes walking to the site improbable. The site is isolated; with the

mountain on the south and the river on the north forming distinct physical barriers to pedestrian access.

Isle of Capri: Average: 3.3/ 5; Weighted score: 3.3

The Isle of Capri site is the most suitably located for convenient and safe pedestrian access and circulation. It is assumed that the majority of pedestrians walking to the site on a weekday would be downtown employees. On weekends, pedestrian traffic would comprise both downtown residents and employees, and residents of the nearby Hill District and Uptown communities. Isle of Capri estimates that two percent of their patrons and employees would walk to the casino. To accommodate this traffic, Isle of Capri has recommended pedestrian improvements at critical intersections near the site. Regardless, with increased traffic in the area, pedestrian movements would encounter greater conflicts with vehicle.

Majestic Star: Average: 1.9/5; Weighted score: 1.9

The Majestic Star site is on the Three Rivers Heritage Trail along the north shore of the Allegheny and Ohio Rivers. The Majestic proposal plans to extend the trail system through the site with considerable pedestrian improvements through their site that would provide full physical and visual access to the riverfront. Majestic Star estimates that only two percent (2%) of their patrons and two percent (2%) of their employees would walk to the site. This low percentage is largely because the site is not well situated for pedestrian access. It is removed from downtown and isolated. It is hemmed in by the Ohio River on the south and the Route 65 viaduct on the north.

**5. Casino must provide adequate parking on or adjacent to the site –
Weight: 2**

Each of the consultants for the casino developers conducted a parking demand and supply analysis of the casino portion of their development under existing 2005 and design year 2008 conditions. All profess to provide ample parking for their patrons and employees in garages on the site, adjacent to the site, or in remote locations.

Harrah's: Average: 3.3/5; Weighted score: 6.6

Harrah's proposal provides a 3,100 parking space garage for casino patrons and employees. In addition there are 2,395 spaces owned by Forest City Enterprises within the Station Square entertainment district available to support some patron and employee parking.

The parking demand for the casino on a Saturday evening is estimated to be approximately 3,100 spaces; 2,700 spaces for patrons and 400 spaces for employees or a parking rate of .78 spaces slot machine or per gaming position. This is below industry standards based on data from the casino industry and independent research (which shows a parking rate of 1.0 to 2.5 parking spaces per gaming position). Peak parking for the casino is expected to be Friday and Saturday evenings, the highest peak parking period for entertainment events at Station Square. Thus, the DCP believes that Harrah's may not be providing enough parking to meet its peak demand and thus may need to identify alternate parking and shuttle bus arrangements for employee and patron parkers.

Isle of Capri: Average: 3.6/ 5; Weighted score: 7.2

Isle of Capri estimates it will need 4,301 parking spaces for its patrons in an on-site parking garage. Industry estimates put parking demand for a 5,000 space casino at

5,000 to 7,500 spaces. Based on information provided, the Isle of Capri intends on meeting all of their parking needs for casino patrons on the site with the 4,301 space garage. Casino employee parking would be provided at off site locations (to be identified later) and transported to the site via shuttle buses. In addition the casino development will displace a total of 1,300 spaces. The Isle of Capri has identified 9,837 off-site alternate parking spaces in facilities within a fifteen minute walk for use by patrons, employees, and displaced parkers. However, there is no certainty that they would use these spaces en mass during peak casino and other event hours.

Given the location of the Isle of Capri's site, there is a possibility that some of these parkers may infiltrate the Crawford Square and Hill District neighborhoods for free parking spaces on the street during peak casino hours on Friday and Saturday.

Majestic Star: Average: 3.4/5; Weighted score: 6.8

Majestic Star estimates its parking demand to be 4,186 spaces for patrons and 600 for employees. (These parking demand estimates are comparable to industry standards.) Majestic Star would build a 4,186 space parking garage on site for casino patrons and park most of its employees in remote parking areas (to be identified) with shuttle buses to and from the site. The development would displace 1,100 parkers. These parkers could be accommodated elsewhere on the North Shore.

6. Adequate space for bus, taxi, and other common carrier transportation, including staging, loading and un-loading — Weight: 3

Harrah's: Average: 3.2/5; Weighted score: 9.6

All truck operations are presumed to take place within the site. However, no definitive information is provided in the report regarding truck arrivals and circulation and docking operations at the casino. Harrah's site plan shows porte-cochere operations at the casino entrance on the Carson Street side of the structure. Insufficient information is provided to evaluate porte-cochere operations. The staging of buses is presumed to take place on site since Forest City has site control.

Isle of Capri: Average: 3.4/5; Weighted score: 10.2

Isle of Capri is proposing a 700 foot loading dock area that will be integrated into the basement of the casino building. This would provide enough dock space to maneuver and stage all trucks internally instead of on the public street. The casino would be designed to have a porte-cochere with entrance and exit on Centre Avenue for drop offs. Trucks and tour/charter buses would access the site via Fifth Avenue. This could exacerbate peak hour congestion on Fifth Avenue as well as potential conflicts between PAT buses, truck loading/unloading, casino trucks, charter buses, and pedestrians. A location for off-site bus staging will to be identified at a later date.

Majestic Star: Average: 3.2/5; Weighted score: 9.6

Majestic would provide separate loading areas for the casino and restaurant uses on the site. The proposed site plan shows casino truck loading docks for two semi-trailer trucks and three large single unit trucks. All truck loading would be accessed via Reedsdale Street. However, the report does not show analysis documenting how the number of dock spaces was determined and no truck loading management plan was included. The staging of buses is presumed to take place on site since Majestic Star has site control.

7. Minimize the potential for traffic congestion – Weight: 4

Private automobile travel would be the predominant mode of travel to and from all three casino locations. The following is a summary assessment of each of the development proposals and their impact on existing and design year traffic conditions on the City's transportation infrastructure and nearby residential neighborhoods.

Harrah's: Average: 2.1/5; Weighted score: 8.4

Access to the Harrah's site is constrained due to only one arterial (Carson Street) providing direct access to the site. Harrah's has proposed improvements at the Smithfield and Carson intersection and the intersection of Carson and Arlington. The DCP has concerns regarding future traffic operations on Carson Street, particularly at the above intersections.

There are also some issues with the scope and breadth of the Harrah's analysis of the traffic. Data collection was limited to the immediate Carson Street/Smithfield Street corridors adjacent to Station Square. It did not include the wider casino influence area, such as East Carson Street beyond Arlington Avenue, the South Side neighborhood, West End Circle, the West End neighborhood, and arterials and intersections in the central business district. All of these areas would be impacted by casino traffic.

Isle of Capri: Average: 3.0/5; Weighted score: 12.0

The Isle of Capri location has the most roadway infrastructure with sufficient reserve capacity to accommodate future traffic that will be generated by the casino. However, there would be some capacity problems in the future at a few key intersections. To address these problems, Isle of Capri has recommended several roadway improvements and traffic signal modifications. The cost of those improvements, to be borne by Isle of Capri, is estimated at \$8.1 million for phase one.

Majestic Star: Average: 2.0/5; Weighted score: 8.0

Traffic flow to and from the Majestic Star site would be confusing and unsafe due to the one-way street system and weaves that currently exists. However, in the 2008 design year during the weekday peak period, Majestic Star projects that casino traffic can be accommodated without any significant problems. The Division believes that future congestion on Reedsdale Street, Allegheny Avenue, Ridge Avenue, North Shore Drive, General Robinson Street, and Sixth Street would be much worse than depicted in the report. In particular, Reedsdale Street would fare worse since there does not appear to be any opportunities to physically widen the road in the future. Majestic proposed to widen Reedsdale Street to four lanes, install new signals at key intersections, and modify existing signals to accommodate future casino demand.

Finding – Transportation Accommodations and Impacts

The following table lists the average and weighted average scores for the transportation criteria. The total score for each applicant is out of 100 points.

Table 6: Summary of Transportation Analysis Scores

Traffic and Parking Criteria	Weight	Harrah's		Isle of Capri		Majestic Star	
		Avg.	Weighted Avg.	Avg.	Weighted Avg.	Avg.	Weighted Avg.
Convenient regional highway access	4	1.7	6.8	2.2	8.8	1.3	5.2
Convenient local access by car	3	2.4	7.2	3.2	9.6	2.3	6.9
Accessible by public transit	3	2.1	6.3	1.8	5.4	1.2	3.6
Accessible to pedestrians	1	3.1	3.1	3.3	3.3	1.9	1.9
Provides adequate parking on or adjacent to the site	2	3.3	6.6	3.6	7.2	3.4	6.8
Adequate space for staging, loading, and unloading	3	3.2	9.6	3.4	10.2	3.2	9.6
Minimizes potential for traffic congestion	4	2.1	8.4	3.0	12.0	2.0	8.0
Total Weighted Score			48.0		56.5		42.0

Based on the above evaluation and criteria ratings concerning the potential transportation accommodations and impacts of the casino proposals, the **Isle of Capri** proposal scored the highest with 56.5 out of 100 points. Harrah's was second with 48 points and Majestic Star third with 42.

Summary of Findings

The analysis of the three casino proposals by the Department of City Planning investigated six evaluation categories: operator performance, location suitability, site plan compatibility, building design quality, socioeconomic impacts, and accessibility. The categories were evaluated using criteria. Each proposal was evaluated and rated in accordance to the degree to which they addressed the criteria. Table 7 below list the overall scores for each applicant and evaluation category. A summary of the overall evaluations and findings is also provided.

Table 7: Summary of Overall Scores

Categories	Harrah's Casino	Isle of Capri	Majestic Star
Evaluation Categories	Overall Scores		
Location	67.5	50.1	52.9
Operators	94.5	61.0	44.0
Site Planning	55.9	39.5	47.9
Building Design	45.5	44.6	43.8
Socioeconomic	76.5	65.0	43.5
Transportation	48.0	56.5	42.0
Totals (out of 600 points)	387.9	316.7	274.1

- **Location Suitability: Station Square**

The Station Square location offers the best opportunity for a casino to be integrated into an existing regional tourist attraction and entertainment district without adversely impacting a nearby community. The North Shore location is adjacent to existing regional sports and cultural venues. These uses are not compatible with a casino operation. While development on the Mellon Arena site is desirable for spurring economic development in the Lower Hill district, the casino location across the street is not suitable given its close proximity to the Uptown and Lower Hill residential communities. There is no evidence (reported) that casinos serve as catalysts for the revitalization of lower-income communities.

- **Operator Performance: Harrah's Casino**

Harrah's is in the strongest financial position of the three applicants and has the most experience operating a facility of the size and quality proposed for Pittsburgh. The other two applicants do not operate any casinos of the caliber they are proposing and have a lower bond rating.

- **Site Plan and Design Analysis**

- *Site Plan Compatibility: Harrah's Casino*

The Harrah's proposal received the highest score and is best integrated with the adjacent amenities and services with added public spaces. The Majestic Star's proposal incorporates a riverfront trail and amphitheater but is an isolated and self contained facility. The Isle of Capri's plan would demolish existing buildings and does not integrate itself with the adjacent neighborhood. While the

master plan proposes a multitude of additional developments, there is neither commitment nor site control and the developments would be market driven.

- ***Building Design: Tie - Harrah's Casino, Isle of Capri and Majestic Star***

All three applicants submitted comparable designs receiving virtually equal scores. However, the Isle of Capri design lacked contextual considerations and the Harrah's proposal lacked an integration of its building facades with existing adjacent spaces. In addition, Isle of Capri plans their casino as their flagship casino but has no comparables. While the riverfront façade of the proposed design by Majestic Star integrates well with riverfront, the other facades are blank and undesirable. Also, the Majestic Star has no comparables in other cities to what it is proposing in Pittsburgh. Harrah's, on the other hand, has shown a history of delivering quality designed and constructed casinos and has the financial capacity to deliver.

- **Socioeconomic Impact: Harrah's Casino**

Although socioeconomic impacts were difficult to measure, the Harrah's proposal received the highest score. Harrah's ability to attract gamers from outside and act as a destination casino were important considerations in their high score – they are the most likely of the three operators to have the highest revenue and create the highest number of jobs. Integration into an existing entertainment district also makes it less likely that they would compete with existing businesses.

- **Accessibility: Isle of Capri Casino**

While all three sites have good regional access, the Isle of Capri's Uptown site has the overall best access given related street improvements proposed by Isle of Capri. It is the easiest site to reach by car from the regional highway system and by foot from downtown and has good transit access. Although the Harrah's site has good transit access, automobile access is limited by the capacity of Carson Street and pedestrian access limited by its isolated location. The North Shore site has limited transit and pedestrian access.

These findings are intended to raise awareness of all factors that should be considered in the deliberations of the benefits and impacts of the three casino development proposals.

References

Harrah's Entertainment:

- "City of Pittsburgh Department of City Planning: Casino Proposal Data Request" (February 18, 2006).
- "Harrah's Station Square Casino: Transportation Analysis, Engineering Analysis" prepared by DKS Associates and GAI Consultants (December, 2005).

Isle of Capri Casino:

- "Response to Data Request", IOC Inc. (February 21, 2006).
- "Pittsburgh First Master Plan Traffic and Parking Study" (with three technical appendices), prepared by Trans Associates for Isle of Capri, Inc. (December 13, 2005).
- "Local Impact Report of IOC Pittsburgh, Inc.", IOC Inc. (December 21, 2005).

PITG Gaming, LLC (Majestic Star Casinos):

- "Local Impact Report", PITG Gaming, LLC (December 28, 2006).
- "Executive Summary: City of Pittsburgh Casino Project" (December 28, 2006).

Philadelphia Gaming Advisory Task Force: "Final Report - Philadelphia Gaming Advisory Task Force" (October 27, 2005).

Kaikai, Sidney: "Transportation and Parking Analysis, A Comparative Evaluation of Three Casino Gaming Sites in Pittsburgh." Department of City Planning. (March 17, 2006).

Additional information was obtained from the

- operator presentations at the April 18, 2006 public hearing before the Pennsylvania Gaming Control Board,
- casino development team meetings,
- review of industry publications,
- internet research, and
- phone interviews.

These additional sources are referenced in footnotes throughout the report.

Appendices

Appendix A. Supplementary Tables

Table A1: Location Analysis Criteria and Scores

Table A2: Design Impact Criteria and Scores

Table A3: Site Suitability Criteria and Scores

Table A4: Traffic Analysis Criteria and Scores

Table A5: Traffic Analysis Comments

Appendix B. Temporary Casino

Appendix C. Report: Transportation and Parking Analysis

Appendix A. Supplementary Tables

Table A1: Location Analysis Criteria and Scores

	Supporting Questions	Harrah's		Isle of Capri		
Site Suitability Criteria						
Visibility	Is the location visually prominent from or sensitive?	2.5	Located on the riverfront and visible from downtown, North shore and Mt. Washington. Development could negatively impact views.	4	Not visible from most view corridors in the city.	2
	Is the location visible from major freeways and highways for approaching visitors?	2.5	Visible from eastbound and southbound freeways.	2	Not prominently visible from most freeways and highways.	3.5
	Average	2.5		3.0		2.8
Physical Access and Impacts	Is the location readily accessible from freeways and highways?	3	Yes.	4	Yes.	4
	Does the location have good local roadway access?	2	Adjacent roadway system has limited capacity.	3.5	Yes. There could be traffic and parking spillover into adjacent communities.	3
	Is the location pedestrian, bike and transit friendly?	4	Yes. Transit, pedestrians, bikes and water taxis.	3	Yes. Transit and pedestrians	2.5

	Supporting Questions	Harrah's		Isle of Capri	
Site Suitability Criteria					
	Would there be any traffic, parking or other impacts?	2	Station Square traffic could combine with casino traffic and exacerbate traffic congestion.	4	Development could return Colwell Street ROW to the tax rolls. Arena traffic could combine with casino traffic and exacerbate traffic congestion. May impact future LRT plans to connect Downtown to Oakland.
	Average	2.8		3.6	3.4
Impact on Immediate Surroundings	Entertainment	5	Part of the Station Square Complex, proximate to other entertainment uses and downtown.	2.5	Proximate to the Cultural District, Central Business District.
	Retail/Commercial	3.5	There is retail and commercial within the complex, but due to single ownership, would limit additional neighborhood economic development.	2.5	Adjacent to the Fifth Avenue commercial corridor. Existing restaurants could be impacted.

	Supporting Questions	Harrah's		Isle of Capri		
Site Suitability Criteria						
	Residential	4	Away from residential communities.	1	Adjacent to residential Crawford Square and Hill District. The area is identified as blighted. Potential for negative social effects on adjacent residential communities. A casino use could further disconnect the lower Hill District from the downtown.	3
	Educational/ Institutional	4	Away from Educational and Institutional facilities.	2	Close proximity to Duquesne University and schools.	2
	Average	4.1		2.0		2.3
Ability to Use/ Enhance Existing Amenities and Services	Access to existing hotels, restaurants, bars	4	Easy access to downtown and area hotels and amenities.	2.5	Convenient access to downtown hotels.	1
	Access to other recreational and entertainment facilities	3.5	Access to river-front trails and other facilities. Existing railroad limits potential for integration of riverfront.	2	Adjacent to the Mellon Arena.	3

	Supporting Questions		Harrah's		Isle of Capri	
Site Suitability Criteria						
	What potential opportunities can this location spur?	4	The location can enhance the regional destination of Station Square and the riverfront.	2	The location is adjacent to a regional tourist destination – Mellon Arena.	2.5
	Average	3.8		2.2		2.2
Current Use	What are the existing uses at the location to be displaced?	3	Surface parking lot with a temporary amphitheater.	2	Surface parking lots, an abandoned hospital building, and few private properties.	3.5
	What will be the impacts of development on the existing structures?	3.5	Demolition of Chevrolet Amphitheater and relocation of parking.		Demolition of existing buildings, relocation of surface parking, and commercial uses.	3.5
	Average	3.3		1.5		3.5
Environmental Impacts	Stormwater/ Sewer	3	Negligible impacts.	1.5	Development would require new sewer lines and storm water mitigation efforts.	3
	100 year floodplain	3	Partly.	5	No.	1
	Average	3		3.3		2

Table A2: Site Suitability Criteria and Scores

	Supporting Questions		Harrah's		Isle of Capri	
Site Suitability Criteria						
Site control	Does the operator or developer have site control?	5	Yes	1	No. Contract for casino site, not for arena or other development.	5
	Average	5		1		5
Visual Access	Will the casino be consistent architecturally and in scale with surrounding buildings?	2	Yes. The scale of the casino is similar to surrounding buildings. Materials and finishes may vary a little.	1	No, but may not be easily located by those not familiar with Pittsburgh.	3
	Is there a plan for signage that will be easily visible?	3	Yes	1	Yes. Proposes to use City street markers.	2
	Average	2.5		1		2.5
Accessibility	Is the site directly accessible from major freeways/highways?	1	Yes	4	Yes	4
	Is the site accessible to transit, bikes, pedestrians?	3	Yes	3	Yes	1
	Does the site or plan offer to reduce the need for private automobile?	2	Not much	2	Not much	0

	Supporting Questions		Harrah's		Isle of Capri	
Site Suitability Criteria						
	Includes an effective site circulation plan for pedestrian, auto, bus, and service traffic	2	Yes. Segregation of auto, service, and pedestrian traffic.	1	Yes. Segregation of auto, service and pedestrian traffic on center but not on 5th Ave.	3
	Does the casino have a marketing plan for hotels, taxis, other locations?	1	Yes	0	None mentioned	0
	Will it be easy for casino visitors to leave the casino and return?	2	Yes. By car, walking, or transit.	2	Yes. By car and walking limited distances.	1
	Average	1.8		2		1.5
Integration with Adjacent Amenities and Services	Are there any existing neighboring amenities and services?	5	Yes. Entertainment, hotel, dining, bars.	3	Yes. Hotels and limited dining.	1
	Can the facility generate customers for adjacent businesses?	4	Yes. To existing hotel, dining, entertainment facilities.	1	Yes. To the existing hotels (to the proposed arena if it is built in that location).	0
	Are neighboring amenities attractive to the casino market?	4	Yes. Hotel, dining, bars, entertainment, riverfront trail.	1	Yes. Hotels.	0

	Supporting Questions		Harrah's		Isle of Capri	
Site Suitability Criteria						
	Can casino visitors walk to adjacent businesses easily from the site?	4	Yes	2	Yes	1
	Is there potential for further development on adjacent sites related to the casinos that would benefit from casino traffic?	3	Yes	4	Yes	3
	Average	4		2.2		1
Allows for phased expansion of gaming space and non-gaming uses	Is there room for expansion on the site?	2	Yes	1	Yes	0
	Is there room for expansion in close proximity to the site?	2	Yes	4	Yes	2
	Average	2		2.5		1
Existing Structures	Are there vacant lots or buildings on the site or in close proximity to the site?	1	The site is currently a surface parking lot and currently houses a seasonal amphitheater.	3	Yes. There is a vacant hospital building on the casino site and surface parking lots.	1
	Are there plans for reusing existing buildings, if any?	4	No. Replacing a temporary tent facility.	0	No. Demolition of all existing buildings except for a historic church.	5

	Supporting Questions	Harrah's		Isle of Capri		
Site Suitability Criteria						
	Average	2.5		1.5	3	
Site category for development*	Is the site a brownfield?	2	Yes	3	No	1
	What is the potential for remediation?	2	Negligible	4	None	1
	Average	2		3.5		1
Addresses impact on city infrastructure and resources / Sustainable measures	Are there plans to mitigate impacts on city storm water and sewer system?	3	Stormwater, yes; sewer, not addressed (plans of tying into existing sewer).	1	Address, but are dependent on other development. None to mitigate stormwater from casino development.	1
	Are there plans to reduce heat island effect? (in parking lots/ buildings, landscaping, access roads, green roofs, etc)	3	Yes, partly through street materials and landscaping. Are open to the idea of incorporating part green roof.	2	Yes. Part green roof and landscaping.	0
	Is there a plan for waste water reduction?	1	The applicants are willing to address issues.	2	Yes. Plan to use fixtures and technologies that reduce use of potable water.	0
	Are there plans for renewable sources of energy? (solar panels, efficient lighting, etc)	0	None mentioned	1	Yes. Use of efficient lighting.	0

	Supporting Questions		Harrah's		Isle of Capri	
Site Suitability Criteria						
	Are there plans for reducing the amount of solid waste that goes to public land fills?	0	None mentioned	2	Yes. Recycling of construction waste wherever possible.	0
	Average	1.4		1.6		0.2
Development of new public amenities and infrastructure	Does this project fund new public amenities?	2	Yes. Winter garden, riverfront trail, multi event center.	5	Yes. Provides cash funds for arena (no building), multi event center, and 2 parks as part of future proposal (market driven).	1
	Does this project fund new infrastructure?	1	Yes. Riverfront trail, street furniture, lighting, landscape.	3	Yes. Repaving of streets, signals, lighting, landscape, new sewer line for temporary casino.	1
	Average	1.5		4		1
Landscaping	Are landscaping and hardscaping equal to 15% of area?	1	Yes, before expansion: 38%, after expansion 27%.	1	Yes, if roof is considered as open space.	0
	Are there maintenance plans to ensure continuing maintenance of plants?	0	There is mention but no plans as yet	1	Yes. Spray or drip irrigation.	0