

MTR GAMING GROUP, INC.  
&  
PRESQUE ISLE DOWNS, INC.

TABLE GAMES PETITION  
PUBLIC INPUT HEARING  
PRESENTATION

March 31, 2010

# Table Games Public Input Hearing

## Introduction and Opening Statement

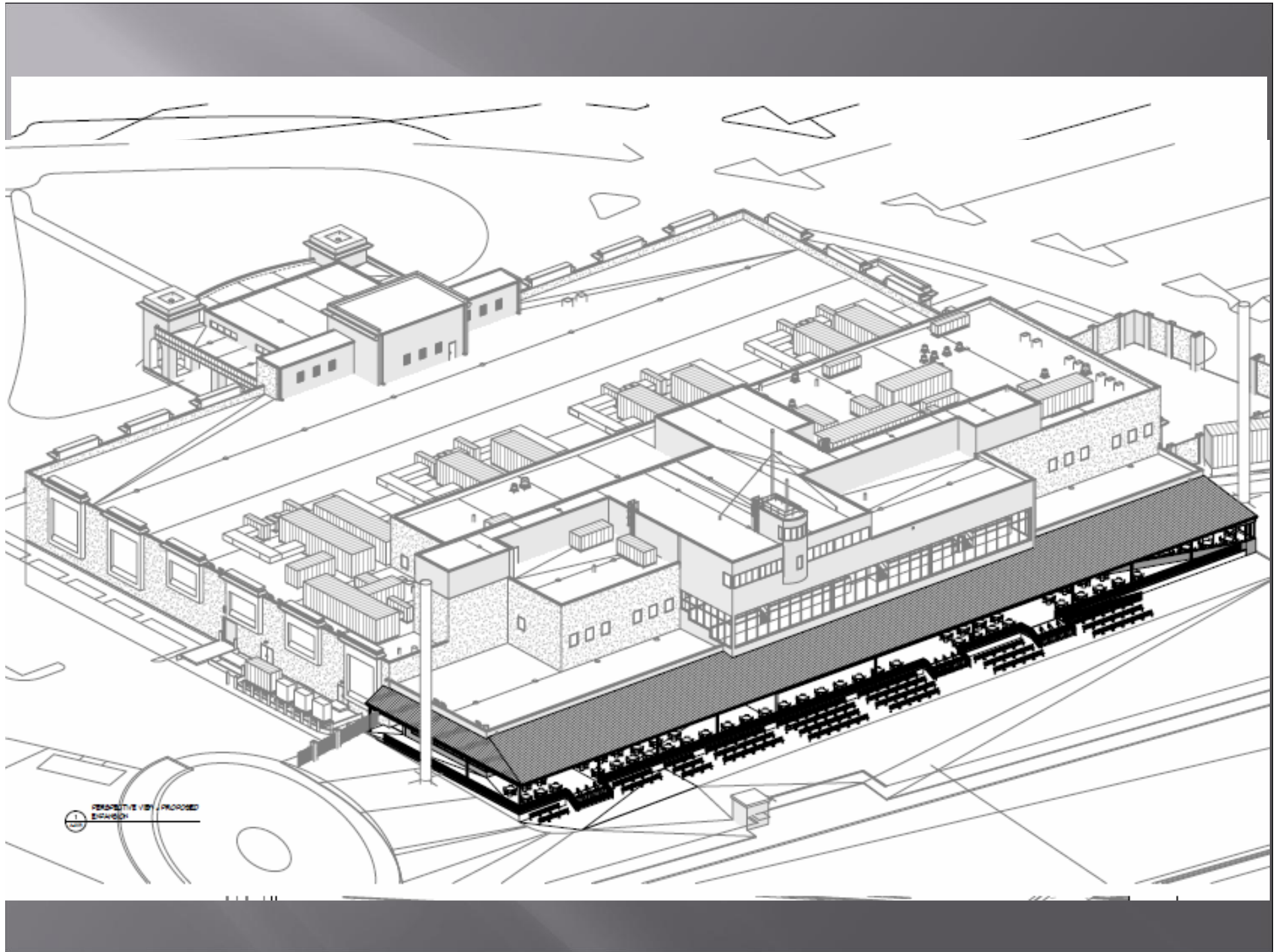
- ▣ Robert Norton, Chief Operating Officer, MTR Gaming Group, Inc.
- ▣ David Hughes, EVP & Chief Financial Officer, MTR Gaming Group, Inc.
- ▣ Nick Rodriguez-Cayro, General Counsel, MTR Gaming Group, Inc.
- ▣ Fredrick Clark, Diversity Consultant, Clark Resources
- ▣ Rosanne Thompson, Director of Human Resources, Presque Isle Downs, Inc.

# Topics to be Presented

- ▣ Overview of Table Games Expansion
- ▣ Table Games Implementation Plan
- ▣ Number and Type of Table Games
- ▣ Economic Impact
- ▣ Diversity Plan
- ▣ Hiring and Training Plan
- ▣ Compulsive Gambling
- ▣ Community Involvement
- ▣ Integrating Gaming and Racing
- ▣ Conclusions

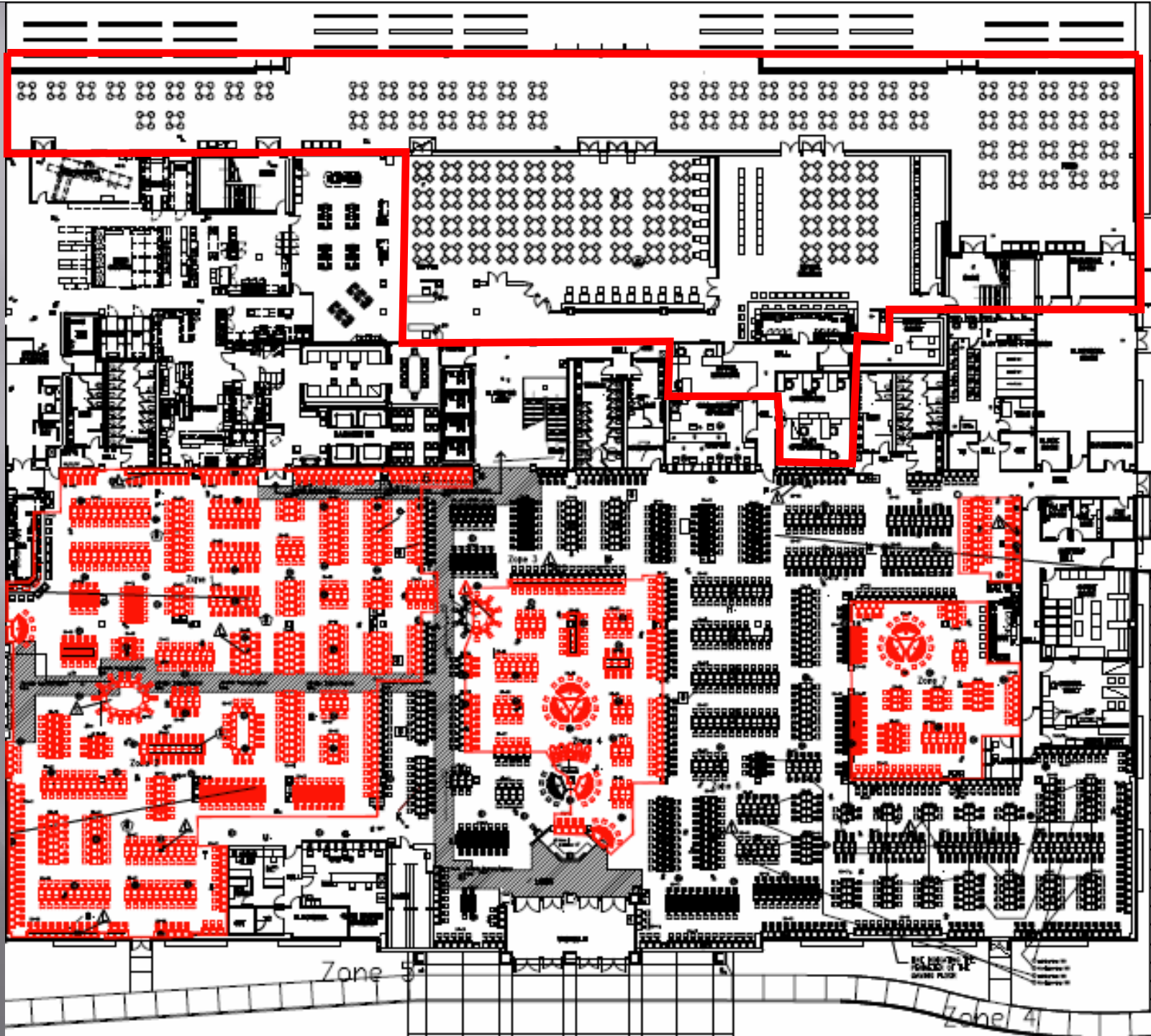
# OVERVIEW OF GAMING FLOOR EXPANSION FOR TABLE GAMES

Construction Project



① PERSPECTIVE VIEW, PROPOSED  
EXTENSION





# Construction Phasing Plan

**Opens 06/07/2010**

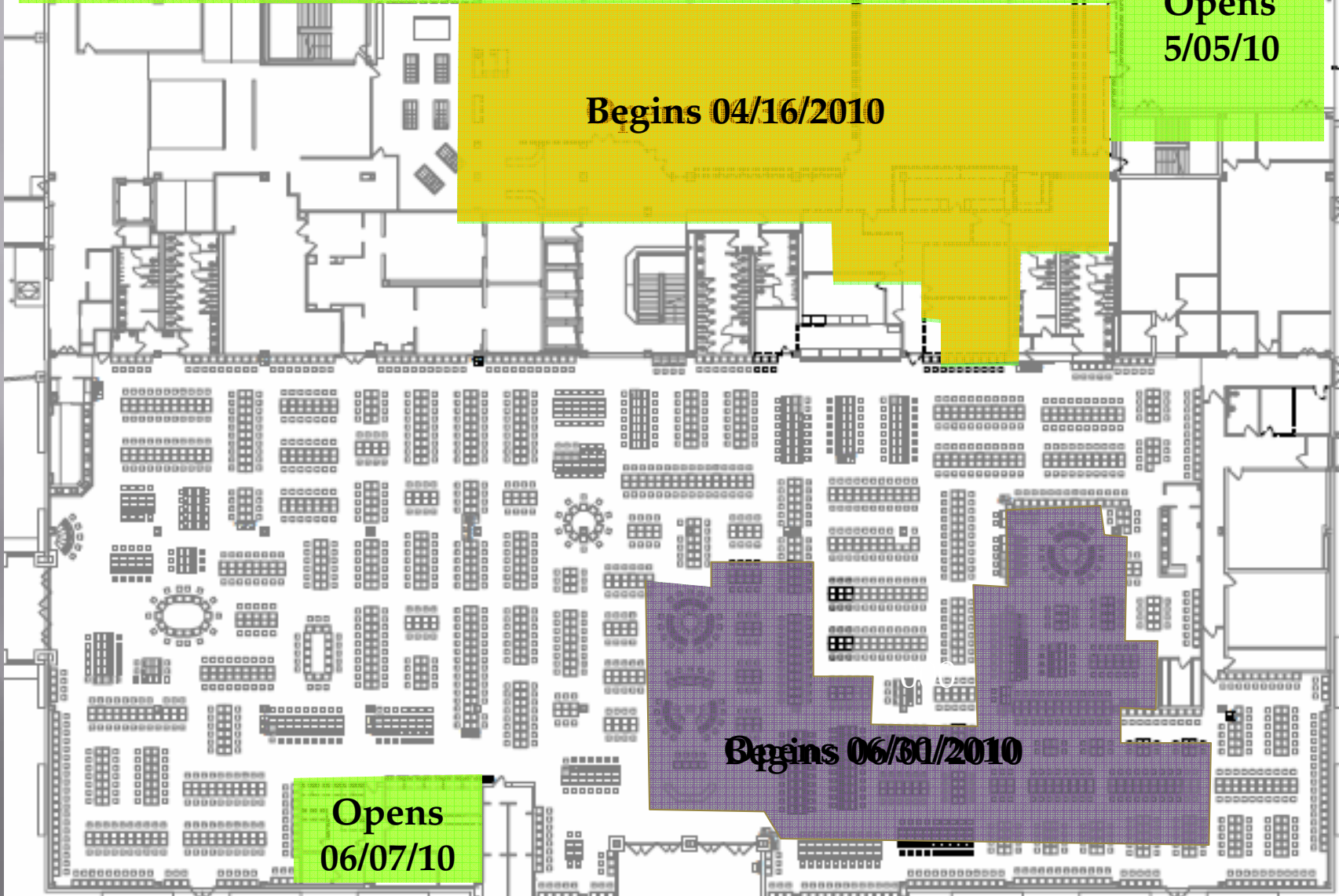
**Begins 03/03/2010**

**Opens  
5/05/10**

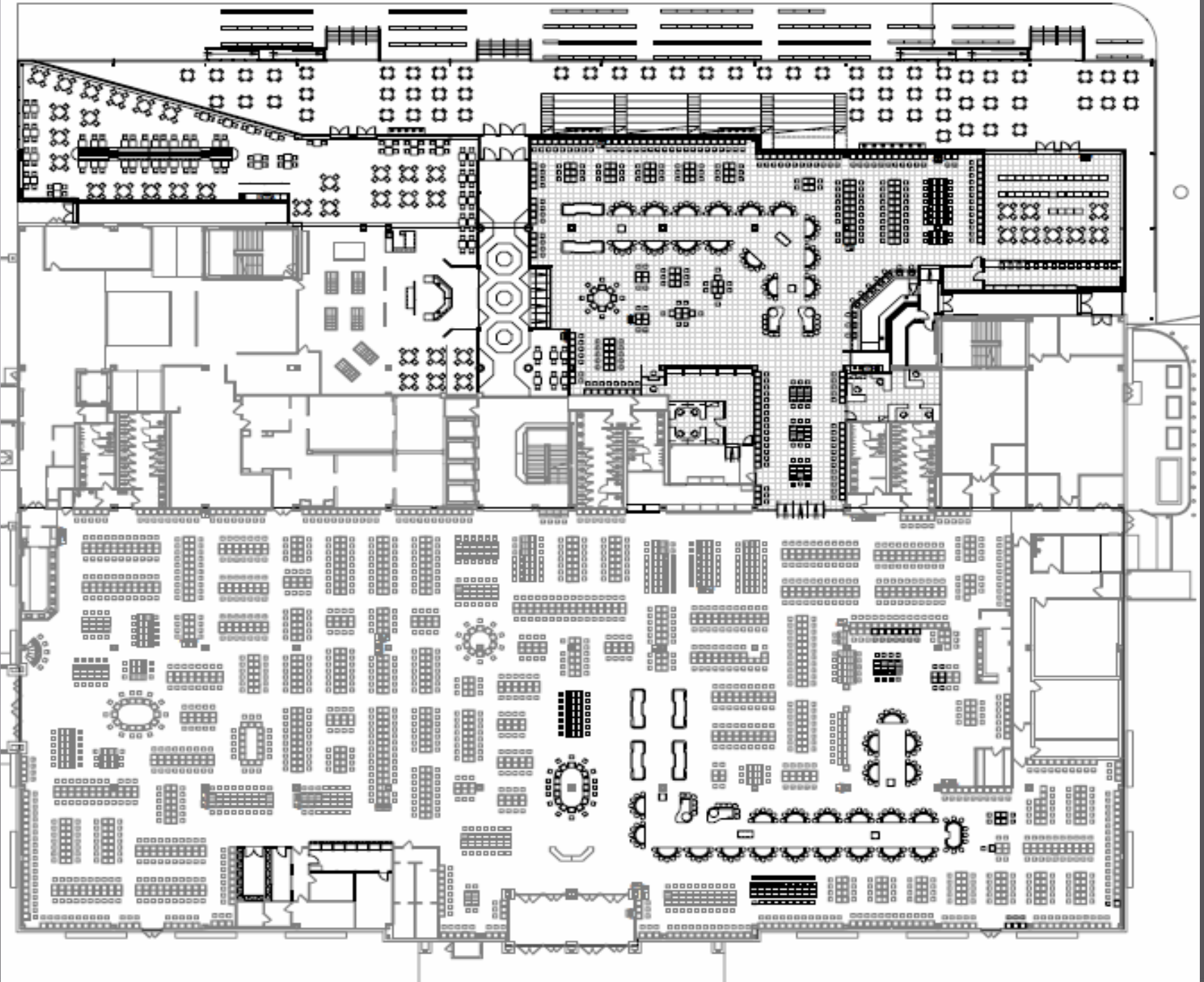
**Begins 04/16/2010**

**Begins 06/30/2010**

**Opens  
06/07/10**









# Hallway leading to Race Track



# Triple Crown Buffet





# Paddock Bar



# Pari-mutuel Area





# TABLE GAMES IMPLEMENTATION PLAN

## Phasing Plan

# Table Games Implementation Plan

- ❑ Construction Began Mid-March 2010.
- ❑ June 1 – 6, 2010 -Temporary removal of 89 slot machines to allow for construction on gaming floor.
- ❑ June 7 – 13, 2010 -Temporary removal of 178 slot machines to allow for construction on gaming floor.
- ❑ June 14 – 20, 2010 –Temporary removal of 53 slot machines to allow for construction on gaming floor (total slot machines temporarily removed 320).
- ❑ June 21 - 31, 2010 – reinstallation of 320 slot machines temporarily removed from gaming floor, installation of 48 banked table games and 1 electronic table game.
- ❑ Construction complete July 1, 2010, and all slots and table games installed.

Note – All dates are estimates and subject to change

# Number & Type of Table Games

- ▣ Banked Table Games
  - 26 Blackjack
  - 6 Craps
  - 4 Roulette (double zero)
  - 4 Three Card Poker
  - 2 Four Card Poker
  - 2 Let It Ride
  - 2 Texas Hold'Em Bonus Poker
  - 1 Mini-Baccarat
  - 1 Pai Gow Poker
- ▣ Electronic Games
  - 1 Fully Automated Blackjack Game



# TABLE GAMES ECONOMIC IMPACT

State and Local



# Economic Impact

- ▣ Total local investment \$233 Million:
  - Land = \$64 Million
  - Building = \$103 Million
  - Furniture & Equipment = \$66 Million

# Economic Impact

## ▣ Historic Economic Impact

- ▣ Gaming taxes and fees **\$304.6 Million**
  - ▣ \$171.5 M - State gaming tax
  - ▣ \$ 39.1 M - Local Share Assessment
  - ▣ \$ 60.5 M - Race Horse Development Fund
  - ▣ \$ 25.2 M - Economic Development & Tourism
  - ▣ \$ 8.3 M - Administrative fees
- ▣ Real Estate, Payroll, etc. **\$7.6 Million**
- ▣ Sales and Use Tax **\$1.5 Million**

(Historic period - Feb 2007 – Mar 15, 2010)

# Economic Impact

## ▣ Table Games Economic Impact

- **Licensing Fee** **\$16.5 Million**
- **Estimated Annual Table Games Taxes** **\$ 6.2 Million**
- **Additional Annual Wages** **\$ 9.0 Million**
- **Construction/FF&E** **\$ 8.0 Million**  
(Estimated cost)
  - **30,000 man hours of construction labor**
- **Payroll Taxes (annual)** **\$ .4 Million**

# TABLE GAMES DIVERSITY PLAN



# Diversity Plan

- ▣ Clark Resources Diversity Consultant
  - Monitoring of Diversity Plan
  - Workforce – Supplies – Contracting
  
- ▣ Presque Isle Downs Historical Achievements
  - Contracting
  - Reporting
  - MBE/WBE Participation

# Diversity Plan

- ▣ Overall Commitment
  - Review of Process
  - Understanding of “Good Faith Effort”
  - Outreach
  
- ▣ Diversity Commitment
  - Senior Management Project Team
  - Pennsylvania Gaming Control Board Oversight

# TABLE GAMES HIRING & TRAINING PLAN

# Hiring & Training Plan

- ▣ Estimate hiring 400 full time and 100 part time employees.
- ▣ 358 are table games employees and the balance are support employees.
- ▣ Dealer Training Plan submitted to the PGCB and approved March 16, 2010.
- ▣ Dealer training provided by Presque Isle Downs at an off-site facility beginning March 22, 2010.



# Community Outreach

- ▣ Informational meetings held for the public regarding dealer training school and requirements.
- ▣ Advertising on local radio programs geared towards minorities in Erie County.
- ▣ Forum held to reach out to community leaders in Erie County of various minority support services, educational and recreational groups.
- ▣ Job Fair to be held for non-dealer positions April 19, 2010, in Erie County.

# Dealer Training School

- ▣ 49% of candidates attending Dealers School are currently unemployed.
- ▣ Demographic by county of candidates:
  - 88% Erie County
  - 7% Crawford County
  - 1% Warren County
  - 1% Venango County
  - 3% Clarion, Allegheny & Mercer Counties
  - 2% Other
- ▣ 98% of candidates are PA residents

# TABLE GAMES COMPULSIVE GAMBLING

# Compulsive Gambling

- ▣ Worked with the Council on Compulsive Gambling of PA (CCGPa) to establish a Comprehensive Compulsive Gambling training program for all employees.
- ▣ Incorporated Compulsive Gambling Training into new hire orientation to ensure that all team members are aware of the requirements and can assist guests.
- ▣ Annual retraining.
- ▣ Yearly contributor to the CCGPa.



# PRESQUE ISLE DOWNS COMMUNITY INVOLVEMENT

# Community Involvement

- ▣ Presque Isle Downs has contributed \$205,000+ to charitable organizations. We participate in many community and charitable activities including:
  - United Way
  - Relay for Life (American Cancer Society)
  - Second Harvest Food Bank
  
- ▣ Many of our employees personally give their time as board members, volunteers or as fund raisers for various local and national charities.

# INTEGRATING GAMING & RACING

# Integrating Gaming and Racing

- ▣ State of the art racing/gaming facility
- ▣ Presque Isle Downs is the first new thoroughbred racetrack to be built in decades in PA
  - 1 mile synthetic surface racetrack
- ▣ Live racing May through September
  - 800 live thoroughbred races per year
- ▣ Year round pari-mutuel wagering
  - Simulcast racing from up to 600 racetracks



# Race Horse Development Fund

- ▣ Presque Isle Downs has contributed \$60.5 Million to the Race Horse Development Fund. (Feb 2007 to March 15, 2010)
  - \$48.3 Million – Purse Money
  - \$ 9.7 Million – PA Breeders Fund
  - \$ 2.5 Million – Health & Pension Fund



# Further Integration of Gaming and Racing

- ▣ Improving the accessibility of the racing experience
  - Improved access to the racetrack, apron and paddock
  - Improved visibility from the buffet
  - New family friendly green space adjacent to track
  - New wagering locations
  - Addition of family friendly entrance into the restaurants
- ▣ The Pennsylvania State Horse Racing Commission approved our expansion plan for table games on March 29, 2010.

# Conclusions and Facts

- ▣ Presque Isle Downs currently holds a slot machine license which is in good standing.
- ▣ The implementation of table games will have a positive economic impact on the Commonwealth, its municipalities and residents.
- ▣ Presque Isle Downs has adequate funding for the expansion to accommodate table games and to pay the authorization fee for the certificate for table games and to commence table games operations.
- ▣ Presque Isle Downs will maintain the number of slot machines in operation (2,000) to implement table games.