
SUGAR
HOUSE

CASINO | **PHILADELPHIA**
PENNSYLVANIA

Pennsylvania Gaming Control Board
Table Games Hearing
Tuesday, May 25, 2010

Speakers

- ❑ **Wendy Hamilton, General Manager**
- ❑ **Rosemarie Cook, Director of Table Games**
- ❑ **Leigh Whitaker, Director of Communications**
- ❑ **Joseph Martin, Director of Procurement**
- ❑ **Also Present:**
 - **Greg Carlin, CEO, SugarHouse Casino**
 - **Joseph Barrett, Director of Gaming (Corporate Support)**

Section 1325 Criteria

1. Good Standing
2. Positive economic impact (details will be presented shortly)
3. SugarHouse possesses the funds necessary to pay table games fee and commence table games operations
4. Financial stability
5. Requisite business ability and experience to create and maintain successful table games operation
6. Internal and external security and proposed surveillance measures where tables are to be operated
7. No slot machine reduction from October 1, 2009
8. SugarHouse has provided executed waivers

Construction Update



As of May 24, 2010,
there are 225
construction
workers on site in
two full-time shifts

Construction Update

- ❑ Notice To Proceed Issued on September 10, 2009
- ❑ Groundbreaking Ceremony: October 8, 2009
- ❑ Topping Out Ceremony: May 14, 2010
- ❑ Building construction is 55% complete
- ❑ Building will be fully enclosed on or around June 5, 2010
- ❑ Temporary Certificate of Occupancy expected by September 2, 2010
- ❑ Anticipated Opening: Mid-September 2010

Importance of Table Games

- ❑ Stay competitive with Atlantic City and other gaming markets
- ❑ “Companion Effect”
- ❑ Positive Economic Impact
- ❑ Positioned for Future Growth

Mayor Michael A. Nutter



CITY OF PHILADELPHIA

OFFICE OF THE MAYOR
215 City Hall
Philadelphia, PA 19107
(215) 686-2181
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MICHAEL A. NUTTER
Mayor

May 18, 2010

The Honorable Gregory C. Fajt, Chairman
Pennsylvania Gaming Control Board
PO Box 69060
Harrisburg, PA 17106-6090


Dear Chairman Fajt:

I am writing to express my support for SugarHouse Casino's Petition for Authorization to Conduct Table Games.

One of the City of Philadelphia's most pressing issues in the current economic environment of high unemployment is the creation of new job opportunities for our residents. The addition of table games provides a real opportunity to grow the number of positions during the initial phase of development at the casino by several hundred new jobs. Those jobs, which will offer family-sustaining wages and benefits, are needed now. The addition of table games will also add to the entertainment options offered through our vibrant hospitality and tourism industry.

For these reasons, I would ask the Gaming Board to give favorable consideration to SugarHouse Casino's petition.

Sincerely,


Michael A. Nutter
Mayor

"One of the City of Philadelphia's most pressing issues in the current economic environment is the creation of new job opportunities for our residents. Those jobs, which offer family-sustaining wages and benefits, are needed now."



Senator Lawrence M. Farnese

1ST DISTRICT
LAWRENCE M. FARNESE, JR.
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THE STATE CAPITOL
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Senate of Pennsylvania

COMMITTEES

APPROPRIATIONS
BANKING & INSURANCE
COMMUNICATIONS & TECHNOLOGY
EDUCATION
LABOR & INDUSTRY
VETERANS AFFAIRS & EMERGENCY
PREPAREDNESS, MINORITY CHAIR

May 17, 2010

Gregory C. Fajt
Chairman
Pennsylvania Gaming Control Board
PO Box 69060
Harrisburg, PA 17106-9060

Dear Chairman Fajt:

I am writing in support of the Petition of SugarHouse HSP Gaming L.P. for Authorization to Conduct Table Games.

As the recession has continued, the most important need voiced by my constituents is the need to return to work. The introduction of table games at SugarHouse will create hundreds of new, permanent jobs, in addition to temporary construction positions. These are family-sustaining jobs – with benefits – that will help Philadelphia continue to grow and thrive.

Furthermore, the addition of table games has the potential to make SugarHouse more attractive to visitors and out-of-state residents. This is crucial to realizing the maximum financial benefit to taxpayers that was intended by the Gaming Act.

As the Board knows, I have been, and will continue to be, an advocate for gaming reform and community participation in casino development. Looking to the future, I urge the Board to ensure that SugarHouse continues to expand its existing commitments of working with community interests, hiring local residents, and partnering with neighborhood businesses.

Thank you for your consideration.

Sincerely,

Lawrence M. Farnese, Jr.
State Senator, 1st District

"The introduction of table games at SugarHouse will create hundreds of new, permanent jobs...family sustaining jobs – with benefits – that will help Philadelphia continue to grow and thrive."

Councilman Frank DiCicco



CITY OF PHILADELPHIA CITY COUNCIL

FRANK DICICCO
Room 332 City Hall
Philadelphia, Pennsylvania 19107
(215) 686-2459
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COUNCILMAN - 1ST DISTRICT

COMMITTEES
Chairman
Streets & Services

MEMBER
Finance
Labor & Civil Service
Parks, Recreation &
Cultural Affairs
Commerce & Economic
Development
Fiscal Stability &
Intergovernmental Cooperation
Housing & Homeless
Technology & Information Services

May 17, 2010

Gregory Fajit, Chairman
Pennsylvania Gaming Control Board
PO Box 69060
Harrisburg, PA 17106-9060

Dear Chairman Fajit and Members of the Board:

Thank you for providing me the opportunity to submit written comments regarding HSP Gaming's petition to provide table games at Sugarhouse Casino.

I fully support the addition of table games to the entertainment options at Sugarhouse Casino. Table games means hundreds of more jobs on site, and HSP Gaming has made commendable efforts and commitments to hire from within the adjacent neighborhoods and within the city for its jobs. Table games jobs also provide a better than average salary and benefits, which is particularly critical when Philadelphia is confronted with double digit unemployment.

The addition of table games will also result in badly-needed revenues for the City of Philadelphia and Commonwealth of Pennsylvania at a very opportune time. Finally, table games at Sugarhouse Casino will also mean an exciting entertainment option for our booming tourism and convention industry.

As Councilman for the First District, where the casino is located, I am committed to ensuring that Sugarhouse has all possible tools at its disposal in order to be a complete success that we all can be proud of. Table games are a critical component for Sugarhouse getting started on the right foot, and so I respectfully ask the Gaming Board to approve this petition.

Sincerely,

Frank DiCicco
Councilman - First District

FDC/maw

"I fully support the addition of table games to the entertainment options at SugarHouse Casino. Table games means hundreds more jobs on site, and HSP Gaming has made commendable efforts to hire from within the adjacent neighborhoods and within the City for its jobs."

Councilman Darrell L. Clarke



CITY OF PHILADELPHIA CITY COUNCIL

DARRELL L. CLARKE
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Fax No. (215) 686-1901

COUNCILMAN - 5th DISTRICT
MAJORITY WHIP

May 17, 2010

COMMITTEES

Chairman
Public Property and Public Works
Fiscal Stability and Intergovernmental Cooperation

Vice Chair
Appropriations

Member
Housing, Neighborhood Development and the Homeless
Parks, Recreation and Cultural Affairs
Commerce and Economic Development
Public Safety
Risks

Honorable Gregory C. Fajt, Chairman
Pennsylvania Gaming Control Board
PO Box 69060
Harrisburg, PA 17106-9060

Mr. Chairman:


I am writing in support of SugarHouse Casino's Petition For Authorization to Conduct Table Games.

SugarHouse has worked at length with the City and the neighboring community over the past three years to address design, planning, and public safety concerns. Additionally, SugarHouse has been a good neighbor, working with the surrounding community for several months, agreeing to a Community Benefits Agreement that gives at least \$1 million annually, and making their first Pre-Opening payment of \$175,000 to the Penn Treaty Special Services District in October 2009. SugarHouse has also committed to aggressively seeking out and utilizing qualified MBE, WBE and LBE firms throughout all phases of the project.

The SugarHouse project means significant jobs and revenue to the City. With the addition of table games, the City gains several hundred new jobs, and additional tax revenue will be generated for the City and Commonwealth. Given our current economic state and with the unemployment rate hovering at nearly 10 percent, the addition of table games at SugarHouse will be a welcome boon to both the City and Commonwealth's economy.

For these reasons, I am respectfully requesting your approval of SugarHouse's Petition for Authorization to Conduct Table Games.

Sincerely,


Darrell L. Clarke
Councilman, 5th District
Majority Whip

"SugarHouse has also committed to seeking out and utilizing qualified MBE, WBE, and LBE firms throughout all phases on the project."

Penn Treaty Special Services District

“SugarHouse Casino has been an excellent community partner, neighbor and corporate citizen. The neighboring community looks forward to the many employment and vendor opportunities that SugarHouse will bring into the community. Those opportunities will only grow with the addition of table games at SugarHouse.”

Joseph Rafter

Chairman, Penn Treaty Special Services District

Corporate Oversight Team Experience

☐ ***Greg Carlin, CEO, SugarHouse Casino***

- Greg has more than 11 years of experience in the gaming industry, including numerous casino development projects
- Principal and Board Member, Fallsview Management Company – Developed and oversees operation of the Fallsview Casino located in Niagara Falls, Canada
- Chief Executive Officer, Rivers Casino, Pittsburgh, PA
- Chief Executive Officer, Riverwalk Casino Hotel, Vicksburg, MS
- Chief Executive Officer, casino under development in Chicago, IL

Corporate Oversight Team Experience

❑ *David Patent, Chief Operating Officer, Rush Street Gaming*

- Mr. Patent has over eight years of senior leadership in both property and corporate settings in numerous markets
- Currently oversees operations for four assets in Pittsburgh, PA, Philadelphia, PA, Vicksburg, MS, and Des Plaines, IL
- Flamingo Casino & Hotel, 2006-2007; 110 tables and 14 poker
- Assistant General Manager at Rio All Suite Hotel & Casino, Las Vegas, 2005-2006; 94 tables and World Series of Poker (200+ tables)
- Vice President Operations at Harrah's East Chicago Casino, 2003-2005; 2,000 slots and 55 tables (16 poker)
- Vice President Enterprise Gaming for Harrah's Entertainment, Inc. overseeing strategy and revenue parent organization whose affiliates operated over 60,000 slots and 2,000 table games

Corporate Support Team Experience

▣ *Joseph Barrett, Director of Gaming, Rush Street Gaming*

- 20 years of table games experience
- 8 years as either director or vice president of table game operations. Table games leader in multiple jurisdictions including, NV, IN, IL, MO, NJ, KS, IA, NC, KS
- Casino operations manager during New York-New York Hotel & Casino grand opening
- Served on Board of Directors, Indiana Council on Problem Gambling and Kentucky Council on Problem Gambling committee
- Facilitated annual game protection seminars for over 1,200 Atlantic City supervisors and managers
- Led successful dealer's schools at New York-New York Hotel & Casino, Harrah's Las Vegas, Harrah's East Chicago, and Horseshoe Southern Indiana.

Business Experience and Ability

Fallsview Casino Resort – Niagara, Ontario

- Opened Spring 2004
- 2.5 mm sq. ft. development on 23 acre site overlooking both U.S. and Canadian falls; \$1.0 billion project cost
- 200,000 sq. ft. casino operating 24 hours a day
- Luxury 30 story, 368-room hotel, every room has a view of the falls
- 30,000 sq. ft. meeting and exhibition space
- 1,500 seat performing arts center
- 225,000 sq. ft. of retail, entertainment and restaurants
- 3,000 car parking garage
- Highest Grossing Casino in Ontario

3,200 Slot Machines and 133 Table Games (including Salon Prive, Asian Pit and Poker Room)



Business Experience and Ability

Riverwalk Casino Hotel – Vicksburg, MS

- Opened October 2008 – On Budget and Two Months Ahead of Schedule
- \$100+ million total project cost
- First land-based casino in Vicksburg
- 2 restaurants, 350 seats
- 300+ car parking garage

800 Slot Machines
and 20 Table Games



Property Management Experience

- ❑ ***Wendy Hamilton, General Manager, SugarHouse Casino***
 - Opened and served as General Manager for Philadelphia Park; 2006-2009
 - 12 years with Harrah's Entertainment in progressive corporate, regional and property level roles
 - Asst General Manager/VP Slots for Caesars Atlantic City; 2005-2006; 2800 slots, 144 tables
 - Asst General Manager for Harrah's North Kansas City; 2004-2005; 2000 slots, 50 tables
 - Vice President of Casino Operations for Showboat Atlantic City; 2003-2004; 3900 slots, 54 tables
 - Vice President of Slots for Harrah's Atlantic City; 2002-2003, 4200 slots
 - Director of Slots for Harrah's Atlantic City; 2001-2002; 1200 slots
 - Executive Assistant to the President, Harrah's Eastern Division; 1999-2001; 6 casino properties including NJ, IL, NC – all departments

Property Management Experience

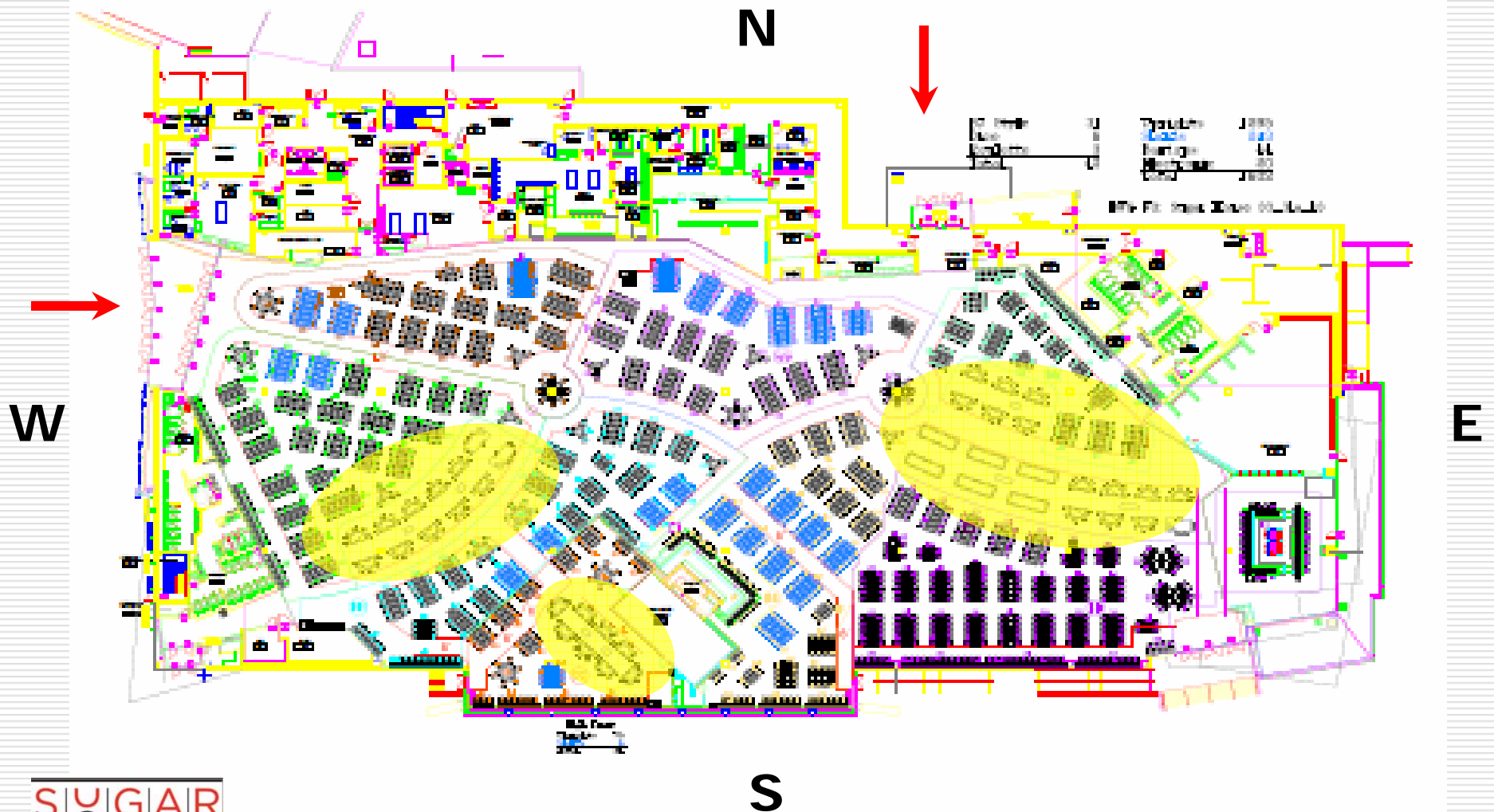
❑ *Rosemarie Cook, Director of Table Games*

- 30 years in casino gaming with an emphasis in table games, poker and race book operations
- 23 years in management at Bally Atlantic City and Borgata Hotel Casino & Spa in Atlantic City, NJ and Hollywood Casino-Aurora in Illinois
- 5 years as Director of Casino Operations at Hollywood Casino-Aurora in Illinois
- 5 years as Director of Training and Development for Casino Operations at Borgata Hotel, Casino & Spa in Atlantic City
- Table Games instructor for surveillance operations at Bally A.C. and Borgata
- Chief Managing Employee of the only state certified vocational dealer training facility in Illinois
- Adjunct faculty of Stockton Institute for Gaming Management-designed and delivered Table Games Management course
- Certified trainer by the Nevada Council on Problem Gaming
- Certified TIPS (training for intervention procedures) trainer for alcohol awareness

Table Games Implementation

<u>Game Type</u>	<u>Number of Games</u>
Blackjack	18
Craps	6
Roulette	4
Mini Baccarat	3
Pai Gow Poker	3
Four Card Poker	2
Three Card Poker	4
Total	40

Table Games Implementation



Job Creation: Table Games

- ❑ Estimated Additional Team Members: **306**
 - Commitment to diverse employee and vendor base for table games
 - SugarHouse Dealer School

- ❑ 15-20 Additional Construction Jobs

Table Games Implementation

□ Training

- Table Games Training Curriculum developed and submitted to PGCB for approval
- SugarHouse will establish a training school at its facility, the plan for which has been submitted to PGCB for approval
- If approved, SugarHouse Dealer School will run for 8 weeks, July 6 through August 30, 2010
 - 3 Weekday class schedules
 - Weekend class schedule also
- 200 Pennsylvania residents will be invited to attend Dealer School

Table Games Implementation

- Additional Training
 - Game Protection: Table Games Staff, Security and Surveillance
 - Internal Controls
 - CPR Certification for all dealer school graduates

Responsible Gaming

- ❑ Member of Council on Compulsive Gambling of Pennsylvania
- ❑ All SugarHouse team members will be receive responsible gaming training annually as required
- ❑ Working with Director of Office of Compulsive and Problem Gambling to ensure compliance with requirements of Gaming Act

Community Outreach

☐ **Donations/Contributions: \$408,403 (Inception through 1Q 2010)**

☐ **Community Benefits Agreement signed in November 2008**

- An annual financial commitment of at least \$1 million upon opening of full Phase I casino development
 - ☐ Pre-Opening payment of \$175,000 was made in October 2009
 - ☐ Opening payment of \$500,000 will be made in October 2010
- Hiring and contracting opportunities for neighbors
- Internship and job training programs for neighbors
- A designated SugarHouse employee to work with the community

☐ **Other Beneficiaries/Recipients Include:**

Philadelphia International Cycling
Championship

Philadelphia NAACP

Catholic Education Fund

Sandy Rollman Ovarian Cancer Fund

Fishtown Athletic Fund

The Citizens Crime Commission

We Care Soccer Camp

The Leukemia and Lymphoma
Foundation

Foundation for Breast and Prostate
Health

Philadelphia Martin Luther King
Center for Nonviolence

Philadelphia Opportunities
Industrialization Center

American Jewish Committee

Concerned Black Men, Inc.

American Cities Foundation



Community Outreach

□ Development Agreement with the City of Philadelphia

- \$6.7 million in settlement payments to the City annually for ten years (life of abatement period)
- Funds costs associated with 911 connectivity, EMS and ambulance services to the casino, and special event police costs
- Public Access to the Delaware River waterfront
- Green Roof Design
- Economic Opportunity Plan

Job Creation: SugarHouse Casino

Hiring: Outreach Efforts

African-American Chamber of Commerce

PA Career Link

City of Philadelphia Office of Economic Opportunity

Pathways PA

Comhar, Inc.

Penn Treaty Special Services District

Community College of Philadelphia

Pennsylvania Minority Business Enterprise Council

Community Integrated Services, Inc.

People's Emergency Center

Drexel University

Philadelphia NAACP

Fishtown Action (FACT)

Philadelphia Opportunities Industrialization Center

Greater Philadelphia Hispanic Chamber of Commerce

Philadelphia Workforce Development Corporation

Minority Supplier Development Council

Philadelphia Workforce Investment Board

National Comprehensive Center for Fathers

Temple University

Orleans Technical Institute

Urban League of Philadelphia



Job Creation: SugarHouse Casino

□ Hiring Status

- Job Fairs were held:

April 13	Special Services District Career Fair at Piazza Northern Liberties
April 27	Citywide Career Fair at Pennsylvania Convention Center
May 6	Job Fair at Temple University
May 11	Senator Anthony Williams' Job Fair at University of the Sciences
May 12	Job Fair at Arbor Earn Center



SUGARHOUSE CASINO JOB PREVIEW EVENT
 TUESDAY, APRIL 27 • PENNSYLVANIA CONVENTION CENTER • ROOM 103
 BE A PART OF THE EXCITEMENT! COMING LATE SUMMER 2010.



Current Employment

- ❑ Team Members (as of May 17, 2010): **20**
 - 55% Women
 - 30% Minority

- ❑ Total Estimated Employees: **800**
 - 306 new team members for table games
 - Commitment to diverse employee base

Procurement: Table Games

- ❑ **Total Purchases (through 1Q 2010): \$76,915,373**
 - \$58,939,309 (or 76.6%) in total purchases from Minority, Women and Local Business Enterprises
- ❑ **Table Games Spend: \$1.7 M (start-up equipment and supplies)**
- ❑ **SugarHouse Casino Supplier Diversity Plan Resides In Procurement – MBE, WBE, LBE**
- ❑ **Minority and Women-Owned Business Chamber Partnerships**
 - African-American Chamber
 - Asian-American Chamber
 - Greater Philadelphia Hispanic
 - Minority Supplier Development Council of PA-NJ-DE
 - Pennsylvania Minority Business Enterprise Center
 - West Philadelphia Coalition of Neighborhoods & Businesses
 - Women's Business Enterprise Council of PA-SJ-DE
- ❑ **Bid Evaluations**
- ❑ **Tracking and Reporting**

Economic Impact: SugarHouse Casino

- ❑ **Total Wages (through 1Q 2010): \$5,649,000**
 - Includes wages, employee benefits, and payroll taxes

- ❑ **Projected Tax Revenue to the Commonwealth and City of Philadelphia: \$137,000,000 (first 12 months)**
 - Slots: \$132,000,000
 - Table Games: \$5,150,000

Economic Impact: Table Games

<ul style="list-style-type: none"> <input type="checkbox"/> Economic Impact <ul style="list-style-type: none"> • License Fee: \$16,500,000 • Construction & Capital Investment: <u>\$ 5,500,000</u> <li style="text-align: right;">Total \$22,000,000
<ul style="list-style-type: none"> <input type="checkbox"/> Projected Annual Table Tax Revenue <ul style="list-style-type: none"> • Commonwealth Share \$4,500,000 • Local Share <u>\$ 650,000</u> <li style="text-align: right;">Total \$5,150,000
<ul style="list-style-type: none"> <input type="checkbox"/> Projected Table Games Payroll <ul style="list-style-type: none"> • Salaries and Wages \$6,800,000 • Benefits \$2,700,000 • Taxes <u>\$ 700,000</u> <li style="text-align: right;">Total \$10,200,000



Site Plan

