

PENNSYLVANIA GAMING CONTROL BOARD
PUBLIC HEARING
GREENWOOD GAMING AND ENTERTAINMENT, INCORPORATED

NORTH OFFICE BUILDING
HEARING ROOM 1
HARRISBURG, PENNSYLVANIA

DECEMBER 18, 2007, 10:01 A.M.

APPEARANCES:

MARY DiGIACOMO COLINS, CHAIRMAN
RAYMOND S. ANGELI
JEFFREY W. COY
JAMES B. GINTY
KENNETH T. McCABE
SANFORD RIVERS
GARY A. SOJKA
KEITH WELKS, EX-OFFICIO MEMBER

HILLARY M. HAZLETT, REPORTER
NOTARY PUBLIC

1 I N D E X

2

3	WITNESS	PAGE
4	Alan Kohler	4
5	Dale Miller	4
6	Michael Balezzi	22
7	William Cmorey	26
8	Richard Abbott	28
9	Fran Cleaver	29

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 CHAIRMAN DiGIACOMO COLINS: If we have all of
2 the required people here for the first matter, which
3 will be the Greenwood Gaming hearing, we can make
4 history today and start early. I'll leave it up to
5 counsel for Greenwood. We'll begin. If you need the
6 five minutes, we'll accommodate you.

7 MR. KOHLER: Chairman Colins, everybody from
8 Greenwood is here; but we are waiting for the
9 Pennsylvania Thoroughbred --

10 MR. MILLER: They are parties to the action.

11 CHAIRMAN DiGIACOMO COLINS: Okay. Then we'll
12 wait.

13 All right. It's 10:00. We're ready to begin.
14 So, if I could ask for everyone's attention, please.
15 We'll ask Greenwood Gaming to -- oh, you're here
16 already. Very good.

17 I'm Chairman Colins, Chairman of the
18 Pennsylvania Gaming Control Board. Welcome to all of
19 you for these proceedings.

20 Before we get to the public meeting, Greenwood
21 Gaming and Entertainment, Inc. will be providing a
22 presentation as it relates to Phase 1 of their master
23 plan and their permanent license.

24 We will also have remarks from our Bureau of
25 Licensing and our Office of Enforcement Counsel after

1 this regarding Hamlet Holdings as to that relates to the
2 acquisition of Harrah's Entertainment.

3 So, we'll begin with Greenwood. Mr. Kohler?

4 MR. KOHLER: Good morning. I am Alan Kohler of
5 Wolf, Block Schorr and Solis-Cohen. I represent
6 Greenwood Gaming and Entertainment, Inc., Philadelphia
7 Park and Racetrack Casino in this matter.

8 We discussed the procedure we're going to use
9 this morning with Mr. Miller. He is going to give a
10 brief introduction of that.

11 MR. MILLER: Good morning, Chairman and members
12 of the Board. This is a hearing on the petition for
13 approval of a master plan filed by Greenwood Gaming,
14 Incorporated on October 12th, 2007.

15 The petition has been supplemented by five
16 separate supplements, which were filed on November 8th,
17 November 29th, December 10th, and December 14th and
18 December 17th.

19 Greenwood Gaming is obviously here represented
20 by Alan Kohler. The horsemen, the Pennsylvania
21 Thoroughbred Horsemen's Association, has been granted
22 intervener status as you know. They are represented
23 here today by Mike Balezzi, who is -- you may come up to
24 the table -- and is present on behalf of the horsemen.

25 The Office of Enforcement Counsel has filed a

1 number of objections to the petition; 18 to be exact.
2 Through meetings with the staff and this hearing,
3 Greenwood has the burden of satisfying those objections.
4 I ask that Mr. Kohler go forward at this time and
5 present his case to the Board.

6 MR. KOHLER: Chairman Colins, how I would
7 propose to proceed is I am going to go through all of
8 the documents that have been filed into the record at
9 the proceeding. This is the basis for our case.

10 We have a whole team here this morning that can
11 answer any questions or if you want to hear from a
12 specific person, that's fine. But if you have no
13 objection, that's how I'll proceed.

14 CHAIRMAN DiGIACOMO COLINS: I have one
15 question, procedural question. Are you going to ask
16 that we incorporate into this record the presentation
17 made by Mr. Green regarding the plan two meetings ago?

18 MR. KOHLER: Yes. In fact, we have already
19 submitted that into the record to the Board. My
20 understanding is that Mr. Miller is prepared to waive
21 foundation and stipulate all of these documents into the
22 record so we don't waste your time bringing up and
23 sponsoring every single document.

24 MR. MILLER: Prior to the hearing, we had
25 discussed all of the documents that Greenwood is going

1 to introduce. As to all of the documents, we stipulate
2 to the foundation; and we have no objection to any of
3 the documents --

4 CHAIRMAN DiGIACOMO COLINS: Thank you.

5 MR. MILLER: -- including the prior
6 presentation.

7 CHAIRMAN DiGIACOMO COLINS: Okay. Great.
8 Thanks.

9 MR. MILLER: I would ask at this time that if
10 Greenwood has any witnesses or persons who may be asked
11 questions, that they rise and be sworn before proceeding
12 any further.

13 CHAIRMAN DiGIACOMO COLINS: All right. Anyone
14 who is going to be testifying, we'll ask that you take
15 this oath.

16 (Witnesses sworn en masse.)

17 CHAIRMAN DiGIACOMO COLINS: Thank you. All
18 right. Now, go on.

19 MR. KOHLER: Chairman Colins, I want to thank
20 Mr. Miller for introducing this matter. I also want to
21 thank Board staff in general for putting a great deal of
22 time and effort into this, along with Greenwood
23 representatives, in an attempt to bring this matter to
24 closure. I think we have accomplished that.

25 Phase 1, which is what we call the plan for the

1 new stand alone casino, first came before the Board in
2 August of this year when Greenwood Chairman Bob Green
3 addressed the status of Philadelphia Park's permanent
4 facility and reported to you on the significant progress
5 that has been made.

6 He committed at that time that they would file
7 Phase 1 with you by mid-October. As Mr. Miller
8 indicated, that filing was made on October 12th, 2007.

9 Then subsequent to that being rescheduled twice
10 by the Board on November 8th of 2007, Philadelphia Park
11 made a presentation of its Phase 1 plans and described
12 in detail it's proposed new casino.

13 I'm not going to repeat our presentation today.
14 As you indicated previously, it has been stipulated into
15 the record; but in summary, we are proposing to
16 construct a very impressive, state-of-the-art,
17 approximately 257,000 square foot casino with a gaming
18 floor of approximately 140,000 square feet, housing
19 4,000 slot machines.

20 As I understand it, once constructed, it will
21 be the largest gaming floor in the Commonwealth. The
22 approximate capital investment is 250 million dollars,
23 assuming that we purchase rather than lease slot
24 machines.

25 Phase 1 also includes the reconversion of large

1 portions of the existing grandstand to horse racing
2 activities.

3 At the close of the November 8th presentation,
4 Chairman Colins directed Philadelphia Park to submit
5 nine specific items into the record of this proceeding.

6 I'm going to go through those in just a minute.
7 Since that time, as Mr. Miller has indicated, we spent a
8 lot of time with the Bureau of Licensing, the Office of
9 Racetrack Gaming, the Office of Enforcement Counsel.

10 We've been meeting on a regular basis. These
11 meetings have been very productive. It is my
12 understanding that all staff concerns have been
13 resolved. We're hoping they'll be withdrawn as we
14 proceed this morning.

15 I just now want to go through each item that we
16 have submitted in support of the petition and summarize
17 it as necessary.

18 I'm going to start with the nine items,
19 Chairman Colins, that you identified at the November 8th
20 presentation.

21 Number 1 was a fully executed contract with the
22 Pennsylvania license architectural firm for the plans
23 for the new facility.

24 The contract between Philadelphia Park and
25 Friedmutter Group was submitted on December 10th, 2007

1 as Exhibit 8 to Supplement No. 3 of the petition.

2 Friedmutter is one of the better known and
3 highly respected casino architectural firms around.
4 That contract has been stipulated into the record.

5 Number 2 was a firm deadline by which all
6 architectural plans will be prepared and submitted to
7 the Board.

8 Scheduled with the deadlines was submitted on
9 November 29th, 2007 as Exhibit A to Supplement No. 2 to
10 the petition.

11 The noteworthy dates are as follows: January
12 15th, 2008, completion of site and several construction
13 plans.

14 February 5th, 2008, completion of foundation
15 and underground construction documentation.

16 May 13th, 2008, completion of core and shell
17 construction documentation including the central plant.

18 And lastly, September 1st, 2008, completion of
19 interior design fit-out construction documentation.

20 We will submit each of these sets of plans to
21 the Board as soon as they are completed.

22 Number 3, a fully executed contract with a
23 general contractor regarding construction of the new
24 casino as presented to the Board on November 8th.

25 That contract between Philadelphia Park and TN

1 Ward, our selected general contractor was submitted on
2 December 10th, 2007 as Exhibit B of Supplement No. 3 to
3 the petition.

4 By way of background, TN Ward was also the
5 general contractor for the Chester Casino and Racetrack.

6 Number 4 -- do you want to --

7 MR. MILLER: Go ahead.

8 MR. KOHLER: Number 4, a firm construction
9 schedule outlining dates for all projected construction
10 milestones. That schedule was submitted on November
11 29th, 2007 as Exhibit B to Supplement No. 2 to the
12 petition.

13 Some of the milestones dates are as follows:
14 March 1st, 2008, ground breaking.

15 August 1st, 2008, start of steel erection.

16 December 5th, 2008, building enclosure
17 completed.

18 October 30th, 2009, substantial completion of
19 construction.

20 And December 15th, 2009 is our projected grand
21 opening.

22 TN Ward has confidence in this construction
23 schedule and that construction schedule has been
24 stipulated into the record.

25 Number 5, construction budget. The

1 construction budget was submitted on December 10th, 2007
2 as Exhibit C to Supplement No. 3 of the petition.

3 The total capital investment is 250 million
4 dollars or 230 million if we decide to lease rather than
5 purchase slot machines.

6 Of that, 178 million is for
7 construction-related items and 20 million dollars is for
8 site work.

9 If you look at the actual budget that was
10 submitted into the record, you will see a complete
11 itemization of the budget items.

12 Number 6, documentation from our lender that we
13 have funding available for the project. We provided
14 that documentation in the form of a November 16th, 2007
15 letter from Steven Mongillo, Senior Managing Director of
16 Bear Sterns Corporate Lending, Inc.

17 That letter was submitted to the Board on
18 November 29th, 2007 as Exhibit C to Supplement No. 2 to
19 the petition.

20 Further, at staff's request, we submitted a
21 letter from Tom Bonner, Greenwood's general counsel
22 documenting that no monies have been drawn down on the
23 funds available under the existing Bear Sterns financing
24 vehicle. That letter is Exhibit F to Supplement No. 3
25 to the petition.

1 Number 7 is gaming floor diagrams depicting the
2 slot machine configuration and all secured areas.

3 Those diagrams were submitted on December 10th,
4 2007 as Exhibits D and E to supplement No. 3 to the
5 petition.

6 The diagram depicts the 4,000 slot machines
7 that are planned for the new facility, as well as all
8 secured areas.

9 Number 8 is future development plans and level
10 of commitment.

11 This item was addressed at our November 8th,
12 2007 presentation and is discussed in the affidavit of
13 Joseph Emanuele from Friedmutter, which was submitted as
14 Exhibit G-3 to Supplement No. 3 to the petition.

15 In short, while we certainly have plans for
16 future phases, and have put a great deal of resource
17 into developing those future plans for development on
18 the site, those plans are at this point conceptual and
19 preliminary in nature.

20 It is premature to commit or seek regulatory
21 approval of those future plans at this time.

22 However, the plans will continue to develop as
23 we construct and open this new casino. We will continue
24 -- as we continuously evaluate market conditions.

25 Number 9, a specific plan for integrating

1 gaming with horse racing activities and wagering
2 on-site.

3 That plan was submitted on December 10th, 2007
4 as Exhibit G to Supplement No. 3 to the petition.

5 The plan includes a number of initiatives to
6 cross promote gaming and horse racing. The most note
7 worthy of these initiatives are, first, our proposal to
8 include a pari-mutuel area in the casino so that patrons
9 can watch and wager on horse races without leaving the
10 casino building.

11 We have included a preliminary confirmation
12 from the Horse Racing Commission that we can operate
13 that pari-mutuel area under our existing license.

14 However, and this is important to note, that
15 confirmation is completely subject to future
16 ratification by the State Horse Racing Commission and
17 that would occur at one of their public meetings. That
18 preliminary confirmation is included as Exhibit 1 to
19 Supplement No. 5 to the petition.

20 Second is our proposal to run a free shuttle
21 between the casino and the grandstand, so to transport
22 patrons between the two facilities.

23 In addition to the shuttle, the plan also
24 includes integration of gaming and horse racing player
25 card systems, promotion of racing events in the casino

1 and in advertising and design of areas with a horse
2 racing motif, and finally a landscape natural promenade
3 connecting the casino with the grandstand.

4 Also included in this plan is an affidavit from
5 Mr. Emanuele identifying the reasons in support of the
6 location of the new casino. Included in the reasons
7 provided by Mr. Emanuele's affidavit are the following:

8 Number 1, minimizing the impact on horse
9 racing. If the casino is constructed too close to the
10 grandstand, construction activities will require the
11 shut down of live racing for significant periods during
12 the construction.

13 Number 2, traffic flow including access to the
14 facilities for emergency vehicles.

15 Number 3, patron convenience through the south
16 parking areas that surround both the casino and the
17 grandstand.

18 Number 4, visibility from Street Road of the
19 port cochere and video towers to attract patrons.

20 Number 5, preliminary future development plans
21 to build out casino amenities between the casino and the
22 grandstand.

23 Number 6 is preservation of the natural
24 landscape. In fact, as indicated in the plan, a
25 Philadelphia marketing plan concludes that patrons want

1 open, natural space between the casino and the
2 grandstand.

3 Such support for an open promenade between the
4 two facilities is also voiced by in filings that I'll
5 identify in a minute; Bensalem Mayor DiGirolamo,
6 Bensalem Citizens Advisory Board, State Senator Robert
7 Tomlinson, and the Pennsylvania Thoroughbred Horsemen's
8 Association.

9 In summary, we have submitted all of the items
10 requested by Chairman Colins in the time frames
11 requested.

12 In addition to the items requested, we have
13 submitted a parking study, which is included as Exhibit
14 5 to Supplement No. 1.

15 Our submission also includes the voluminous
16 filing we made with Bensalem Township for all local
17 permits which is Exhibit 8 to Supplement No. 3. We have
18 also included the recent addendum to our live -- our
19 live racing agreement with PTHA.

20 Finally, in response to a Board order on
21 December 10th, we submitted a memorandum of law
22 addressing the concept of integration of gaming and
23 horse racing activities under our proposal.

24 As I indicated previously, we have the whole
25 Philadelphia Park team here to answer your questions.

1 We also have included -- it's been stipulated
2 into the record -- documentation of support for our
3 petition and underlying proposal as follows:

4 State Horse Racing Commission approval of all
5 aspects of our plan under its jurisdiction subject to
6 review of fully executed architectural plans. That's
7 Exhibit E to Supplement No. 2.

8 A letter from the Horse Racing Commission
9 confirming that the steps included in GGE's cross
10 promotion plan are sufficient to integrate gaming and
11 horse racing. That's Exhibit A to Supplement No. 4.

12 And I'm not -- I believe representatives from
13 the Horse Racing Commission are here today.

14 A letter from the Pennsylvania Thoroughbred
15 Horsemen's Association indicating its full support for
16 the Philadelphia Park plan. That's Exhibit D to
17 Supplement No. 2.

18 As Mr. Miller indicated, PTHA is an intervener
19 in these proceedings and Mr. Balezzi is here to speak.

20 Also, a letter from Bensalem Mayor DiGirolamo
21 voicing his full support for the Phase 1 proposal.
22 That's Exhibit B of Supplement No. 5. The Mayor could
23 not be here today, but we have a representative from the
24 Mayor's office who can speak, if the Board members
25 desire.

1 Number 5, a letter from the Bensalem Citizens
2 Advisory Board documenting full support for our plan
3 here today. Karl Pearson, who is the head of the
4 Advisory Board was scheduled to be here but could not
5 make it at the last minute. That organization is under
6 the jurisdiction of the Mayor's office.

7 Mr. William Cmorey from the Mayor's office can
8 speak to that affidavit or speak to that letter, if the
9 Board members so desire.

10 Last but not least, we have a letter from State
11 Senator Robert M. Tomlinson in support of our petition.
12 I believe Senator Tomlinson is on his way if the Board
13 would like to hear from him.

14 At this point, I will look to you as to how to
15 proceed. We believe we've met our burden. We're here
16 to answer any questions and assist in any way you want.
17 I hand it over to Mr. Miller.

18 MR. MILLER: Chairman, may I just briefly ask
19 some questions of Mr. Kohler to clear up some things?

20 CHAIRMAN DiGIACOMO COLINS: Sure.

21 MR. MILLER: Mr. Kohler as a representative of
22 Philadelphia Park, I'm assuming that in your role here
23 today, you speak for Philadelphia Park and can commit to
24 certain things for Philadelphia Park; is that correct?
25 I'm going to ask you some things --

1 MR. KOHLER: We certainly have people here. We
2 have everybody from the Chairman of the Board to the
3 Chief Financial Officer to the Chief Operating Officer.

4 MR. MILLER: Okay. There was one thing I
5 wanted to clear up regarding the busing plan that you
6 have, which you feel will serve to integrate the two
7 facilities, the grandstand and the stand alone slots
8 building.

9 The original concept of the busing plan was
10 that you were going to run buses during live racing.

11 I understand that we have reached an agreement
12 that the busing will be extended both on live racing
13 days and whenever simulcast is offered; is that correct?

14 MR. KOHLER: That is correct.

15 MR. MILLER: And Philadelphia Park will commit
16 to that, correct?

17 MR. KOHLER: Correct.

18 MR. MILLER: Now, I also understand that
19 although Philadelphia Park will not and cannot, because
20 of marketing conditions, commit to further phases in
21 their project that you have, in fact, contemplated
22 future phasing beyond Phase 1; is that correct.

23 MR. KOHLER: That is correct.

24 MR. MILLER: Could you just summarize briefly
25 for the Board the possible additional phases beyond

1 Phase 1 that Philadelphia Park is thinking about?

2 MR. KOHLER: We've presented this to the Board
3 previously. Philadelphia Park is looking at a wide
4 array of options for future development of the site.

5 There's been evaluation of the potential for a
6 hotel. There's been evaluation of the potential for
7 retail. There's been evaluation of the potential for
8 residential development.

9 All of those things have been looked at very
10 closely over a period of years and continue to be looked
11 at.

12 With all of that said, they are -- they remain
13 preliminary in nature. What they will look like at the
14 end of the day is depending on how the market develops
15 once we open our stand alone casino.

16 CHAIRMAN DiGIACOMO COLINS: Can I just
17 interrupt? If we can get right to the point, the two
18 buildings are 600 and some feet apart. That was an
19 initial concern of the Board.

20 And that gap, is that gap, that 600 and some
21 foot gap, is that a possible location for future
22 development for --

23 MR. KOHLER: Absolutely. And as indicated in
24 Mr. Emanuele's affidavit. That is one of the six
25 reasons that we sited the casino at its location is to

1 allow for plan development.

2 If we sited the location closer to the
3 grandstand, that development would become impossible.
4 So, although, we cannot commit to an actual plan today,
5 it would be premature to do that, the siting of the
6 location, that was an important factor in where we sited
7 the location.

8 CHAIRMAN DiGIACOMO COLINS: In view of the
9 detailed and significant documentation you provided in
10 the record, the only thing I would suggest is that you
11 have representatives here who are in support of your
12 plan.

13 I would suggest that you would -- you would
14 introduce them to come up and make a brief statement of
15 support for the plan that you're offering to this Board
16 for its vote today.

17 MR. KOHLER: That's fine, Chairman Colins.
18 Should we start with Mr. Balezzi?

19 CHAIRMAN DiGIACOMO COLINS: That's fine.

20 MR. BALEZZI: Good morning, Madam Chairman,
21 members of the Board. My name is Michael Balezzi. I'm
22 counsel and executive director for the Pennsylvania
23 Thoroughbred Horsemen's Association.

24 The PTHA, as we are referred to, is the
25 authorized representative of over 4,000 horsemen and

1 women in Pennsylvania.

2 On behalf of the PTHA, I would first like to
3 offer our heartfelt appreciation for the Gaming Board's
4 hard work in protecting and enhancing gaming in
5 Pennsylvania while simultaneously implementing the
6 Gaming Statute. The PTHA thanks you.

7 The PTHA enthusiastically supports Greenwood's
8 Phase 1 plan. Our support was not given lightly but
9 after careful consideration of several important
10 factors.

11 Number 1, the plan was developed with the
12 input, participation, and support of the PTHA. Many
13 important aspects of the plan were from the direct input
14 of the PTHA.

15 Number 2, the plan includes a stand alone
16 facility, which this Board recognizes was of paramount
17 importance to the PTHA.

18 It is the opinion of the PTHA this stand alone
19 facility will continue Greenwood's competitive edge in
20 what will be a very competitive market.

21 Number 3, the plan outlines the return of the
22 grandstand as a premiere facility for racing, which will
23 enhance the racing experience for our fans and be a
24 platform to grow the racing business.

25 Finally, Greenwood has agreed pursuant to an

1 addendum to our live racing agreement to provide for the
2 total renovation and construction of the backside of
3 Philadelphia Park; that is, all 36 barns, 12 dormitories
4 will be totally renovated, updated and totally refitted
5 with heating, air conditioning, electrical, and fire
6 protection, as well major improvements to the road
7 surfaces including drainage and paving and general
8 beautification of the backside.

9 The current estimated cost of the backside
10 improvements will be approximately 25 million dollars,
11 which is more than double the statutory required amount
12 of 6.25 to 10 million dollars.

13 The implementation of Greenwood's Phase 1 plan
14 will not only create the necessary environment that will
15 enhance racing, but the Phase 1 plan will allow
16 Greenwood to generate substantial revenues, which will
17 directly benefit the racing and breeding industry in
18 Pennsylvania.

19 Allow me a moment to give you some recent
20 statistics. Prior to gaming and implementation of slots
21 at Philadelphia Park, our purses averaged approximately
22 25 to 27 million dollars per year, a level that was
23 really insufficient for our horsemen to conduct their
24 business and for the advancement of racing.

25 With the advent of slot machines at

1 Philadelphia Park, the first year of an admittedly
2 reduced number, approximately 2,000 slot machines, our
3 purses went from 25.5 million dollars to 56 million
4 dollars, which is the needed advancement of purses,
5 which helped the industry, helped our breeding industry
6 and helped the horsemen at Philadelphia Park to advance
7 the industry.

8 We estimate that prior to the opening of the
9 stand alone facility in the year 2008-2009, our purses
10 will grow again to nearly 65 million dollars, which
11 would include purses at Philadelphia Park, as well as
12 breeding incentives for horsemen who race at
13 Philadelphia Park.

14 These are remarkable improvements, remarkable
15 numbers. Those revenues, which are essential, which
16 drive our industry, purses drive our industry, we will
17 average nearly \$300,000 a day in breeding and racing
18 awards, which in turn will create a product that will be
19 sought by the nation.

20 Our exports, that is our simulcasting exports,
21 will reach a level unsurpassed at Philadelphia Park and
22 for much of the industry.

23 Our product will be sought. Our exports will
24 have tremendous value and return that will help us grow
25 -- the industry grow the business and have a broader fan

1 base, bring better horses and better jockeys and better
2 trainers to Philadelphia Park. That is our goal.

3 I, along with our President, Larry Riviello,
4 and our Board of Directors strongly urge you to approve
5 Greenwood Phase 1 plan. There will be no greater gift
6 for horsemen this holiday season than for you, this
7 Board, to secure the future welfare of our horsemen by
8 approving this plan. Thank you very much.

9 CHAIRMAN DiGIACOMO COLINS: All right. Thank
10 you.

11 MR. KOHLER: Chairman Colins, the next witness
12 would be William Cmorey from Mayor DiGirolamo's office.

13 CHAIRMAN DiGIACOMO COLINS: Would come up
14 please, sir?

15 MR. CMOREY: Chairman Colins and Board members,
16 thank you for this opportunity to appear before you
17 today.

18 First, I would like to send the Mayor's
19 regrets. He would have loved to have been here before
20 you today; but unfortunately, his business scheduled
21 precluded him from doing so.

22 The Mayor and council have been and are very
23 proactive in trying to promote the economic development
24 and business opportunities throughout the township.

25 Philadelphia Park certainly represents one of

1 the biggest partners of its business community and is
2 important in the economic development of the township.

3 With the opening of the casino in Bensalem
4 Township, we have seen -- what the Mayor would like to
5 call -- a very strong and added economic incentive in
6 the township.

7 The business, local businesses have flourished.
8 There has been strong business growth in some of these
9 local businesses, restaurants and hotel industry.
10 Certainly, that's, again, to give credit to the
11 Philadelphia Park casino operations.

12 The Mayor has reviewed the Master 1 -- Master
13 Plan Phase 1 as presented and is -- would like to send
14 his strong support for that plan.

15 He believes it is important because as you all
16 know, the industry, casino and horse racing, it's
17 becoming more and more competitive.

18 Philadelphia Park continues to be competitive
19 along with all of the other venues that have been built
20 or proposed to be built. A stand- alone facility is an
21 important part of that plan.

22 The plan, as presented, also promotes another
23 important initiative that the Mayor and council look to
24 promote, environmentally friendly business development.
25 Again, this plan seems to hit a home run in that area.

1 It provides, again, an economic opportunity --
2 increased economic opportunity for the horsemen because
3 it does provide a stand alone facility and provides a
4 casino, which, again, will help promote the expansion of
5 that particular industry.

6 So, without belaboring the point, the Mayor and
7 council would like to say that they wholeheartedly
8 support and endorse this plan. You can certainly be
9 assured that Bensalem Township will do everything in its
10 power along the way to help promote the successful
11 opening of that facility.

12 CHAIRMAN DiGIACOMO COLINS: Great. Thank you
13 very much, sir.

14 Next?

15 MR. KOHLER: Chairman Colins, the next witness
16 would be Senator Robert M. Tomlinson. We know that
17 Senator Tomlinson is on his way. He is --

18 CHAIRMAN DiGIACOMO COLINS: I see the
19 Thoroughbred Commissioner here today, Mr. Abbott. Maybe
20 he could speak. Good morning.

21 MR. ABBOTT: Good morning, Chairwoman Colins
22 and members of the Board. I would like to thank you for
23 giving me the opportunity to speak today. I would also
24 like to thank you for the consideration you have given
25 to the important aspect of integration of horse racing

1 and gaming in Pennsylvania.

2 Commissioner Kent and myself -- for the record,
3 my name is Richard Abbott. I'm Acting Chairman of the
4 State Horse Racing Commission.

5 Commissioner Kent and myself are satisfied with
6 the plan put forth by Philadelphia Park. We think it
7 will allow slots players to be exposed to horse racing
8 and vice versa.

9 We are very pleased there will be a simulcast
10 area in the casino. We hope that at some point there
11 will be some slot machines in the grandstand.

12 We are already seeing a tremendous growth in
13 the thoroughbred business in Pennsylvania as a result of
14 slot machines.

15 Along with that growth comes the benefit to all
16 of Pennsylvania agriculture. As you know, the Racing
17 Commission is a bureau of the Department of Agriculture.
18 Those agricultural aspects are important to us.

19 On behalf of Commissioner Kent and myself, I
20 would echo the enthusiasm by Mr. Balezzi's enthusiasm
21 for the plan as put forth by Philadelphia Park today.
22 Thank you.

23 CHAIRMAN DiGIACOMO COLINS: Thank you very
24 much.

25 MR. KOHLER: I guess last by not least,

1 Chairman Colins, Senator Tomlinson was scheduled to
2 speak. He has not arrived but his counsel is here, who
3 can speak briefly.

4 CHAIRMAN DiGIACOMO COLINS: Good morning.

5 MS. CLEAVER: My name, for the record, is Fran
6 Cleaver. I serve as counsel to Senator Tomlinson.
7 Senator Tomlinson, as many of you know, travels the
8 Turnpike and is delayed by virtue of the Turnpike. As
9 luck holds true, he'll come in in the middle of what I'm
10 saying.

11 Good morning, Chairman Colins and fellow
12 commissioners. My name is Fran Cleaver. On behalf of
13 Senator Tomlinson, he serves as the State Senator
14 serving the 6th Senatorial District. The district
15 includes portions of Bucks County, including all of
16 Bensalem Township.

17 His district includes 450 acres of land in
18 which Philadelphia Park Racetrack and Casino is located.

19 Senator Tomlinson has served as State Senator
20 since 1994. Before that he had service in the House.
21 He has served the General Assembly since the current
22 owners of Philadelphia Park acquired the racetrack in
23 1990.

24 Prior to that time, he served on the School
25 Board and has been a lifelong resident of Bensalem. He

1 has seen the improvements of Philadelphia Park over a
2 long period of time.

3 He believes that Philadelphia Park has been a
4 good neighbor in Bensalem for 35 years. But more
5 importantly, Bob Green, the Chairman of Philadelphia
6 Park has been a good neighbor in Bensalem since 1990
7 when he and his partners bought a struggling track.

8 Through significant capital investment and
9 strong management, they made horse racing at
10 Philadelphia Park into a successful business.

11 Today, as you have already heard, Philadelphia
12 park is not only the most successful racetrack in
13 Pennsylvania, but produces almost one half of the entire
14 state's horse racing handle.

15 Philadelphia Park is now applying that same
16 skill to the slots gaming side. It is no surprise that
17 in a single year of casino operations, they have turned
18 Philadelphia Park into the highest revenue generating
19 gaming facility in the Commonwealth.

20 In addition to these far reaching
21 accomplishments, he believes the record of long and
22 continuous loyalty by Philadelphia Park owners deserves
23 a great deal of credit.

24 All of the other tracks in Pennsylvania have
25 been sold, some several times or about to be acquired by

1 out-of-state speculators cashing in on the slots
2 potential.

3 He has no problem with new entrepreneurs coming
4 into the state, but we should also understand and
5 appreciate the guys who came here when the going was
6 tough, stayed and worked hard to make the business a
7 success.

8 For Bob Green, there were no guarantees that
9 his initial investment would bring success. He has
10 established an unblemished record of investing capital
11 to make great improvements to Philadelphia Park to the
12 benefit of his community and the local economy.

13 He believes Philadelphia Park has always tried
14 to do the right thing to make racing work and is now
15 doing the right thing to make gaming work in Bensalem.

16 Philadelphia Park's plan for a new stand alone
17 casino is no exception. He has not only reviewed those
18 plans but has sat with the Bensalem Citizens Advisory
19 Committee as they reviewed the plan with an eye toward
20 the specific interests of the community. They were all
21 impressed with the plans and support them in their
22 entirety.

23 One of Philadelphia's Parks greatest assets is
24 the park-like setting upon which the grandstand sits.

25 Philadelphia Park's plan for its new casino

1 preserves this seasonal change in environment, in
2 particular in the space between the casino and the
3 existing grandstand.

4 Most of the people who live and work in the
5 Bensalem area consider this open space with mature tree
6 lines one of the most desirable features of the new
7 casino project.

8 Eliminating this atmosphere and moving the
9 casino close to the grandstand or obstructing this space
10 through construction and insertion of some sort of
11 enclosed structure would detract, not enhance the
12 Philadelphia Park's plan.

13 The Gaming Act is silent on where a casino
14 should be located on the grounds of a racetrack.
15 Senator Tomlinson would urge the Gaming Board to
16 strongly weigh the support of the community, the views
17 of the people who live and work in the area, which form
18 the majority of the Philadelphia Park's patron base.

19 He would urge the Board to adopt Philadelphia
20 Park's pending proposal for a new casino considering the
21 local interest as to where a casino should be located
22 and the blending with its surrounding environment.
23 Thank you for your attention.

24 CHAIRMAN DiGIACOMO COLINS: Thank you very
25 much.

1 That concludes the testimony? Very good.

2 Thank you.

3 Now, Mr. Miller, based on the -- on behalf of
4 the Office of Chief Counsel, based on your review of the
5 record, and the testimony you heard today, are the 18
6 objections or concerns expressed in the objections
7 satisfied?

8 MR. MILLER: Madam Chairman, based upon the
9 documents filed with the Office of Hearings and Appeals,
10 those documents introduced today into the record, and
11 the testimony, the Office of Enforcement Counsel
12 believes that all of the objections have been satisfied.
13 We withdraw them as of this date. We ask that the Board
14 consider this petition at the earliest possible time.

15 CHAIRMAN DiGIACOMO COLINS: Very good. Thank
16 you very much. What we're going to do is consider this
17 later, during the public meeting, we will be voting.
18 Thank you.

19 Before you go, I'm sorry. I was remiss. Do any
20 of my fellow Board members have any questions at this
21 time? I'm sorry.

22 All right. Thank you very much.

23 (The hearing concluded at 10:45 a.m.)

24

25

1 .
2 I hereby certify that the proceedings and evidence are
3 contained fully and accurately in the notes taken by me
4 on the within proceedings and that this is a correct
5 transcript of the same.

6

7

8

Hillary M. Hazlett, Reporter
Notary Public

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25