

PENNSYLVANIA GAMING CONTROL BOARD

PUBLIC MEETING

WEDNESDAY, APRIL 8, 2009, 9:34 A.M.

STATE MUSEUM AUDITORIUM
HARRISBURG, PENNSYLVANIA

BEFORE:

MARY DiGIACOMO COLINS, CHAIRMAN
RAYMOND S. ANGELI
JEFFREY W. COY
JAMES B. GINTY
KENNETH T. McCABE
SANFORD RIVERS (via telephone)
GARY A. SOJKA
DAVID BARASH, EX-OFFICIO REPRESENTATIVE

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1 CHAIRMAN DiGIACOMO COLINS: Good morning, everyone. I'm
2 Mary Colins. I am the Chairman of the Pennsylvania
3 Gaming Control Board.

4 First, I would like to ask that all cell
5 phones, BlackBerries, and other electronic devices be
6 turned off.

7 We have with us, I believe, Keith Welks? All
8 right. Keith Welks is not yet here, but he will be here
9 representing State Treasurer Robert McCord.

10 David Barash is here. Welcome. He is
11 representing Revenue Secretary Stephen Stetler.

12 Now, I'll call this meeting to order. A quorum
13 is present.

14 Commissioner Sanford Rivers is participating by
15 telephone.

16 Commissioner Rivers, are you there?

17 COMMISSIONER RIVERS: Yes, I am.

18 CHAIRMAN DiGIACOMO COLINS: Okay.

19 And we'll begin with the Pledge of Allegiance.

20 (Pledge of Allegiance.)

21 CHAIRMAN DiGIACOMO COLINS: By way of
22 announcement, the Board has held an Executive Session on
23 April 7th in accordance with the Sunshine Act.

24 The purpose of the Executive Session was to
25 obtain litigation update from counsel, discuss personnel

1 issues and to conduct quasi-judicial deliberations
2 relating to matters pending before the Board.

3 We will move into New Business. And I'll ask
4 our Executive Director Frank Donaghue to address the
5 Board.

6 MR. DONAGHUE: Thank you, Chairman Colins.
7 Good morning. Good morning, Board members.

8 As the Board is aware, there have recently been
9 reports of structural issues with the parking garages at
10 both the River Casino construction site and the Sands
11 Casino construction site.

12 With regard to the Rivers, reports indicated
13 that four column bays within the garage are out of
14 alignment.

15 Last week, I sent a letter to the Rivers
16 requiring an update on these issues and to put the
17 Rivers on notice that certification from a structural
18 engineer as to the soundness of the garage would be
19 required prior to the opening of the facility.

20 In response, the Rivers reports there are no
21 major structural or engineering issues at the site. A
22 procedure implemented by the project's general
23 contractor to realign the structure is proceeding
24 successfully.

25 In February, the Pittsburgh area office of the

1 Occupational Safety Health Administration, otherwise
2 known as OSHA, determined that the garage was safe and
3 structurally sound and that the Rivers anticipates
4 opening the facility in accordance with the current
5 projected opening date.

6 With regard to the Sands where, again, there
7 were reports of some minor cracks in some columns,
8 reports indicate that grout installed at the garage base
9 plates were out of compliance with the projects' design
10 parameters.

11 Again, I sent a letter to Sands asking for the
12 update and to put them on notice of the same, as I had
13 with the Rivers.

14 In response, the Sands reports that the
15 noncomplying grout is currently being removed and
16 replaced in a manner approved by the project's
17 structural engineer, that there is not now nor was there
18 ever any known noncompliance with Federal, State, or
19 Local Building Codes or Regulations. The Sands
20 anticipates opening the facility in accordance with the
21 current projected opening date.

22 Finally, both the Sands and the Rivers will be
23 providing me with a written report and to the Board from
24 their project's structural engineer.

25 CHAIRMAN DiGIACOMO COLINS: Frank, with respect

1 to the casinos that are already open in the state, is it
2 not correct that our Regulations and our opening
3 procedures require that all of the facilities
4 demonstrate compliance with code, local code
5 requirements, and safety retirements? Is that not true.

6 MR. DONAGHUE: That is correct.

7 CHAIRMAN DiGIACOMO COLINS: So any casino that
8 is already open has already demonstrated to our Opening
9 Team and to the Board's satisfaction that they are in
10 compliance, correct?

11 MR. DONAGHUE: And if there were any issues
12 that would developed, they would be obligated to notify
13 the Board.

14 CHAIRMAN DiGIACOMO COLINS: Thank you.

15 MR. DONAGHUE: And that concludes my report.

16 CHAIRMAN DiGIACOMO COLINS: Thanks.

17 The next report will be a financial report.
18 Usually, Eileen McNulty is here to give that; but Eileen
19 is not available today, so Claire Yantis will provide
20 that.

21 MS. YANTIS: Good morning.

22 CHAIRMAN DiGIACOMO COLINS: Good morning.

23 MS. YANTIS: In preparation for the upcoming
24 opening of the Sands Bethworks Casino, we have four
25 proposed hires before you today.

1 We're proposing to hire these casino compliance
2 representatives, who have all undergone the PGCB
3 interview process, background investigation, and drug
4 screening.

5 All candidates are recommended for hire by
6 Director of Casino Compliance Tom Sturgeon. The hiring
7 of these individuals will complete the PGCB complement
8 for the Sands Bethworks Casino and will ensure casino
9 compliance staff is in place for the opening.

10 The first candidate we have for you, we propose
11 to hire Gloria Williams. Miss Williams has been
12 employed by Mount Airy Casino since 2007 as a
13 Surveillance Officer.

14 Prior to her employment with Mount Airy, Miss
15 Williams worked for both the New York City Transit
16 Police and the New York City Police Department.

17 The second candidate we propose to hire is
18 Diana Cologne. Miss Cologne is 1989 graduate of John J.
19 College with a Bachelor's Degree in Criminal Justice and
20 has been employed with Mount Airy Casino since 2007 as a
21 Security Officer.

22 Prior to her employment with Mount Airy, Miss
23 Cologne spent 11 years with the New York City Complaint
24 Review Board as a Confidential Investigator
25 investigating police misconduct.

1 The third candidate, we propose the hire of
2 Thomas Waskura, Jr. Mr. Waskura is a 2003 graduate of
3 Marywood University and has been employed by US Airways
4 in Avocca, Pennsylvania. Mr. Waskura is also employed
5 as an IT Clerk for Lackawanna County in Scranton,
6 Pennsylvania.

7 Finally, we propose the hire of Edward Dempsey.
8 Mr. Dempsey is a 2008 graduate of Penn State University,
9 University Park with a Bachelor's Degree in marketing.
10 Mr. Dempsey is currently employed by Universal Printing
11 Company.

12 CHAIRMAN DiGIACOMO COLINS: Thank you.

13 May I have a motion?

14 COMMISSIONER COY: Madame Chair, I move that
15 the Board approve the hiring of agency staff as proposed
16 on the condition that all employees have completed the
17 necessary background investigation and drug testing.

18 COMMISSIONER ANGELI: Second.

19 CHAIRMAN DiGIACOMO COLINS: All in favor?

20 COMMISSIONERS: Aye.

21 CHAIRMAN DiGIACOMO COLINS: Opposed?

22 Motion carries.

23 Thank you very much.

24 Next is a report from the Office of Chief
25 Counsel (OCC) Doug Sherman.

1 MR. SHERMAN: Good morning, Madame Chairman,
2 members of the Board.

3 Today, the Board has three Petitions before it
4 for consideration upon the documentary record. In each
5 case, the Board has been provided with a Petition, the
6 responsive pleading of Enforcement Counsel, any
7 additional pleadings, as well as any supporting
8 evidentiary materials.

9 All parties have been notified that the Board
10 is considering their respective matters today and that
11 they have the right to be present to address the Board.

12 I'll briefly summarize each petition.

13 The first concerns Sands Bethworks. It is a
14 Petition of Waiver of Fixed Seating Requirement. Sands
15 Bethworks and the Office of Enforcement Counsel (OEC)
16 have entered into a stipulation whereby the OEC does not
17 object to certain relief requested in Sands' Petition so
18 long as Sands Bethworks agrees to comply with specific
19 conditions relating to the submission of seating plans,
20 making appropriate amendments to internal controls, and
21 receiving the necessary approvals from local officials
22 including fire officials.

23 The installation and use of moveable slot
24 machine stools would affect the following three areas:
25 The high-limit slots area, the area surrounding the

1 electronic table games, and the area surrounding the
2 bar-top machines.

3 Pursuant to the stipulation, which I have
4 referenced, Sand Bethworks has withdrawn its request to
5 be able at its discretion to install and use movable
6 slot stools at any location within the gaming floor.

7 Prior to entering into the stipulation, Sands
8 has secured letters from the City of Bethlehem Fire
9 Department and the City of Bethlehem Bureau of Code
10 Enforcement indicating that those respective Bureaus
11 have no objection to the movable seating.

12 The stipulation and those letters have been
13 provided to the Board in anticipation of this meeting.
14 Based upon these facts, the matter is ripe for the
15 Board's consideration.

16 CHAIRMAN DiGIACOMO COLINS: Very good.

17 May I have a motion, please?

18 COMMISSIONER COY: Madame Chair I move that the
19 Board approve the Petition submitted by Sands Bethworks
20 as described by the OCC.

21 CHAIRMAN DiGIACOMO COLINS: May I have a
22 second?

23 COMMISSIONER GINTY: I have a couple of
24 questions.

25 CHAIRMAN DiGIACOMO COLINS: Right. I was going

1 to --

2 COMMISSIONER GINTY: Doug, we had this issue
3 before us a couple of months ago with respect to, was it
4 the Meadows? And at that point, I believe one member of
5 the Board made some comments that it didn't make much
6 sense to be granting, you know, occasional exceptions to
7 our Regulations, because we would eventually end up with
8 14 different schemes with respect to fixed or movable
9 seating.

10 Am I correct that we now have -- will shortly
11 have four schemes Meadows, Sands, and we're about to
12 undertake Downs Racing?

13 MR. SHERMAN: That is correct.

14 COMMISSIONER GINTY: So we are on our way to 14
15 different schemes. Okay. I'm going to actually second
16 this and move the next one as well, but this is simply
17 no way to run a ship.

18 I would ask if you would undertake, you know,
19 with the approval of the Board a look at our regulation
20 and, you know, if it needs to be changed, let's work
21 with the industry to change it so we come out with a
22 scheme that, you know, everybody can abide by.

23 MR. SHERMAN: We'll do that.

24 COMMISSIONER GINTY: With that comment, Madame
25 Chairman, I second Mr. Coy's motion.

1 CHAIRMAN DiGIACOMO COLINS: All right. Are
2 there any other questions or comments?

3 All in favor?

4 COMMISSIONERS: Aye.

5 CHAIRMAN DiGIACOMO COLINS: Opposed?

6 Motion carries.

7 MR. SHERMAN: The next Petition before the
8 Board is that of Downs Racing. Downs is also seeking a
9 waiver from the fixed seating requirement.

10 However, Downs seeks the relief only for the
11 area housing the Shufflemaster electronic blackjack
12 game.

13 Downs has averred that the nonfixed seating
14 will provide a more enjoyable gaming experience, will
15 allow patrons to be seated more comfortably and will not
16 compromise any of the operational integrity requirements
17 of the Act or the Board's Regulations.

18 OEC and Downs Racing have agreed to and entered
19 into a stipulation agreement relative to the matter.
20 OEC does not object to the relief requested so long as
21 the conditions identical to those previously identified
22 for Sands are met.

23 It should be noted that prior to entering into
24 the stipulation, Downs has secured affidavits from both
25 the Plains Township Fire Marshall and the Plains

1 Township Municipal Code Enforcement Officer indicating,
2 again, that neither of those Bureaus has any objection
3 to the relief.

4 This matter is now ripe for consideration.

5 CHAIRMAN DiGIACOMO COLINS: May I have a
6 motion, please?

7 COMMISSIONER GINTY: Somewhat ironically, I
8 will move, Madame Chairman, that the Board approve the
9 Petition submitted by Downs Racing as described by the
10 OCC.

11 COMMISSIONER McCABE: I'll second.

12 CHAIRMAN DiGIACOMO COLINS: Any comment or
13 questions?

14 All in favor?

15 COMMISSIONERS: Aye.

16 CHAIRMAN DiGIACOMO COLINS: Opposed?

17 Motion carries.

18 MR. SHERMAN: And the final Petition before the
19 Board today is Chester Downs' Petition to Approve a
20 Transfer of Interest.

21 Currently, Harrah's Chester Downs Investment
22 Company, LLC, possesses and owns a 50 percent interest
23 in the Board's Licensee, Chester Downs.

24 The Joe Lashinger Company, LLC, currently
25 possesses and owns a 16 2/3 percent interest in Chester

1 Downs.

2 Harrah's Chester Downs Investment Company
3 wishes to purchase the Lashinger interest and,
4 conversely, Lashinger wishes to sell his interest to
5 Harrah's.

6 Both Harrah's and Lashinger are currently
7 licensed by the PGCB. Consequently, Harrah's is
8 qualified to acquire the interest.

9 OEC has not objected to the transfer. The
10 record on the matter is closed. The documents have been
11 provided to the Board and, again, is waiting for Board
12 consideration.

13 CHAIRMAN DiGIACOMO COLINS: Very good.

14 May I have a motion?

15 COMMISSIONER McCABE: Yes. Madame Chair, I
16 move that the Board approve the Petition submitted by
17 Chester Downs as described by the OCC.

18 COMMISSIONER SOJKA: Second.

19 CHAIRMAN DiGIACOMO COLINS: This purchase has
20 no licensing implication; is that correct?

21 MR. SHERMAN: That is correct.

22 CHAIRMAN DiGIACOMO COLINS: All in favor?

23 COMMISSIONERS: Aye.

24 CHAIRMAN DiGIACOMO COLINS: Opposed?

25 Motion carries.

1 MR. SHERMAN: Next on the agenda are
2 Withdrawals and Surrenders by Principles, Key Employee,
3 and Vendors presented by Deputy Chief Counsel Steve
4 Cook.

5 MR. COOK: Good morning, Madame Chairman,
6 members of the Board.

7 CHAIRMAN DiGIACOMO COLINS: Good morning.

8 MR. COOK: The Board has received eight
9 unopposed Petitions to Withdraw Applications or
10 surrender Licenses, Certifications, or Registrations,
11 which include 11 individuals or entities consisting of
12 the following:

13 Dorene Day, Shuji Kido, PITG Option Holdco,
14 LLC, Tim Pugh, Timothy Stanley, Mark John Wiedemer, Tina
15 C. Stehle, Stewart M. Applebaum, Jennifer J. Cardinal,
16 4901 Grays Avenue Corp d/b/a Crescent Iron Works.

17 The OEC has no objections to these withdrawals;
18 and as such, the OCC submits these withdrawals to the
19 Board in consideration of a motion to grant these
20 Petitions without prejudice.

21 CHAIRMAN DiGIACOMO COLINS: May I have a
22 motion, please?

23 COMMISSIONER SOJKA: Yes, Madame Chairman. I
24 move that the Board issue an Order to approve the
25 withdrawals or surrenders as described by the OCC.

1 COMMISSIONER ANGELI: Second.

2 CHAIRMAN DiGIACOMO COLINS: All in favor?

3 COMMISSIONERS: Aye.

4 CHAIRMAN DiGIACOMO COLINS: Opposed?

5 Motion carries.

6 MR. COOK: Next before the Board for
7 consideration are two Reports and Recommendations
8 received from the Office of Hearings and Appeals (OHA)
9 relative to one business entity seeking Certified Vendor
10 Status and one individual.

11 These Reports and Recommendations along with
12 the evidentiary record for each hearing have been
13 provided to the Board prior to today's meeting.

14 Additionally, in each case, the Applicant has
15 been notified that the Board is considering his or her
16 Report and Recommendation today and that he or she has
17 the right to be present to address the Board.

18 If either of the individuals are present today,
19 they should come forward when their name is announced.

20 The first matter is that of Bencardino
21 Excavating, Inc., who I believe is present today with
22 counsel. By way of summary for the Board --

23 MR. McGOVERN: Excuse me. Good morning, Board
24 members. Nice to see you again.

25 CHAIRMAN DiGIACOMO COLINS: Sir, your name?

1 MR. McGOVERN: Michael McGovern for
2 Mr. Bencardino and Bencardino Excavating.

3 CHAIRMAN DiGIACOMO COLINS: Thank you.

4 MR. COOK: By way of summary for the Board, on
5 December 15th, 2008 the OEC issued a Notice of
6 Recommendation of Denial for this Certified Vendor
7 Application.

8 Bencardino requested a hearing which was held
9 on January 6th, 2009. Subsequent thereto on February
10 4th, 2009, a Report and Recommendation on this matter
11 was issued by the OHA.

12 As a result of the Report and Recommendation,
13 this matter was brought before the Board at its March
14 25th, 2009 meeting.

15 At that time, the Board remanded the Report and
16 Recommendations back to the OHA so as to allow the
17 Hearing Officer to provide additional elaboration in the
18 Report and Recommendation as to evidence of Louis
19 Bencardino's character, reputation in the community, and
20 status in the construction business.

21 The OHA has now issued a Supplemental Report
22 and Recommendation, which is before the Board for its
23 consideration.

24 The Board will recall that this matter began
25 when the OEC recommended denial of Bencardino Excavating

1 for Certified Vendor Status based upon a 1992 arrest and
2 subsequent conviction of its principle, Louis
3 Bencardino, on drug-related charges.

4 Upon being notified of the OEC's position,
5 Bencardino Excavating requested the aforementioned
6 hearing.

7 After a full hearing, the Hearing Officer
8 issued the first Report and Recommendation and now a
9 Supplemental Report and Recommendation finding that the
10 Gaming Act's bar for licensure for anyone convicted of a
11 felony within 15 years of application did not apply to
12 persons seeking Certified Vendor status. Rather, such a
13 conviction was but one piece of character evidence.

14 The Hearing Officer further held that
15 substantial evidence of Mr. Bencardino's good character
16 existed and based upon that evidence, Bencardino should
17 be granted Vendor Certification.

18 It would now be appropriate for the Board to
19 consider a motion to adopt or fail to adopt this Report
20 and Recommendation after counsel addresses the matter.

21 CHAIRMAN DiGIACOMO COLINS: Counsel, would you
22 like to make any statements?

23 MR. McGOVERN: Just very briefly, Madame
24 Chairman and members of the Board. I believe that the
25 Report and Recommendation of the Hearing Examiner

1 Mr. Zielonis very clearly states the applicable laws and
2 Regulations on the question of Vendor Certification.

3 The single transgression that my client had
4 with regard to the issues for certification occurred
5 almost 17 years ago.

6 I think under all of the standards, this
7 clearly is a stale matter; but furthermore, my client
8 since then has led an exemplary life and I think all of
9 the supporting evidence and testimony that was
10 considered by the Hearing Examiner and is before the
11 Board demonstrates his, not only suitability, but he
12 would be an exemplary representative to work with the
13 casino and the gambling and casino Board and ask that it
14 be adopted.

15 CHAIRMAN DiGIACOMO COLINS: Thank you.

16 Questions?

17 Let's do the motion.

18 And if there is a second, then we'll get to
19 questions.

20 Motion, please.

21 COMMISSIONER ANGELI: Madame Chairman, I move
22 that the Board issue an Order to adopt the Report and
23 Recommendation of the OHA relating to Bencardino
24 Excavating as described by the OCC.

25 COMMISSIONER COY: Second.

1 casinos coming up in the area, we will bid the work; but
2 that doesn't guarantee us we will get the work.

3 CHAIRMAN DIGIACOMO COLINS: Thank you.

4 COMMISSIONER GINTY: I just have a comment,
5 this is to counsel. It has been a long time since I
6 practiced law but I want to congratulate you on a
7 textbook presentation of character testimony when
8 somebody's character is put in question as was
9 appropriately done here, I think that it certainly is
10 helpful to me to understand the support that the
11 individual has in his community.

12 I think it is very important to those who are
13 sometimes detractors of our process here to read the
14 opinions and to read the character testimony that was
15 submitted.

16 So I just want to congratulate you and just
17 remind other counsel that is out there that this is at
18 least what I am looking for in terms of character
19 evidence. So thank you.

20 MR. McGOVERN: Commissioner Ginty, I want to
21 thank you from the bottom of my heart for that. I would
22 like to point out that I was trained for almost 15 years
23 by the Philadelphia District Attorney's Office with then
24 District Attorney Ed Rendell, then Ronald Castile, and
25 then Lynn Abraham. So I had some good instructors. So

1 thank you very much.

2 CHAIRMAN DiGIACOMO COLINS: All right. I'm
3 going to end the lovefest and ask for a vote now.

4 All in favor?

5 COMMISSIONERS: Aye.

6 CHAIRMAN DiGIACOMO COLINS: Opposed?

7 Motion carries.

8 Thank you very much.

9 MR. McGOVERN: Members of the Board, that
10 completes my business, may I be excused?

11 CHAIRMAN DiGIACOMO COLINS: Yes. Thank you.

12 MR. COOK: The last Report and Recommendation
13 today is that of Nicholas Rodites. Mr. Rodites was
14 employed by Penn National as a Security Shift Manager.

15 According to the Report and Recommendation, on
16 May 30th, 2008, Mr. Rodites, who is not authorized to do
17 so, used the fire command control desk security camera
18 to observe individuals in the parking lot of the
19 Hollywood Casino.

20 During Penn National's subsequent investigation
21 of the matter, Mr. Rodites gave conflicting accounts of
22 why he acted in this manner including a claim that he
23 was utilizing the security camera because he was looking
24 for evidence of a possible drug transaction between the
25 two persons in the parking lot.

1 However, Mr. Rodites did not follow the
2 protocol for reporting such suspicious activity pursuant
3 to Penn National's policies and internal controls.

4 As result of this conduct, Mr. Rodites was
5 terminated by Penn National on June 6th, 2008.
6 Procedurally, Penn National filed a withdrawal of
7 Mr. Rodites' Key Employee Application.

8 The OEC objected, requested that the withdrawal
9 be prejudicially conditioned. The matter was referred
10 to the OHA and a hearing was scheduled for January 13th,
11 2009.

12 Mr. Rodites requested a continuance and the
13 hearing was then rescheduled for February 11th, 2009.
14 Mr. Rodites subsequently contacted the OHA five more
15 times requesting continuances for various reasons, all
16 of which were denied. The hearing was held in absentia
17 on February 11th, 2009.

18 Presently before the Board is a Report and
19 Recommendation recommending that Mr. Rodites' Key
20 Employee License be withdrawn with prejudice.

21 Additionally, also before the Board are
22 exceptions Mr. Rodites filed to the Reports and
23 Recommendations. These exceptions, which the Board
24 should first decide, were provided to the Board along
25 with the Report and Recommendation prior to today's

1 meeting.

2 The following assertions were included in the
3 exceptions; that Mr. Rodites had insufficient time to
4 prepare his case, that the hearing should not have been
5 conducted in his absence, that the conclusions were made
6 by the Hearing Officer taking evidence in the light most
7 favorable to the party introducing the evidence, that
8 the inferences made regarding Mr. Rodites' integrity
9 were made without his input, and that the Hearing
10 Officer failed to appoint a fair and unbiased person to
11 oversee the hearing.

12 It is the recommendation of the OCC, first,
13 that the exceptions be denied as they are unsupported by
14 fact or law.

15 We would ask at this time for a motion to that
16 effect.

17 CHAIRMAN DiGIACOMO COLINS: Is there a motion?

18 COMMISSIONER COY: Madame Chair, I move that
19 the Board issue an Order denying the exceptions filed by
20 Nicholas Rodites to the Report and Recommendation to the
21 OHA.

22 COMMISSIONER GINTY: I will second that.

23 CHAIRMAN DiGIACOMO COLINS: Any questions
24 regarding those exceptions?

25 All in favor?

1 COMMISSIONERS: Aye.

2 CHAIRMAN DiGIACOMO COLINS: Opposed?

3 Motion carries.

4 MR. COOK: It would now be appropriate for the
5 Board to consider the Report and Recommendation
6 recommending Mr. Rodites' Key Employee License be
7 withdrawn with prejudice.

8 CHAIRMAN DiGIACOMO COLINS: May I have a
9 motion?

10 COMMISSIONER GINTY: Madame Chairman, I move
11 that the Board issue an Order to adopt the Report and
12 Recommendation of the OHA relating to the denial of
13 Mr. Rodites' application as described by the OCC.

14 COMMISSIONER McCABE: Second.

15 CHAIRMAN DiGIACOMO COLINS: Any questions?
16 All in favor?

17 COMMISSIONERS: Aye.

18 CHAIRMAN DiGIACOMO COLINS: Opposed?
19 Motion carries.

20 MR. SHERMAN: And that concludes the report of
21 the OCC.

22 CHAIRMAN DiGIACOMO COLINS: Thank you very
23 much.

24 The next report will be from the Bureau of
25 Licensing and its Director Susan Hensel.

1 MS. HENSEL: Thank you, Chairman Colins and
2 members of the Board. The first licensing matter before
3 you today is the renewal of Supplier License for TDN
4 Money Systems.

5 TDN's License was originally awarded in 2006
6 and was renewed in 2007. TDN filed its Renewal
7 Application, which allows its License to stay in effect
8 for an additional six months.

9 The Bureau of Investigations and Enforcement
10 has completed its investigation and the Bureau of
11 Licensing has provided you with a Renewal Suitability
12 Report.

13 No issues were identified by either the BIE or
14 Licensing that would preclude licensure. I have
15 provided you with a Draft Order for the renewal of TDN's
16 License and ask that the Board consider the Order.

17 CHAIRMAN DiGIACOMO COLINS: Thank you.

18 May I have a motion?

19 COMMISSIONER McCABE: Yes. Madame Chair, I
20 move that the Board issue an Order to approve the
21 renewing of TDN Money Systems' Supplier License as
22 described by the Bureau of Licensing.

23 COMMISSIONER SOJKA: Second.

24 CHAIRMAN DiGIACOMO COLINS: All in favor?

25 COMMISSIONERS: Aye.

1 CHAIRMAN DiGIACOMO COLINS: Opposed?

2 Motion carries.

3 MS. HENSEL: The next matter for your
4 consideration are Key Employee Licenses. Prior to this
5 meeting, the Bureau of Licensing provided you with a
6 Proposed Order for 25 Key Employee Licenses. I ask that
7 the Board consider an Order granting these Licenses.

8 CHAIRMAN DiGIACOMO COLINS: May I have a
9 motion, please?

10 COMMISSIONER SOJKA: Yes. Madame Chairman, I
11 move that the Board issue an Order to approve the Key
12 Employee Licenses as presented by the Bureau of
13 Licensing.

14 COMMISSIONER ANGELI: Second.

15 CHAIRMAN DiGIACOMO COLINS: All in favor?

16 COMMISSIONERS: Aye.

17 CHAIRMAN DiGIACOMO COLINS: Opposed?

18 Motion carries.

19 Thank you.

20 MS. HENSEL: Next, the Bureau of Licensing is
21 proposing an Order that would delegate to the Director
22 of Licensing authority to approve the routine withdrawal
23 of Key Employee Applications.

24 This delegation builds on a previously approved
25 delegation of authority for the routine withdrawal of

1 Gaming and Non-Gaming Employees.

2 Examples of routine withdrawals would include
3 situations where a job offer was rescinded, an employee
4 failed to meet basic employment requirements, an
5 incorrect application was filed, or a job offer was
6 amended and a Key License is no longer required.

7 Currently, Licensees petition the Board to
8 withdraw Key Employees. The Bureau of Licensing is
9 proposing this delegation of authority as a means of
10 streamlining the withdrawal process.

11 This delegation will assist the PGCB in making
12 more efficient use of its resources while at the same
13 time saving our Licensees the time and money required by
14 the current petition process.

15 I want to clarify in cases of non-routine
16 terminations and resignations a formal Petition would
17 still be required in order to withdraw a Key Employee.

18 I ask that the Board consider the Order
19 delegating authority to the Director of Licensing.

20 CHAIRMAN DiGIACOMO COLINS: May I have a
21 motion, please?

22 COMMISSIONER ANGELI: Madame Chairman, I move
23 that the Board issue an Order to approve the delegation
24 of authority to the Bureau of Licensing to approve the
25 routine withdrawal of Key Employee License Applications.

1 COMMISSIONER COY: Second.

2 CHAIRMAN DiGIACOMO COLINS: Yes. Go on,
3 please.

4 COMMISSIONER SOJKA: I was just curious, you
5 mentioned saving money. The total amount of money that
6 is usually used in these routine withdrawals on an
7 annual basis, is it significant?

8 MS. HENSEL: Each Petition, the filing fee for
9 each Petition is \$225. So we would have to do the math
10 on how many withdrawals.

11 COMMISSIONER SOJKA: Multiple?

12 MS. HENSEL: It adds up, yes.

13 CHAIRMAN DiGIACOMO COLINS: What would be an
14 example of non-routine?

15 MS. HENSEL: If there were a termination that
16 had some circumstances that might be -- might be unusual
17 or may indicate that there was a potential crime or
18 something of that nature, we would, of course, want the
19 OEC to take a look at those. So, we would utilize the
20 Petition process.

21 Under this delegation, it would not just be a
22 determination by the Bureau of Licensing as to whether
23 or not a withdrawal would be accepted. It would be a
24 joint effort with the OEC.

25 CHAIRMAN DiGIACOMO COLINS: Okay. And you

1 would, of course, update the Board on your activities?

2 MS. HENSEL: Absolutely. Yes.

3 CHAIRMAN DiGIACOMO COLINS: Thank you.

4 COMMISSIONER GINTY: I was going to make that
5 report -- you are going to routinely report your actions
6 to us so we will have oversight?

7 MS. HENSEL: The Board will absolutely have
8 visibility of what is going on as to the withdrawals.

9 COMMISSIONER GINTY: I'm also interested in
10 some of the background that went on with respect to the
11 industry.

12 Doug, you may want to address that.

13 MR. SHERMAN: Sure. You'll recall, I think it
14 was either the end of January, early February, we had
15 Mr. Morowitz in and provided testimony to the Board
16 concerning a review of Board expenses.

17 One of the conclusions of Mr. Morowitz, that
18 that was really the first step to start a dialogue with
19 Board staff about regulatory cost.

20 Staff is committed to the operators; and as a
21 result of talking with Mr. Morowitz, we, in fact, would
22 engage in that discussion.

23 We met last month, a number of senior staff
24 members met with representatives for the -- a number of
25 the existing operators to discuss areas of our

1 regulatory authority and perhaps ways in which we can do
2 things either better or more efficiently without
3 sacrificing the integrity of the regulatory oversight
4 function.

5 This idea of the delegation of this authority
6 to limit expense as Susan indicated in a relatively
7 narrow scope where there is no objection, nothing to
8 indicate any type of wrongdoing is one of those areas
9 which was discussed between staff and the operators.

10 We looked at it. We determined that, in fact,
11 it would not compromise any of our oversight. It would
12 be really good for the regulatory environment to do it
13 this way.

14 COMMISSIONER GINTY: And the OEC is comfortable
15 with it as well?

16 MR. PITRE: We concur wholly with this. Not
17 only will it help the industry, it actually will help
18 our office operate more efficiently.

19 COMMISSIONER GINTY: And Susan, you are
20 obviously happy with it?

21 MS. HENSEL: I think the delegation would be a
22 win/win situation.

23 COMMISSIONER GINTY: I want to congratulate the
24 staff on reaching out to the industry, and I want to
25 thank those members of the industry who participated?

1 And I understand that you intend for this to be an
2 ongoing dialogue with the industry?

3 MR. SHERMAN: That is correct. We have
4 indicated to the industry, the operators,
5 representatives that we would like to continue the type
6 of meetings that we have had in the past. This is the
7 first step, and we hope that we can bring more
8 efficiencies to the process.

9 COMMISSIONER GINTY: Maybe you can talk about
10 movable seats and stools for next time.

11 MR. SHERMAN: We'll put it at the top of the
12 agenda.

13 COMMISSIONER GINTY: I had to get that one in.
14 Thank you, Madame Chairman.

15 CHAIRMAN DiGIACOMO COLINS: Very good. May we
16 have a vote?

17 All in favor?

18 COMMISSIONERS: Aye.

19 CHAIRMAN DiGIACOMO COLINS: Opposed?

20 Motion carries.

21 MS. HENSEL: Thank you. That concludes the
22 Bureau of Licensing's presentation.

23 CHAIRMAN DiGIACOMO COLINS: Thank you.

24 The next reports are from the OEC.

25 MR. PITRE: Good morning, Madame Chair. We

1 have four matters for your consideration today.

2 Presenting those matters are Assistant Enforcement
3 Counsel Kathleen Higgins and Assistant Enforcement
4 Counsel Melissa Powers.

5 CHAIRMAN DiGIACOMO COLINS: Good morning.

6 MS. POWERS: Madame Chair, members of the
7 Board. My name is Melissa Powers, Assistant Enforcement
8 Counsel.

9 The first matter before you is that of Justin
10 Birch. On February 2nd, 2009, OEC filed a Complaint for
11 Revocation against Mr. Birch for failure to maintain
12 suitability.

13 Mr. Birch did not respond to the Complaint
14 within 20 days. Therefore, his right to a hearing has
15 been waived and the facts alleged in the Complaint are
16 deemed admitted.

17 On March 16th, 2009, OEC filed a request for
18 Default Judgment. At this time, OEC would ask that the
19 Board revoke both the Gaming Employee Permit and
20 Non-Gaming Employee Registration of Justin Birch.

21 CHAIRMAN DiGIACOMO COLINS: Very good.

22 May I have a motion?

23 COMMISSIONER COY: Madame Chair, I move that
24 the Board issue an Order to approve the revocation of
25 the Gaming Employee Permit of Justin Birch as described

1 by the OEC.

2 CHAIRMAN DiGIACOMO COLINS: May I have a
3 second?

4 COMMISSIONER GINTY: Second.

5 CHAIRMAN DiGIACOMO COLINS: All in favor?

6 COMMISSIONERS: Aye.

7 CHAIRMAN DiGIACOMO COLINS: Opposed?

8 The motion carries.

9 Next matter?

10 MS. HIGGINS: The next matter is that of
11 Heather Hoffmaster. On January 27th, 2000, the OEC
12 filed a Complaint for Revocation of Miss Hoffmaster's
13 Non-Gaming Registration due to her failure to maintain
14 suitability.

15 Miss Hoffmaster did not respond to the claim
16 within 20 days and therefore, pursuant to Board
17 regulations, all facts alleged in the Complaint are
18 deemed admitted.

19 The OEC filed a Request for Default Judgment on
20 March 16th, 2009; and at this time, the OEC would ask
21 that the Board revoke Heather Hoffmaster's Non-Gaming
22 Registration.

23 CHAIRMAN DiGIACOMO COLINS: Very good.

24 May I have a motion?

25 COMMISSIONER GINTY: So moved.

1 COMMISSIONER McCABE: Second.

2 CHAIRMAN DiGIACOMO COLINS: All in favor?

3 COMMISSIONERS: Aye.

4 CHAIRMAN DiGIACOMO COLINS: Opposed?

5 Motion carries.

6 MS. POWERS: The next matter before you is
7 Susan Rhines. On February 3rd, 2009, OEC filed a
8 Complaint for Revocation against Miss Rhines for failure
9 to comply with Federal or State Laws or Regulations,
10 material departure from a representation made in her
11 application for licensure, and failure to maintain
12 suitability.

13 Miss Rhines did not respond to the Complaint
14 within 20 days. Therefore, her right to the hearing has
15 been waived and all facts alleged in the Complaint are
16 deemed admitted. On March 23rd, 2009, OEC filed a
17 request for Default Judgment.

18 At this time, OEC would ask that the Board
19 revoke the Non-Gaming Employee Registration of Susan
20 Rhines.

21 CHAIRMAN DiGIACOMO COLINS: May I have a
22 motion, please?

23 COMMISSIONER McCABE: So moved.

24 COMMISSIONER SOJKA: Second.

25 CHAIRMAN DiGIACOMO COLINS: All in favor?

1 COMMISSIONERS: Aye.

2 CHAIRMAN DiGIACOMO COLINS: Opposed?

3 That motion carries. Next matter.

4 MS. POWERS: The next matter before the Board
5 is that of Dorothy Roseboom. On February 6th, 2009, OEC
6 filed a Complaint for Revocation against Miss Roseboom
7 for failure to comply with Federal or State Laws or
8 Regulations and failure to maintain suitability.

9 Miss Roseboom did not respond to the Complaint
10 within 20 days. Therefore, her right to a hearing has
11 been waived and all facts alleged in the Complaint are
12 deemed admitted. On March 25th, 2009, OEC filed a
13 request for Default Judgment.

14 At this time, OEC would ask that the Board
15 revoke the Non-Gaming Employee Registration of Dorothy
16 Roseboom.

17 CHAIRMAN DiGIACOMO COLINS: Very good.

18 May I have a motion, please?

19 COMMISSIONER SOJKA: So moved.

20 COMMISSIONER ANGELI: Second.

21 CHAIRMAN DiGIACOMO COLINS: All in favor?

22 COMMISSIONERS: Aye.

23 CHAIRMAN DiGIACOMO COLINS: Opposed?

24 Motion carries.

25 Anything further?

1 MR. PITRE: Thank you Madame Chair. That
2 concludes our business.

3 CHAIRMAN DiGIACOMO COLINS: Thank you very
4 much.

5 Now, we will move on to the Category 3s. We
6 have been developing an extensive record regarding the
7 Category 3s, those License Applicants.

8 Our purpose here today is to have presentation
9 regarding any additional information from those
10 Applicants regarding their financing.

11 As you will all recall, we have been holding
12 the record open to develop -- in order to develop
13 whether or not there are firm financial commitments for
14 these projects.

15 We will start now with the Valley Forge
16 Convention Center Partners application. I see those
17 parties have come up to the counsel table.

18 Mr. King, would you all state your names for
19 the record and then let me know do you have any
20 witnesses that need to be sworn.

21 MR. KING: Yes. Good morning, Your Honor, and
22 good morning to the members of the Board. Thanks again
23 for the opportunity to appear in front of you.

24 As you know, Adrian King from Ballard Sphar
25 representing the Applicant, Valley Forge Convention

1 Partners, LLC.

2 Also with me is my colleague and partner at
3 Ballard Spahr, Ray Quaglia. In addition, we do have two
4 witnesses today.

5 Seated to my right is Mr. Gary Brandice who you
6 heard from before, who is our financial advisor to this
7 project and also today is Barbara Evans. Miss Evans is
8 seated right here. Miss Evans is a Principal in the
9 project, one of the partners. She is also the Treasurer
10 for the project.

11 Let me also say, as you know, our Chairman,
12 Mr. Lubert was not able to join us today because of a
13 family emergency. He apologizes for that. He is
14 available telephonically, if necessary; but he does send
15 his best and his apologies.

16 CHAIRMAN DiGIACOMO COLINS: All right. Why
17 don't we begin by having the two witnesses sworn.

18 If you would rise.

19 MR. PITRE: Madame Chair would it be
20 appropriate to have our witnesses sworn?

21 CHAIRMAN DiGIACOMO COLINS: Absolutely, anyone
22 who is testifying in this Valley Forge matter. That
23 would be Mr. Talerico, correct?

24 MR. PITRE: And Mr. Chris Greene possibly.

25 CHAIRMAN DiGIACOMO COLINS: Okay. Very good.

1 (Witnesses sworn en masse.)

2 CHAIRMAN DiGIACOMO COLINS: Thank you very
3 much.

4 Okay. Mr. King, when you are ready.

5 MR. KING: I'm ready. Well, thank you. We are
6 pleased to be here today.

7 As you know, we have been giving you updates on
8 the financing for this project. We believe that we now
9 have firm committed -- not believe -- we know that we
10 have firm committed financing in place.

11 Let me just -- quickly, I will give you the
12 overview and then Mr. Brandice and Miss Evans will be
13 available to answer any questions.

14 As you know, the budget or capital structure
15 for this project is \$107 million. There are three
16 components to that funding.

17 The first component is an existing mortgage on
18 the property that is provided through General Electric,
19 GE Capital Finance. That would remain in place on the
20 property.

21 The second component would be a \$25 million
22 unsecured loan being provided by the Delaware Valley
23 Real Estate Investment Fund.

24 We provided extensive information regarding
25 DVREIF in previous presentations and to the staff, and

1 in addition, Licensing asked that DVREIF file a
2 Principal Entity Application, and that has been filed as
3 of, I guess, last week. So that is in your possession
4 as well. I also understand from working with BIE,
5 obviously, that they have done a full review of DVREIF.

6 Lastly, the Partnership Group, Mr. Lubert, his
7 son Jonathan Lubert, Mr. Michael Heller, Miss Evans, and
8 Ken Coconauer led by Mr. Ira Lubert have agreed to stand
9 behind the product with an equity infusion of \$54
10 million. So that is our capital structure.

11 We are prepared to answer any questions. I can
12 tell you that the revenues projected from this project
13 are already existing from the hotel and convention
14 center operations, are more than sufficient even before
15 we get into gaming revenue to service any of the debt
16 that I have just gone through.

17 We have submitted the DVREIF commitment letter.
18 We have submitted a commitment letter from Mr. Lubert.
19 We have submitted paperwork on GE. That, in summary, is
20 where we are.

21 With that in place and with the other
22 information that we have provided to the Board
23 throughout the application process, we are hopeful that
24 the Board will agree that we are suitable and ready for
25 action by the Board on our application.

1 At this point, I will make our team available
2 to answer any questions that you may have.

3 CHAIRMAN DiGIACOMO COLINS: Mr. Pitre, OEC?

4 MR. PITRE: Madame Chair, having reviewed the
5 information that was submitted by Mr. King on behalf of
6 Valley Forge, we initiated an investigation to determine
7 whether or not the sources were present, the funding
8 sources were present, and that every funding -- every
9 funding mechanism could be fulfilled.

10 We have Mr. Talerico here to testify, Mr. Chris
11 Greene, who verified those sources.

12 First, I would like to ask that Mr. Talerico
13 offer some testimony to the Board to basically inform
14 them with regard to the Feasibility Study that was
15 conducted by Pricewaterhouse that they previously
16 testified to initially when we first had their first
17 Category 3 hearings in this matter.

18 CHAIRMAN DiGIACOMO COLINS: Also, if
19 Mr. Talerico would also address what process the Board
20 underwent to review all of this information.

21 MR. PITRE: With regard to the Financial Task
22 Force?

23 CHAIRMAN DiGIACOMO COLINS: Absolutely. Okay,
24 thanks.

25 MR. TALERICO: My name is James Talerico. I'm

1 the Supervisor for the Financial Investigations Unit for
2 BIE.

3 Madame Chairman, one quick question, do you
4 want the process that was back in September, October of
5 last year?

6 CHAIRMAN DiGIACOMO COLINS: No. We have
7 already had your testimony about that.

8 MR. TALERICO: Fine. I have a little statement
9 here prepared.

10 CHAIRMAN DiGIACOMO COLINS: Anything new you
11 have done since then.

12 MR. TALERICO: Oh, anything new we have done
13 since then?

14 CHAIRMAN DiGIACOMO COLINS: Yes.

15 MR. TALERICO: We have -- as Mr. Pitre just
16 said, we have reviewed the GE loan. We have reviewed
17 the DVREIF investment papers, and we also have reviewed
18 Mr. Lubert's \$54 million and his partnership's
19 commitment to the project. All of those are in place
20 and we have essentially -- we had verified that all of
21 that money is ready.

22 CHAIRMAN DiGIACOMO COLINS: Okay. Keep going.

23 MR. TALERICO: Okay. All right. What I did
24 want to say and this gets back to the analysis that was
25 performed, as Mr. Pitre mentioned before by

1 Pricewaterhouse Coopers last year, the analysis that
2 they performed was a financial analysis and a potential
3 market analysis for the Valley Forge project.

4 These analyses were based on projections of
5 \$107 million in debt. According to the latest documents
6 and to what Attorney King just testified to, the
7 structure will be significantly less than \$107 million.
8 It will be the \$28 million and \$25 million.

9 Therefore, the annual interest expense and loan
10 repayments will be much less than previously estimated,
11 which will make projects more feasible than back in
12 October of 2008. The feasibility of the project seems
13 to be much more strengthened by the new financial
14 process.

15 CHAIRMAN DiGIACOMO COLINS: Is that
16 attributable to the infusion of equity?

17 MR. TALERICO: Definitely, the \$54 million
18 infusion of equity definitely enhances the project.

19 CHAIRMAN DiGIACOMO COLINS: Go on.

20 MR. TALERICO: What other questions -- that
21 basically explains what we did. Do you want any
22 specifics? If the Board has any questions, I can answer
23 any questions.

24 CHAIRMAN DiGIACOMO COLINS: Let me see if we
25 have any questions.

1 Any questions for Mr. Talerico?

2 COMMISSIONER ANGELI: I want to go back to the
3 -- I'm just curious about the loans. The \$28 million
4 loan, is there -- my understanding is that like a term
5 loan for a certain time period?

6 MR. BRANDICE: Yes. It is an in-place loan.
7 It comes due in June of 2011.

8 COMMISSIONER ANGELI: What happens after that?

9 MR. BRANDICE: Well, it is in securitized
10 pieces of debt, which means that will come due. We
11 might have -- we may have the option to extend that for
12 a year if the lender is willing; otherwise, we will be
13 out looking for a new first mortgage position.

14 COMMISSIONER ANGELI: Is that the same with the
15 \$25 million?

16 MR. BRANDICE: The \$25 million is a three-year
17 term.

18 COMMISSIONER ANGELI: Okay. And so at the end
19 of three years, you have to go back out for more
20 financing?

21 MR. BRANDICE: Correct, replacement financing.

22 COMMISSIONER ANGELI: Replacement financing.

23 MR. BRANDICE: Yes.

24 COMMISSIONER ANGELI: The \$54 million, is that
25 a loan being paid back or is that equity into the

1 project?

2 MR. KING: It is structured as an equity
3 position. If I could go back to GE, that is a first
4 mortgage in an existing and successful piece of real
5 estate with two hotels and a convention center, which
6 presently are kicking off revenues of approximately \$7
7 million. The -- go ahead.

8 MR. BRANDICE: The projections for 2009 are
9 slightly over \$5 million.

10 MR. KING: I'm sorry.

11 MR. BRANDICE: 7 million was last year.

12 MR. KING: Okay. But my point is, we do not
13 believe there will be any problem refinancing that if GE
14 elected not to extend it, as it is a first position and
15 a secured instrument.

16 MR. BRANDICE: One thing I would like to add is
17 come June 11, we will have been through the
18 repositioning and renovation of this asset.

19 The \$25 million that we are getting from DVREIF
20 is going into the improvements into the project. A
21 large portion of the \$54 million of equity is going into
22 improvements into the project.

23 So at the end of the day, by June 2011, we will
24 have a significantly enhanced property with the hotel,
25 the convention center, the gaming operation.

1 So using fairly conservative estimates, we
2 believe that replacing a first mortgage of \$28 million
3 will be relatively -- you know, we can accomplish that
4 even in this environment, frankly.

5 COMMISSIONER ANGELI: Did I understand you to
6 say, Mr. King, that even without the slot -- the 500
7 slots, the current configuration of what you do will
8 service the debt as outlined here as well?

9 MR. KING: Yes, it will.

10 COMMISSIONER ANGELI: Thank you. I have no
11 further questions.

12 CHAIRMAN DiGIACOMO COLINS: Any other
13 questions?

14 COMMISSIONER GINTY: Mr. King, will you just
15 remind me how many jobs are at stake here?

16 MR. KING: Overall, it is 500 jobs; 350 of
17 those jobs would be in connection with the renovation
18 and the construction.

19 Under the terms of the DVREIF commitment, as
20 you know, we have committed to use union labor, all
21 skilled trade for that work. Then we anticipate another
22 150 permanent jobs as a result of the casino operations
23 that would be created.

24 COMMISSIONER GINTY: Thank you.

25 COMMISSIONER McCABE: I just have a question,

1 point of clarification because I think it is already on
2 the record; but this \$107 million is just not to do the
3 slots parlor? That is to do renovations in the hotel,
4 the convention center, and I believe, what, 45 million
5 is going to the slots area?

6 MR. KING: Yeah. Approximately -- actually,
7 about 42 million is -- okay. I'll turn it over.

8 MR. BRANDICE: Approximately \$35 million will
9 be direct improvements into the asset, which includes
10 the renovation of the gaming floor, the purchase of
11 anything needed for the gaming operation, as well as the
12 complete renovation of the hotel, and the reflagging of
13 the hotel, which would include the renovation of all of
14 the hotel rooms, the common areas, and the amenities
15 that are available in the hotel, including the
16 restaurants, the cafe, the spa, and things like that.

17 COMMISSIONER McCABE: If you were not able to
18 be successful in your application to get the slots
19 License, you would still be doing a renovation of the
20 hotel and convention center?

21 MR. BRANDICE: No.

22 COMMISSIONER McCABE: So that is paired
23 together?

24 MR. BRANDICE: It is the catalyst for us to get
25 this done.

1 CHAIRMAN DiGIACOMO COLINS: All right. Do you
2 have any further statements or any other information you
3 want to add before we recess for an Executive Session
4 for purposes of deliberations?

5 MR. KING: Your Honor, in terms of making the
6 record complete, what I would like to do is move into
7 the record the documents that have been provided to BIE
8 with respect -- and to licensing for that matter with
9 respect to establishing the financing. That would be
10 the documents with respect to the GE loan.

11 Next would be the DVREIF commitment letter and
12 then the last document would be what we'll call the Ira
13 Lubert commitment letter with attachments.

14 However, I would add one caveat that I would
15 ask -- I'm sorry and Dale correctly reminds me that
16 there is also an amendment letter to the DVREIF
17 commitment letter that has also been provided to BIE.

18 I would ask to the extent appropriate,
19 particularly individual personal financial information,
20 that that be treated confidential pursuant to Section
21 1206(f) of the Gaming Act and Section 407(a)(3) of the
22 Regulations.

23 CHAIRMAN DiGIACOMO COLINS: Any objection,
24 counsel, from OEC?

25 MR. PITRE: No objection, Your Honor.

1 CHAIRMAN DiGIACOMO COLINS: May I have a motion
2 to accept those documents into the record?

3 COMMISSIONER COY: So moved.

4 COMMISSIONER ANGELI: Second.

5 CHAIRMAN DiGIACOMO COLINS: All in favor?

6 COMMISSIONERS: Aye.

7 CHAIRMAN DiGIACOMO COLINS: Opposed.

8 Motion carries.

9 All right. Anything from Enforcement Counsel
10 before we recess?

11 MR. PITRE: That concludes our presentation.

12 CHAIRMAN DiGIACOMO COLINS: All right. We're
13 going to take a brief recess so that we can exercise
14 some deliberations. Thank you.

15 (Executive Session.)

16 CHAIRMAN DiGIACOMO COLINS: Do we have
17 Commissioner Rivers back on the phone? We have to call
18 him.

19 We're back in session. Let me ask now if we
20 have a motion regarding the Valley Forge application at
21 this time.

22 COMMISSIONER GINTY: Yes, Madame Chairman. I
23 move that the Board award a Category 3 Slot Machine
24 License to Valley Forge Convention Center Partners
25 pursuant to terms and conditions to be issued by the

1 Board's Bureau of Licensing.

2 CHAIRMAN DiGIACOMO COLINS: May I have a
3 second?

4 COMMISSIONER McCABE: Second.

5 CHAIRMAN DiGIACOMO COLINS: I'll ask for a roll
6 call vote, please.

7 MS. KANE: Commissioner Angel?

8 COMMISSIONER ANGELI: Yes.

9 MS. KANE: Chairman Colins?

10 CHAIRMAN DiGIACOMO COLINS: Yes.

11 MS. KANE: Commissioner Coy?

12 COMMISSIONER COY: Yes.

13 MS. KANE: Commissioner Ginty?

14 COMMISSIONER GINTY: Yes.

15 MS. KANE: Commissioner McCabe?

16 COMMISSIONER McCABE: Yes.

17 MS. KANE: Commissioner Rivers?

18 COMMISSIONER RIVERS: Yes.

19 MS. KANE: Commissioner Sojka?

20 COMMISSIONER SOJKA: Yes.

21 MS. KANE: Thank you.

22 CHAIRMAN DiGIACOMO COLINS: Very good. The
23 motion carries unanimously. Thank you very much.

24 MR. KING: Thank you.

25 CHAIRMAN DiGIACOMO COLINS: And now the

1 representatives from Bushkill, Miss Jones, come up. All
2 right. Good morning.

3 MS. JONES: Good morning.

4 CHAIRMAN DiGIACOMO COLINS: Would you state
5 your name for the record, please.

6 MS. JONES: Good morning, Chairman Colins,
7 Commissioners. Marie Jones from Fox Rothschild here on
8 behalf of the Bushkill Group.

9 First, I would like to provide a preliminary,
10 an update. This morning, the Bushkill Group filed a
11 Petition seeking additional time to provide the Board
12 with information regarding financing for its project and
13 other information that the Board may find relevant to
14 help them with respect to perhaps an issuance of a
15 conditional approval with respect to financing.

16 As you have heard from us before, Bushkill
17 continues to work to obtain financing for the project;
18 and we look forward to this project moving forward.

19 I do have with me today Andy Worthington from
20 the Bushkill Group, President of the Bushkill Group, who
21 you have heard from before, as well as Steven Reedy, CIT
22 Lending, Corp., if you wish to hear from them today or
23 wish first for our Petition to be answered by OEC and
24 move forward in that route. Thank you.

25 CHAIRMAN DiGIACOMO COLINS: Well, Miss Jones,

1 you certainly have clients here today. If they wish to
2 make a statement, we are happy to hear from them,
3 whatever you determine.

4 MS. JONES: At this time, they have nothing
5 additional to add. If there are any questions, they
6 would be happy to address them.

7 CHAIRMAN DiGIACOMO COLINS: All right. Are
8 there any questions at this time?

9 Well, I guess I have one significant question.
10 At this point in time, are there any changes in the
11 commitment level of the financing that -- from what you
12 presented to us last time you were here?

13 MS. JONES: There is not a commitment letter.
14 There is additional movement. We are continuing to work
15 with lenders, CIT.

16 There has been a new memorandum that has went
17 out to approximately 20 lenders, 9 of which who have
18 expressed interest; and we are working diligently with
19 them to move forward on the financing.

20 CHAIRMAN DiGIACOMO COLINS: Okay.

21 MS. JONES: Having said that though, we
22 continue to be told by them that a conditional approval
23 would be the best resolution and would overcome a hurdle
24 that these lenders have.

25 CHAIRMAN DiGIACOMO COLINS: Okay. So to

1 paraphrase, you're getting some informal interest but
2 there is no additional commitment?

3 MS. JONES: Correct.

4 CHAIRMAN DiGIACOMO COLINS: Okay. All right.
5 What I would like to do is ask the Board -- if there are
6 no more questions from the Board at this point in time,
7 are there -- does anyone have any -- do you want to have
8 a discussion regarding where to go with this or make a
9 motion?

10 COMMISSIONER ANGELI: I would like to make a
11 motion --

12 CHAIRMAN DiGIACOMO COLINS: All right.

13 COMMISSIONER ANGELI: -- based on what has been
14 presented here. I move that the Board continue to
15 consider the Category 3 License Application for the
16 Bushkill Group.

17 COMMISSIONER SOJKA: Second.

18 COMMISSIONER McCABE: I have a question.

19 CHAIRMAN DiGIACOMO COLINS: All right.

20 COMMISSIONER McCABE: How long do you think
21 this process is going to take?

22 MS. JONES: May I have Mr. Reedy sworn, please,
23 so he can answer that question?

24 CHAIRMAN DiGIACOMO COLINS: Certainly. Let's
25 do that.

1 (Witnesses sworn.)

2 MR. REEDY: Could you repeat the question?

3 COMMISSIONER McCABE: How long do you think the
4 process is going to take for you guys to get a
5 commitment?

6 MR. REEDY: We have, as Maria stated, issued --
7 contacted 20 potential investors here of which we have
8 received back nondisclosure agreements to 9 within the
9 last week.

10 I think that it is fair to say that within the
11 next 90 days, we will be able to fairly evaluate those
12 potential investors' appetite for this transaction.

13 The situation with the Bushkill Group, it is a
14 unique financing and that they are a timeshare company,
15 which is an asset-based lending product.

16 We are also in the process of raising the
17 capital for the conversion of the event center at
18 Fernwood Resort into a slot casino.

19 So, there are two different mindsets in those
20 kind of investors; cash flow lenders versus asset-based
21 lenders. It is two different analyses that we are
22 trying to appeal to the appropriate investor group to
23 actually understands both of those concepts that can get
24 comfortable with an investment of this nature.

25 The one issue that investors continue to ask

1 me is where are they in the process of receiving their
2 License. At this time, all I can tell them is the
3 process is ongoing.

4 It would be of great benefit to the Bushkill
5 Group to have a Conditional License at this point to
6 proceed with their financing.

7 COMMISSIONER SOJKA: Can I ask?

8 We understand, Miss Jones, that a Petition was
9 sent forward this morning. We obviously had not seen
10 and studied that, but you have now heard a motion
11 offered by Commissioner Angeli.

12 Should this Board pass that motion, does that
13 render moot your Petition?

14 MS. JONES: I believe that effectively, they
15 are doing the same thing. The motion to continue the
16 consideration of these applications and our Petition to
17 extend the time are basically -- end up at the same
18 result.

19 So, after hearing the motion and after hearing
20 the results of it will determine what needs to be done
21 with the Petition.

22 COMMISSIONER SOJKA: Thank you.

23 CHAIRMAN DiGIACOMO COLINS: All right. Any
24 further discussion? Any additional motions at this
25 time?

1 All right. There's been a second? I'm sorry.
2 I'm losing track. Was there a second?

3 COMMISSIONER SOJKA: There was a second.

4 CHAIRMAN DiGIACOMO COLINS: Then it is time to
5 vote.

6 All in favor?

7 COMMISSIONERS: Aye.

8 CHAIRMAN DiGIACOMO COLINS: Opposed?

9 Motion carries. That motion carries and your
10 Application will stay intact and will continue to be
11 considered and you will be afforded the opportunity to
12 provide updated information regarding financial
13 commitments.

14 MS. JONES: Thank you.

15 CHAIRMAN DiGIACOMO COLINS: You indicated it
16 could be as long as 90 days going forward. Does the
17 Board wish to discuss whether or not we should --
18 there's an appetite at this point in time to reopen, to
19 look for that 90 days for other applications. Any
20 comments?

21 COMMISSIONER COY: Madame Chair, I have a
22 motion. I move the Board reopen the Category 3 Slot
23 Machine License Application period for 90 days so as to
24 allow for any interested Applicant other than the
25 Bushkill Group whose application remains pending to make

1 application for a Category 3 License.

2 CHAIRMAN DiGIACOMO COLINS: Is there a second?

3 COMMISSIONER SOJKA: Second.

4 CHAIRMAN DiGIACOMO COLINS: Any comment?

5 I would just like to comment that at this point
6 in time in view of the economic climate of the country,
7 the tightening of the credit market that has occurred,
8 the potential for it to loosen up whether or not that
9 happens, but that I think it is appropriate for us to
10 see whether or not there are other potential Applicants
11 and to give you additional time to develop so that we
12 can have the best choice and the best project possible
13 for this remaining License.

14 So, all in favor?

15 COMMISSIONERS: Aye.

16 CHAIRMAN DiGIACOMO COLINS: Opposed?

17 Motion carries.

18 The application process for Category 3s will be
19 reopened for 90 additional days from today. Thank you
20 very much.

21 MS. JONES: Thank you.

22 CHAIRMAN DiGIACOMO COLINS: All right. The
23 next matter on the agenda is the update that we have
24 requested on Category 2 Licenses for Philadelphia. And
25 before we begin those matters, I want to acknowledge

1 that we not only have the Licensees here to make this
2 presentation but we have a room full of people who are
3 interested, have a significant interest in these
4 Licensees.

5 As a result of this showing of interested
6 parties, what we are going to do today is after we have
7 had the presentations, I have asked our Director of
8 Media Doug Harbach to meet with representatives from the
9 different groups.

10 In order to proceed in an orderly fashion,
11 after everyone has heard the presentations, then we will
12 allow or provide for statements by the representatives
13 from the different comment groups that are here today so
14 that we can give them an opportunity to speak.

15 I want to remind everyone that the purpose of
16 this meeting is for an update. It is a public meeting.
17 It is a public update, not just for the Board, but it is
18 an update for all of you who are in the audience and for
19 the public at large.

20 It is to provide information to everyone
21 relevant to the progress of the Category 2 Licensees in
22 Philadelphia.

23 The issue of casino placement in Philadelphia
24 was a matter of public interest in 2006; and at that
25 time, before we granted the Licenses, we conducted

1 Public Input Hearings.

2 Clearly, there is still a significant interest
3 in the Licenses in Philadelphia; and it is our sincere
4 desire to provide updated information through this forum
5 today.

6 To that end, I ask that the introductions be
7 allowed to go forward clearly without interruption; and
8 again, I said that those in opposition would have an
9 opportunity to speak afterwards.

10 We are going to hear from HSP Gaming and they
11 will be followed by Philadelphia Entertainment and
12 Development Partners.

13 HSP Gaming has filed an Amended Petition for an
14 extension of time to begin operations and to modify the
15 proposed facility. We are not conducting a formal
16 hearing on that Petition today; as the Amended Petition
17 was just filed Monday and the Board staff is presently
18 undergoing its review of that Amended Petition.

19 Today, we are receiving updates from the
20 Licensees. The hearing on the HSP Petition is going to
21 be scheduled for May 6th.

22 Now, we have received written submissions from
23 elected public officials, which will be read into the
24 record today after the presentations; and as we have
25 done for elected officials, we will accept written

1 submissions as well from members of the public
2 concerning the HSP Amended Petition.

3 We ask that those written comments, if
4 submitted, are filed with the Board's Clerk no later
5 than April 24th.

6 These letters or written submissions expressing
7 views about this Petition will be provided to HSP and to
8 the Board members for consideration prior to the May 6th
9 hearing.

10 Philadelphia Entertainment and Development
11 Partners has not yet filed a Petition for either an
12 extension of time or to re-site the casino.

13 Should that Licensee file a motion for an
14 extension of time to operate slot machines, the Board
15 will provide the same opportunity to submit written
16 views on that matter.

17 If that Licensee files a Petition to move the
18 casino to another site, the Board will conduct Public
19 Input Hearings in Philadelphia for the purpose of
20 hearing from the public concerning a new proposed
21 location.

22 Again, I repeat, a Petition has not yet been
23 filed on that. Now, with that explanation, we will
24 start this update process by asking HSP to come forward
25 come up to counsel's table.

1 We have our Chief Counsel Doug Sherman at
2 counsel table as well.

3 Mr. Sherman, before we start, do you have
4 anything you want to address?

5 MR. SHERMAN: Yes, Chairman Colins, although
6 the presentation today is not a formal hearing, the
7 presentation may be relevant to the Board's future
8 consideration of the Petition, which has recently been
9 filed.

10 Therefore, I would suggest that all persons who
11 will be present on HSP be placed under oath so that the
12 transcript of today's proceeding can be incorporated
13 into the record at a future time.

14 By doing so, we ensure the integrity of the
15 record and that it can be preserved and efficiencies
16 promoted at future hearings.

17 CHAIRMAN DiGIACOMO COLINS: Very good. Thank
18 you. All right. Let's administer an oath to those from
19 HSP who are going to be testifying today.

20 Those in the audience who are going to be
21 speaking later, we've collected your names, I think.
22 You can have a seat. We'll administer the oath to you
23 before you speak. Thank you very much.

24 (Witnesses sworn en masse.)

25 CHAIRMAN DiGIACOMO COLINS: Very good. Thank

1 you.

2 Mr. Donnelly, good morning. Good afternoon.

3 MR. DONNELLY: Good morning. Good afternoon,
4 Madame Chairman and members of the Commission. Thank
5 you for inviting us here today.

6 We have with us today from Sugar House and
7 representing Sugar House Neil Blume, who will be
8 testifying, Ian Kope, who is Kope Architects, will be
9 testify and Terry McKenna from the Keating Organization,
10 who will also be speaking.

11 Also with us --

12 CHAIRMAN DiGIACOMO COLINS: Could those of you
13 in the audience, could you be seated. You can hold your
14 signs but if could you be seated so the people behind
15 you can see what is going on, there are a lot of other
16 people in the audience.

17 If you would do that, I would be grateful,
18 please, if you wouldn't mind. Then we can make sure
19 that everyone in the audience can see and participate.
20 If you would do that please, I would appreciate it.
21 Thank you very much. I appreciate that. Thank you.

22 All right. Mr. Donnelly, proceed please.

23 MR. DONNELLY: Thank you, Madame Chair. Also
24 with me are some of the principles of the Sugar House,
25 as well as Bob Sheldon and President and COO, who will

1 not be testifying unless there is question and answer,
2 and Lee Whitiker, Director of Communications.

3 Let me start off, why are we here today? We
4 are here for a couple of reasons. Number one, the
5 Chair, Madame Chair asked us last month to appear today
6 and advise the Board in a formal process as to what our
7 progress has been in the City of Philadelphia for
8 developing a casino facility and for having 1,500 slot
9 machines up and operating three years from the time that
10 we are licensed.

11 This is completely appropriate, I think. As
12 the Board knows, we are in almost daily contact with the
13 staff with regard to this matter and I know that the
14 staff on a periodic basis briefs the Board.

15 However, the public does not have the
16 opportunity to have these public presentations as
17 frequently as we talk with the staff.

18 So I applaud you for having us and we welcome
19 the opportunity to do this. As you know, there was a
20 Petition -- you spoke today, there was a Petition filed
21 Monday amending our earlier Petition. That will be
22 heard on May 6th.

23 In that Petition we asked for the Board to
24 consider two items. Item No. 1 is an extension of time
25 to make 1,500 slots available for play, which is a --

1 that power and that possibility is built in to the
2 Statute. Of course, that is in your judgment at that
3 time.

4 Secondly, we have asked the Board to consider a
5 modification from our -- the plan that was previously
6 approved. That modification is what we are going to
7 address today as well as addressing in part why it is
8 that we seek the extension.

9 The modification is minimal. The project that
10 we are seeking a modification for is substantially
11 similar to that project that was approved by this Board
12 in -- or late 2006 and early 2007.

13 In preparing for this, I went back to
14 Adjudication and to the Statement of Conditions. I
15 think you will see today, when Mr. Kope presents, the
16 Adjudication addressed a number of issues.

17 Principally, they were location, which is the
18 same, traffic concerns, which will be the same, the
19 mitigation of that, the size is 22 acres, it is 22 acres
20 now.

21 The parking, we still have more than adequate
22 parking for the facility, although some of it is on
23 grade until a garage is built at this time.

24 The quality of the finishes in the products are
25 substantially the same. The amount of jobs that will be

1 generated, both construction and permanent jobs, are
2 almost identically the same.

3 The revenues interestingly are higher. That
4 means not only higher revenues but that means higher
5 taxes. For many of the citizens that are here, that
6 means tax relief for wage tax and property tax relief in
7 the City of Philadelphia. It means funding for the
8 convention center and it means jobs in the City as well.

9 We are -- principally, the revenue is higher
10 because we are proposing adding another 200 slot
11 machines for 1,700 in the interim facility.

12 Revenue -- the diversity plan is the same. We
13 remain committed to it, the same history of commitment
14 to tourism that this Board found before, the same
15 community commitment, although I am happy to say since
16 we were licensed, we have actually entered into a
17 Community Agreement with the community, and the
18 employment in wages will be the same.

19 What we will be presenting through three people
20 today will be Mr. Blume talking about the progress and
21 plans and the jobs and economic status and some of the
22 addressing the financing and the timing.

23 Mr. Kope will address the design and timing.
24 Mr. McKenna will address the approvals that are required
25 to reach the goals.

1 This task has been made quite a bit lighter
2 than it was a few weeks ago and that is because since we
3 received Chair Colins' letter, there has been an
4 agreement reached with the City.

5 When I say the City, I mean both the
6 administration of the City of Philadelphia and parts of
7 the City Council, particularly the City Councilperson
8 from our district.

9 It is no secret that there was some significant
10 philosophical differences between members of the City
11 Administration and some citizens in the City of the plan
12 that was approved by this Board.

13 For the last year and a half or so, we have
14 been having the discussions. The modifications that we
15 are going to present to you today incorporate many of
16 those comments that were made by City Officials, made by
17 the City Advisors, and made by citizens and made by
18 professionals who looked at this -- at this project.

19 I want to emphasize that the -- although the
20 project addresses now with modifications many of those
21 concerns, it is completely in sync with what this Board
22 approved.

23 I would like to read into the record two
24 letters that were, or one letter and one statement made
25 to the press that we received just this Monday. The

1 first is from Mayor Nutter. I won't read that whole
2 letter, but it will be in the record.

3 I just want to emphasize the next to the last
4 sentence or maybe the third from the last sentence,
5 which reads as follows, and this is Mayor Nutter's
6 letter of April 6th.

7 I will ensure that all City Departments in my
8 Administration will fully cooperate and will continue
9 working diligently with Sugar House to obtain all
10 permits and approvals within the City's control in a
11 timely matter to ensure the opening of the Sugar House
12 interim gaming facility by the second quarter of 2010.

13 There is also a -- I have a copy of a press
14 statement that Councilman Frank DiCicco made on that
15 same date, one sentence of which states, quote,
16 unequivocally, I am supporting this project and it is
17 the modified project and look forward to working with
18 HSP Gaming to create a successful facility.

19 Now, we all recognize that there are some
20 elements to the community that are still unhappy with
21 this. We will always have that.

22 We are very happy to say we have what we
23 believe to be a very clear path to what the Legislature,
24 what the City Administration now would -- our councilman
25 in our district and the vast majority of the people of

1 the Commonwealth and what this Board asked us to do and
2 what we promised to do about a year ago.

3 And with that, I will introduce Neil Blume.
4 Thank you.

5 MR. BLUME: Thank you, John. Thank you
6 Chairman Colins and members of the Board.

7 CHAIRMAN DiGIACOMO COLINS: Mr. Blume, hold on.
8 Pull the microphone.

9 MR. BLUME: I'm sorry. Thank you, Chairman
10 Colins and members of the Board. I appreciate this
11 opportunity to address you and -- to address both you
12 and to address the public about the status of our Sugar
13 House project.

14 We received our License about a year and a
15 quarter ago. During that last year and a quarter or so,
16 as you know, we have encountered many legal and other
17 obstacles beyond our control, which we have overcome
18 each time in a number of legal proceedings before the
19 Supreme Court of this Commonwealth of Pennsylvania.

20 Recently, a Master Chancery was appointed by --
21 I believe that is the legal title, but I could be wrong
22 -- a Master was appointed by the Pennsylvania Supreme
23 Court to oversee the legal proceedings and to ensure
24 that this project gets moved along and opened in the
25 interest of the citizens of the Commonwealth and the

1 state.

2 CHAIRMAN DiGIACOMO COLINS: Go on.

3 MR. BLUME: But all of this is really the past,
4 and we are really here to talk about moving forward. We
5 want to look forward, not back. We clearly are
6 optimistic and see light at the end of the tunnel.

7 After talking to the City over the last several
8 weeks, several meetings subsequent to the appointment of
9 the Master, we have come up with a modified plan of
10 development, which we are presenting to the Gaming Board
11 for your approval in order to accomplish objectives and
12 goals.

13 Our first objective, which we believe is shared
14 by both the City and the Commonwealth as well as the
15 Board is to get an interim casino open as soon as
16 possible with at least 1,500 slot machines.

17 We want -- the second goal is that that interim
18 casino be part of our first phase, which is 3,000 slots
19 so that it will be attractive, the same kind of
20 finishes, and be able to successfully compete in a
21 competitive environment.

22 The modified plan that we are presenting is
23 substantially similar to the plan that you approved in
24 2006.

25 A third objective is we want to be good

1 citizens.

2 CHAIRMAN DIGIACOMO COLINS: Excuse me. Please,
3 some order. Thank you.

4 MR. BLUME: We have come up with a better
5 version for the waterfront, having both listened to the
6 City and various other community groups.

7 Most importantly, we have come to an agreement
8 with the City. We're burying the hatchet and we are
9 moving forward with City and we are working
10 cooperatively with the City to move forward.

11 After our meetings with the City and after they
12 reviewed our plans, they are now supporting our modified
13 plan, and you have just heard a bit of a letter to the
14 Gaming Board from Mayor Nutter supporting our modified
15 plan and the Mayor's attorney, the City's attorney has
16 represented to the Master that they are supporting our
17 plan.

18 In addition, Councilman Frank DiCicco, who is
19 the councilman for the district where our project will
20 be built, is in support of our plan and has agreed to
21 introduce legislation to get our plan approved.

22 In the meantime, we have been doing a lot of
23 work. We have key members of our executive team that
24 are in place. Our internal controls are being drafted.
25 Our community outreach continues.

1 We're in detailed planning for a slot machine
2 and other equipment purchasing. We are engaged in
3 substantial development activity.

4 We have purchased the property. We have worked
5 on our design. We have done considerable site work. We
6 have removed the old sugar refinery obstructions and we
7 have completed test piles.

8 We have received a number of permits, which
9 Terry will discuss in more detail. We have obtained our
10 Riparian Rights License. We have entered into a
11 community benefit agreement and our diversity program
12 remains in effect.

13 Now, let me discuss for a few minutes with you
14 the job creation and revenue situation. As far as jobs
15 are concerned, when we start construction on the
16 interim, we will create 500 construction jobs.

17 When the interim opens, when we will have 500
18 permanent casino jobs working on the interim. When we
19 complete Phase I, which is the full 3,000 slots, we will
20 have 600 construction jobs and an additional ultimate,
21 which will be -- ultimately be 1,100 construction jobs
22 and we will have 600 more permanent jobs for a total of
23 1,100 permanent jobs working at the casino.

24 Now, when we look at the revenue that we are
25 going to produce that we are projecting, the following

1 are projections: As far as the interim is concerned, in
2 2006, we projected that we would generate about \$182
3 million worth of revenue.

4 Our current projection is that we will produce
5 \$240 million worth of revenue while we operate the
6 interim.

7 Part of that increase is due, but not all, to
8 the fact that we are processing 1,700 slots when you
9 open the interim instead of 1,500.

10 When we open Phase I of the casino with 3,000
11 slots, we originally projected in our approved plan in
12 2006, \$372 million of revenue and we now project about
13 \$400 million of revenue when we open the 3,000 slots.
14 Those, by the way, are conservative projections slightly
15 less than our studies indicate.

16 Our tax revenues per year that we would
17 generate for the Commonwealth and the City and for the
18 residents is significant.

19 In the interim casino, the City of Philadelphia
20 will receive about \$16 million a year. In addition, the
21 Commonwealth will receive tax relief for the citizens of
22 \$82 million a year and there will be economic
23 development of approximately \$12 million a year in tax
24 relief including the convention center.

25 When Phase I opens with 3,000 slots, there will

1 be an annual tax revenue to the City of \$25 million a
2 year, tax relief to the citizens of Pennsylvania of \$136
3 million a year, and an additional \$20 million of tax
4 benefits for the convention center, etc.

5 Now, let's look at what the cost of building
6 both the originally approved plan and our proposed
7 modified plan.

8 The approved plan had a projected cost of \$460
9 million. That included the License and the land and the
10 hard cost of building the project.

11 The proposed modified plan is slightly more,
12 \$474 million including a License in the land, which are
13 essentially the same. It should be noted that these
14 cost numbers are before the cost of financing and any
15 cash flow.

16 The next subject I would like to discuss is
17 financing, which is a topic that I think I have some
18 experience in.

19 CHAIRMAN DiGIACOMO COLINS: Please could we
20 have some order so we could -- please, order.

21 Please go on, Mr. Blume.

22 MR. BLUME: When we initially started and made
23 our presentation to you during the year 2007 and
24 throughout the first half of 2008, the financial markets
25 were radically different.

1 We could have financed our project. We had at
2 one point a \$445 million commitment. But because of the
3 delays that we encountered, litigation, etc., which I'm
4 not going to get into the details, but they are part of
5 the record and our Petition, we weren't able to start
6 construction during 2007 or early 2008. We have been
7 delayed and the markets have changed drastically.

8 So, I would like to talk to you for a minute or
9 two, what is going on in the financing market and an
10 introduction as to what we are proposing.

11 The current financial markets are the most
12 difficult that I have ever seen and I have been
13 financing billions of dollars of projects over the last
14 40 years.

15 It is common knowledge, you all know, this is
16 the worst financial market since the Great Depression.
17 It is particularly difficult for casinos because of two
18 factors.

19 Number one, the Las Vegas casinos are doing
20 poorly because of the bad economy, people don't want to
21 spend the money to travel long distances. It adds to
22 the expense.

23 CHAIRMAN DiGIACOMO COLINS: Please, please,
24 please be quiet so we can hear the presentation. Just a
25 moment. Just a moment.

1 Go on, sir.

2 MR. BLUME: Local casinos are actually doing
3 better because they don't have to spend the money to
4 travel to Las Vegas and they are staying home. They
5 want some entertainment, so the local casinos are doing
6 better.

7 Secondly, many of those public companies with
8 major operations in Las Vegas and elsewhere are very
9 highly leveraged in experiencing extreme financial
10 issues. We are not in that position. So let me take
11 you through where we are.

12 First, we have invested to date \$160 million of
13 equity. We don't have a dime of debt. When we
14 presented our plan to you -- when we presented our plan
15 to you in 2006, we committed that we would ultimately go
16 up to \$108 million of equity. We have already gone to
17 approximately \$160 million of equity.

18 We have structured the modified plan to enable
19 us to get financing in today's challenging environment.
20 Let me be explicit and take you through what I mean by
21 that.

22 There are basically two criteria that are
23 relevant to getting financing in addition to the
24 experience, etc., of the developer. In some ways, it is
25 like getting a mortgage on a home.

1 One is, what is the amount of equity you're
2 putting into the project in relationship to the total
3 amount of debt. The second is, what is the ratio of the
4 projected cash flow in relationship to the amount of
5 debt you are getting on the project.

6 So let's take each one separately. Okay. Two,
7 three years ago, you could get financing of maybe, you
8 know, put up equity of 15 percent, 20 percent and get
9 80, 85 percent financing.

10 In fact, in the original commitment that we had
11 in this project, all right, we had financing for
12 approximately \$450 million commitment and 75 million of
13 equity. So we were somewhere in that range of 15
14 percent.

15 Today, the financial markets require that you
16 put up more equity. I'm talking about today's market,
17 just like in the case of a home mortgage.

18 Most people would say that you need 30, 40
19 percent equity, certainly, in order to get financing.
20 The amount of financing that we anticipate to build the
21 interim facility is \$150 million.

22 We already have \$160 million of equity in the
23 project. So we will have more than 50 percent equity or
24 more debt -- more equity than debt in this project.

25 Secondly, and the second test which is equally

1 or perhaps even more important is how much is the debt
2 in relationship to the cash flow.

3 The way that the lenders look at this is they
4 apply a multiple to the cash flow and relate it to the
5 amount of debt.

6 Our projections for our interim casino are that
7 we will produce between 60 and \$70 million. 70 is our
8 projection. We try to be conservative. Call it 60
9 million.

10 It used to be you could get four and a half
11 times. We actually got five times plus in the
12 Pittsburgh casino. I'll get to that later.

13 In today's market, we think that conservatively
14 you can borrow two and a half times. So, if you took
15 two and a half times \$60 million, you could borrow \$150
16 million, which is what we need. We think our
17 projections are 70 so we are well above that number.

18 For the \$150 million of financing, \$30 million
19 approximately would be equipment financing, which is
20 provided by the people that sell you the slot machines.
21 That is not difficult to get and we have oral agreements
22 to take that.

23 In addition , we would have to get about \$120
24 million of financing from banks or other institutions to
25 complete the financing.

1 Now, will we get that financing? That is my
2 business. I have been doing this, as I said, for 40
3 years. We believe that we will get this financing
4 because we meet the tests that are relevant in today's
5 market.

6 We can't -- there is no guarantees of anything
7 in today's world, but we are confident that we will get
8 this financing.

9 When we appeared before you in August in
10 connection with the Pittsburgh casino -- it is my
11 daughter and all of my children who have put up this
12 money.

13 CHAIRMAN DiGIACOMO COLINS: Just a minute
14 please. Just a minute. Please stay with your
15 presentation, Mr. Blume.

16 Just a minute so we can hear please.

17 Go on.

18 MR. BLUME: In addition, with the Pittsburgh
19 casino when we appeared before you August of last year,
20 the markets were starting to deteriorate.

21 We told you that we could arrange significant
22 financing. We told you we couldn't guarantee it, but we
23 were confident we got it. We got it. That project is
24 under construction. It is on time. It is on budget.

25 We arranged \$550 million approximately of

1 financing and that project is opening in August. It is
2 going to be beautiful and hopefully very successful. We
3 feel the same here.

4 We of course, can't complete the financing
5 until we have our modified plan approved by the Gaming
6 Control Board because we are going out to financing
7 subject to you approving us with the modified plan that
8 you are going to hear more about.

9 Now, the timing, let me go through the timing
10 for one minute. The interim will take about three to
11 four months to get the approvals from the City and the
12 City Council and hopefully, your approval at our May 6th
13 meeting.

14 The construction thereafter once we have
15 financing will take nine months. So we could open, we
16 think, by the second quarter of 2010 and create all of
17 that revenue and all of those jobs with the full
18 support, now, of the City and, we expect, the City
19 Council.

20 The second step is once we open the casino in
21 --

22 CHAIRMAN DiGIACOMO COLINS: Keep going.

23 MR. BLUME: Once we open the casino in the
24 second quarter of next year, our plan is to start
25 shortly thereafter construction of the garage.

1 The garage will be financed out of the cash
2 flow that we're generating out of the interim casino.
3 So we are not dependent in any way about a change in the
4 financial market because we are talking about roughly a
5 year from this summer.

6 I can't sit here and tell you the markets will
7 be better, so we plan to build the garage out of the
8 cash flow that we are generating out of the interim
9 casino.

10 Then after the garage is built, we're now
11 talking out a couple of years or so from this summer, we
12 would then start construction as soon as practical to
13 complete the remaining Phase I, which will contain 3,000
14 slot machines.

15 CHAIRMAN DiGIACOMO COLINS: Please. Please.
16 Please some order so we can get through this.

17 MR. BLUME: So we feel we are well on our way,
18 subject to your approval. I would like to introduce Ian
19 Kope to give you more details about how our interim plan
20 and modified plan works.

21 Ian?

22 MR. KOPE: Thank you, Neil.

23 Good morning, Madame Chairman and members of
24 the Board. I am pleased to have this opportunity to
25 update you on our proposed design modifications for the

1 Sugar House and to what we are confident is an improved
2 casino design with your approval we can implement very,
3 very quickly.

4 Before going through the plans, however, I am
5 pleased to report consistent with what John and Neil
6 have said, that we have had of late a breakthrough with
7 the City and a number of very productive and
8 constructive meetings with City Officials in many
9 different departments.

10 From a design perspective and an entitlement
11 and approval perspective, these have been very
12 constructive meetings, amicable, and we have reason to
13 be confident that we are all moving together in the same
14 direction.

15 As Neil and John have described, we are
16 proposing a modified building design, which includes
17 what we have referred to as the interim casino.

18 As originally envisioned in the 2006 plan, this
19 is to be the initial phase of the permanent casino.
20 That is to say that although it is in a slightly
21 different location on our property, we are still
22 proposing to build a permanent structure from the
23 get-go. This will be the cornerstone of the subsequent
24 development on the site.

25 In this first phase in a building of

1 approximately 100,000 square feet will accommodate
2 approximately 1,700 slot machines and a food and
3 beverage complement and the necessary support and
4 back-of-house spaces.

5 In order to bring this facility to market as
6 soon as humanly possible after your approval, we propose
7 to support this interim casino with surface parking lots
8 surrounding our building and by using other parcels and
9 adjacent parcels until such time as the garage is
10 completed. The City has bought onto this approach.

11 I should point out that in addition to the
12 surface parking provisions the interim casino structure
13 is now proposed to be essentially a single-story
14 structure with a mezzanine, whereas previously we
15 proposed what might be characterized as a basement below
16 the casino floor. That was intended to house valet
17 parking, which we are now locating elsewhere on our site
18 and within the garage.

19 So from the perception of the public, passersby
20 and the customers, there will be no difference between
21 the originally proposed and the modified from a visual
22 standpoint.

23 It is fair to say that all of our proposed
24 design modifications to our plan reflect a substantially
25 similar building and overall development program.

1 What we are proposing are some minor shifts in
2 the precise locations of the building elements, some,
3 frankly, at the suggestion of the City, within our site
4 and then some necessary changes to the chronology of
5 what we are bringing online.

6 This is an enlarged view. The next slide, if
7 you would. This is an enlarged view of the interim
8 facility, the floor plan with the 1,700 slots. It will
9 incorporate our permanent porte-cochere and drop-off
10 area entrance and once completed will also provide
11 access for our costumers to and from both Delaware
12 Avenue and extending over to the waterfront.

13 Now, this is important. It will have a proper
14 cage, all of the supports and services necessary to
15 support the initial 1,700 slots.

16 The image on the right simply shows -- the
17 gray, it shows the back-of-house area with surveillance
18 areas and the likeness to support the casino function.

19 The next phase of the development will involve
20 the construction of our main self-park and now valet
21 garage. This is just to the right or north of the
22 interim facility.

23 This garage, which is in the same location and
24 configuration as the original plan will as currently
25 planned accommodate approximately 3,200 plus spaces.

1 Once the garage has been completed and no
2 longer are dependent on the full extent of the surface
3 parking and we are then able to expand the gaming area
4 to approximately 3,000 positions as envisioned in the
5 Phase I.

6 We do this by extending the gaming and some of
7 the food and beverage within or under that garage
8 footprint, as I think you can see on that diagram.

9 I should point out that the peach-colored areas
10 are the gaming areas and sort of vaguely yellow are the
11 food and beverage and the gray represents back-of-house
12 areas.

13 In this fashion, once the garage is completed
14 where it is, in this fashion, patrons will arrive
15 through the garage. That is a majority of our
16 customers, and they can descend by elevator right to the
17 center of the gaming floor. This is also similar to
18 what was originally envisioned in the plan.

19 This next image just shows the extension of
20 that mezzanine area from the interim into Phase I
21 abutting the parking garage, which you can see on the
22 right.

23 This is a snapshot view, a concept sketch of
24 the front of the Sugar House. This would actually be
25 present at the completion of the interim casino. It is

1 the permanent casino drop-off area.

2 Then you can see beyond what really represents
3 the building form of Phase I, which is the garage
4 behind, and the casino actually grows underneath that
5 garage.

6 Very important, you can see the pedestrian
7 access or promenade down to the river. So we are
8 roughly aligned with where Frankford Avenue is and
9 looking down to the river. That would be on the south
10 side of our casino.

11 This access to the riverfront has always been
12 important to us and it is clearly important to the City.
13 We provide unfettered access to the waterfront in most
14 phases of the project.

15 We want to project an exciting and dynamic
16 architectural image. By doing this in a permanent
17 facility, we are spending money where it should be in
18 lieu of a temporary facility where we would have all
19 kinds of sunk costs, basically lost and wasted costs and
20 would be more disruptive to the site. This way we are
21 doing a permanent thing from the outset and creating the
22 proper customer service.

23 Also, as we envisioned in our 2006 plan, it was
24 important to demonstrate to the Board and really to
25 others and investors in the property that our plan over

1 time could easily accommodate a much larger and broader
2 range of uses, including an expansion potentially to
3 5,000 games positions, hotels, event center, potentially
4 some office space and retail, street-level retail. All
5 of these uses are, in fact, consistent with the City's
6 waterfront development plan.

7 This is a roof plan, if you will, of the full
8 build out. I would like to point out three things where
9 the City had some concerns and I think we found the
10 proper accommodation.

11 We have provided access to the waterfront both
12 at the northern end at Shackamaxon Street, all the way
13 around the front. You can see that in the landscape
14 form.

15 You can see the red line represents our prior
16 footprint. We moved back the high deck or the promenade
17 structure like they have at Penns Landing, if you are
18 familiar.

19 We moved that back in favor of a natural
20 river's edge, which is what the City and City's Advisors
21 have espoused. That is along the edge. That extends
22 back up over to the south side and back up over to Ellen
23 Street.

24 We have a way through after Phase I to get
25 through Frankford Avenue; and when we expand with a

1 gaming floor, we have a public access way through
2 Frankford Avenue that would actually occur in an upper
3 level galleria. We made some accommodations there.

4 Last, I would like to point out that the City
5 has taken some exception to our vehicular-oriented front
6 yard.

7 Part of it as we understand it, they would like
8 us to build out to the street edge and define that
9 street edge.

10 We are proposing to do that with future
11 development sites, development pads, if you will. We
12 call them Block A and Block B right out of Delaware
13 Avenue for a more urbanized scheme.

14 As this chart suggests, which really compares
15 the proposed or approved development plan and a proposed
16 modified plan, the key measures, things like the number
17 of the slot machines, the gaming area, food and beverage
18 outlets, areas devoted to the State Police and Gaming
19 Control Board suite are substantially the same.

20 We have made some modifications of positions
21 and a chronology on the site. It is essentially the
22 same program. We think we have a little more parking
23 under this scenario than we did previously.

24 In closing and subject to your consideration
25 and approval, we are confident that we can very quickly

1 deliver a wonderful and enduring facility that without
2 any compromise to the customer's impression or
3 experience, without any compromise to public access to
4 the waterfront, and without any compromise to our own
5 operational efficiency, the Sugar House team is ready to
6 go. With that --

7 CHAIRMAN DiGIACOMO COLINS: Please. Just a
8 moment.

9 MR. KOPE: With that, I would like to turn it
10 over to my colleague Terry McKenna.

11 MR. DONNELLY: Just to set the stage for your
12 comments, I would like to also inform the Board, and
13 much of this has been filed to you before, but the
14 Master was appointed on the 24th of this month. He has
15 been extremely active -- I'm sorry. The 24th of March.

16 He has been extremely active. He has had
17 essentially two weeks, four hearings to date with the
18 City and Sugar House and made it plain that he intends
19 to fulfill the mandate that the Supreme Court has given
20 to him with regard to the approval process.

21 That is to set the stage for Terry who is going
22 to address the approval process.

23 CHAIRMAN DiGIACOMO COLINS: I have a question
24 before you go on, just for clarification sake. On this
25 chart that is before us, you have the interim statistics

1 information and square footage and Phase I.

2 Is Phase I in addition to interim or does that
3 subsume the interim. For example, the gaming floor
4 square footage --

5 MR. KOPE: It is the aggregate.

6 COMMISSIONER COY: Of the two?

7 MR. KOPE: Yes.

8 CHAIRMAN DiGIACOMO COLINS: Go on. Your name,
9 sir, again?

10 MR. McKENNA: Terry McKenna.

11 Good morning, Chairman Colins and
12 Commissioners. I have been asked this morning to
13 provide you with a very brief update relative to the
14 approvals and permits for the Sugar House Casino.

15 Since December of 2006, HSP Gaming has been
16 diligent in pursuing the required approvals and permits
17 for the project.

18 Throughout 2007, HSP Gaming made significant
19 and verifiable progress on its approvals and permits
20 based upon the goal of starting construction in the
21 first quarter of 2008.

22 Unfortunately, starting in January of 2008 and
23 continuing through recently, HSP Gaming came upon
24 significant circumstances which took the approvals and
25 permitting process out of our control.

1 This was particularly in regards to the local
2 permitting aspect of the project as referenced in my
3 affidavit filed for the Special Master request of the
4 Pennsylvania Supreme Court.

5 Throughout the fourth quarter of 2008 and first
6 quarter of 2009, HSP Gaming worked very hard to address
7 some of the City's concerns relative to the overall
8 design of our project.

9 As a result, over the last two weeks, we have
10 made significant progress on the local approvals and
11 permits' front.

12 It is our understanding that we now have the
13 City's complete support for our modified plan of
14 development, subject to approval.

15 We are currently working with the various City
16 departments to slightly modify our currently approved
17 plan of development to open an interim facility by the
18 second quarter of 2010.

19 Throughout the month of April, we'll be
20 finalizing the plan development for the City Planning
21 Commission approval and, ultimately, City Council
22 approval in early June of 2009.

23 Relevant to state permits, we currently hold
24 all necessary state permits to begin construction. The
25 last remaining state permit is the Highway Occupancy

1 Permit, which we expect to be finalized in the next two
2 to three months, but which does not need to be issued in
3 order to start construction on our property.

4 Finally, relative to the Federal side of the
5 permitting for the project, it is extremely important to
6 note that a US Army Corps of Engineers Permit for harbor
7 obstruction and Clean Water Act compliance is not
8 required for the modified plan development that we have
9 presented today through the completion of Phase I.

10 This is important to emphasize since there
11 seems to be a lot of misinformation circulating about
12 this permitting topic.

13 As such, in order to clear up any
14 misinformation that may continue to be circulated, let
15 me clearly state, once again, no Corps of Engineers
16 permit is required for the Sugar House Casino project
17 through the completion of the Phase I for the modified
18 plan.

19 In summary, HSP Gaming and the town of
20 professionals of the City's Planning Department as well
21 as the other City's departments are working in unison to
22 issue all necessary remaining approvals by early June
23 2009 in order for construction of the Sugar House Casino
24 to begin in the summer of 2009.

25 As a result of these activities, it is HSP

1 Gaming's intention to open the first of their
2 world-class gaming and entertainment facility by the
3 second quarter of 2010.

4 Thank you for affording me the opportunity to
5 update the Board on the status of the Sugar House
6 Casino. I will turn it over to Mr. Blume for
7 conclusions of this presentation.

8 CHAIRMAN DiGIACOMO COLINS: Thank you.

9 Mr. Blume?

10 MR. BLUME: In summary, we are very excited and
11 optimistic about our proposed plan. It is very, very
12 similar to the plan that you approved. Importantly, we
13 can build this much faster and get it open much quicker
14 --

15 CHAIRMAN DiGIACOMO COLINS: Excuse me. Please.
16 Order.

17 MR. BLUME: We have the support of the Mayor.
18 We have a Master. We have the support of the Councilman
19 where we are building our project.

20 We believe that this project is financeable in
21 today's market, and it will meet our commitment to the
22 Gaming Board.

23 We will continue to work with the staff and
24 continue to inform them of our progress and financing,
25 as we have been doing up until now.

1 CHAIRMAN DiGIACOMO COLINS: Very good. Thank
2 you. We appreciate the update and the information you
3 have provided.

4 Do you have anything further at this time or
5 does that conclude your update?

6 MR. DONNELLY: That does conclude our remarks.
7 Thank you.

8 CHAIRMAN DiGIACOMO COLINS: Very good. Thank
9 you. We'll take a recess. We're going to take a brief
10 recess. Thank you.

11 (Break.)

12 CHAIRMAN DiGIACOMO COLINS: All right. Let's
13 proceed. We're going to proceed. If everyone could
14 please be seated, I would like some order and silence.
15 Would everyone be seated, please? Those of you who are
16 in the aisles please be seated.

17 All right. Let's begin. This is -- again, let
18 me reiterate. This is an opportunity at our public
19 meeting for an update. These are not hearings where we
20 are making consideration at this point, at this time.

21 This is an update. We will not be asking
22 questions now. We will only be asking questions at the
23 full hearings on Petitions.

24 All right. Let's go on with the update for the
25 purposes of information for the Board and the public.

1 Sir?

2 MR. SHERMAN: Excuse me, Madame Chairman. I
3 would reiterate the suggestion to swear witnesses.

4 CHAIRMAN DiGIACOMO COLINS: Very good. Go on.

5 MR. ZIMMERMAN: Madame Chair and members of the
6 Board, my name is Leroy S. Zimmerman of Eckert Seamans.
7 If at this point you want to swear all of the witnesses,
8 we will be happy to stand.

9 (Witnesses sworn in masse.)

10 AUDIENCE MEMBER: Madame Chair, before you
11 begin --

12 CHAIRMAN DiGIACOMO COLINS: Just a moment. You
13 are out of order.

14 AUDIENCE MEMBER: We want the opportunity to
15 speak.

16 CHAIRMAN DiGIACOMO COLINS: You are out of
17 order. Have a seat. Sir, have a seat. You are not
18 going to be able to speak if you don't sit down.

19 AUDIENCE MEMBER: I am not -- I am sorry for
20 interrupting. Please hold a public hearing as soon as
21 possible.

22 CHAIRMAN DiGIACOMO COLINS: I said specifically
23 we were doing that. Now, have a seat.

24 Mr. Zimmerman, you may begin now.

25 MR. ZIMMERMAN: Thank you. Good afternoon. We

1 take this opportunity, and we appreciate the opportunity

2 --

3 CHAIRMAN DiGIACOMO COLINS: Please be seated.

4 Please.

5 MR. ZIMMERMAN: We appreciate this opportunity

6 to address you, the Board, at this important meeting.

7 At the outset, I would like to take the

8 opportunity to thank the Board staff for the courtesies

9 that they extended to our team, including my cocounsel

10 here at the table from Blank Rome, Steve Shrier and my

11 partner at Eckert Seamans, Bob Graci, who are both with

12 us today.

13 Foxwoods Casino Philadelphia, as I said, is

14 pleased to have been invited here to give this report.

15 And I would like to begin by indicating that

16 Philadelphia Entertainment and Development Partners

17 continues, continues to be a strong partnership between

18 Foxwoods Development Company and Washington Philadelphia

19 Investors. Both partners are committed to moving

20 forward to complete this project with this Board's

21 approval.

22 I would also like to dispel any rumors that

23 suggest that we have abandoned our Board-approved site

24 on Columbus Boulevard. We fully recognize that the

25 location of where our casino can be built is solely at

1 the discretion of this Board.

2 While we have examined alternative locations at
3 the request of Governor Rendell and Philadelphia Mayor
4 Nutter and other state and City officials at a meeting
5 on August 23rd, 2008, we have made it clear that we were
6 doing so as an accommodation to the leaders of the City
7 and the Commonwealth but we always reserve all of our
8 rights to build on our Columbus Boulevard site, subject,
9 of course, to this Board's approval.

10 Now, rather than have me belabor any of these
11 points in this report session, I will allow the
12 witnesses who have been sworn to provide you, the Board
13 with details.

14 I would like to introduce for the record the
15 Principals that we have here today; Brian R. Ford is CEO
16 of Washington Philadelphia Investors, LP, the 70 percent
17 owner of Foxwoods Casino in Philadelphia.

18 Mr. Ford joined Washington Philadelphia
19 Investors in July of 2008; and prior to that time,
20 Mr. Ford was global director of Ernst & Young's gaming
21 industry services for the past 20 years.

22 Joseph A. Colbet is Chairman of the Board of
23 Foxwoods Development Company and a member of the
24 Mashantucket Pequot Tribal Nation.

25 Gary D. Armentrout is President of Foxwoods

1 Development Company.

2 Jeffrey Rosencroft, who has served as Managing
3 Director of Foxwoods PEDP, LLC, since 2007 and then
4 prior to that time, Mr. Rosencroft worked for the
5 Mashantucket Pequot Tribal Nation.

6 Debbie Marcazi is Vice President and Chief
7 Financial Officer of Foxwoods Casino, Philadelphia,
8 Miss Marcazi had joined Foxwoods Casino Philadelphia in
9 November of 2007.

10 She previously worked in financial accounting
11 positions at the Tropicana in Atlantic City for over 26
12 years, having worked her way up to the position of
13 Comptroller in 1981 and Vice President of Finance from
14 2001 to 2007.

15 Nicholas F. Moles, Esquire is Vice President
16 and General Counsel of Foxwoods Casino, Philadelphia.
17 Mr. Moles worked in the gaming industry in Atlantic City
18 for over 25 years as Vice President, General Counsel to
19 several gaming companies, having started his gaming
20 career as an Assistant Counsel to the New Jersey Casino
21 Control Commission in 1978.

22 In order to update you on the status of this
23 project and the progress that Foxwoods Casino
24 Philadelphia has made, I would now like to introduce
25 Brian Ford, CEO of Washington Philadelphia Investors,

1 LP, the 70 percent owner of Foxwoods's Casino in
2 Philadelphia.

3 Mr. Ford?

4 MR. FORD: Madame Chair and members of the
5 Board, thank you for inviting us here today. As you
6 know, we are here today to discuss the status of our
7 Board-issued License to construct and operate Foxwoods
8 Casino Philadelphia, which is one of the two Category 2
9 Licenses within the City of Philadelphia.

10 The history of our project leading to the
11 Board's December 2006 decision to approve the issuance
12 of the License to Philadelphia Entertainment and
13 Development Partners is well known to the Board and to
14 its staff.

15 We will not go backwards in that history unless
16 there is questions that arise from you.

17 After the issuance of the Board's adjudication
18 in February 2007, with the hope of commencing
19 construction on the Board-approved site in March 2007
20 one month later, we were required to take a number of
21 trips to the Supreme Court.

22 As you will recall, first, to defend our
23 approved License when challenged by other Applicants
24 that were unsuccessful and then to overcome various
25 zoning and permitting obstacles in the City of

1 Philadelphia.

2 As we requested to resolve these further
3 obstructions of our Slot License at the facility on
4 South Columbus Boulevard, we had to go through that very
5 arduous process.

6 Let me simply say that since the Board approval
7 of our application, this has not been an easy journey.
8 It is one that we are now able to see an end game.

9 We would like to take our time before you today
10 to tell you where we are today, how we arrived here, and
11 then what we see as the future, subject, of course, to
12 your approval.

13 On August -- in August of 2008, Governor
14 Rendell asked representatives of Foxwoods Casino
15 Philadelphia to attend the meeting.

16 With the Governor were Former Senator Fumo,
17 Representative Dwight Evans, Representative Keller,
18 Mayor Nutter, and other representatives of the
19 governments of the Commonwealth, as well as the City,
20 for them to discuss with us the possibility of
21 relocating our casino.

22 At that meeting, we told them that the
23 possibility of moving was not one that they controlled,
24 rather than one that the Board controlled as the
25 arbitrator of where the site would be.

1 We indicated that the request to move presented
2 a significant challenge including the fact that we had
3 spent a great deal of money at the Columbus Boulevard
4 site.

5 We made it abundantly clear to them that any
6 consideration of relocation was subject to this Board's
7 approval, and we reserved at all times our right to
8 continue to develop at the Board-approved site.

9 In September 2008, we, again, met with the
10 Governor, the Mayor, and other representatives of the
11 Commonwealth to evaluate the possibility of relocating
12 to the Gallery Complex with a clear understanding that
13 there would be no change in location without presenting
14 good cause.

15 Our objective has always been to comply with
16 all of the laws of the state, as well as of the City;
17 and we met with them in an appropriate effort to
18 consider their request.

19 This was over one month before the Supreme
20 Court granted our application to appoint a Master and to
21 assist us with zoning and permit use at the original
22 site.

23 So just to review, we were called to meetings
24 before the Supreme Court issuance. The Gallery proposal
25 was an attractive alternate site because it tied into

1 other redevelopment plans and efforts that the City had
2 underway.

3 The location has the potential of utilizing
4 existing nightlife and entertainment amenities in Center
5 City. The building was already constructed enabling the
6 opening of the facility much sooner than we would be
7 able to open on Columbus Boulevard.

8 There are 7,500 parking spaces within a short
9 walking distance. The site sits atop the most
10 significant transportation center -- it sits atop the
11 most significant transportation center on which a casino
12 will ever be operating.

13 Nowhere else in the country has there been such
14 access to public transportation as there would be. The
15 City quickly embraced the idea, proposed two ordinances,
16 which enlarge the Commercial Entertainment District Zone
17 where the casinos can be located to include casino use
18 at this portion of the City.

19 It is bounded by Sixth Street, Broad Street,
20 Chestnut and Arch Streets. The other zoning at the
21 Gallery for mapping of this site as casino use.

22 This showed great evidence -- these two
23 ordinances showed great evidence of the City's
24 willingness to work with the casino on the siting of the
25 property. This --

1 CHAIRMAN DiGIACOMO COLINS: Madame. Madame.
2 Just a moment please. Please continue, sir.

3 MR. FORD: This site was not without its
4 challenges however. It involved numerous issues that
5 each had to be resolved, yet were all interests
6 dependent one with another.

7 It included negotiating a lease with the City's
8 Redevelopment Authority, the ultimate owner of the land,
9 and the common area within the Gallery. A lease with
10 Preat who owns the shops and stores within the mall, as
11 well as relocating existing tenants and also various
12 City approvals that would be necessary.

13 Most importantly and finally, it would be
14 subject to the concurrence of the Board on a Relocation
15 Petition.

16 The first site we discussed was only available
17 in the fall of this -- of early last year. The Gallery
18 2 site, which is located at the west end of the Gallery
19 is currently leased and had major tenants that were
20 present therein.

21 The City through the Redevelopment Authority
22 also had ownership interests in the Gallery that had to
23 be discussed and negotiated. This required a set of
24 circular negotiations that continued for some time.

25 In early 2009, Preat the operator and owner of

1 the mall, advised us that a historic building at 801
2 Market Street was also available. It is at the eastern
3 end of the same Gallery complex.

4 This site was the former Strawbridges
5 Department Store, which is also -- was prepared for
6 major retail tenants that were going to be coming into
7 that building.

8 The available space is totally owned by Preat
9 and not owned in any part by the City. That immediately
10 eliminated two of the interdependent parts, no longer
11 having to negotiate with the Redevelopment Authority and
12 no longer having to negotiate with tenants that would
13 have to move.

14 Moreover, the space was already demolished
15 internally and the external facade of the building is
16 historic so we would be intending to make no changes to
17 it, were that our location.

18 This would also enable us to begin construction
19 as soon as the necessary approvals were obtained from
20 you.

21 Recognizing the obvious advantages --
22 recognizing the obvious advantages over the Gallery 2
23 site, we engaged in active lease negotiations with Preat
24 and have reached an understanding on the principle terms
25 of a lease. We are submitting to you today a letter

1 from Preat indicating the results of this negotiation.

2 We have at the same time actively been seeking
3 financing that was responsible to the original
4 Charitable Commitment and I would like to review that
5 with you.

6 In the history of gaming in the United States
7 of America, there has never been, never been a more
8 significant Charitable Commitment anywhere in the
9 country. Over 40 percent --

10 CHAIRMAN DiGIACOMO COLINS: Continue.

11 MR. FORD: As I mentioned, the most significant
12 Charitable Commitment that has ever been made
13 representing 40 --

14 CHAIRMAN DiGIACOMO COLINS: Keep going. Keep
15 going.

16 MR. FORD: 40 percent of the distributable
17 proceeds were intended to go to charity and will
18 continue to go to charity.

19 We explored more than a dozen potential funding
20 sources, which included casino operators, global banks,
21 potential equity investors, recognizing, of course, that
22 all of these funding sources would have to ultimately be
23 licensed by the Gaming Board.

24 As the Board is aware, there are significant
25 financial challenges in this economy that we have today,

1 historical financing models have been 6 to 8 times cash
2 flow and we are finding models closer to 3 to 5, making
3 the cost of financing as well as making the challenge of
4 finding financing even more arduous.

5 What we report to you today is that we have
6 made a decision to seek your approval to relocate at the
7 801 Market Street site.

8 We also -- we also have the financial resources
9 committed -- we also have the financial resources
10 committed and we plan on petitioning this Board for a
11 relocation of this site in the very near future.

12 So we have a lease in place. We have the
13 financing in place. We will render a Petition to seek
14 relocation.

15 Most importantly, we now have with the City
16 Administration an understanding of the process that will
17 go forward, that will expeditiously bring us back to you
18 when those processes are finished to bring to you the
19 completed Petition, which will include all of those
20 elements. This all came together in the last several
21 weeks.

22 So to reiterate, financing is available from --
23 financing is available from the original Washington
24 Partners.

25 That financing will include a continued

1 Charitable Commitment at the same level; and in addition
2 to that, you have received letters from the City
3 Administration and you will receive exhibits from us of
4 other letters that relate thereto where we have a
5 commitment to have expeditious zoning, fully
6 transparent, fully open to hearings. We expect to have
7 that process in place virtually immediately.

8 Architects are currently working on plans for
9 the Strawbridges site. Traffic engineers have begun
10 their process.

11 We want to review with you briefly that we plan
12 Phase I to be approximately 3,000 slot machines, several
13 food and beverage offerings as well as an entertainment
14 lounge.

15 I'll remind you that some 20 million people go
16 through the transportation center annually at this
17 location. There are 75 -- there are 7500 parking places
18 within walking distance.

19 Madame Chair, in conclusion, the several phases
20 of this development process will bring together
21 entertainment, restaurants. There is already -- already
22 the facility is sited for a hotel.

23 The original construction of this complex
24 enabled a complete design of the Gallery complex; and
25 we, as a tenant, will fit into that design rather than

1 having to have the Gallery reconfigured.

2 So in conclusion, we recognize that we brought
3 you a great deal of information today. We're committed
4 to getting to work on --

5 CHAIRMAN DiGIACOMO COLINS: Keep going.

6 MR. FORD: We are committed to getting that
7 work done as expeditiously as possible. We are
8 petitioning you for an extension of our License and a
9 relocation of our License in the near future.

10 Later this week or early next week depending on
11 the holidays, we intend to submit the financing plan
12 from our financial resources.

13 CHAIRMAN DiGIACOMO COLINS: Thank you.

14 MR. FORD: Thank you.

15 CHAIRMAN DiGIACOMO COLINS: Thank you.

16 Mr. Zimmerman.

17 MR. ZIMMERMAN: Madame Chair and members of the
18 Board, I would now like to call for very brief remarks
19 Joe Colbet, Chairman of the Board of the Foxwoods
20 Development Company.

21 Joe?

22 MR. COLBET: Madame Chairman, members of the
23 Board, I am pleased to be here today on behalf of
24 Foxwoods Development Company.

25 I wish to concur with the remarks of Brian

1 Ford. As Chairman of the Board of Directors of Foxwoods
2 Development Company, I can represent to this Board that
3 FDC, Foxwoods Development Company, continue to be
4 excited about moving forward with our project here in
5 Philadelphia and remain committed to bringing a
6 first-class gaming operation to Philadelphia.

7 We will continue to keep the Board apprised of
8 any significant developments with the project going
9 forward. I thank you for your time.

10 CHAIRMAN DiGIACOMO COLINS: Thank you.

11 MR. ZIMMERMAN: Madame Chair, that concludes
12 our formal presentation. As you can see, we have
13 endured lengthy delays not of our choosing or doing, but
14 more recently in a spirit of cooperation hopefully in
15 moving ahead with the City of Philadelphia and the City
16 Council, we made significant progress.

17 We expect to have a formal Petition before you
18 to extend the time for operating slot machines and to
19 relocate our slot machine facility.

20 We will continue to keep the Board and this
21 staff informed of all activities in this process. We
22 thank you. That concludes our presentation.

23 CHAIRMAN DiGIACOMO COLINS: Just a moment.

24 Just a moment.

25 Could I ask our security to clear these aisles

1 so the representatives can leave. I need these aisles
2 cleared. I need these aisles cleared, please. Everyone
3 take a seat.

4 Gentlemen, you can go out this way. I have a
5 list of speakers. I'm sure you all want to be quiet
6 while I announce who is going to speak. Have a seat.

7 Reverend Washington?

8 Reverend Washington?

9 Is Reverend Washington available?

10 Reverend Washington, if you would like to
11 speak, you may come forward.

12 AUDIENCE MEMBER: We decline speaking. This is
13 not a public hearing. We are not getting a chance to
14 have our comments heard by the very people who are
15 presenting the status reports. So we respectfully
16 decline at this point to do -- to express our thoughts
17 and concerns. But we demand and we expect to have a
18 public hearing in the near future so we can respond to
19 this and demand and expect that representatives,
20 high-level representatives from both of these
21 organizations be available to hear our testimony on the
22 record.

23 CHAIRMAN DiGIACOMO COLINS: Li Harchong?

24 Excuse me. The next name I have is Li Harchong, who is
25 signed up to speak. Does that individual wish to speak?

1 Helen Jim?

2 Does Helen Jim wish to speak?

3 Helen Jim?

4 MS. JIM: I am here.

5 CHAIRMAN DiGIACOMO COLINS: Would you have a
6 seat.

7 MS. JIM: Just one second.

8 CHAIRMAN DiGIACOMO COLINS: All right. Helen
9 Jim, may come up to the microphone.

10 Miss Jim?

11 MS. HARCHONG: My name is Li Harchong. I'm
12 from Asian Americans United. I live in Philadelphia.
13 I'm an adult child of gaming -- compulsive gamblers. I
14 see what it does to families.

15 I lived it. I was a toddler. I went into
16 these casinos. I wanted to build a big house for my
17 parents. That is all they cared about is money because
18 they thought if we had money everything would be okay.
19 If we have money into the City that we are going to be
20 okay.

21 I'm telling you, money -- the money cannot fix
22 their families that are broken. There are marriages
23 that are divorced. There are kids who are in jails.
24 There are some things money cannot solve.

25 I ask you to use your conscience and to stop

1 these people like Foxwoods and Sugar House from coming
2 into our community.

3 Please use whatever it is in your power to
4 prevent it. They have been lying to us. They haven't
5 been telling us the truth.

6 All of this thing about being able to exclude
7 yourself, my parents spoke Chinese. When they had
8 people stay in the casinos, they had interpreters. When
9 my mom said, I got to stop. When she would beat us
10 unprovoked, when the money would be taken away from my
11 piggy bank, when my parents would get into fights and
12 domestic violence would happen -- all of these things
13 are true. We are not making these words up.

14 It is from lived experiences. It is from
15 people. I know you have a mom and a dad. You want to
16 protect them, too. You have a grandparent. I seen my
17 family and my parent get exploited year in and year out.

18 I'm tired. We have Atlantic City hour and a
19 half away. It already destroyed families. Now, you
20 want to put it five minutes away.

21 Do you know how much devastation there will be,
22 how much hurt and things would happen to our City that
23 no amount of money will be able to fix?

24 I want you to please use your conscience. From
25 the bottom of your heart, stop these people from coming

1 into the community.

2 We have been marching in the street, 1,000
3 strong. We have been doing everything possible from
4 stopping this from happening.

5 We know as a City this will destroy us. We
6 will have the most saturated amount of casinos within
7 our community. These are homes and houses. You have
8 families, too. I want them to grow and prosper like
9 mine.

10 All of these years of gambling, they don't have
11 anything. Their lifesavings is gone. Their livelihood
12 is completely gone. I ask you to please just listen to
13 us. We have so many more stories. There are many more
14 than me. I am just one.

15 There are so many more and I'm so -- I can't --
16 I can't talk about this stuff without being emotional
17 because it hurts. Thank you.

18 CHAIRMAN DiGIACOMO COLINS: Thank you. The
19 next is Reverend Washington. Did you want to speak,
20 sir?

21 MR. WASHINGTON: Yes. Madame Chair, members of
22 the Board, I thank you for the opportunity to speak.
23 What you are hearing is just a portion of the emotional
24 outcry that is in the City of Philadelphia because we
25 believe that this industry, first of all, is predatory.

1 If it is predatory, it is going to affect the
2 people on the fringes. If you have been watching the
3 news and listening to the reports, you know how many
4 people in Philadelphia are on the fringes.

5 You know how many people are murdering one
6 another and you know how many people are susceptible to
7 any kind of thing that is going to pull them off.

8 When we think about those persons who are
9 engaged in pathological addiction of gambling, we're
10 thinking about those people who are already on the edges
11 of life.

12 Statistically, persons who are male, persons
13 who are young, and persons who are African American,
14 which is why the Black Clergy of Philadelphia is very
15 much interested in this, too.

16 Those persons -- look at Philadelphia. Those
17 persons are going to be pulled into this industry. It
18 is not going to bring the kind of boom that we are
19 seeing on these PowerPoint presentations.

20 We can list all of the jobs, but it does not
21 talk about the cost in human lives. When you listen to
22 this young lady cry about her growing up in a family
23 that was addicted to gambling, we do not want to repeat
24 this over and over again, especially here in the City of
25 Philadelphia that we love.

1 We are asking you as you continue to listen to
2 these proposals that you reject those proposals to put
3 casinos, especially in the heart of the urban area. Do
4 not put these casinos in the heart of the urban area
5 where they are easily accessible for everyday people who
6 can least afford to dispose money in something that is
7 going to take them down the tubes. Thank you for the
8 opportunity to speak.

9 CHAIRMAN DiGIACOMO COLINS: Thank you, sir.

10 All right. Miss Jim?

11 MS. JIM: Yes. We wanted to share with you a
12 few numbers, our own as well, as the casinos have given
13 their numbers.

14 1,000 persons on street on November 1st, 25,000
15 petitions delivered to Mayor Michael Nutter delivered in
16 the middle of the month.

17 We want to talk about how 80 percent of
18 Chinatown business owners oppose a casino in their
19 neighborhood because they believe the quality of their
20 life and the quality of their economic businesses will
21 decline as a result.

22 50 feet, the distance between a proposed
23 Foxwoods casino and the nearest houses in Chinatown.

24 30 percent the percentage of Asians targeted by
25 Foxwoods and how they boast about it in the papers of

1 their ability to recruit and bring Asians into their
2 complex.

3 100 buses a day run by Foxwoods and Mohegan Sun
4 into Boston and New York Chinatown. These are some of
5 our numbers.

6 41 percent, the percentage of young college
7 students who are traveling that Market Street line and
8 going to school, where they belong, who are potentially
9 vulnerable to gambling.

10 And No. 1, the ranking of Philadelphia in terms
11 of poverty amongst the largest metropolitan cities
12 surrounded by four casinos proposed.

13 We're asking you today -- I'm not here -- and
14 all of us are not here solely because we have a desire
15 to block casinos.

16 All of us are here today because we are pro
17 neighborhood. We care about our children. We are
18 lifelong Philadelphians. We love our City. We love our
19 communities. We build them. We work in them. We lay
20 down roots. We raise families. We pay taxes.

21 More than anything else, we want you to
22 understand that this issue is not about fighting
23 something off but building for a positive future,
24 building for a positive economic future for Philadelphia
25 for Pennsylvania.

1 We have alternative economic options. We also
2 think that frankly we feel ambushed by this meeting. It
3 was proposed to us that this was a status hearing.

4 People got notices as of yesterday afternoon
5 that they would not be able to speak to the Gaming
6 Control Board.

7 It was not in any way presented in any public
8 forum that Foxwoods would be announcing today that they
9 intended to plan for a move.

10 It was made very clear to Philadelphians if it
11 didn't work at the Gallery, it wouldn't work anywhere
12 else. Now, they are proposing another move to 801
13 Market Street.

14 We think that there are some serious
15 considerations that you need to consider. Both Sugar
16 House and Foxwoods have failed to meet their licensing
17 requirements by not being up and running.

18 We believe they have no financing, that they
19 have no financing that is available. Neil Blume, Sugar
20 House's owner, has two Casino Licenses, which is in
21 violation of the Gaming Law.

22 Since April of 2006, what I'm saying is, things
23 have changed since the public last came before you.
24 Michael Thomas, the Foxwoods Chair, was granted a
25 License despite having a felony drug conviction not

1 raised before the Gaming Control Board.

2 Foxwoods has been underway for weeks with
3 scaffolding in front of 8th and Market without coming to
4 the Gaming Control with an honest accounting that they
5 were planning to move there. We believe they did that
6 for weeks to skirt public review and due process. That
7 is absolutely inappropriate for them to announce weeks
8 later when they have been putting up scaffolding and
9 building, that they have delayed the public process.

10 We also think that the conviction of Former
11 Senator Vince Fumo should force a review of all
12 legislative dealings, including the granting of a
13 License to Sugar House owner Richard Sprague, a
14 long-time attorney for Senator Fumo.

15 We want it to be clear that Foxwoods is coming
16 to you for a Site License change because Ron Ruben, a
17 major investor in Foxwoods is also Chairman of the Board
18 of the Pennsylvania Real Estate Investment Trust
19 Company.

20 We do not think it is an appropriate use of
21 public dollars, time, and any other kinds of issues
22 while he is trying to negotiate the maximum amount of
23 profit for himself.

24 Needless to say, for PGCB Chair Tad Decker is
25 currently CEO of the law firm representing Sugar House.

1 We ask you, for the Gaming Control Board, that has been
2 under scrutiny for public process, due process, an
3 allowance of public rights in this transparency that you
4 exercise some amount of control, some amount of
5 questioning in this process as we move forward.

6 I guess the last thing I want to say is I do
7 want to recognize the children who are here today. I
8 overheard a derisive comment made by somebody in the
9 back, a suited person who derided the fact that there
10 were young people who are here.

11 I think that their voices are essential to this
12 because our children, not in a clichéd sense, are the
13 most precious parts of us.

14 I am a mother of three. I send my children to
15 a school that is five minutes away from 801 Market and
16 11th and Market.

17 It is essential to me. We talk about the
18 impact upon children and families, children who cry over
19 the money that their families have lost. Children who
20 cry because they are hungry. We see these things.
21 These are things that we live with every day in our
22 school.

23 We ask you to look at these youth. We ask you
24 to look at what they are grappling with, an addiction
25 that they cannot understand at such a young age.

1 We know that our tears cannot be taxed. We
2 know that childhood lost to despair cannot generate
3 revenue for you. We know that our public don't buy
4 political influence and public influence.

5 That is not the spirit of the Commonwealth. We
6 don't believe it is the spirit of the Gaming Control
7 Board.

8 The fears and compassion you see today are
9 about our families, our children, and our future. We
10 are asking you to please engage in some due control,
11 support, and recognize where our fierceness and
12 compassion is coming from. Thank you.

13 CHAIRMAN DiGIACOMO COLINS: Thank you.

14 John Chin.

15 Mr. John Chin?

16 AUDIENCE MEMBER: He is coming.

17 CHAIRMAN DiGIACOMO COLINS: Okay.

18 MR. CHIN: Good afternoon, Chairman and
19 Commissioners. I want to thank you for this
20 opportunity, but I am disappointed in the way the
21 process was handled to allow this community contingent
22 from Philadelphia to be a part of this process.

23 It is unfortunate that the representatives from
24 Sugar House and Foxwoods have left the room, but I will
25 direct my comments towards you and the Commissioners.

1 My organization, the Philadelphia Chinatown
2 Development Corporation has been in existence for a
3 little over 40 years.

4 The purpose of our organization is to preserve,
5 protect, and promote Chinatown. We have been working
6 tremendously hard to rebuild the community after it has
7 been impacted by project after project after project
8 that we never wanted.

9 This is in addition to the Foxwoods Casino that
10 they just announced today, that they are looking at --
11 to request a relocation approval to 801 Market Street.
12 This is across the street from the southern border of
13 Chinatown and is going to have tremendous negative
14 impact to the community.

15 You have heard many of the reasons why casinos
16 are bad for neighborhoods. We share those same
17 concerns.

18 In addition to this Chinatown neighborhood,
19 there is a prevalence of gambling addiction in this
20 neighborhood.

21 There are studies that have been done in
22 California, New York, and other parts of this county
23 that substantiate these claims.

24 What I ask you to do as Commissioners is to
25 really scrutinize both of these casinos and really think

1 about where they belong. They don't belong anywhere.
2 They don't belong in neighborhoods, and they don't
3 belong in the City of Philadelphia.

4 I ask you, the Commissioners to turn this
5 around. Your responsibility should not be trying to
6 figure out how much revenue these casinos can generate
7 for the Commonwealth but what the impact is to the
8 people in the neighborhoods of this Commonwealth.

9 Looking at the earlier agenda items, I couldn't
10 help but laugh when I realized that the scrutiny that
11 was done by the staff of the Gaming Control Board on
12 fixed seating and the review of that was much more
13 detailed and in depth than the review of the financial
14 viability and financial resources of the Valley Forge
15 Convention Center.

16 It was a very poor detailed review by the staff
17 of the Valley Forge Convention Center, and I hope that
18 is not the way you're going to be operating with the
19 financial reviews that you are presenting at the
20 hearings upcoming of the Sugar House and Foxwoods
21 Casino.

22 I think most important should be financial
23 sustainability, financial review of these two entities,
24 not so much in revenue generation, but the financial and
25 economic impacts and on the neighborhoods you are

1 proposing to put them in.

2 We believe that time and time again that these
3 casinos do not bring any economic benefits to the
4 neighborhoods.

5 Chinatown is made up of over 100 small
6 businesses. These are mostly new immigrants who come to
7 Philadelphia and start up a business and contribute to
8 Philadelphia.

9 These casinos will take the lifeline from these
10 small businesses and families. These casinos will take
11 the lifeline from the them and the families that live in
12 the community.

13 I'm asking you to not allow these casinos to
14 operate in Philadelphia and not allow Foxwoods to
15 relocate to Center City and Chinatown.

16 CHAIRMAN DiGIACOMO COLINS: Thank you.

17 Harry Long?

18 AUDIENCE MEMBER: He is coming.

19 MR. LONG: Good afternoon.

20 CHAIRMAN DiGIACOMO COLINS: Good afternoon.

21 MR. LONG: Thank you, again, for giving us an
22 opportunity to share a little bit. I just want to share
23 a couple of things.

24 First thing is who is going to stand in the gap
25 on behalf of the people who don't have a voice? We have

1 a councilman who has said to us, I can't.

2 We have a Mayor who has opened the gates to the
3 casinos and has said, whatever it takes. We have a
4 Governor who doesn't even recognize our community.

5 We have -- there is nobody who is going to step
6 up and stand on behalf of the people who are affected by
7 the casino.

8 We are just one community. We are talking
9 about our City. I also am a little bit troubled by
10 Foxwoods' presentation. Not much has really changed
11 other than the change of site.

12 There was no presentation. There was no
13 reports, nothing presented other than the promise to
14 present that information when the time comes. That is
15 the same thing that they did back in September.

16 They came to the community and said, we're
17 going to do a casino in your community and that is it.
18 They got up and left. They just did that today. Same
19 thing.

20 When will questions be asked of this
21 organization? When are they going to show anything?
22 They still have yet to do anything in that regard.

23 CHAIRMAN DiGIACOMO COLINS: Thank you.

24 Debbie King?

25 MS. KING: Hello. I'm Debbie King. I'm Vice

1 President of the Northern Liberties Association and
2 Sugar House falls half in our neighborhood. Northern
3 Liberties is one of the faster growing neighborhoods if
4 not the fastest growing.

5 It has attracted a lot of young people to
6 settle in Philadelphia and raise their family. I can't
7 begin to tell you the impact of what this casino will
8 do.

9 It is being proposed three blocks from the
10 heart of our community, which is our Liberty Lands
11 Community-Owned Park where children play.

12 I want to address that the waterfront has been
13 a big concern to our community; and in 2000, we lobbied
14 for City Council to impose a zoning overlay that would
15 prohibit the types of uses that are involved with
16 entertainment.

17 This legislation was passed. It is called the
18 North Delaware Avenue Special Controls District. It
19 specifically prohibits entertainment, restaurants,
20 Liquor Licenses as on the waterfront. That was never
21 addressed in the Sugar House's proposal to this Board.

22 We fought very hard for that. So we will never
23 welcome a casino in our neighborhood. I can tell you
24 that. We will fight, and we are overwhelmingly opposed.

25 We object to the undemocratic way in which this

1 gambling was legalized and there is no amount of
2 mitigation that can take away that negative impact.

3 So, if you are looking for revitalization of
4 the City of Philadelphia, look at Northern Liberties and
5 what we have done, and this would just completely throw
6 a wrench in communities like ours that are trying to
7 make it a better place.

8 CHAIRMAN DiGIACOMO COLINS: Thanks.

9 Jethro Hyko.

10 Jethro Hyko?

11 AUDIENCE MEMBER: He had to leave.

12 CHAIRMAN DiGIACOMO COLINS: Robin Hynika?

13 MR. HYNIKA: Madame Chair and Commissioners,
14 thank you for this time. I am disappointed that we
15 weren't afforded the opportunity to provide this kind of
16 witness to those who are and came before you today to
17 give status hearing.

18 I sent a letter to the Board requesting time to
19 give public input at this hearing and received an e-mail
20 yesterday stating that there would be no time for public
21 presentation.

22 I was disappointed at that but was willing to
23 accept and even come to this hearing, the status
24 hearing, in an attempt to get your attention. I believe
25 we got your attention. If we have offended you in any

1 way, I apologize but the passion and the concerns and
2 the issues run so deep and have such a long-standing
3 history they harken back to the very values of fairness,
4 of family, and of the future of our City.

5 This is a religious time, a spiritual time for
6 us; and I would be remiss if I didn't in my role as a
7 pastor at least bring to the forefront one spiritual
8 maxim that runs across almost every faith and/or
9 humanistic approach to the way we ought to live and that
10 is simply the golden rule. Do unto others as you would
11 have them do unto you.

12 It seems to me, it is so very basic that an
13 industry, an enterprise such as gambling violates that
14 so much to the core that we as the people charged with
15 caring for one another, whether it is from a church or a
16 synagogue or a mosque or from a community, civic, or
17 social beneficial organization, that we must operate
18 with that first and foremost in our minds.

19 We are here today because no one else is
20 standing up for us. We spoke out and out of turn and my
21 grandmother is probably turning over in her grave. She
22 taught me to never speak out of turn; but in this
23 instance, at this time and in this place, we will speak.
24 We will act.

25 We will never retreat, never retreat from

1 preserving the values and the principles of our
2 families, of our City, of our Commonwealth, of our
3 nation.

4 If we sell ourselves out to gambling as a
5 solution to our economic and our civic responsibility to
6 provide services, we have truly violated that basic
7 human mandate to treat each other fairly. Thank you.

8 CHAIRMAN DiGIACOMO COLINS: Thank you.

9 Okay. Mr. Sherman, you have a couple of
10 letters from some State Representatives that you want to
11 read into the record. Why don't you do those?

12 MR. SHERMAN: Yes, Chairman. We have actually
13 received two letters from the City of Philadelphia under
14 Mayor Nutter's signature. There is largely duplication.
15 I'll read one and the different part as to the other
16 project.

17 The first one from Mayor Nutter, to the
18 Honorable Chairman and members of the Pennsylvania
19 Gaming Control Board, I would like to thank the Chairman
20 and members of the Pennsylvania Gaming Control Board for
21 this opportunity to provide information on the City of
22 Philadelphia's efforts to facilitate the prompt
23 construction and early opening of the two Licensed
24 gaming casinos in Philadelphia.

25 In conjunction with your invitation to

1 representatives of the two Gaming Licensees to your
2 meeting of April 8th, 2009 to provide a full and
3 complete update on the status of their projects, I am
4 hopeful that my submission will assist in delivering a
5 more complete update concerning these projects.

6 The City has a significant interest and a role
7 to play in these developments, which I believe will
8 generate numerous construction and permanent jobs and
9 important tax revenues, all which will benefit the
10 Commonwealth as well as the City.

11 Certainly, you are well aware that the road to
12 gaming has been challenging in Philadelphia. As is
13 often the case with such major development projects in
14 urban neighborhoods, particularly we are coupled with
15 the introduction of a controversial activity, citizens
16 and community groups have voiced concerns about the
17 various potential implications ranging from gambling
18 addiction to neighborhood traffic to security threats
19 and corruption.

20 The City recognizes that the Gaming Board has
21 been empowered by the Legislature to confront and
22 resolve many of these concerns and that progress is
23 continuing in this direction.

24 On a parallel track, Philadelphia has
25 encouraged the Licensees to design their facilities in a

1 way that will enhance the City's physical plan and
2 produce the optimum economic development impact for our
3 taxpayers.

4 As we in Philadelphia struggle with the effects
5 of the global financial crisis, I have endorsed the
6 conclusions that Governor Rendell and leaders of the
7 General Assembly that a vibrant gaming industry can be
8 an important tool in the creating of jobs and tax
9 revenues.

10 In the town meetings leading to my recent
11 budget presentation, I have received the same message
12 from many voters, move ahead with the casino development
13 in Philadelphia as quickly as possible.

14 In a March 13th press conference, I reiterated
15 in unequivocal terms my support for the Foxwoods and
16 Sugar House projects and outlined the City's recent work
17 to help these ventures move head.

18 I acknowledge that projects of this magnitude
19 and complexity create myriad business, technical,
20 design, and community issues, some of which lie beyond
21 the authority of the City.

22 At the same time, I pledge to join with the
23 representatives of both casinos to overcome obstacles to
24 opening these facilities.

25 I have emphasized that while the City will

1 responsibly exercise its regulatory duties and comply
2 with the requirements of the law, I do not expect nor do
3 I intend these traditional municipal functions to delay
4 development.

5 In that same press conference, I also recapped
6 important background information regarding each of the
7 casinos that is particularly relevant to the Board's
8 current inquiry.

9 With regard to Sugar House, I have publicly
10 expressed my strong support for construction and opening
11 of the facility at its current site as quickly as
12 possible.

13 I initiated a dialogue between City and casino
14 representatives about facilitating the commencement of
15 construction activities.

16 In the last several days, key City operations'
17 officials have spoken frequently with the Sugar House
18 project management team about current development issues
19 and have held several joint meetings to collaborate on
20 action items and timelines for completion.

21 The parties have now established a working
22 group that is meeting regularly to facilitate all
23 necessary approvals. Sugar House already has received
24 key approvals including its foundation permit.

25 Recently, we have begun working intensively and

1 cooperatively with Sugar House on its modified plans,
2 which we understand are being presented to you by the
3 Licensee.

4 My Administration supports the concept drawings
5 and the proposed Sugar House plan modifications. Sugar
6 House has indicated its desire to open an interim gaming
7 facility as part of its modified plan by the second
8 quarter of 2010, and I support the concept drawings that
9 I have reviewed in that plan.

10 I will assure that all City departments in my
11 Administration will fully cooperate and will continue
12 working diligently with Sugar House to obtain all
13 permits and approvals within the City's control in a
14 timely manner in order to ensure the opening of the
15 Sugar House interim gaming facility by the second
16 quarter of 2010.

17 We hope that this report provides sufficient
18 information to allow the Board a complete understanding
19 of the City's policy position and perspective in
20 connection with Sugar House's development status.

21 We stand ready to answer any specific inquiries
22 or supply further updates as they may be requested.
23 That letter is signed Michael A. Nutter, Mayor.

24 Mayor Nutter has submitted a second letter in
25 which he states City officials have been working closely

1 with Foxwoods since last summer when, at the urging of
2 legislative leaders, the Governor convened a meeting and
3 Foxwoods announced its interest in relocating to Market
4 Street East.

5 My Administration, as well as City Council,
6 promptly and very publicly expressed our support for the
7 new location and launched a collaborative effort with
8 the Licensee to provide the Commercial Entertainment
9 District Zoning designation necessary to proceed at the
10 Market East site.

11 Within a month of introduction, the zoning
12 legislation was passed and I signed it into law. Since
13 that time, City representatives have continued to work
14 with Foxwoods to assure the completion of the necessary
15 plans related to the casino that would satisfy the needs
16 of the operators and address areas of public concern.

17 More recently, when Foxwoods advised the City
18 that it is exploring the former Strawbridges and
19 Clothier Department Store as a casino site, I again
20 expressed my support stressing the benefits of locating
21 the gaming facility at a critical transportation hub in
22 a way that will stimulate overdue redevelopment in the
23 significant commercial corridor.

24 The City continues to be in direct contact with
25 Foxwoods as it pursues the business prerequisites for

1 this transaction.

2 The City remains ready and willing to support
3 and facilitate the permits and approvals for this
4 development as quickly as possible. That letter, again,
5 is signed Michael A. Nutter, Mayor.

6 Now, I also have a letter which had been
7 received with public comment by Representative Michael
8 O'Brien and Senator Lawrence Farnese, Jr.

9 The Representative and the Senator have asked
10 that due to the recently filed -- that is on Monday --
11 amended Petition of Sugar House, HSP Gaming, that they
12 have indicated that they respectfully reserve their
13 right to submit a supplemental comment if they deem it
14 appropriate after reviewing the Supplemental Petition.

15 The cover letter which accompanies the comment
16 is addressed -- comes from Senator Farnese. Dear
17 Chairwoman Colins, in anticipation of the Gaming Board's
18 April 8th hearing on the Philadelphia Casino Licensees,
19 enclosed please find a letter on behalf of myself and
20 State Representative Mike O'Brien which details a number
21 of issues that we believe merit inquiry by the Board at
22 the hearing.

23 As I have said repeatedly, both as an activist
24 and now as an elected official, I do not believe the
25 casinos are the best way to create revenue.

1 While I am concerned and disappointed at the
2 location of these proposed casinos, I do recognize a
3 change in sentiment in the City of Philadelphia and
4 understand that I may not be able to get the casino
5 operators to move their awarded locations.

6 To that extent, I want both my constituents and
7 casino operators to know that I will continue to fight
8 on behalf of the people throughout Philadelphia.

9 Madame Chairman, I would ask that the applause
10 be held so that the constituents can hear the full
11 impact of the letter being read.

12 Again, to that extent, I want both my
13 constituents and casino operators to know that I will
14 continue to fight on behalf of the people throughout
15 Philadelphia and specifically in the surrounding
16 neighborhoods to ensure that strong agreements are in
17 place that address the people's concerns relating to the
18 construction of the casino.

19 Furthermore, I will work with all of the
20 parties to mitigate any issues that may arise due to the
21 casino operation and impacts on the surrounding
22 communities.

23 Finally, I am disappointed that the hearing
24 could not be held in a location that would afford
25 greater access to the local residents and communities

1 which will be directly impacted by these casinos as well
2 as incorporate more opportunity for public comment.

3 However, I am pleased that the Board is making
4 an effort to seek overdue and much needed information
5 about these two projects. The letter is signed,
6 sincerely Lawrence M. Farnese, Jr., State Senator, first
7 Senatorial District.

8 Now, the comment is four pages; and I think I
9 need a drink before I launch into that.

10 The comments are on behalf, again, of
11 Representative Michael H. O'Brien and Senator Lawrence
12 M. Farnese.

13 It starts in December of 2006, the Pennsylvania
14 Gaming Control Board, PGCB, awarded HSP Gaming, also
15 known as Sugar House, and Philadelphia Entertainment and
16 Development Partners, LP, Foxwoods, the right to pursue
17 a Category 2 License to operate a Licensed gaming
18 facility in the City of Philadelphia.

19 These Proposed Licensed Facilities are located
20 along the Delaware River in the legislative districts we
21 represent.

22 In today's day and age of intense media
23 coverage and the very complicated land use issues that
24 have arisen from these projects, we worry that clarity
25 may be missed during the status proceedings scheduled

1 for these two Licensees on April 8th, 2009.

2 As the Legislators whose constituents will be
3 directly affected by these facilities, we wish to offer
4 our comments and understanding of the status of these
5 projects.

6 First, HSP Sugar House. Sugar House was issued
7 its License in January of 2008 at which time it was
8 required to have 1,500 slots up and running by January
9 of 2009.

10 Unfortunately, poor planning and a lack of due
11 diligence on the proposed facility site has resulted in
12 Sugar House's inability to realize the statutory
13 requirement.

14 As Sugar House chose its proposed location, we
15 believe that the blame lies solely with the Licensee and
16 not with the administrative body.

17 We are aware that Sugar House's request for the
18 renewal of its License and a request for a 12-month
19 extension to meet the statutory requirement is still
20 pending before the Board.

21 While we appreciate the opportunity to offer
22 these brief comments, we do not waive our previous
23 request to intervene in HSP's Application for an
24 extension of time or our demand that a full evidentiary
25 hearing be held.

1 In other words, this submission is made without
2 prejudice to the waterfront Legislators' Formal Petition
3 to Intervene or the right to submit evidence and further
4 arguments in support of their opposition to HSP's
5 Application.

6 As the Board is aware, the Licensee was awarded
7 the ability to pursue the Category 2 in Philadelphia in
8 December of 2006. Neither of us were the elected
9 officials at that time.

10 Since the awarding of the License, it has been
11 our position that the Licensee should exercise its
12 statutory right to relocate its casino citing 4 Pa.C.S.
13 Section 1329.

14 The present location is situated as close as
15 150 feet from existing residences and poses numerous
16 problems for the constituents we represent.

17 To date, Sugar House has obtained few permits
18 needed to begin construction on their proposed facility.
19 These include a Zoning Use Permit, a Department of
20 Environmental Protection NPDES Permit conditioned on
21 obtaining all other environmental permits, and a
22 recently issued Foundation Permit.

23 Sugar House also obtained a Submerged Land
24 License from the City of Philadelphia for the
25 construction on the Commonwealth-owned riparian land,

1 although Sugar House did not render any compensation to
2 the Commonwealth for construction of its proposed
3 facility on public lands.

4 It is widely known that with the exception of
5 the DEP NPDES Permit, Sugar House has had to obtain all
6 other permits through litigation and disputes with the
7 City of Philadelphia and members of the General
8 Assembly.

9 Sugar House's inability to obtain the permits
10 without Supreme Court injunction should be noted, as the
11 City and members of the General Assembly did not agree
12 with the terms on which these permits were forced to be
13 issued.

14 Sugar House will no doubt blame its inability
15 to construct the facility in the timely fashion required
16 by the PGCB on the litigation in which it has engaged.

17 As the Board found in the Licensing Fee hearing
18 and decision, quote, the Board believes that the delays
19 to gain all necessary approvals required to begin
20 construction should not have been unexpected by Sugar
21 House, citing Chairman Colins October 2nd, 2007.

22 It is also nearsighted to believe that further
23 litigation will not occur in connection with the
24 additional approvals which are needed for construction
25 to begin in a timely manner.

1 Sugar House still requires numerous permits for
2 construction including, one, building permits and
3 occupancy permits from the City of Philadelphia; two, a
4 Department of Transportation Highway Occupancy Permit;
5 and three, two Army Corps of Engineer ACOE Permits
6 governed by the Rivers and Harbors Act and the Clean
7 Water Act.

8 A special Master has been recently appointed by
9 the Pennsylvania Supreme Court to mediate the issuance
10 of the City permits. However, the special Master has no
11 authority over the ACOE or its implementation of the
12 required process for evaluating the pending permit's
13 application under the governing regulations and laws.

14 This process is strictly governed by Federal
15 Law. The ACOE permitting process has been ongoing for
16 over a year and there are many additional hurdles
17 remaining before a final determination will be reached.

18 These include coordination and review with
19 other Federal agencies, agreements to be memorialized
20 with State and Federal agencies, evaluation and
21 mitigation of environmental assessments, and potential
22 public hearings.

23 If these permits are issued, it would be
24 prudent for the Board to assume that Court challenges
25 will arise regarding the issuance of these permits, or

1 in the alternative, Court challenges by Sugar House if
2 they are not issued. The Federal Courts, the
3 Pennsylvania Courts would have jurisdiction over such
4 disputes, which could result in much additional legal
5 delay.

6 The Board should also be aware that the
7 Northern Liberties Neighborhood Association and the
8 Delaware Riverkeeper Network, paren, a nonprofit
9 501(c)(3), end paren, have appealed the issuance of the
10 Act 537 Permit under the Pennsylvania Sewage Facilities
11 Act.

12 This appeal is in the discovery phase and is
13 ongoing. However, this appeal is further evidence of
14 strong local community opposition to the proposed
15 facility.

16 To date, PennDOT has not issued the Highway
17 Occupancy Permit. This process is still ongoing and
18 traffic mitigation has yet to be addressed.

19 The traffic impact analysis offered by Sugar
20 House was based upon many assumptions, the most
21 important of which was the commencement of construction
22 for the new Girard Avenue ramp from I-95, the main
23 volume access point to the proposed facility.

24 In October of 2006, this report relied upon by
25 the Board anticipated the commencement of the necessary

1 ramp to begin by the beginning of 2009.

2 As of this date, no construction or
3 preconstruction activities have begun. It is our
4 understanding from PennDOT that the proposed
5 construction is currently not even out for bid as there
6 are outstanding land issues still to be resolved.

7 The proposed interim facility was originally to
8 be built while ramps were under construction and in
9 agreement with the surrounding community and protection
10 for the traffic that would affect six residential
11 streets was to be in place. None of this has happened.

12 It is significant to note that if the facility
13 were to be built today the only access to the facility
14 from I-95 would be direct traffic from the highway
15 through the surrounding neighborhood residential
16 streets, as there is no direct access from I-95 to the
17 facility's current proposed location.

18 If a discussion of a temporary facility or the
19 timeline of the interim facility is the focus of this
20 status hearing, the PennDOT and traffic mitigation
21 issues should be seriously evaluated as the pending
22 request for a 12-month extension would not be able to
23 rely on the original traffic study.

24 Since the original adjudication, the City of
25 Philadelphia has commissioned a traffic study that was

1 completed in the fall of 2008. It contradicts much of
2 the 2006 study prepared by Sugar House and relied upon
3 by the Board.

4 Since the License was awarded Sugar House has
5 not received a report from the long-standing community
6 groups; Fishtown Neighborhood Association and Northern
7 Liberties Neighborhood Association.

8 Both were willing to engage in discussions if
9 Sugar House would include the discussions of their
10 statutory ability to re-site, but Sugar House refused to
11 entertain that issue.

12 The comment now moves to the Philadelphia
13 Entertainment Development Partners, Foxwoods Licensee,
14 and states:

15 Foxwoods was issued its License in June of 2008
16 at which time they were required to have 3,000 slots up
17 and running by June of 2009.

18 Foxwoods has not made progress on any of the
19 approved plans at the proposed waterfront site on South
20 Christopher Columbus Boulevard.

21 Interestingly, instead of fight tooth and nail,
22 Foxwoods has taken a different approach to difficulties
23 with its original site and has entered into a dialogue
24 with elected officials, City Officials, and communities
25 about utilizing the statutory relief to relocate under 4

1 Pa.C.S. Section 1329 and develop a more appropriate
2 location.

3 The only permit obtained by Foxwoods is a
4 Zoning and Use Permit. Foxwoods has not pursued the
5 other required permits including rights to use the
6 riparian lands owned by the Commonwealth of
7 Pennsylvania. A special Master has been appointed to
8 oversee the processing of permits by the City of
9 Philadelphia for this License.

10 The process of relocating this License has
11 promises and pitfalls. Foxwoods has started a crucial
12 dialogue in Philadelphia about the proper location for
13 casinos and the manner in which development might act as
14 a catalyst for invigorating the central business
15 district.

16 Foxwoods is currently at the discussion table
17 with the City about a possible relocation to the Market
18 East area, although the exact location has been in flux
19 and will require significant negotiations with
20 landowners. Foxwoods' willingness to commence
21 discussions about relocation is a commendable approach.

22 Before we can evaluate the promises and
23 pitfalls, however, numerous objectives must be met
24 including the impact to the direct neighbors, traffic
25 studies, mitigation efforts, and how the proposed design

1 could fit into the fabric of the surrounding areas.

2 If Foxwoods' proposed relocation does not
3 warrant what is in the best interest of the City of
4 Philadelphia and surrounding communities, we anticipate
5 the Licensee would continue the process of finding a
6 suitable location with Board support.

7 We cannot estimate how long the vetting process
8 will take for the evaluation of any proposed new
9 location, but we are open to the proposal and planning
10 process.

11 In addition to the difficulties each Licensee
12 has encountered at their chosen location, the question
13 has been raised whether the current economic climate has
14 affected the ability of the casino operators to complete
15 their construction plans.

16 Any hearing by the Board should, therefore,
17 also include an inquiry into the financial condition of
18 the casino developers and operators and whether present
19 development plans are viable.

20 We submit these comments for the Board to make
21 an educated evaluation of the status of these Licensees'
22 progress.

23 As fiduciaries of the Commonwealth and as
24 statutorily mandated, the Board is to evaluate what is
25 best for the people of the Commonwealth to realize the

1 economic benefits for the citizens of the Commonwealth
2 and the citizens of Philadelphia.

3 Any unfortunate decisions by a Licensee is
4 their burden alone. The Board needs to evaluate whether
5 the decisions of a Licensee are detrimental to the
6 people of the Commonwealth and the citizens of
7 Philadelphia in consideration with the public interest.

8 Sugar House has chosen its location, a location
9 fraught with problems which seem to have no end in
10 sight. They chose not to exercise the amenities
11 available to them in 4 Pa.C.S. Section 1329.

12 They instead choose to continue in a protracted
13 fight with the surrounding communities, our
14 constituents.

15 Thank you our consideration of these comments
16 and please contact us if you require any clarifications
17 to our statements. That ends the statement of
18 Representative Mike O'Brien and Senator Lawrence
19 Farnese.

20 CHAIRMAN DiGIACOMO COLINS: All right. Thank
21 you very much. That concludes our business. Meeting
22 adjourned.

23 (The meeting concluded at 1:11 p.m.)

24

25

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

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Hillary M. Hazlett, Reporter
Notary Public

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