

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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IN RE: PRESQUE ISLE DOWNS PETITION FOR APPROVAL TO  
MODIFY ITS FACILITY TO ADD AND OPERATE A POKER ROOM

\* \* \* \* \*

PUBLIC HEARING

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BEFORE: GREGORY C. FAJT, CHAIRMAN  
Raymond S. Angeli, James B. Ginty,  
Keith R. McCall, Anthony C. Moscato,  
Gary A. Sojka, Kenneth I. Trujillo; Members  
Christopher Craig, Representing Robert M.  
McCord, State Treasurer  
Robert Coyne, representing Daniel P.  
Meuser, Secretary of Revenue  
Matthew Meals, representing George Greig,  
Secretary of Agriculture  
HEARING: Wednesday, July 20, 2011  
10:45 a.m.

Reporter: Rhonda K. Thorpe

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LOCATION: Hearing Room 1  
Keystone Building  
400 North Street  
Harrisburg, PA 17120-0211

WITNESSES: Fred Buro, Christine Stacy

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Counsel for Presque Isle Downs, Inc.

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CHAIRMAN:

Okay. Next up is a Petition somewhat related to the Presque Isle Downs Renewal and that is the Presque Isle Downs Petition to seek approval to modify its facility to add and to operate a poker room. With respect to that Petition Presque Isle may begin.

ATTORNEY RODRIGUEZ-CAYRO:

Mr. Chairman, I'll introduce Mr. Buro and Ms. Christine Stacy will handle this and I'm going to keep my mouth closed for it.

CHAIRMAN:

Okay.

MR. BURO:

Mr. Chairman, I'm proud to be able to identify Christine, from the Mountaineer, she's the shift manager in the poker room. And we're pretty excited about her doing a great job in running the poker room at Presque Isle Downs. I mean as much as I like doing these presentations, if it pleases the Commission I'd really like Christine, her first time out, to make the presentation.

CHAIRMAN:

1 Please proceed. Thank you.

2 MS. STACY:

3 Thank you so much for giving me the  
4 opportunity and thank you, Board, for hearing our  
5 proposal for the poker room. As Fred said, I come  
6 from our sister property, Mountaineer where I was a  
7 shift manager. And I've been given this awesome  
8 opportunity to now act as poker room manager once we  
9 open.

10 The first slide that you're going to see  
11 here is 3D visual of what we hope to create. And this  
12 is how the outside of our room is going to look.  
13 Going onto the next slide, this shows the inside of  
14 the room. In the poker room, we're going to relocate  
15 15 table top thoroughbred racing betting units. We're  
16 going to relocate pari-mutuel cashiers to another  
17 location on the second floor. Additional self betting  
18 machines for pari-mutuel wagering including one in the  
19 poker room. An additional relocation of TV monitors  
20 to enhance the racing broadcast viewing, including  
21 additional monitors in the poker room.

22 I'm really excited about having a  
23 pari-mutuel right in the room. I think that --- you  
24 know it's been my experience that poker players love  
25 to bet on the horse racing. And with the TVs right

1 there and a pari-mutuel window right there, they can  
2 play that game and just get up, place their bets, they  
3 don't even have to leave the room. So I thought that  
4 was a great, great addition. The poker room is going  
5 to be located on the second floor of the grandstand.  
6 It's going to consist of 2,028 square feet new gaming  
7 space. It will contain nine poker tables and a  
8 cashier cage. And a self betting unit so the players  
9 can stay inside the room and bet on the horses.

10                   This slide here shows the actual second  
11 floor and how we are planning on building it and where  
12 it will be. That little area here is certainly the  
13 actual poker room itself. And then the next slide ---  
14 there we go. The next slide just shows all the  
15 different views. It shows the wagering area, it shows  
16 the cashier area, it shows the tables and it shows the  
17 outside of the room.

18                   At first the economic impact of our poker  
19 room, the construction estimate is \$400,000. Our  
20 revenue forecast is to be about \$2.3 million annually.  
21 And our gaming taxes and fees will be approximately  
22 \$402,000. New positions will be created. This is  
23 explaining as Fred spoke earlier. We're talking about  
24 creating new jobs in this economy. Poker room  
25 manager, we're going to hire 3 shift managers, 10



1 floor supervisors, 50 dealers, 4 cage cashiers, 4  
2 security officers. That will reach 73 total employees  
3 in a 24 hour period. So we're very excited about  
4 that. Annually the payroll with taxes and benefits  
5 will be \$880,000.

6           As far as surveillance --- and again  
7 this has all been approved. We've been in contact  
8 with the Pennsylvania Gaming Control Board who has  
9 been working with us, to make sure that we're  
10 following all the standards that we need to follow.  
11 There'll be one stationary camera located above each  
12 poker table. There will be four PTZ, which stands for  
13 pan, tilt and zoom, cameras will be located within the  
14 room. There will be two stationary cameras which will  
15 cover one exit and entrance and then another two  
16 stationary cameras, which will provide broad coverage  
17 of the entire poker room. And the next slide shows  
18 where the cameras are going to be placed. Okay.

19           We're also going to have surveillance of  
20 course above the cashier cage. It will be another PTZ  
21 camera. And seven fixed cameras, including patron  
22 facial coverage and down shot cameras. And the next  
23 slide, we've illustrated that as well. Of course  
24 we'll have security, there will be one permanent fixed  
25 post that will be located at the entrance of the poker

1 room and that will be manned whenever the poker room's  
2 open.

3           So with the addition of the poker room,  
4 we'll now have 2,070 slot machines, 44 table games, if  
5 we add 9 poker tables, we'll now have 53 table games at  
6 the facility. And finally there is a letter from the  
7 PA Racing Board, going ahead --- giving us the go  
8 ahead to move those betting units to a different  
9 location so we can build our room.

10           CHAIRMAN:

11           Thank you very much. Does Enforcement  
12 Counsel have any questions for Presque Isle Downs?

13           ATTORNEY CREANY:

14           Just a couple questions. First to start  
15 where she ended, with respect to the letter from the  
16 Race Commission. The director of the racetrack,  
17 gaming provided me with a copy of the letter itself.  
18 I was going to admit that into the record for this  
19 hearing today. I wanted to ask, with respect to the  
20 poker room, it wasn't clear at the drafting stage, you  
21 leave it out on the exhibit. But at this point in  
22 time do you anticipate it to be a smoking or non-  
23 smoking area?

24           MR. BURO:

25           Non-smoking.

1                   ATTORNEY CREANY:

2                   With respect to one of the slides  
3 projected, the 73 employees. With those employees, it  
4 anticipated 24 hour coverage, what do you anticipate  
5 at this point with that operation? Does it start with  
6 the presumption of working 24 hours or is that  
7 something you'd work up to?

8                   MR. BURO:

9                   We believe that there's a market out  
10 there, especially with the crackdown on poker.  
11 There's been a surge in apprentice poker. So, whereas  
12 we thought we'd be Thursday, Friday, Saturday, 24  
13 hours. We now believe that we may be 24 hours  
14 everyday. So you run that number based on the part-  
15 timers, we go up and down on that number.

16                   ATTORNEY CREANY:

17                   Okay. I have no further questions. We  
18 have just the position of the Office of Enforcement  
19 Counsel (OEC) to present.

20                   CHAIRMAN:

21                   Thank you. You can go ahead and proceed  
22 with that Mr. Creany.

23                   ATTORNEY CREANY:

24                   The Office had filed its response and we  
25 at that point in time had listed a recommendation for

1 today's hearing, as well as we had a number of  
2 conditions to suggest in the event the Petition is  
3 approved. There's no opposition to the Petition,  
4 granted that we've already met one condition, the Race  
5 Commission approval on June 15th. There's others in  
6 the ordinary type of construction building conditions  
7 that will require that as they go they provide  
8 information and have the surveillance, security,  
9 anything checked out at the facility by our casino  
10 compliance supervisor on site. So, they would be  
11 presented prior to opening, everything be cleared up,  
12 then delegated before it is opened, whether those  
13 conditions have been met.

14 CHAIRMAN:

15 Thank you. Any questions from PIDI of  
16 Enforcement Counsel before we move to Board questions?

17 ATTORNEY RODRIGUEZ-CAYRO:

18 No, Mr. Chairman.

19 CHAIRMAN:

20 Thank you. Commissioner Sojka.

21 MR. SOJKA:

22 Briefly, I just have a very quick  
23 question. Since you have a non-smoking environment in  
24 a poker room, which I'm delighted with, when you add  
25 additional pari-mutuel windows, they're going to be in

1 areas you do permit smoking; right?

2 MR. BURO:

3 Not exactly.

4 MR. SOJKA:

5 Okay.

6 MR. BURO:

7 As you might recall, that floor the  
8 grandstand is also a restaurant. They serve food  
9 there. So, there's no smoking permitted there. We're  
10 simply relocating the mutuel windows from one end of  
11 the floor to the other. So, it will remain non-  
12 smoking up there.

13 MR. SOJKA:

14 So, will there be no smoking areas in the  
15 pari-mutuel options?

16 MR. BURO:

17 Correct.

18 MR. SOJKA:

19 Good.

20 ATTORNEY RODRIGUEZ-CAYRO:

21 Not on that floor.

22 MR. SOJKA:

23 But there will be within the casino?

24 MR. BURO:

25 Within the casino, yes.

1                   MR. SOJKA:

2                   You would not permit someone to enter the  
3 poker room exclusively to utilize the pari-mutuel  
4 windows; would you? Or would it have to be a poker  
5 player?

6                   MR. BURO:

7                   No.

8                   MR. SOJKA:

9                   So they could go in there if they want a  
10 smoke free environment that ---.

11                   MR. BURO:

12                   Well that entire floor is smoke free, so  
13 they would be --- as soon as they come up the  
14 escalator there's no smoking.

15                   MR. SOJKA:

16                   But you wouldn't if ---? I know some  
17 people enter poker rooms because of the popularity of  
18 the game and people cue up when they hear numbers  
19 called and enter the facility. You would allow  
20 someone to enter that space without that cueing up,  
21 they simply would not be seated at a poker table and  
22 they could wager?

23                   MR. BURO:

24                   Sure.

25                   MR. SOJKA:

1           Okay. And just one real quick one. And  
2 that is obviously most of your poker games will be  
3 non-paying, are you planning to do anything, stud type  
4 games, in the poker room?

5           MR. BURO:

6           Let's let an expert answer that question.

7           MS. STACY:

8           At this time we are just --- we reduced  
9 our classes for the dealers because they don't have a  
10 poker knowledge. And at this time we're going to  
11 focus on just Hold 'Em and Omaha. It could be  
12 something that we introduce in the future, but we just  
13 want to be able to get it off the ground and not be  
14 completely overwhelming in the beginning.

15          MR. SOJKA:

16          And of course our regulations would  
17 require that you have to go through the normal steps  
18 to add those games?

19          MS. STACY:

20          Correct.

21          MR. SOJKA:

22          Okay. Thank you.

23          CHAIRMAN:

24          Other questions from the Board Members?

25          Okay. Again I assume, Counsel, you want the

1 PowerPoint entered into the record?

2 ATTORNEY RODRIGUEZ-CAYRO:

3 Correct, Mr. Chairman.

4 CHAIRMAN:

5 We will do that.

6 ATTORNEY CREANY:

7 Mr. Chairman, the letter from the Racing  
8 Commission as well, please, as OEC Exhibit One (sic).  
9 (OEC Exhibits One and Two marked for  
10 identification.)

11 CHAIRMAN:

12 Okay. Thank you, Mr. Creany, we'll admit  
13 that into the record. Any other housekeeping matters?  
14 Okay. Thank you very much. This matter is now  
15 closed.


16 \* \* \* \* \*

17 MEETING CONCLUDED AT 10:56 A.M.

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19 CERTIFICATE

20 I hereby certify that the foregoing  
21 proceedings, hearing held before Chairman Fajt, was  
22 reported by me on 07/20/2011 and that I Rhonda K.  
23 Thorpe read this transcript and that I attest that  
24 this transcript is a true and accurate record of the  
25 proceeding.

  
Court Reporter