

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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IN RE: SANDS BETHWORKS GAMING, LLC

PETITION REQUESTING APPROVAL OF THE RECONFIGURATION OF  
THE GAMING FLOOR UNDER OP-13

\* \* \* \* \*

PUBLIC HEARING

\* \* \* \* \*

BEFORE: WILLIAM H. RYAN, JR., CHAIRMAN  
James B. Ginty, Keith R. McCall,  
Gary A. Sojka, Gregory C. Fajt,  
Anthony C. Moscato, Annmarie Kaiser;  
Members  
Jennifer Langdon, representing  
Robert McCord, State Treasurer  
Robert Coyne, representing  
Daniel Meuser, Secretary of Revenue  
Jorge Augusto, representing George Greig,  
Secretary of Agriculture  
LOCATION: PA Gaming Control Board  
Strawberry Square, Second Floor  
Harrisburg, PA 17101

Reporter: Jennifer T. Alves  
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HEARING: Tuesday, November 20, 2012

10:04 a.m.

WITNESSES: Robert DeSalvio

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Counsel for Sands Bethworks Gaming, LLC

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OPENING REMARKS

By Chairman

6 - 7

PRESENTATION

By Mr. DeSalvio

7 - 10

QUESTIONS

By Attorney Davenport

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QUESTIONS BY BOARD

12 - 16

CLOSING REMARKS

By Chairman

16 - 17

E X H I B I T S

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NONE OFFERED

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CHAIRMAN:

My name is Bill Ryan. I'm Chairman of the Pennsylvania Gaming Control Board. Before we begin I would ask everyone to turn off cell phones, PDAs and other electronic devices. Thank you very much. With us today is Jennifer Langdon representing Robert McCord, Robert Coyne representing the Secretary of Department of Revenue Dan Meuser, and Jorge Augusto representing the Secretary of Agriculture George Wright. Thanks to the three of you for being here. We have a quorum, everybody's here, so I'll call the meeting to order. First I would ask everyone to stand for the pledge of allegiance.

PLEDGE OF ALLEGIANCE RECITED

CHAIRMAN:

Thank you. Ladies and gentlemen, we have three items before the Board today for a public hearing and we will, of course, hold those public hearings before the public meeting. The first hearing pertains to Sands Bethworks Gaming, LLC's Petition Requesting Approval of a Reconfiguration of Its Gaming Floor. And I believe the parties are all present and ready to go. I would ask all persons to please

1 remember to identify yourselves for the court  
2 reporter. Spell your last name so that she knows  
3 what's going on. And anyone who is going to give  
4 testimony or give a statement who is not an attorney  
5 would have to be sworn and I guess we can do that now.  
6 Counselor?

7 ATTORNEY EICHER:

8 Good morning. Holly Eicher, E-I-C-H-E-R,  
9 on behalf of Sands Bethworks Gaming, LLC and with me  
10 today is Robert DeSalvio, President.

11 CHAIRMAN:

12 Sir, if you will stand.

13 -----  
14 ROBERT DESALVIO, CALLED AND SWORN

15 -----  
16 CHAIRMAN:

17 Holly, you may begin.

18 ATTORNEY EICHER:

19 Sure. Good morning. I'm actually going  
20 to turn the floor over to Bob. We are here for  
21 OP-13, which is a petition to expand our gaming floor  
22 with the offerings of table games. With that I'll  
23 turn it over to Bob.

24 MR. DESALVIO:

25 Good morning, Chairman. Good ---

1                   CHAIRMAN:

2                   Good morning.

3                   MR. DESALVIO:

4                   --- morning, Commissioners. Robert  
5 DeSalvio, D-E, capital S, A-L-V-I-O, President of  
6 Sands Casino Resort Bethlehem. Thanks for giving us  
7 the time this morning and I'd like to do just a brief  
8 summary of what the request is for OP-13. As most of  
9 you know, I believe for the last 11 months in a row  
10 the Sands has had the leading table game revenue  
11 figures for the Commonwealth and what we are finding  
12 right now is we're up against a capacity restraint  
13 issue. And many times we just don't have available  
14 tables for those that would like to play and it's not  
15 a good customer service situation, so we've been at  
16 this a number of times with table games. We add more  
17 and we're very thankful that the crowds come and fill  
18 them up and we have to add more. So, we're really in  
19 a position of capacity constraint. So, today the  
20 request is to add two Let tables --- two Let it Ride  
21 tables, one casino War game, one Texas Hold 'Em and  
22 two three card poker, six regular poker, one craps, 14  
23 mini Baccarat, two Pai Gow poker for a total of 31 new  
24 table games units.

25                   We are lucky enough that the casino floor



1 originally was built to accommodate the increased  
2 capacity and so we don't have to do major  
3 construction, but what we do have to do is move about  
4 837 slots as a relocation for this. The great news is  
5 that there are --- we're not going to make any changes  
6 to the number of slot units on the casino floor. We  
7 currently have 3,024 and we're able to keep that same  
8 exact count, but we have to relocate and change  
9 pathways and aisleways in order to make the new table  
10 game pits. And speaking of the pathways we're not  
11 going to make any changes to the underage gaming  
12 pathway. We have that around the perimeter of the  
13 casino and so there's not --- at this there's no  
14 reason to make any changes to that pathway.

15                   We're also going to add about  
16 approximately 2,000 square feet of casino space  
17 through the reconfiguration and, again, without doing  
18 any substantial construction to the main casino box.  
19 We will be in compliance with the Indoor Clean Air Act  
20 and the gaming floor will be slightly more non-smoking  
21 than smoking, but we're able to maintain the necessary  
22 ratio to keep us within the allowed limits.

23                   The great news for our areas, this  
24 expansion will probably add about 107 new FTEs to the  
25 workforce. We've crossed over the 2,000 mark and that

1 is --- you know, I think back on the original  
2 presentation we made I think we said about 1,800.  
3 We're now over 2,000 and that does not include the  
4 food court, the other leased restaurant and all the  
5 stores in the event center. If you put them all in  
6 we're probably well over 2,400, 2,500.

7 CHAIRMAN:

8 Excuse me, sir. By FTE you mean full  
9 time employees?

10 MR. DESALVIO:

11 Oh, full time employees, yes.

12 CHAIRMAN:

13 Okay.

14 MR. DESALVIO:

15 And so as Holly mentioned, that's the  
16 request today to add 31 units, keep the slot count the  
17 same. It's a project that will take, you know, a good  
18 bit of time for our staff to do. And if approved by  
19 the Board we would begin immediately with the changes  
20 and with that I have no other comments.

21 CHAIRMAN:

22 Does the Office of Enforcement Counsel  
23 (OEC) have any comments, questions?

24 ATTORNEY DAVENPORT:

25 Yes, I just have one question. Good

1 morning, Chairman Ryan, Commissioners.

2 CHAIRMAN:

3 Good morning.

4 ATTORNEY DAVENPORT:

5 Nan Davenport, Deputy Chief Enforcement  
6 Counsel for the OEC. Does Sands intend to add  
7 additional security or see the need for additional  
8 security with the expansion of the gaming floor space?

9 MR. DESALVIO:

10 Yes. As part of the 107 or so contingent  
11 it'll break down about probably five in security.  
12 We're not creating any new entrances, so --- but we'll  
13 probably have additional drops to the tables and  
14 escorts and things of that nature, so yes, on  
15 security. Probably about five more in the cage, about  
16 three more in marketing. We need some additional  
17 surveillance officers, so I think it's going to be  
18 another three in surveillance and then the rest is all  
19 made up of dealers and supervisors in the gaming area.  
20 But, yes, we will go up in security as well.

21 ATTORNEY DAVENPORT:

22 Thank you. And in our conditions we made  
23 provisions for the changes in the drops and internal  
24 controls. I have no further questions at this time.

25 CHAIRMAN:

1           Okay. As I understand it, the OEC as  
2 long as those conditions are met has no objection to  
3 the petition; is that correct?

4           ATTORNEY DAVENPORT:

5           That is correct. We have reviewed it and  
6 we reviewed the revised floor plan and we have no  
7 objections.

8           CHAIRMAN:

9           Any questions or comments from the Board?

10          MR. SOJKA:

11          One

12          CHAIRMAN:

13          Gary?

14          MR. SOJKA:

15          Every time the word FTE comes up I always  
16 ask you the same question and that is, how many of  
17 those new FTEs are actually going to be jobs that are  
18 full time enough to qualify for your benefits package?

19          MR. DESALVIO:

20          I would say out of group probably 95 to  
21 98 percent. Right now we've been --- especially in  
22 the table games area we've been so busy that  
23 everybody's working pretty much full time all the way  
24 through. We have some occasional folks that just, for  
25 whatever reason, don't want a full-time schedule and

1 we're glad to have them. If they want to just maybe  
2 come in on weekends when we're really busy, that's  
3 great, but I think now we're probably --- overall our  
4 whole workforce is about 90/10, probably 90 percent  
5 full time, maybe 10 percent part time.

6 MR. SOJKA:

7 Good. That's good news. Thank you.

8 CHAIRMAN:

9 Greg?

10 MR. FAJT:

11 Thank you, Mr. Chairman. Mr. DeSalvio,  
12 just looking at the graphic there if you could orient  
13 me, where is the main entrance and which side of that  
14 diagram is the parking garage on?

15 MR. DESALVIO:

16 And, Commissioner, would you prefer that  
17 I just do it at --- go up to the diagram?

18 MR. FAJT:

19 That would be great. Yeah. Thank you.

20 MR. DESALVIO:

21 This is what you know as the main  
22 entrance to the casino where the porte-cochere is.

23 MR. FAJT:

24 Right. And the parking garage.

25 MR. DESALVIO:

1           And this is where our water feature is at  
2 the main entrance. And if I could just do a brief  
3 walk around and describe the changes?

4           MR. FAJT:

5           Sure.

6           MR. DESALVIO:

7           In the area of the table games this area  
8 near that coral bar in the center is where we're  
9 adding one new complete pit and that's made up of a  
10 couple Roulettes and a mixture of other games. We  
11 made that one non-smoking because that coincides with  
12 the rest of the non-smoking table games. So, that was  
13 a new change. We added six more poker tables because  
14 we had a fairly wide aisle here (indicating). Those  
15 also are in the non-smoking area and our floor sets up  
16 fairly nicely because it's --- one whole side is  
17 pretty much non-smoking and the other side is for the  
18 most part smoking, which makes it easier for the  
19 customers. And then in the main area here we added  
20 four new Baccarat tables here. We relocated the Sic  
21 Bo tables because they were causing a problem in the  
22 main aisle. They get so crowded, so we relocated  
23 them. We expanded what's known as pit seven here. We  
24 added more Baccarat in this area and then we added  
25 some more pits out in front of the pisa area. And

1 then in order to do that we just reorientated the  
2 slots that were around it and, as I mentioned earlier,  
3 we had enough space on the floor. We had very  
4 generous aisleways. We were able to move it around  
5 and still keep all the units, but that's the main  
6 changes. So, it's the table game pit here, the new  
7 poker games here, the additional Baccarat here, games  
8 here and then out in front of the pisa area.

9 MR. FAJT:

10 And the parking garage then is down below  
11 there? Yeah.

12 MR. DESALVIO:

13 Yeah. The two entrances are off of this  
14 entrance and then this is the main area where the  
15 motor coaches come in.

16 MR. FAJT:

17 Okay. If you could just stay there, ---

18 MR. DESALVIO:

19 Sure.

20 MR. FAJT:

21 --- Bob, for a second. I want to  
22 congratulate you on the layout between the smoking and  
23 non-smoking and, you know, Commissioner Moscato and  
24 others that I have --- you know, we've been out to  
25 these casinos and we were at a couple just last week.

1 And the number one complaint that we get from patrons  
 2 is smoking. The number one complaint. I talked to a  
 3 lot of people who don't gamble but go to dinners, go  
 4 to Christmas parties or holiday events at the casinos  
 5 and the number one issue that they raise is always  
 6 about the smoking. As soon as I walk in there I smell  
 7 it and, you know, part of that is on us and I take  
 8 responsibility and some blame for that. But when you  
 9 have a casino like yours that is almost, you know, 50  
 10 percent --- the line is almost perfect, one half  
 11 smoking, one half non-smoking. You know, I commend  
 12 you for that, so thank you and that's the only point I  
 13 wanted to make was the issue with the smoking and  
 14 non-smoking.

15 A. Thank you.

16 CHAIRMAN:

17 Anyone else? Ex officio members? All  
 18 right. Thank you, ladies and gentlemen.

19 MR. DESALVIO:

20 Thank you.

21 ATTORNEY EICHER:

22 Thank you.

23 CHAIRMAN:

24 This matter's now closed. The Board will  
 25 vote on this project with the Office of Chief



1 Counsel's report during the regular session of today's  
2 meeting.

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4 HEARING CONCLUDED AT 10:16 A.M.

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CERTIFICATE

21

I hereby certify that the foregoing

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proceedings, hearing held before Chairman Ryan was

23

reported by me on 11/20/2012 and that I Jennifer T.

24

Alves read this transcript and that I attest that this

25

transcript is a true and accurate record of the

1 proceeding.

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Jennifer T. Alvo  
Court Reporter

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