

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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IN RE: PUBLIC INPUT HEARING ON TABLE GAMES PETITION OF  
NEMACOLIN

\* \* \* \* \*

PUBLIC INPUT HEARING

\* \* \* \* \*

FEB 20 2013  
2988-2013

BEFORE: WILLIAM H. RYAN, JR., CHAIRMAN  
Linda Lloyd, Presiding Officer  
Anne Marie Kaiser, Commissioner  
Greg C. Fajt, Commissioner

HEARING: Thursday, February 7, 2013  
10:30 a.m.

LOCATION: Wharton Township Municipal Building  
114 Elliotsville Road  
Farmington, PA 15437

WITNESSES: Richard A. Kasunic, Tim Mahoney, James C.  
Means, John Lewis, Fred Ziegler, Muriel J.  
Nuttall, Ronald W. Virag,

Reporter: Danielle S. Ohm

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OPENING REMARKS

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PRESENTATION

By Senator Kasunic

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By Mr. Mahoney

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By Mr. Plummer

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By Mr. Block

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NONE OFFERED

## P R O C E E D I N G S

PRESIDING OFFICER:

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4 Good morning everyone. My name is Linda  
5 Lloyd and I'm the Presiding Officer assigned today by  
6 the Board to conduct this public input hearing  
7 regarding the Petition filed by Woodlands Fayette, LLC  
8 to conduct table games at its resort casino. Before  
9 we begin, if you could all turn off or vibrate your  
10 cell phones, PDAs, Blackberries or whatever they're  
11 called today so we can all hear what everybody has to  
12 say? As the Presiding Officer I call to order this  
13 public input hearing regarding a Petition of Woodlands  
14 Fayette, LLC for approval in the issuance of a  
15 certificate to conduct table games, which was deemed  
16 complete by our Bureau of Licensing and filed on  
17 January 17th, 2013 at docket number 2988-2013.

18 The date today is Thursday, February  
19 7th. The time is 10:15 and the location is the  
20 Wharton Township Municipal Building at 114  
21 Elliotsville Road, Farmington, PA, 15437. This input  
22 hearing is convened by the Gaming Control Board  
23 pursuant to authority found at Section 1205D and  
24 1314A(b) of the Gaming Act. This public hearing was  
25 advertised on the Board's website, announced at a

1 previous Board meeting and advertised in local  
2 newspapers. Present here today from the Board for the  
3 hearing are to my right are the Board Chair, Bill Ryan  
4 and to my left Commission Annmarie Kaiser and  
5 Commission Greg Fajt.

6                   The Board and staff would like to thank  
7 the Wharton Township's office for making this space  
8 available and for their staff's cooperation. It has  
9 been essential in organizing and holding this hearing  
10 today. The purpose of the hearing is to allow  
11 Woodlands to present to the public its plan to operate  
12 table games at its resort casino and to allow  
13 individual members of the public, community groups and  
14 elected officials to express their thoughts and share  
15 their concerns about the proposed project before the  
16 Board. The hearing will continue until the last  
17 scheduled speaker has had the opportunity to speak.  
18 The order of speakers here today is as follows. We'll  
19 hear remarks from Senator Richard Kasunic and  
20 Representative Tim Mahoney.

21                   And then we will hear from --- the  
22 Petitioner Woodlands will make their presentation and  
23 then after that we will hear from all the other  
24 individuals, local government representatives,  
25 community representatives that have registered to

1 speak. Woodlands will have about 20 minutes for their  
2 presentation, government officials will have ten  
3 minutes to speak, community groups have about five  
4 minutes and individuals have about three minutes each.  
5 If you are speaking, if you could begin your remarks  
6 by stating your name and spelling it for our court  
7 reporter we have so we know who you are. And we'll  
8 swear in all speakers in a few minutes.

9                   If you have written notes of testimony  
10 and --- that you will be speaking from, if you would  
11 give a copy of that to the court reporter who's  
12 sitting over here. She'll probably use that and it'll  
13 be very helpful. So this is an official  
14 administrative hearing. It is being recorded by a  
15 court reporter. It is also being streamed live via  
16 our website and will eventually be put up on our  
17 website. So anyone who wants to revisit again can go  
18 watch again. I ask you all to speak loudly and  
19 clearly, and if you are a public speaker, if you want  
20 to come up and use the microphone so we can all hear  
21 what you have to say. So, let's begin by having each  
22 of you that is registered to speak today, provide  
23 testimony on behalf of Woodlands. If you would all  
24 please stand and raise your right hand to be sworn by  
25 the court reporter.

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WITNESSES SWORN EN MASSE:  
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PRESIDING OFFICER:

One housekeeping matter. Public comment, written public comment was permitted, but we did not receive any written public comment at least until --- up until yesterday afternoon. So, there's none of that and let the record reflect that. So we will hear from right now Senator Richard Kasunic. Senator?

MR. KASUNIC:

Good morning. I'm Senator Richard Kasunic from the 32nd Senatorial District. And I would like to welcome the Gaming Board and Staff to Fayette County this morning in allowing me to voice my support for Nemaocolin Woodlands Resort Request to Operate Table Games here at the Isle of Capri with Lady Luck Casino. Before I get into that I want to first take this opportunity to thank and commend the Board on its decision to award the Slots License to Nemaocolin facility. As was eventually established by the Supreme Court, the Board did an excellent job and used keen judgment to ensure the legislature's intent of a Resort License within Act 71 was realized. And

1 as you can see, here in the Laurel Highlands we are  
2 truly a destination.

3                   We are a four seasons region and truly a  
4 five star crown jewel of the Laurel Highlands is  
5 Nemaocolin Woodlands, something we're very proud of.  
6 And I would like to take this opportunity also to  
7 thank the Hardy family for having the vision and  
8 taking the chance and the challenge investing millions  
9 and millions of dollars in our county here. That  
10 certainly has improved the quality of life in here in  
11 the region by the number of jobs that they provided  
12 and certainly everything that they brought with them  
13 from their business sense and operating 84 Lumber and  
14 has made our community a more viable community and a  
15 better place in which to live and to raise a family.  
16 So, Mr. Hardy and Maggie, thank you very much for your  
17 vision on that.

18                   You know, and along those lines with  
19 what we're talking about today is a situation where  
20 you awarded a Resort License in accordance with Act 71  
21 and went along with the true intent of the legislation  
22 concerning resort Licenses. And as a member of the  
23 Legislature at that time I can testify to the intent  
24 of what a resort license was all about and it was  
25 about awarding licenses to existing resorts that had



1 the amenities. It wasn't about awarding a license to  
2 a facility to build a resort around and truly what we  
3 have here is exactly to the letter of the law. As you  
4 can see out there --- and I talked about the four  
5 seasons and this being the destination --- the snow,  
6 you know ---. We have all four seasons. We have  
7 skiing, we have sleigh riding, we have carriage rides  
8 at Nemaquin. We have a world class spa, we have a  
9 sporting class facility second to none and not to  
10 mention the championship golf courses and many other  
11 things that I could go on and on about, but this is  
12 truly, you know, a resort that the legislature was  
13 thinking about when that bill was written when it  
14 became the law. So, once again I commend you and  
15 extend my appreciation to the Board on that decision.

16                   What we would also like to do is talk a  
17 little bit about what's happening here in the region  
18 and why it's so important to have the table games.  
19 So, as we move on --- as we move forward with this  
20 last piece of the puzzle that will help make Lady Luck  
21 Casino profitable and an attractive venue. Approving  
22 and making table games available in a resort is both  
23 logical and a rational step. Its availability can  
24 only strengthen the resort's attractiveness as a  
25 tourist destination.

1           As we all know, Nemaocolin has already  
2 been renowned and it has a reputation worldwide. Not  
3 just here in Pennsylvania, or Southwestern  
4 Pennsylvania or in America, but worldwide for its  
5 accommodations, its natural beauty, elegance, staff  
6 friendliness and guest amenities. Table games will  
7 complete and enhance the resort's gaming offerings and  
8 provide another option for guests who choose to visit  
9 the casino. Furthermore and most importantly and  
10 particularly for Southwestern Pennsylvania it will  
11 allow the resort to remain competitive in attracting  
12 visitors from other large five star resorts who offer  
13 similar amenities in other states.

14           Over the years we here in Pennsylvania,  
15 and particularly our part of the state in southwestern  
16 Pennsylvania we have lost conferences, we have lost  
17 conventions, we have lost visits from individuals  
18 simply because in other areas, in other states they  
19 were offering amenities and that one amenity has cost  
20 us jobs in here, in Fayette County and certainly tax  
21 revenues both local and statewide. I should emphasize  
22 that Nemaocolin is not seeking, it is not seeking a  
23 substantial expansion of gaming. The modest table  
24 games expansion would only add about 30 table games  
25 and all gaming activity would remain strictly

1 regulated and confined to the resort's casino.

2           Additionally and just as important  
3 including table games in the resort's gaming offerings  
4 would generate more jobs and spark increased economic  
5 development and growth. It would attract more guests.  
6 It would draw more conventions and conferences all at  
7 the same time simulate and accelerate business and  
8 economic investment for host of related and unrelated  
9 businesses throughout our region. If Nemaquin and  
10 the Isle of Capri is allowed to reach its full  
11 potential we are looking at 400 new jobs at the casino  
12 itself. Probably another 200 jobs in other areas of  
13 the resort. Not to mention the other businesses that  
14 I talked about earlier that will obviously need more  
15 help and provide new jobs.

16           All 11 other casinos in our state offer  
17 both slot machine and table game gambling. They  
18 employ over 16,000 people and generate about \$4  
19 million each and every day. The lion's share of the  
20 proceeds is used for property tax relief, sewer and  
21 water projects, grants for fire departments, revenue  
22 for local and county projects and bolster the state's  
23 horseracing industry at the same time.

24           Let me briefly elaborate on what I mean  
25 by more jobs. While legalizing slot machines has been

1 an economic plus it should be noted that it takes more  
2 people to operate table games. When you take a look  
3 at the personnel needs for table games you will find  
4 the demand for dealers, pit bosses, floor managers,  
5 tellers, surveillance workers and many others. To  
6 receive the full benefit of hosting a casino Nemaquin  
7 must be able to provide and compete against what other  
8 casinos have to offer. Last February in our hearing  
9 to include table games in the State of New York  
10 consultants argued that about \$4 billion in  
11 entertainment dollars left their state each year bound  
12 for full service casinos like we offer here in  
13 Pennsylvania.

14 Denying this license would hamstring  
15 Nemaquin's ability to compete and reach its full  
16 potential. It would also deprive our region of full  
17 economic benefits of gaming and stunt job growth here  
18 tremendously. At this time I would like to thank the  
19 Board for this opportunity in allowing me to address  
20 you and urge you to approve this Table Game License  
21 for Nemaquin Woodlands. Thank you very much.

22 PRESIDING OFFICER:

23 Thank you, Senator. Next Representative  
24 Tim Mahoney.

25 MR. MAHONEY:

1                   Good morning. Thanks for attending the  
2 hearing. As usual I follow Senator Kasunic and  
3 there's not much left for me to cover. But what he  
4 did cover is very important to the area and I  
5 wholeheartedly believe what he has just put across is  
6 the truth in Fayette County. But he did leave out one  
7 little issue. When you bring two companies like  
8 Nemaocolin Woodlands and Isle of Capri together and put  
9 them together it's a win/win --- no pun intended with  
10 gaming. It's a win/win for the whole area and all it  
11 will do is make Fayette County and Wharton Township  
12 grow for jobs, and for infrastructure and for all the  
13 needs that need to be done in this area. And I  
14 wholeheartedly support it and I'd like to thank the  
15 Board for approving the license before and hopefully  
16 they're going to approve the table games in the  
17 future. Thank you very much. And Mr. Hardy and Isle  
18 of Capri, thank you very much for investing in Fayette  
19 County. Thank you.

20                   PRESIDING OFFICER:

21                   Thank you. Now, we will hear from  
22 Nemaocolin Woodlands and their presentation.

23                   MR. PLUMMER:

24                   Well, thank you, Senator Kasunic and  
25 Representative Mahoney. I appreciate it. I'm Chris

1 Plummer. I'm the general manager at Nemaocolin. I've  
2 been at Nemaocolin since 2006, for seven years. Prior  
3 to that I was in the State of Nevada working in the  
4 gaming industry for nine years primarily with Caesars  
5 Entertainment. So, I want to thank Chairman Ryan,  
6 Commissioner Kaiser, Commissioner Fajt for attending  
7 and everybody in attendance and giving me a great  
8 opportunity. I can obviously speak for hours about  
9 something I'm very passionate about, my love for  
10 Nemaocolin and what Mr. Hardy and Maggie and Pete have  
11 created there, but I'll be a little bit briefer.

12                   The agenda's up and we're going to go  
13 over the highlights of Woodlands Fayette County. I'm  
14 going to talk about that. The chief operating officer  
15 of Isle of Capri is going to talk about giving you a  
16 construction update and financial suitability and the  
17 new GM at the Lady Luck Casino at Nemaocolin will then  
18 speak about the management team, table games overview  
19 and what's going on there. Currently right now at  
20 Nemaocolin we host over 350,000 guests annually from  
21 across the country and the globe. Our 2,000 acre  
22 resort employs 900 to 1,200 people based on  
23 seasonality and we look forward, really look forward,  
24 to growing that number with the opening of Lady Luck  
25 Casino very shortly.

1                   Because of our dedicated and talented  
2 associates and the division owners we're very  
3 fortunate to be recognized by some of the top names in  
4 the industry. Lautrec is one of only 26 restaurants  
5 in the world to hold on to five star by Forbes Travel  
6 Guide and Falling Rock is one of only 52 hotels in the  
7 world to hold that same line. Mystic Rock is ranked  
8 number 75 best public golf courses in the country by  
9 Golf Digest and our Woodlands Spa was recently rated  
10 ninth best in the country by the readers of Conde  
11 Naste Magazine. We do like the awards, but it's not  
12 the most important thing we do. It's our associates  
13 and guests that really drive us to do what we do.  
14 They drive our extensive list of amenities that starts  
15 with our six different lodging options that include  
16 Falling Rock, Chateau Lafayette, The Lodge, our  
17 townhouses and condos, our private home collection.  
18                   We even have a 20 space RV park that is  
19 booked solid throughout the summer. Dining is  
20 obviously an essential part of the Nemaquin  
21 experience and we operate 15 unique dining options  
22 across the property. Corporate events are a vital  
23 part of our business. This year we will do over  
24 40,000 events alone in the corporate segment and that  
25 makes up about 50 percent of our total revenue. We

1 anticipate Lady Luck Casino and table games especially  
2 to be a real help to driving that corporate business,  
3 which is a real key to success at Nemaquin. We have  
4 over 31,000 square feet of meeting space, dedicated  
5 planning team and unmatched team building operations  
6 for that corporate business. We offer the finest and  
7 traditional activities like golf at Mystic Rock,  
8 tennis, horseback riding, fly fishing.

9                   Our new Sundial Lodge that we just  
10 opened right at Christmas is a year round hub of  
11 outdoor activities for this region. In the wintertime  
12 we have the ski resort, snow shoe, snowmobile and snow  
13 tubing. And in the summertime the zip line, mountain  
14 bike and 18 miles of Jeep off-road driving academy.  
15 It will truly be a year round outdoor destination for  
16 the Laurel Highlands. At Woodlands Spa we have 40  
17 unique treatment rooms and home to over 100 different  
18 therapies. We service on a real busy day about 400,  
19 500 guests through that facility. Traditional  
20 massage, facials, manicures, pedicures are on our menu  
21 as well as untraditional items like unique scrubs,  
22 wraps, body kurs and acupuncture.

23                   Across our 2,000 acres our guests also  
24 get to enjoy the Hardy family art collection. The  
25 collection is literally around every corner of the



1 resort and it includes famous pieces by Botero, Calder  
2 and Lautrec. Interesting collectibles like a piece of  
3 the Berlin Wall, original Beatles photographs as well  
4 as antique automobile and aircrafts are literally  
5 around every corner of our resort. Our expansive  
6 retail offerings include everything to men's and  
7 women's apparel to a jeweler --- to a cigar shop and a  
8 fly fishing shop where you can tie your own ties. And  
9 of course, you don't generally think of luxury resorts  
10 unless you think of, you know, hyenas, white lions,  
11 tigers, that kind of stuff. Our Wildlife Academy is  
12 one of our main attractions for guests across the  
13 country. The interactivity with the animals is really  
14 unlike any other place in the world and we're home to  
15 nearly 100 exotic species for them to enjoy.

16                   We also have a luxurious Pet Spa and a  
17 full service veterinarian clinic for them to be taken  
18 care of as well. So, as you can see, the choice of  
19 amenities that we offer at Nemaocolin and the  
20 associates that drive those amenities are --- is  
21 really our competitive advantage. Sixty (60) percent  
22 of our guests currently come from outside of the  
23 Commonwealth to visit our resort. I think everybody  
24 knows Mr. Hardy's famous quote about the ocean, about  
25 how he's working on that, about the only thing

1 Nemaocolin doesn't have is the ocean but he's working  
2 on that.

3                   Knowing the Hardy family as I do over  
4 these seven years I'm really just waiting for that  
5 phone call telling me I brought it here, now figure  
6 out what to do with it, Chris. Adding table games to  
7 this list of amenities not only aligns very, very well  
8 with our current demographics and what we attract  
9 already, but it will also appeal to new visitors as  
10 well and will be vital to the success and future of  
11 this resort. And we're very, very proud to partner  
12 with Isle of Capri in this venture, so I really  
13 appreciate you guys giving me the opportunity to talk  
14 about Nemaocolin and now I would like to introduce  
15 Arnold Block. He's the chief operating officer at  
16 Isle of Capri. He's going to talk about their  
17 company.

18                   MR. BLOCK:

19                   Thank you, Chris, Chairman Ryan,  
20 Commissioners, Executive Director O'Toole. My name is  
21 Arnold Block and I serve as the chief operating  
22 officer of the Isle of Capri Casinos, Incorporated.  
23 We appreciate the opportunity to share details with  
24 you today about our table games at Lady Luck Casino in  
25 Nemaocolin. I would like to start by saying how

1 pleased we are to be working with the Hardy family,  
2 everyone at Nemaocolin Woodlands Resort and the  
3 Pennsylvania Gaming Control Board to turn the Lady  
4 Luck Casino into a reality. I'm sure you already  
5 know, Isle of Capri Casinos is a publicly traded  
6 corporation operating 15 casinos in six states  
7 including over 14,000 slot machines, over 330 table  
8 games. We employ over 7,500 individuals with an  
9 annual payroll topping about \$250 million.

10                   The design concept of Lady Luck  
11 Nemaocolin is modern, prairie style creating a vibrant  
12 entertainment venue while capturing the essence of the  
13 Woodlands resort. The building expansion introduces  
14 façade elements, which usually visually pull the  
15 structure out of the surrounding landscape,  
16 reemphasizing excitement of the entertainment within.  
17 The table games are centered on the gaming floor and  
18 capture the modernized prairie style design. The  
19 casino represents an investment of approximately \$60  
20 million and includes 600 slot machines, 28 table games  
21 and two restaurants. The floor layout has been  
22 carefully planned to allow for easy access to both  
23 slots with all the table games located down the center  
24 aisles and the restaurants located at the rear of the  
25 building. Guests will be able to move quickly from

1 valet or the parking lot, through security and onto  
2 the gaming floor.

3           The existing structure which will become  
4 the casino, has been completely gutted and work is  
5 currently underway to install underground utilities,  
6 framing has begun in existing back of house areas and  
7 digging for underground utilities has begun for the  
8 new restroom addition. Footings have been poured and  
9 steel will soon be in place for the new office space  
10 as well. We thank everyone at Keating Building  
11 Company based in Philadelphia for their hard work and  
12 dedication so far and look forward to sharing our  
13 completed casino with the Commonwealth sometime this  
14 summer. Isle of Capri will be funding the \$7.5  
15 million table game authorization fee and all capital  
16 expenditures required to bring table games to Lady  
17 Luck Nemaquin. We will be utilizing Isle's  
18 internally generated cash flow from its existing  
19 operation and our existing revolving line of credit.  
20 Our available borrowing capacity as of October 28,  
21 2012, the date of our last public disclosure, was  
22 approximately \$200 million.

23           Next I would like to introduce Rich  
24 Laudon. Rich has been named vice president and  
25 general manager of Lady Luck Casino Nemaquin. He

1 brings a diverse background in gaming operations from  
2 multiple gaming jurisdictions. He most recently  
3 served as vice president and general manager at Argosy  
4 Casino in Alton, Illinois. We are thrilled to have  
5 Rich lead our management team. As you can see from  
6 the extensive list of casinos noted on the slide, Rich  
7 is truly an experienced veteran. And now I would like  
8 to turn the mic over to Rich.

9 MR. LAUDON:

10 Thank you, Arnold. Chairman Ryan,  
11 members of the Board and staff, Hardy family and all  
12 of the ladies and gentlemen of our audience today, it  
13 is a pleasure to be here and to discuss the table  
14 games operation, and update you with our plans. To  
15 date we have hired most of senior management team.  
16 I'd like to read the list of names some of which are  
17 here today in the audience, so I'd ask those who are  
18 here to stand or wave from the back of the room.  
19 First of all, Merryan Rutherford, our director of  
20 operations. Terry Gwinn, our director of finance who  
21 will begin on the 25th of this month. Michael Giunti,  
22 director of marketing who will begin this coming  
23 Monday. Danielle Grimley, director of Human  
24 Resources, Amanda Loveland, our compliance officer,  
25 Christopher Schroder, surveillance manager, Mark

1 Starrett, our security manager, James Dave Haston, IT  
2 manager and Michael Prokop, our casino manager who is  
3 diligently working as we speak at our new dealer's  
4 school just a short trip away.

5           We are both proud and pleased with this  
6 team that we have built, two of which are already ---  
7 were previous Pennsylvania residents. The remaining  
8 are relocating as we speak and the rest will be moving  
9 to the Commonwealth shortly. Since our focus today is  
10 table games let's take a look at the 28 games we will  
11 offer. It is a full complement of casino table games.  
12 From Blackjack to Texas Hold 'Em our guests will be  
13 able to find their favorite game. We expect that the  
14 addition of table games to Lady Luck Nemaocolin will  
15 bring in approximately \$1.4 million in gaming taxes  
16 annually at a rate of 14 percent in the first 2 years  
17 and 12 percent thereafter, which does include the  
18 local share of taxes associated with table games at  
19 two percent.

20           The expected employment impact  
21 associated with our table games will be approximately  
22 130 positions. The total employment at Lady Luck  
23 Nemaocolin could be approximately 400 positions. We  
24 have recently begun formal recruiting for table games  
25 with a public information session for individuals

1 interested in becoming dealers at our casino.  
2 Approximately 100 people visited our staff last  
3 Saturday at the Laurel Business Institute in Uniontown  
4 where we shared specific details about becoming a  
5 dealer at Lady Luck.

6           The dealer school will last from 5 to 11  
7 weeks. Trainees will be required to pass drug and  
8 alcohol screening on the first day of school currently  
9 scheduled to begin this Monday. Once trainees pass  
10 dealer school they will be given a contingent job  
11 offer. Not everyone is cut out to become a dealer,  
12 therefore the training is part of the interview  
13 process. Each week trainees will be assessed on their  
14 progress. There is no fee to attend this school.

15           Recruiting for other positions is off to  
16 a good start as well having received close to 1,000  
17 applications so far and we have not even posted all of  
18 the jobs as yet. We intend to continue to utilize our  
19 web postings through Isle of Capri careers page as  
20 well as Casinocareers.com and other local outlets as  
21 well. We are committed to meet the residency goals.  
22 We believe that the best employees run the best  
23 business. We focus on employee retention and offer  
24 competitive wages and benefits. We provide bonuses  
25 down to the front line employees through our See, Say,

1 Smile Courtesy program and our Customer Experience  
2 Owners Service Program.

3                   We will be utilizing a panel interview  
4 format when hiring. Panel interviews are designed to  
5 help us learn whether or not a candidate has the  
6 friendly, outgoing personality that Lady Luck Casino  
7 is seeking. Our goal is to become the friendliest and  
8 most courteous casino in the Commonwealth.  
9 Additionally all of our employees are trained to act  
10 responsibly, treat people with respect and to  
11 recognize the signs of gambling addiction. We're a  
12 member of the Council on Compulsive Gambling of  
13 Pennsylvania and remain committed to ensuring that our  
14 guests play responsibly.

15                   In closing let me say that I am thrilled  
16 to be the leading --- leading this Lady Luck Nemaquin  
17 team. I look forward to relocating to the  
18 Commonwealth. Our leadership team will be strong and  
19 brings a wealth of gaming experience to this project  
20 and we are proud to be building a Lady Luck Nemaquin  
21 into a casino that the entire community will be very,  
22 very proud of. We believe our Table Games Petition  
23 meets all of the requirements outlined by the  
24 legislation and we look forward to adding table games  
25 to this project. Thank you, Commissioners and all of



1 our guests for taking the time to travel to Wharton  
2 Township.

3 PRESIDING OFFICER:

4 Thank you. We will now hear from the  
5 registered speakers. The first registered speaker is  
6 James Means.

7 MR. MEANS:

8 Everyone knows Jim. That's good enough.  
9 We would like to welcome you to Wharton Township and  
10 we'd also like to thank the Gaming Board. Thank Mr.  
11 Hardy, and Maggie and Keith Magerko, her husband, for  
12 what they've done within the community to help us out  
13 with our township fire department, stuff that us here  
14 at the township we couldn't do. We have approximately  
15 35,000 acres of state forest land and including the  
16 federal government and state game land, which you know  
17 is the tax revenue and stuff is not that great.

18 We do get a couple dollars, with Wharton  
19 Township being 93.4 square mile, which is the largest  
20 township here in the county. Okay? And we do have  
21 the lowest tax rate here in the county. We strive to  
22 keeping that. It's been that for well over probably  
23 40 years now and we have worked very hard and thanks  
24 to people like Mr. Hardy and Maggie and Pete we're  
25 able to continue struggling and get through

1 everything. And we just want to take the opportunity  
2 to welcome everybody and thank you. We appreciate it  
3 and believe it's going to be a big boost in the arm.  
4 Thank you.

5 PRESIDING OFFICER:

6 Thank you. John Lewis.

7 MR. LEWIS:

8 I'm Wharton Township supervisor. I'm  
9 going on my 18th year. I've lived in Wharton Township  
10 all my life. Moved up here I was about a year old and  
11 seen a lot of things come and go in Wharton Township  
12 and looking really forward to this. I'm in support of  
13 this table games mainly for the simple reason is it's  
14 going to bring more jobs to the area, it's going to  
15 bring more money and the Wharton Township is finally  
16 going to be a name. It's going to be realized now  
17 because we're going to have things up here that we can  
18 afford to do, that we've been wanting to promise the  
19 residents of Wharton Township for many years seeing  
20 the other townships being able to do it and us not  
21 having the money because ---.

22 Speaking after Jim is sort of like  
23 speaking after Rich. He said a whole lot and I just  
24 got to add to it a few things. We're really looking  
25 forward because of the income we're going to get, the

1 jobs we're going to get and the opportunity to be able  
2 to have the people coming here not only is it only  
3 going to help Nemaocolin Woodland which has been great  
4 to us, but also the other restaurants and stuff up  
5 here. This is going to spread people coming in the  
6 area and just like a lot you might not have been in  
7 this area before you see the snow up here where you  
8 don't see snow other places.

9                   It's sort of like a dream come true and  
10 we're going to do everything in our power in the  
11 township to keep it secure in whichever way we can.  
12 Nemaocolin has always secured their own area. They've  
13 always had the security up there and everything else.  
14 We've always had good standing working with them any  
15 way it came about, so we're really looking forward for  
16 the gambling to come and for Nemaocolin Woodlands to  
17 work with us and keep this what we really want to see,  
18 a dream come true to me. Wharton Township be able to  
19 do a lot of things we've never been able to do. And  
20 with that I'd like to thank the Gaming Board for  
21 coming and everybody else that showed up here today  
22 and just a thanks to everybody. Thank you.

23                   PRESIDING OFFICER:

24                   Thank you. Muriel Nuttall. I  
25 mispronounce some of these your names.

1                   MS. NUTTALL:

2                   Good morning. My name is Muriel  
3 Nuttall. I am the Executive Director of the Fayette  
4 County Chamber of Commerce and on behalf of our Board  
5 of Directors and our members I would like to thank you  
6 for this opportunity to present our testimony  
7 regarding Nemaocolin Woodlands' request for  
8 authorization to conduct table games at the Lady Luck  
9 Casino. The Fayette Chamber of Commerce has a long  
10 history in Fayette County. Since our inception in  
11 1925 we have grown from a localized Chamber, which  
12 encompassed only the City of Uniontown, to a broad  
13 membership of over 600 businesses and organizations  
14 representing more than 17,500 employees throughout  
15 Fayette County and the surrounding region.

16                   The Chamber's membership is very diverse  
17 with five --- with members in five major sectors.  
18 Twenty-three (23) are professional services, 20 are  
19 non-profit government education, 18 percent are  
20 retailers and wholesalers, 15 percent represent the  
21 customer service sector and 14 percent are hospitality  
22 and food service companies. Ranked by numbers of  
23 employees our members range in size from the smallest  
24 to the largest, from sole proprietors on one end of  
25 the spectrum to nine of the ten largest employers in

1 the county on the other end.

2                   As the Chamber is charged with  
3 representation of the county business community we are  
4 faced with issues on a daily basis, which are poised  
5 to make great impact on our area. Gaming has  
6 certainly been one of these issues. When an  
7 organization has such a diverse membership such as  
8 ours we must continually work to be considerate of the  
9 membership at large. Each and every one of our  
10 members have an opinion and each matters greatly.  
11 Looking back in time a bit to when the original  
12 application for gaming at the resort was presented, a  
13 survey was conducted with our membership to gauge the  
14 support level of our business community. At that time  
15 our Executive Committee decided that it could best  
16 serve our membership by providing accurate statistical  
17 information.

18                   The decision was made at that time that  
19 we would be most representative of the level of  
20 support by our members by compiling a survey  
21 distributed to each of our members. We anticipated  
22 about a 10 percent response, but were very pleased  
23 with the 17 percent representative sample. Our  
24 question was very simple at the time, are you in  
25 support of a Class 3 Resort Gaming License at

1 Nemaocolin Woodlands Resort? And indeed 80.8 percent  
2 of our respondents were in support of the prospect of  
3 gaming at Nemaocolin. Of that 82.8 percent and 72.7  
4 percent respectively feel that Fayette County's  
5 greatest benefit will come through an increase in tax  
6 revenues and an increase in tourism. That easily  
7 equates to high economic development expectations.

8           Looking now at the addition of table  
9 games at the Lady Luck Casino further supports the  
10 promise of increased tax revenue and increase in  
11 tourism. This is evidenced by an article in PA  
12 Matters that states that since Pennsylvania's first  
13 casino opened its doors in 2006 the tax revenue from  
14 slot machines alone has topped \$4.6 billion. Today  
15 Pennsylvania's operating casinos employ more than  
16 16,000 people and most will attest to the economic  
17 success of the industry in the Keystone State.

18           Now, we understand that a healthy  
19 economy is rooted in many aspects of community life  
20 and the concept of economic development envelopes the  
21 concept of economic growth, where there's a calculable  
22 increase in the size of the economy. Measures used to  
23 gauge economic growth include investment, output,  
24 consumption and income, but economic development also  
25 includes the notion of changing the quality or nature

1 of the economy such as by changing investment choices  
2 or technology. The effects of gaming with the  
3 expansion and addition of table games can do just that  
4 in Fayette County, adding new jobs and creating  
5 continued business growth.

6           As one of our members simply but  
7 emphatically put, I just think it will create jobs,  
8 and another stated, we need to be optimistic and look  
9 for all the opportunities to build our tax base and  
10 economy. This fact is evident through a release from  
11 the Pennsylvania Gaming Control Board who boasted that  
12 combined Slots and Table Games Revenue in PA rose 4.4  
13 percent in 2012. For so many years Fayette County has  
14 struggled economically. It is certainly exciting to  
15 be here in this beautiful county in the Laurel  
16 Highlands ready to move forward with what certainly  
17 will be an economic generator.

18           Tourism is vitally important in Fayette  
19 County. It represents our future and is currently one  
20 of our largest industries consistently ranking first  
21 or second. The additional entertainment options  
22 afforded through the table games will help to increase  
23 and boost our visitation. Our hotel occupancy tax or  
24 bed tax certainly helps to provide the essential  
25 funding necessary to support our tourism related

1 businesses throughout the rest of the county. As a  
2 Chamber of Commerce in strong partnership with our  
3 stated TPA, the Laurel Highlands Visitors Bureau, we  
4 are thankful to Nemaocolin for the tremendous support  
5 that they bring to this industry and are hopeful of a  
6 continued increase in support through the taxes  
7 received by the tourists who choose to enjoy the  
8 amazing amenities here at Nemaocolin Woodlands.

9                   While the membership statistics show  
10 majority support for this project as a whole there are  
11 members who were not supportive of gaming of any kind  
12 in Fayette, but please keep in mind that the majority  
13 of those who were against the concept of a casino were  
14 against the moral concept of gaming no matter where  
15 it's slated to occur and no matter what types of games  
16 were to be presented. The addition of table games  
17 will not alter the view of these members. Nemaocolin  
18 Woodlands is a good neighbor and the Hardy family has  
19 certainly chose to --- has certainly proven to the  
20 Chamber and in the community that they have the best  
21 interest of the area in mind as they create and  
22 operate their businesses.

23                   Isle of Capri, too, even in its  
24 relatively short tenure here in Fayette has proven a  
25 commitment to the community both at the doorstep here



1 as well as to the county and region at large. Their  
2 ability to add table games to the offerings here at  
3 Lady Luck will provide even more opportunity to  
4 support this area through family sustaining jobs and  
5 an increase in tax revenue and tourism. The Fayette  
6 Chamber presents a strong voice. The businesses and  
7 organizations that choose to invest in the Chamber  
8 believe that there is --- in numbers there is  
9 strength. They understand that it's generally far  
10 more effective to act and speak collectively than as  
11 individual entities. They have chosen to be heard  
12 through our organization and we have presented their  
13 opinion to you.

14 I stand before you today as a  
15 representative of the business community to  
16 respectfully request your approval for the addition of  
17 table games at the Lady Luck Casino Nemacolin  
18 Woodlands Resort. Again, thank you for allowing us to  
19 present the views of the Fayette Chamber of Commerce.

20 PRESIDING OFFICER:

21 Thank you. Ronald Virag.

22 MR. VIRAG:

23 I'm Ronald Virag. I'm the Executive  
24 Director of Laurel Highlands Visitors Bureau and I am  
25 honored to appear before the Pennsylvania Gaming

1 Control Board for this hearing in support of Nemaacolin  
2 Resorts and for the approval of the Table Games  
3 License for Lady Luck Casino. To the Board, I thank  
4 you very much for coming in and hearing us support  
5 this project and I certainly hope that it will have  
6 positive results.

7                   As the Executive Director of the Laurel  
8 Highlands Visitors Bureau I oversee tourism for the  
9 counties of Fayette, Somerset and Westmoreland. In  
10 that capacity I am keenly aware of the importance,  
11 specifically to Fayette County and generally to the  
12 Laurel Highlands, of the Lady Luck Casino and the role  
13 that it will play in the economic future of the county  
14 and the region. The approval of Table Games License  
15 for Lady Luck Casino will attract more visitors to  
16 Fayette County and the Laurel Highlands and will no  
17 doubt have a positive effect on the length of their  
18 stay here.

19                   Table games will be an attraction that  
20 will augment the many wonderful attractions already  
21 available to visitors. The economic impact of table  
22 games will be far reaching. The availability of table  
23 games at the casino will create more jobs for area  
24 residents and those jobs and the wages they produce  
25 will undoubtedly have a positive effect on Fayette

1 County's economy and the standard of living of its  
2 residents. The approval of Table Games License for  
3 the casino will also level the playing field with  
4 casinos in Pittsburgh and Washington, PA and enable  
5 this region to compete with neighboring states  
6 that include West Virginia, Virginia, Maryland, Ohio  
7 and New York. With the nearest Pennsylvania casinos  
8 approximately 70 miles away, give or take a few miles,  
9 the market is not overrun or saturated with casinos or  
10 table games.

11 Speaking of Washington, PA, tourism  
12 spending in Washington County in 2006, before the  
13 Meadows Casino was operational, was \$415 million. In  
14 2011, just five years later, tourism spending in  
15 Washington County was \$669 million. That's an  
16 increase of 59 percent. I can assure you that  
17 increase wasn't attributable to the fact that  
18 Washington County found more tourist attractions or  
19 historical sites. That growth in tourist spending is  
20 directly attributable to what the casino has brought  
21 into that county.

22 A press release from the Meadows on  
23 February 13, 2012 noted the following, representatives  
24 from the Meadows Racetrack and Casino revealed its  
25 economic impact to local communities in paid goods and

1 services and tax revenues. The latest figures for  
2 2011 show the Meadows disbursing more than \$191  
3 million throughout the Commonwealth of Pennsylvania  
4 which included gaming taxes. In addition to our  
5 facility being an all-inclusive entertainment  
6 destination, Pennsylvanians, and especially local  
7 residents, are seeing the benefits associated with  
8 gaming activities, said Sean Sullivan, vice president  
9 and general manager of the Meadows Racetrack and  
10 Casino. He continues saying, whether you are an owner  
11 of a nearby small business, involved in harness racing  
12 or simply a resident of the local community who  
13 receives tax revenues, Pennsylvanians as a whole are  
14 experiencing the positive economic impact of these  
15 disbursements. Mr. Sullivan went on to state, given  
16 the location of the facility, Washington County  
17 received the largest percentage of disbursement in  
18 2011 totaling \$18 million.

19                   This amount has grown from 2007 when the  
20 county received approximately \$3 million. Remember  
21 2007 was just when it was getting up and running.  
22 That's a 460 percent increase. The Laurel Highlands  
23 is a larger area and has more visitor attractions than  
24 Washington County. And I don't say this factitiously.  
25 It's just factual, we are a larger area. We have many

1 more visitor attractions, which will result in higher  
2 visitor counts. Therefore, we would expect that the  
3 economic impact of the Lady Luck Casino will produce  
4 results for Fayette County and the region that are  
5 even more dramatic than those referred to relative to  
6 the Meadows Casino.

7                   Fayette County is a highly desirable  
8 four season visitor destination because of its many  
9 attractions that include Falling Water, Ohiopyle, the  
10 Great Allegheny Passage as well as a number of natural  
11 and historical sites. Its proximity to Seven Springs  
12 Mountain Resort, Hidden Valley Resort, the Flight 93  
13 Memorial, Idlewild Children's Park, the Arnold Palmer  
14 Regional Airport and a variety of other attractions  
15 put it on the agenda of hundreds of thousands of  
16 visitors year after year. Many of those visitors will  
17 add Nemacolin Woodlands Resort and Lady Luck Casino to  
18 their list of places to visit while in the Laurel  
19 Highlands.

20                   Table games will attract visitors to the  
21 casino who are in the area for a multitude of  
22 attractions, which are generally not available to  
23 visitors once the sun sets. Therefore, the expanded  
24 gaming offerings of the Lady Luck Casino will provide  
25 visitors recreation in the evenings and enhance their

1 overall experience. The approval of table games at  
2 the Lady Luck Casino will be a win for many  
3 individuals and entities in the area. It will be a  
4 win for new jobs. These jobs will be created because  
5 of this expansion of the casino. It will also be a  
6 protection for the existing jobs because of the  
7 collateral spending. It'll be a win for taxpayers of  
8 Fayette County and of the Commonwealth of  
9 Pennsylvania. It will be a win for the businesses in  
10 Fayette County and the Laurel Highlands because of  
11 increased visitors it will attract and the money they  
12 will be spending in our area. It will be a win for  
13 the schools and their students in the area because  
14 increased income and property taxes will help offset  
15 the vast budgetary cutbacks that school districts have  
16 recently experienced. And it will be a win for the  
17 residents because more people will be gainfully  
18 employed and they'll be able to enjoy more amenities  
19 that will be provided by the county and the township  
20 to enhance their quality of life.

21           The economic benefits associated with  
22 the casino will enable municipalities to improve  
23 infrastructure and provide more support services.  
24 These improvements will foster the growth of a myriad  
25 of businesses and services that were never before

1 possible. All these will have an exponential effect  
2 with tremendous economic growth and financial  
3 stability for the area. In conclusion and most of  
4 all, I ask the Board to consider the stability,  
5 sustainability and longstanding reputation of the  
6 Hardy family. They are really the core of what is  
7 going on in Fayette County and the Nemaocolin Resort is  
8 really the jewel of Fayette County.

9           The resort is a highly visited tourist  
10 destination that's often recognized as the best of the  
11 best because of its superb accommodations, amenities  
12 and unequalled guest service. With its five star  
13 triple A rating and plethora of accolades in the press  
14 and in travel publications, you should have no  
15 concerns regarding the resort living up to its  
16 outstanding reputation and its commitment to operate  
17 the best casino in Pennsylvania. Nemaocolin's partner  
18 in this venture is the Isle of Capri, a highly  
19 respected and experienced casino manager with an  
20 impeccable track record and integrity and successful  
21 casino management under its belt. The Isle of Capri  
22 brings its years of talent and experience to Nemaocolin  
23 to ensure the accomplishment of all the goals and  
24 objectives that have been established by Nemaocolin's  
25 owners and its leadership. I sincerely thank the

1 Board for your gracious attention and for your  
2 consideration of my support for the approval of the  
3 Table Games License for the Lady Luck Casino at  
4 Nemaacolin Resort. Thank you.

5 PRESIDING OFFICER:

6 Thank you. Fred Ziegler.

7 MR. ZIEGLER:

8 Well, for those of you that I don't  
9 know, my name is Fred Ziegler and I've lived in  
10 Fayette County my whole life. My parents were both  
11 educators, seven brothers and sisters. Moved to the  
12 mountain in 1972 and have seen a lot of changes, you  
13 know, in the county over those years. Was here  
14 whenever the resort was owned by the Brockwell family  
15 and when the Hardys came in and bought the resort at  
16 the auction, there's just been a lot of work taking  
17 place. I know it was --- I don't think it was the  
18 initial intent to make it the resort that it is now.

19 I've heard different stories about the  
20 involvement, but I know that it was filled with  
21 passion between Maggie and her father and Pete came  
22 along some time thereafter and kind of built, you  
23 know, a fantastic resort. I'm a business man. I own  
24 the Stone House Restaurant and Hotel. It's a national  
25 historical landmark, and you know, a result of a lot



1 of hard work and a lot of years of energy. You know,  
2 we've been able to expand it. We have been able to  
3 payroll that exceeds \$500,000 there and we never would  
4 have been able to sustain the business had it not been  
5 for Nemaocolin Woodlands nor would we have been able to  
6 bring the employees.

7                   So, it's been, you know, such an  
8 exciting number of years that we've gone through the  
9 involvement, the development. I have three children  
10 that live in this county with me. I had a grandson  
11 yesterday, first one. What's important to me is to  
12 maintain employment for my children in this area, in  
13 this community so that on Sundays we can have dinner  
14 and we can get together, and you know --- this whole  
15 process --- the years that you've endured to get here  
16 and everything that you endure through appeals.  
17 Where's the pistol? I mean, it's crazy, but I can't  
18 imagine, you know, the casino without gaming --- I  
19 mean, without table games. You know, it's like  
20 McDonald's without French fries. I mean, come on.

21                   And I don't think there's --- the choice  
22 of the casino location, the operation of it has been,  
23 I mean, beyond anybody's expectation. The Hardys have  
24 poured, oh, my God, so much money into this place and  
25 created an opportunity for --- I've had people come

1 ---. I have another business, and you know, really  
2 educated, polished, blue blood families that come to  
3 this place, I've never seen anything like this. Used  
4 to have the low receptions, but anyhow I completely  
5 endorse it and welcome it and pray that your judgment  
6 will still be keen. And thank you for coming. Thank  
7 you, Mr. and Mr. Hardy and Pete. I mean, Maggie, Mr.  
8 Hardy and Pete. We look forward to it.

9 PRESIDING OFFICER:

10 Thank you. That is the end of my list  
11 of speakers. Is there anyone here today who thought  
12 they registered to speak and I haven't called your  
13 name? If that's the case can you raise your hand?  
14 Okay. The record created here today including the  
15 transcript of the proceedings will be forwarded to the  
16 entire Board for its consideration. The Gaming Act  
17 requires that the Board act on Woodlands' Petition  
18 within 60 days of its filing, so the Board will be  
19 taking up and considering this Petition at a public  
20 Board meeting in the very near future. So keep your  
21 eye on our website if you're interested to know when  
22 the Board's going to be deliberating and voting on  
23 this. I thank you all for coming here today. Again,  
24 thank you to Wharton Township for your accommodation,  
25 and the public input hearing is now concluded and

1 adjourned. Thank you.

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HEARING CONCLUDED AT 11:30 A.M.

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CERTIFICATE

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I hereby certify that the foregoing proceedings, hearing held before Chairman Ryan was reported by me on 2/7/2013 and that I Danielle S. Ohm read this transcript and that I attest that this transcript is a true and accurate record of the proceeding.

  
\_\_\_\_\_  
Court Reporter